



DEIGHAN

ASSOCIATES

Disclosure Statement

To Our Client:

Under provisions set forth by the Investment Advisors Act of 1940, investment advisors are required to file annually with the Securities and Exchange Commission a two-part registration statement known as "Form ADV." Jean M. Deighan first filed this form, as amended, for Deighan Associates, Inc. with the Securities and Exchange Commission on June 1, 1994. The Commission ruled the registration statement effective on July 5, 1994.

Part I of Form ADV requests information concerning the firm such as name, address, telephone number, persons to contact, and hours of operation (8:30 a.m. to 5:00 p.m. Monday through Friday, except holidays.) The form also seeks the following additional information: the states in which the firm is registered or has registrations pending to conduct business as an investment advisor; the form of organization and control; custody arrangements for client funds and securities; payment of fees; the number of employees performing investment advisory functions; the number of clients and assets under management, whether the firm provides financial planning services to clients; and disclosure of any legal or regulatory problems. There have been no such problems.

Part II of Form ADV seeks information concerning the nature of the business of the investment advisor. Part II of Form ADV, or a summary of the information contained therein, must be given to all clients prior to their retention of the firm and offered annually thereafter. For your benefit, this letter summarizes the information Deighan Associates, Inc. has filed with the Securities and Exchange Commission on Part II of form ADV.

Advisory Service and Fees

Deighan Associates, Inc. provides investment management services by designing and maintaining portfolios of individual stocks and/or stock mutual funds, and bonds and/or bond mutual funds for its clients. Portfolios are carefully tailored to reflect each client's investment objectives taking into consideration financial goals, time horizon, and risk tolerance as well as any other investment restrictions imposed by the client. In certain cases, no-load mutual funds may be employed in order to obtain adequate diversification or to meet other client-specific objectives. Occasionally, the firm will provide investment advice to persons or entities that require assistance making appropriate investment choices in salary deferral, company retirement plans, or other assets not managed by DAI. Fees for Investment Management Services are as follows:

1.25% of assets on the first \$100,000 under management;
1.00% on the next \$400,000;
0.90% on the next \$500,000;
0.75% on the next \$2,000,000;
0.50% of assets in excess of above.
Minimum annual fee: \$500.

Method of calculation: The above fees are calculated and prorated monthly based on the account market value on the last trading day of the month, and paid in arrears. Under no circumstances will Deighan Associates, Inc. (DAI) or any employee of the firm accept commissions, or transaction-based revenues from loads, sales charges, or mark-ups in client accounts.

Minimum account size: \$500,000 of combined assets under management per client relationship. Occasional exceptions to this minimum are made if there is a sufficient probability that the minimum will be met at some future time. Modifications to the fee schedule can be negotiated based on such extenuating circumstances as large holdings of low cost basis stock, large fixed income holdings, and exceptionally large accounts. Charitable organizations receive a discount from the standard fee arrangement. DAI accepts small accounts for clients and their family members when total assets under management meet the minimum account requirement. Fees for such accounts will be charged in accordance with the standard fee schedule.

The management of self-directed retirement plans varies with the types of plans; thus, management fees are generally negotiated. It is important to note that all mutual funds will charge a management fee at the fund level. Further, when we trade certain mutual funds, the securities custodian may charge a transaction fee. We consider it our responsibility to be fee sensitive on behalf of our clients, and we carefully weigh cost versus benefit on all security selections. No fees are pre-payable. The client or the firm may terminate the relationship at any time by written notification. Once the termination is effective, the client will be charged only the prorated fee to the date of termination.

It is expected that the firm will derive approximately 95% of its revenues from providing "investment supervisory services" to its clients. "Investment supervisory services" is defined as the giving of "continuous investment advice to a client (or making investments for the client) based on the individual needs of the client." It is expected that the firm will generate approximately 5% of its revenue from the furnishing of investment and/or investment related advice through consulting arrangements. The fee for advisory services when the firm is not managing assets is \$200 per hour. Additional services are billed at \$200 per hour. From time to time, the firm may provide, within the context of the overall relationship with the client, advice concerning estate planning and matters not involving securities, however, no revenues are generated from these activities. The firm may provide comprehensive financial planning to firm clients at an hourly rate of \$200 for professional services, and at an hourly rate of \$100 for services provided by a Para-planner.

