



**DAVIDSON**  
INVESTMENT ADVISORS

## **Overview of Investment Adviser Proxy Voting Policies and Procedures**

Davidson Investment Advisors, Inc. (“DIA”) is an investment adviser registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended (the “Act”). DIA also acts as investment adviser to the Davidson Multi-Cap Equity Fund. As a registered investment adviser, DIA has a fiduciary duty to act in the best interest of its clients, Fund and its shareholders. This duty requires DIA to vote proxies in a timely manner and to make voting decisions that are in the best interest of its clients. All proxies received by DIA are voted in accordance with our firm’s policies and procedures, which are intended to comply with Rule 206(4)-6 of the Act.

As a general policy, DIA will vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses, and for incentive compensation that would align management interests with shareholder interests, including stock-based compensation and restricted stock award programs. Corporate governance issues, however, are diverse and continually evolving and these general policies may not be relevant in some circumstances. In such cases, DIA reserves the right to review the specific facts in each case, to decide on a vote that would serve the best interest of its clients.

DIA has engaged Glass Lewis & Co. (“Glass Lewis”), an unaffiliated third party proxy voting service, to provide proxy voting recommendations. Proxies are generally voted in accordance with Glass Lewis’ recommendations, but DIA reserves the right to exercise its own judgment on a case-by-case basis. For example, if the Glass Lewis recommendation conflicts with the proxy voting decision of the issuer’s management, DIA may evaluate the merits of each position.

DIA recognizes that, in certain instances, a potential conflict of interest may arise in a proxy vote. These include personal investments or serving as a board member with a public company, having an immediate family member who is an executive or board member for a public company, and managing investment account for or on behalf of publically traded companies. DIA believes, however, that its retention of Glass Lewis, its adherence to these policies and procedures and oversight by the Committee mitigates these conflicts and ensures that proxies are voted in the best interest of DIA clients.

To request a complete copy of our Proxy Voting Policies and Procedures, please contact DIA’s Chief Compliance Officer at (800) 332-0529.