INVESTMENTS DISCLOSURE DOCUMENT

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As of March 28, 2019
ADVISORY BUSINESS

Hancock Whitney Corporation (NASDAQ: HWC) is the parent company to Hancock Whitney Bank, a Mississippi chartered banking corporation. These entities are collectively referred to within this Brochure, where appropriate, as the “Company”. Hancock Horizon Investment, a dba of a department within the Company, refers to, within this document, the investment teams from these entities and are collectively referred to within this Brochure, where appropriate, as the “Investment Group”.

The Company has been in operation since 1899; the Investment Group has provided investment management services to its clients for over 20 years and custody services virtually since its inception. Assets under management as of December 31, 2018 are approximately $8.6 billion with assets under administration approximating $23.5 billion. Current investment strategies date from 1998 and later.

TYPES OF CLIENTS AND CONDITIONS FOR MANAGING ACCOUNTS

The Investment Group is responsible for the management of assets for institutional and high net worth clients including pension plans, endowments, foundations, government entities, corporations, trusts and estates. The Investment Group offers separate account management which focuses on clients with investment assets in excess of $1 million.

The Investment Group receives fees based on a percentage of assets under its management. The Investment Group does provide investment supervisory services and in certain situations provides ancillary financial planning or some similarly termed services. The Investment Group primarily manages accounts with a value of $1 million or more, and, unless otherwise agreed, charge fees based on the market value. For Personal Portfolios the fees are 130 basis points on the first $1 million; 70 basis points on the next $4 million; 60 basis points on the next $5 million; 40 basis points on assets above $10 million; and are negotiated on portfolios over $100 million. There is a $2,000 minimum annual fee.

METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES, RISK OF LOSS

Our methods of analysis include charting, fundamental and technical techniques. Sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Types of securities that are available for investment include common stocks, fixed income securities, mutual funds and real estate. Equity investment securities used include exchange listed securities, securities traded over the counter, foreign issuers, warrants, option contracts and futures contracts or intangibles. Based on the account certain investments may be held according to security characteristics, such as income, growth, and size of the company; according to industry and specific companies within industries; geographic location of companies of issue, such as utilities, maturities of debt securities, and tax exemption of income.

Listed below is a general description of the investment strategies that the Investment Group currently manages.

EQUITY:

- **Large Cap Core** - Focus is on both value and growth stocks of reasonably priced companies with high financial quality and trading liquidity. The Investment Group employs a quantitative method of analysis in its investment decision-making process.
- **Value** - Seeks long-term capital appreciation with a secondary goal of current income. Focus is on investing in “undervalued” companies with large capitalization (in excess of $2 billion) that are of sound financial quality and are actively traded. The Investment Group employs a quantitative method of analysis in its investment decision-making process.
- **Growth** - Seeks long-term capital appreciation. Focus is on large market capitalization stocks whose sales and earnings are expected to grow at an above average rate. The Investment Group employs a quantitative method of analysis in its investment decision-making process.
- **Small Cap Core** - Focus is on both value and growth stocks of reasonably priced companies. The
Investment Group employs a quantitative method of analysis in its investment decision-making process.  

**Small Cap Regional** - Seeks long-term capital appreciation by investing primarily in common stocks located or doing business in Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas. The Burkenroad Reports investment research is utilized for investment decisions as well as the Investment Group's quantitative method of analysis.

**International** - Seeks long-term capital appreciation by investing primarily in equity securities of foreign companies. This strategy is sub-advised by EARNEST Partners, LLC.

**International** - Invests in small non-U.S. companies that have market caps predominantly between $75 million and $5 billion. We utilize a fundamental, bottom-up process that seeks to identify companies with strong growth prospects not recognized by the market. The strategy is sub-advised by GlobeFlex for additional oversight, international research and analysis.

**Long / Short** - Seeks long-term capital appreciation by investing in both long and short positions of U.S. companies included in the S&P 1500 Composite. Using a quantitative model, the Investment Group buys stocks “long” that it believes are undervalued relative to their peers, and sells stocks “short” that are believed to be overvalued compared to their peers.

**Diversified Income** - seeks to maximize current income and, secondarily, achieve long-term capital appreciation, by investing in a broad range of income-producing securities, including, but not limited to, common and preferred stocks, corporate bonds, government securities, municipal bonds, real estate investment trusts (“REITs”), master limited partnerships (“MLPs”) and mortgage-backed and asset-backed securities

**Dynamic Asset Allocation** - follows a systematic approach that rebalances periodically by purchasing exchange-traded securities displaying positive trends and selling assets that show negative trends. The Fund invests in broad based global asset classes that are selected by an objective, quantitative and dynamic model that aims to capture trends, reach return objectives and reduce volatility over time.