Types of Clients

The firm generally provides investment advisory services to individuals, corporations, trusts, estates, charitable organizations, and pension and profit sharing plans.

Types of Investments

The firm offers advice on the following securities: equities, exchange-traded mutual funds, warrants, corporate debt obligations, commercial paper, certificates of deposits, municipal securities, investment company securities (with the exception of variable life insurance), U.S. Government (and U.S. Government-sponsored entities) securities, and options.

Methods of Analysis, Sources of Information, and Investment Strategies

The firm utilizes fundamental analysis in the selection of securities, placing great emphasis on measures of intrinsic value, earnings growth, and strong financial statements. The firm receives information used in the analysis and selection of securities from a variety of sources such as: corporate filings with the Securities and Exchange Commission, quarterly and annual reports, prospectuses, company press releases, corporate rating services, financial newspapers and magazines, and research materials provided by brokerage and other investment advisory firms.

Strategies are designed to meet client requirements, including risk tolerance and time horizon. The specific investment strategies used to implement the firm's investment advice vary greatly from long-term purchases to trading. "Trading" is generally defined as selling a security within 30 days of its purchase. In most cases, we recommend holding securities until company fundamentals change (such as narrowing margins or negative industry expectations). Option strategies are, from time to time, recommended to address structural issues in a portfolio such as protecting large, low cost basis holdings from market volatility. All portfolios are diversified, and it is generally true that any one security will not account for more than 10% of the total portfolio value unless so directed by the client. Some portfolios may violate this rule due to specific client objectives and tax considerations. Margin investing is not recommended, but may be employed for short-term borrowing needs.

Education and Business Standards

Education of employees is appropriate to position. Advisors and Account Administrators are college graduates and have additional special training and experience:

Jean M. Deighan (1951), President

Education: Ms. Deighan received her Bachelor of Arts from Tufts University in 1973 and her Juris Doctor from the University of Maine School of Law in 1976. She graduated from the American Bankers Association Trust Management School in 1982, and the National Graduate Trust School in 1983 where she received the Certified Financial Services Counselor designation. Other designations obtained include the Series 7 and 63 licenses.

Business Background: From 1987 to 1994, Ms. Deighan served as Vice President of F.L. Putnam Investment Management Company and its predecessor firm Winslow Asset Management, both SEC registered investment advisory firms. Prior to joining Winslow, Ms. Deighan was Vice President and Senior Trust Officer of Norstar Bank of Maine's Trust Division where she began her employment in 1978. She is a member of the Maine Bar, and the North American Securities Administrators Association (NASAA) Competency Examination Advisory Project Group. She serves on the boards and investment committees of several charitable organizations.

Jeifer L. Wilson (1964), CFA, Vice President

Education: Ms. Wilson received her Bachelor of Science from the University of Maine at Machias in 1987. She is a holder of the Chartered Financial Analyst designation. To earn the CFA charter, candidates must sequentially pass three six-hour examinations that are widely considered the most rigorous in the investment profession. The examinations cover ethical and professional standards, securities analysis and valuation, financial statement analysis, quantitative methods, economics, corporate finance, portfolio management and performance measurement. Ms. Wilson is a candidate for the Certified Financial Planner designation. Other designations obtained include the Series 7, 63, and 65 licenses.

Business Background: From 1989 to 1994, Ms. Wilson was employed by F.L. Putnam Investment Management Company and its predecessor firm, Winslow Asset Management. She is a member of the CFA Institute, the Boston Security Analysts Society, and the Maine CFA Society. She is the Chief Compliance Officer for the firm and is a member of the National Society of Compliance Professionals. Ms. Wilson serves on the boards and investment committees of several charitable organizations.

Matthew T. Skaves (1980), Portfolio Manager

Education: Mr. Skaves graduated from the University of Maine Honors College with high honors in 2003, and received his Bachelor of Arts from the University of Maine in 2004. He received his Master of Business Administration with a concentration in Finance from the University of Maine in 2005. Mr. Skaves is currently a Level III Candidate for the Chartered Financial Analyst (CFA) designation. Mr. Skaves obtained the Series 65 license.