**Microcap** - seeks to capitalize on microcap market inefficiencies by using quantitative and fundamental analysis to identify a portfolio of stocks we believe may help maximize returns for investors.

**Large Cap Leaders** - focuses on large-cap stocks with a combination of strong relative earnings momentum, earnings quality, balance sheet quality and attractive valuations selected within a risk controlled portfolio construction process. The portfolio risk control process intends to neutralize or eliminate sources of risk other than stock selection. Aggregate holdings are an intentionally balanced mix of value and growth stocks, creating a core portfolio.

**Dividend Income** - focuses on large- and mid-cap stocks with a combination of strong relative earnings momentum, earnings quality, balance sheet quality and valuations, and which have both a higher dividend yield than their peers as well as a demonstrated capacity to sustain and grow dividends.

**Diversity Leaders** - seeks investment returns that closely replicate or exceed the performance of the U.S. equity market through investing in companies that demonstrate commendable practices surrounding gender and equality in the workplace. The Strategy’s stock selection process utilizes two simultaneous stock screens.

**Midcap Core** - focuses on mid-cap stocks with a combination of strong relative earnings momentum, earnings quality, balance sheet quality and valuations selected within a risk controlled portfolio construction process. Portfolios are managed in a process that maintains sector neutral weightings to the benchmark index.

**FIXED INCOME:**

**Intermediate Duration** - Seeks total return through current income and capital appreciation, consistent with the preservation of capital.

**Short Duration** - Enhanced Cash with a concentration in high quality securities including U.S. Treasury, U.S. Agency securities and commercial paper.

**Government Money Market** - Seeks to preserve principal value and maintain a high degree of liquidity while providing current income.

**Tax Free Income** - Seeks current income exempt from both federal and personal income tax.
DISCIPLINARY INFORMATION

We do not have any legal, financial or other “disciplinary” item to report.

BUSINESS ACTIVITIES/FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

The principal business of the Company involves something other than providing investment advice. The Investment Group is an unincorporated department within a banking institution, i.e., Hancock Whitney Corporation. Hancock Whitney Corporation (Nasdaq: HWC) is the parent company of Hancock Whitney Bank, a Mississippi chartered banking corporation, institutions founded more than a century ago on ideals of Honor & Integrity, Strength & Stability, Commitment to Service, Teamwork and Personal Responsibility. The Company operates across a Gulf South corridor spanning South Mississippi; southern Alabama; south central Louisiana; the northern, central, and Panhandle regions of Florida; and metropolitan Houston, Texas. The Hancock Whitney Corporation financial services family also includes Hancock Whitney Investment Services, Inc.; and corporate trust offices in Gulfport and Jackson, MS, New Orleans and Baton Rouge, LA and Orlando FL.

The Company provides office space, equipment, technology, personnel, materials, and other overhead support to the Investment Group as well as asset custody services to certain clients of the Investment Group.

The Investment Group engages solely in the business of providing investment management services.

CODE OF ETHICS AND PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

In an effort to prevent any conflicts from arising and in accordance with Rule 17j-1 under the Investment Company Act of 1940 (the “1940 Act”), the Investment Group has adopted a Code of Ethics to address transactions that may create or appear to create conflicts of interest, and to establish reporting requirements and procedures. Officers, directors and employees of the Investment Group are expected to act with integrity and good faith. They must accomplish all personal securities transactions in a manner that avoids conflict (or the appearance of conflict) between their personal interests and those of the Investment Group. They must avoid actions or activities that allow (or appear to allow) themselves or their family to benefit from their position with the Investment Group, or that bring into question their independence or judgment. The Investment Group will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Investment Group does not buy securities for itself or sell securities it owns to any clients, nor does it affect securities transactions for compensation for any client. The Investment Group does not recommend to clients that they buy or sell securities or investment products in which the Investment Group or any related party has some financial interest. The Investment Group does not buy or sell for itself securities that it also recommends to clients.