Business Background: Mr. Skaves joined DAI in 2006 as a Portfolio Manager. Prior to joining DAI, he worked as a computer technician and sales associate for Best Buy Co., Inc. He serves as President of the Board of Robinson Ballet Company, and is a member of the Alumni Association Board of John Bapst Memorial High School.

Code of Ethics

Honesty and integrity are the cornerstones upon which DAI has built its business, and the firm has had a Code of Ethics in place since its 1994 inception. The Code sets forth standards of conduct that apply to all employees of the firm including strict compliance with the law and zealous maintenance of our fiduciary duty to clients. In order to maintain the highest possible standards, DAI adopted the *Code of Ethics and Standards of Professional Conduct* of the CFA Institute (formerly the Association for Investment Management and Research or AIMR) upon establishment of the firm in 1994. In 2006, DAI adopted the CFA Institute's *Asset Manager Code of Professional Conduct*, which outlines the ethical and professional responsibilities of firms that manage assets on behalf of both institutional and retail clients. Both Codes and their amendments are incorporated as the foundation of our firm Code. Upon being hired as an employee of the firm, and annually thereafter, each employee must sign a memo agreeing that s/he has read and understands the Codes.

Participation or Interest in Client Transactions

The firm and its personnel may maintain private investment accounts for their own benefit (and the benefit of relatives) and, as might be expected, these accounts frequently invest in the same securities DAI purchases for its clients. Since the firm's principal fiduciary obligation is to its clients, the firm's *Code of Ethics* provides that when the firm is contemplating the purchase or sale of a security for its clients, no similar action with respect to that security may be taken for the firm's account or any employee's account until the contemplated action is first taken for clients. The Code further states that no individual may use any information acquired in the course of his/her employment in any fashion that is detrimental to clients' interests, or disclose information concerning any client's account unless such disclosure is authorized by the client or required by law. DAI handles all related accounts (for example: accounts held for the benefit of relatives) in the same fashion as non-related accounts with the same objective. This includes non-advisory related accounts. Individual trades are placed and allocated for client accounts first with employee/relative accounts directly following client accounts. Large block transactions are occasionally submitted simultaneously for employee/relative accounts and client accounts, but employee/relative accounts do not receive preferential or priority treatment. Reports detailing employee securities transactions are generated quarterly, reviewed by the Chief Compliance Officer or another Investment Committee member as appropriate, and kept on file.

Strategic Alliances:

Deighan Associates, Inc. (DAI) and Gibson Financial Solutions, LLC (GFS) of Ellsworth, Maine have formed a strategic alliance to provide portfolio management services to clients of GFS who wish to have their accounts managed with a focus on individual equity and fixed income investments. This alliance enables GFS clients to have the expertise of a firm that specializes in individual security management while continuing to work with GFS as the primary contact and account administrator.

Management fees are charged pursuant to the DAI standard fee schedule. However, the management fee is prorated between DAI and GFS for the respective services rendered. DAI directly deducts their portion of the management fee (75%) from the client account, and calculates GFS' portion of the fee (25%). GFS reviews the calculation and sends a bill directly to the client for its portion of the management fee. DAI specifies the charges for separate GFS and DAI services in a monthly notice sent directly to clients. Each firm is compensated directly by the client for respective services rendered. Clients must approve all fee arrangements in writing.

Clients retaining the GFS/DAI Alliance must sign documents relating to services provided by both parties. It is important that clients understand that GFS and DAI share client information in order to provide the quality of service and performance that the client expects and deserves. However, both firms are dedicated to client confidentiality, and both firms maintain written Privacy Policies and Disclosure Statements that are offered annually to clients and are available for client review at any time.

Clients retaining the GFS/DAI alliance must also sign securities custody documents. DAI recommends Charles Schwab & Co. as securities custodian.