INVESTMENT OR BROKERAGE DISCRETION

As provided in the Securities Exchange Act of 1934 (the “1934 Act”), higher commissions may be paid to broker-dealers who provide brokerage and research services than to broker-dealers who do not provide research services if such higher commissions are deemed reasonable in relation to the value of the brokerage and research services provided. Although transactions are directed to broker-dealers who provide such brokerage and research services, The Investment Group believes that the commissions paid to such broker-dealers are not, in general, higher than commissions that would be paid to broker-dealers not providing such services and that such commissions are reasonable in relation to the value of the brokerage and research services provided.
The Investment Group may allocate some or all commission brokerage business generated by the Investment Group and accounts under management to brokers or dealers who provide brokerage and research services. These research services include advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; furnishing of analyses and reports concerning issuers, securities or industries; providing information on economic factors and trends, assisting in determining portfolio strategy, providing computer software used in security analyses, and providing portfolio performance evaluation and technical market analyses. Such services are used by the Investment Group in connection with its investment decision-making process.

All products and services received by the Investment Group, via effecting securities transactions upon behalf of clients, are within the safe harbor established by Section 28(e) of the 1934 Act. The Investment Group will disclose this policy to its clients in writing on an annual basis. All soft dollar arrangements must be documented and acknowledged in writing. At least annually, Third Party Research and Broker Commitments Report are reviewed to ensure that management is monitoring soft-dollar usage appropriately.

The Investment Group may place a combined order for two or more accounts or funds engaged in the purchase or sale of the same security if, in its judgment, joint execution is in the best interest of each client and will result in best price and execution. Orders are placed as a block trade, and all accounts receive the same execution price. An order that is partially filled will be allocated pro rata in proportion to the size of each account’s order. It is believed that the ability of the accounts to participate in volume transactions will generally be beneficial to the accounts. Although it is recognized that, in some cases, the joint execution of orders could adversely affect the price or volume of the security that a particular account may obtain, it is the opinion of the Investment Group that the advantages of combined orders outweigh the possible disadvantages of separate transactions.

**REVIEW OF ACCOUNTS**

For equity, fixed income, and money market portfolios, cash flows are reviewed daily to make sure all liquidity is invested properly and an adequate level of cash is maintained to meet possible disbursements. Accounts are also reviewed daily to insure that they remain in compliance with all applicable laws and regulations.

At least quarterly, the Investment Group may provide a written report to their clients. This report reviews current economic conditions, account performance, and the Investment Group’s strategy going forward.

**Equity portfolios:** Reviews are completed on two levels: economic sector and individual stocks. Based on the objective of the account (Core, Value, or Growth), current economic conditions, and relative valuations, sector strategies are reviewed to develop the proper mix to reach an account’s objective. Also, the Investment Group reviews individual stocks in an account to determine whether an issue should be held or sold.

**Fixed Income portfolios:** Reviews are completed on three levels: sector, duration, and individual issue. Based on current sector valuation levels and the Investment Group’s expectations going forward, sector weightings are determined to best achieve the objective of the account. The Investment Group’s expectations of interest rate shifts will determine whether an account will have duration longer or shorter than its benchmark. Finally, individual issues are reviewed for credit quality and valuation.

**Money Market portfolios:** Reviews are completed on two levels: sector and days to maturity. Sector weightings and the account’s days to maturity are reviewed based on the account’s objective and the Investment Group’s expectations for short-term interest rates.

**Reviewers:** David Lundgren – Chief Investment Officer - Mr. Lundgren is responsible for developing investment strategy for all accounts managed by the Investment Group. Jeffery Tanguis and Eric Reynolds – Directors, Trust Investments - Mr. Tanguis and Mr. Reynolds are responsible for management of all fixed income and money market portfolios. Gregory Hodlewsky and Martin Sirera – Directors, Trust Investments - Mr. Hodlewsky and Mr. Sirera are responsible for the management of equity portfolios.
Stephen Morgan – Director, Trust Investments - Mr. Morgan is responsible for the supervision of the portfolio management staff. Kristy Oehms – Director, Investment Solutions - Mrs. Oehms is responsible for performance analysis and trading.

CUSTODY AND INVESTMENT DISCRETION

The Company does provide custodial services to clients. Eligible clients will receive account statements from custodian on a periodic basis. The Investment Group does have full authority and discretion under applicable account agreements. These include the power to buy, sell, retain and exchange investments, and exercise such other powers as the Investment Group deems appropriate to manage and execute transactions for the client’s account in a manner consistent with the portfolio selected by the client. The agreement shall include any limitations on this discretionary authority and any restrictions that client wishes to place on the account. Clients may change or amend these limitations or restrictions at any time. Amendments must be submitted in writing.