Review of Accounts

Accounts are individually reviewed on a quarterly basis during which time the portfolio's asset allocation, non-core security holdings, cash levels, diversification, and income generation are examined. Additional reviews are event driven and summary in nature. These reviews frequently occur when a security has been designated as a "buy" for certain types of client accounts or when a security is considered for sale. Other reviews are triggered by asset allocation, cash level, and capital gain and loss checks. Jean M. Deighan, President, Jenifer L. Wilson, Vice President, and Matthew T. Skaves, Portfolio Manager, constitute the Investment Committee and review all accounts. The reviews are conducted to ensure that each account is managed in a manner that is consistent with the client's objectives. Jean M. Deighan, Jenifer L. Wilson, and Matthew T. Skaves manage all the firms' accounts.

Reporting to Clients

Clients receive a quarterly portfolio report showing cost of securities and current market values, a quarterly investment newsletter, and an annual report containing information useful in client tax preparation.

Investment Brokerage and Discretion

The firm primarily accepts accounts for which it has discretionary authority regarding the purchase and sale of securities, and the amounts in which they are bought and sold. In limited instances the firm may agree to a non-discretionary account for sophisticated investors. In those cases, client consent must be obtained and documented by the investment advisor before securities can be bought and sold.

Unless the client designates the securities broker(s) to be used for their investment account, the firm may place orders for the execution of transactions with or through such brokers, dealers, or banks as the firm may select. In compliance with Section 28(E) of the Securities and Exchange Act of 1934, as amended, such transactions may incur a commission which may be greater than the amount of commission another broker may have charged. The firm uses its best efforts to obtain accurate and prompt execution of securities transactions on the most favorable terms reasonably obtainable, and in so doing considers a number of factors including:

- the net economic result to the account;
- commission rates, which, absent instructions to the contrary from clients, DAI will attempt to negotiate within the generally prevailing competitive ranges, but which may not always be the lowest available at any given time;
- the apparent financial strength, stability, and competence of the brokerage firms under consideration;
- the efficiency with which it may be expected that the transactions will be effected;
- the inherent ability of the brokerage firms under consideration to effect the transaction in cases involving a large amount of the security in question, and
- the availability and willingness of those brokerage firms to stand ready to execute difficult transactions in the future.

After being satisfied with respect to the foregoing factors, DAI may also consider other matters involved in the receipt of "brokerage and research services" as defined in, and in compliance with the Securities Act Amendments of 1975. Cases in which the firm will direct commissions to a broker include services such as: research the broker provides, access to the brokerage firm's securities analysts, and access to a brokerage firm's expertise or market making ability in a particular security. The products or services the firm receives from the brokerage community include: company and industry research reports, economic analyses, analyst commentary, newsletters, and access to securities analysts. The research received is used to benefit all clients.

The firm's authority to select securities brokerage firms and to determine commission rates may be limited by the client's instructions, preferences, and individual arrangements. Such limitations could occur, for example, if a client were referred to the firm by a securities broker and then designated that broker as the one through which transactions should be placed for the client's account, but made no definite arrangement with the broker with respect to commissions. In such a case, the broker might not feel compelled to negotiate commission rates with the firm.

Custody of Securities

DAI does not serve as securities custodian for clients. In all instances in which DAI serves as portfolio manager, a separate entity serves as securities custodian. Unless a client has a preference for a particular custodian, DAI recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of client assets and to effect trades for their accounts. However, Deighan Associates, Inc. is independently owned and operated and not affiliated with Schwab.

Schwab provides DAI with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional. Services received by Schwab are not otherwise contingent upon DAI committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For DAI client accounts maintained in Schwab's custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to DAI other products and services that benefit DAI but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of DAI's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist DAI in managing and administering clients' accounts include software and another technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of DAI's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help DAI manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to DAI. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to DAI. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of DAI personnel. As a fiduciary, DAI always endeavors to act in its clients' best interests. In evaluating whether to recommend or require that clients custody their assets at Schwab, DAI may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost of quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. Nevertheless, it is our practice to place the clients' interest ahead of the firm's interest. It is our belief that all will benefit thereby.

Additional Compensation

We are a fee-only investment management firm. None of our employees may charge or accept commissions, transaction-based revenues from loads, sales charges, or mark-ups.

We hope you find this informative. If you have any questions or comments, please do not hesitate to contact us.

Sincerely,
Jean M. Deighan
President

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Disclosure Statement - Revised 21 April 2010

PRIVACY POLICY

Deighan Associates, Inc.'s *Privacy Policy* applies to all clients and prospective clients who have contacted the firm. Throughout the policy, we refer to information that personally identifies you or your accounts as "personal information."

1. We collect personal information in the normal course of business in order to administer your accounts and serve you better. We use your personal information to help us deliver the best possible service to you, and to fulfill our regulatory obligations as required by law.

2. We do not sell your personal information to anyone.

3. We do not disclose personal information to third parties, unless one of the following limited exceptions applies.

- We may disclose personal information to companies including but not necessarily limited to your account custodian that help us establish, process or service, your account(s). We have written agreements with these companies that prohibit them from using your personal information for their own purposes.
- We may disclose personal information to other professionals whom you have retained to help you in the preparation of your taxes, the preparation of legal documents or the management of other aspects of your financial affairs if you have specifically asked us to do so.
- We may disclose or report personal information in limited circumstances where we believe in good faith that disclosure is required or permitted under law, for example, to cooperate with regulators or law enforcement authorities, resolve consumer disputes, perform credit/authentication checks, or for institutional risk control.

Outside of these exceptions, we will not share your personal information with third parties unless you have specifically asked us to do so.

4. We protect the confidentiality and security of your personal information.

- We restrict access to personal information to our employees and agents for business purposes only. All employees are trained and required to safeguard such information. All employees have signed a written confidentiality agreement.
- We maintain physical, electronic, and procedural safeguards to protect your personal information.

5. We continue to evaluate our efforts to protect personal information and make every effort to keep your personal information accurate and up to date. If you identify any inaccuracy in your personal information, or you need to make a change to that information, please contact us so that we may promptly update our records.

6. We will provide notice of changes in our information-sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so that you will have the opportunity to opt-out of such disclosure. If you have any questions or concerns, please contact us by e-mail at info@deighan.com, call us at 800-990-1117, or write to Deighan Associates, Inc., 455 Harlow Street, Bangor, Maine 04401.

7. E-mail Communications

Over the past few years, we have noticed that e-mail has become an important communication channel between Deighan Associates and many of its clients. E-mail is a convenient form of communication. However, it is generally not a secure form of communication nor should it be considered private. If clients wish to communicate with us by e-mail they must adhere to the following security measures:

- Never disclose sensitive personal information such as account number, Tax Identification Number, Social Security number, date of birth, etc.
- Deighan Associates will never request or disclose your account information in a non-secure or unsolicited e-mail communication.
- If you receive e-mail that warns you that an account of yours will be closed unless you reconfirm account information, do not respond or click on any link contained in the e-mail. Instead, contact Deighan Associates.

E-mail is useful for establishing meeting dates, and discussing general matters regarding account activity. However, we strongly suggest that sensitive account matters be handled by telephone or letter.

8. Correcting and Updating Your Information

The accuracy of your personal information is important to us. If you are a client and have a concern about personal or account information maintained at Schwab, or want to correct, update, or confirm your information, please call or write us. We will be happy to review and update our records.

PROXY VOTING GUIDELINES

A proxy is a document that provides shareholders with information about issues that will be discussed and voted upon at a stockholders' meeting. Shareholders may attend the meeting and register their votes in person, send their "proxy" ballots by mail, or register to receive and vote ballots on-line. If you own individual shares of stocks, you have probably been asked to vote proxies and are familiar with the ballots. Most corporate annual meetings take place between April and June of each year. This busy time period is known as "proxy season."

At Deighan Associates, we consider proxy voting to be an important responsibility. Through proxy voting, investors play an important role in guiding businesses toward financial success and responsible social actions. Our *Proxy Voting Guidelines* are designed to assist our Investment Review Committee in voting proxies for our clients' portfolios. In certain cases we may deviate from these guidelines if a company's particular situation demands it. However, the best interests of our clients always guide us.

Deighan Associates' proxy voting guidelines and procedures are summarized below. Our Investment Review Committee is responsible for reviewing and voting all client proxies for which we have been granted authority to do so, and for carefully monitoring our proxy voting policies and procedures. These policies and procedures are reviewed on an as-needed basis (at least annually) by the Investment Review Committee and updated accordingly.

CORPORATE GOVERNANCE

Boards of Directors: Deighan Associates recognizes that most boards of directors should ideally be constructed so that they are representative of shareholders, include a majority of independent, outside directors, be open to shareholder input on major policy issues, and operate in such a manner that share value will be maximized. We support proposals to increase diversity, and to define strict standards for what constitutes outside directors.

Shareholder Rights: Shareholders should be able to freely and fairly exercise their rights as owners of the business. Deighan Associates promotes shareholders' rights to confidential voting, the calling of special meetings and access to important management proxy material. Our proxy voting guidelines also seek to ensure that the simple premise of majority rule be followed, discouraging supermajority-voting requirements.

TAKEOVER DEFENSES:

Corporate Actions: Deighan Associates looks at all mergers and other corporate actions on a case-by-case basis. We evaluate mergers by looking at the financial impact on shareholders, and at the social implications.

Corporate Defenses: Companies use various mechanisms to deter attempted takeovers. Deighan Associates evaluates these

situations on a case-by-case basis. However, we generally vote to discourage the use of these mechanisms.

COMPENSATION:

Executive Compensation: Deighan Associates provides support for proposals that compensate executives at a reasonable rate and strongly link executive compensation to performance. We evaluate stock options on a case-by-case basis and consider such factors as the dilutive effect that the exercise of such options may have on earnings per share. We also encourage the disclosure of a company's compensation policies and shareholder input regarding the setting of executive compensation.

CAPITAL STRUCTURE:

Deighan Associates will evaluate such issues as dual class recapitalization, unequal voting rights, re-incorporation in another state, or targeted share placement on a case-by-case basis, with the intent that the end result is always in the shareholders' best interests.

ADMINISTRATIVE AND ROUTINE ISSUES:

Deighan Associates supports management proposals on routine items and votes for ratification of financial statements as long as the proposals do not remove legal liability from management.

SOCIAL ISSUES

Environment: All corporations have an impact on the environment. Deighan Associates expects management to take all reasonable steps to reduce its company's overall negative impact. Generally, we will support management initiatives and reasonable shareholder resolutions that reduce a company's negative impact on the environment.

Human and Labor Rights in the Global Workplace:

Shareholders have asked companies to develop codes of conduct that address a number of labor relations issues, including use of forced labor, fair wages and safe working conditions and the right to organize and bargain collectively. Deighan Associates believes that companies should monitor and enforce policies leading to responsible business practices in overseas operations, including the elimination of sweatshop conditions and the use of slave or child labor. Deighan Associates generally votes in favor of proposals asking companies to monitor their subsidiaries, contractors and vendors on human rights issues.

Diversity and Equal Employment: Deighan Associates votes in favor of proposals that encourage diversity in the workplace and that promote the inclusion of women and minorities in top leadership positions, particularly on the board of directors.

Community: Deighan Associates encourages companies to be responsible members of the communities in which they operate. We generally vote in favor of proposals asking

companies to create fair lending policies and to report on loans in low-income and minority communities.

Political Action Committees and Political Partisanship:

Resolutions typically call for a greater disclosure of corporate campaign financing and policies to protect employees from unwanted political solicitations and the reputation of the company from potential scandal. We will vote in favor of resolutions asking companies for greater disclosure when perceived benefits outweigh costs.

Deighan Associates' *Proxy Voting Guidelines* do not cover all types of resolutions proposed each year. Because we have a fiduciary duty to clients to examine each resolution proposed and the context in which it applies, we only vote proxies after

considering our clients' financial interests and social objectives. For that reason, there may be instances in which client shares may not be voted in strict adherence to our *Proxy Voting Guidelines*. The Guidelines are subject to change without notice. A copy of our comprehensive *Proxy Voting Policy* is available to clients upon request. Proxy-voting records are also available upon request to clients at the end of each proxy season.

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Proxy Voting Guidelines
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