For accounts that are managed through a wrap program, please refer to the wrap program documentation for details on custody and investment discretion. Each program may differ as to what services are provided.

PROXY VOTING

The Investment Group has in place a proxy voting policy established in compliance with SEC and other regulatory agencies guidelines. A copy of this policy may be obtained upon request to the Investment Group at the address shown on page 1.

The voting of proxies shall be the responsibility of the investment division in those cases where the beneficial owner has not chosen to vote the proxy. The primary objective for the Group, in its fiduciary capacity, is to represent and vote for the best long-term interest of its beneficiaries, exercising the care, skill, prudence and diligence required by §404(a) (1) (b) of ERISA.

With regard to distribution of proxy materials, the Group shall conform to the SEC rules contained in the Shareholders Communications Act. The Group shall:

(1) Upon receipt of the proxy, other proxy soliciting material, and/or annual reports to security holders, forward such materials to its customers who are beneficial owners of the registrant's securities no later than five business days after the receipt of the proxy material or annual reports; and

(2) Upon receipt of the proxy, other proxy soliciting material, and/or annual reports to security holders, forward to each beneficial owner on whose behalf it holds securities, no later than five business days after the date it receives such material a request for voting instructions.

Each item to be voted on should be voted separately and individually on the proxy and not voted in blank. The proxy must be dated and signed by a partner of the appropriate nominee if it is in nominee's name; otherwise, the Group's name and the capacity in which it serves should be on the proxy plus the voting officer's name and title. Proxies may also be voted electronically or through the Internet.

Unless the proxy was passed on to an authorized party, a record is to be maintained as of the date it was voted or the reasons for not voting it.

EDUCATION AND BUSINESS STANDARDS

The Investment Group has general education standards and business experience required of those in determining or giving investment advice to clients. Individuals shall have a bachelor’s degree and/or working on advanced degrees or programs (CFA/MBA) and/or three to five years of practical experience. Individuals shall have excellent organizational skills with the ability to handle and accurately complete multiple tasks sometimes under severe time constraints. Numerical and computer skills are essential.
EDUCATION AND BUSINESS BACKGROUND

The education and business background of each of the principals of The Investment Group is as follows:

David Lundgren, Jr., CFA, serves as Chief Investment Officer. He is responsible for setting the overall strategy of the Group, management of equity separate accounts and the Burkenroad mutual fund. He has more than 20 years investment experience. Prior to joining the Company in 1998, Mr. Lundgren served in a similar capacity for First Commerce Corporation since 1993. Mr. Lundgren holds a B.S. in Finance and a Master of Business Administration from the University of New Orleans.

Gregory W. Hodlewsky, CFA, serves as Director Trust Investments. Greg has over 20 years of experience in the investment industry, managing investment portfolios for individuals, foundations, endowments and mutual funds. Greg focuses on aligning investment portfolios using the equity approach, blending fundamental research with quantitative statistical analysis to build optimal portfolios designed to outperform their respective benchmarks. Greg earned his undergraduate degree from the University of Wisconsin and his Master’s degree from Georgia State University. He is a member of the CFA Society of Louisiana.

Martin Sirera, CFA, serves as Director Trust Investments. He is responsible for management of Equity Strategies and client relationships; for participation in firm Asset Allocation decisions. Martin has been in the banking industry for 28 years, joining the Hancock Whitney team as part of the acquisition of Capital One Asset Management LLC. Prior to joining Hancock Whitney, he worked for Capital One and Hibernia Bank. Martin has a Bachelor of Finance from the University of New Orleans and holds the Chartered Financial Analyst Designation.

Jeffery Tanguis serves as Director Trust Investments. He is co-director of fixed income and responsible for the management of separate accounts. Mr. Tanguis has over 20 years of institutional fixed income portfolio management experience including mutual funds, pension plans, insurance company assets, public and corporate funds. Prior to joining the Company in 2005, Mr. Tanguis held a similar position at Hibernia National Bank, New Orleans. Mr. Tanguis received his B.S. in Finance from Louisiana State University.

Eric C. Reynolds serves as Director Trust Investments. He is co-director of fixed income and serves institutional, family and individual investors. He is also a member of the bank’s Asset Allocation Committee. Eric has over 25 years of experience in the banking industry, joining Hancock Whitney with the acquisition of the Capital One Wealth and Asset Management group. Previously, he worked for Fiduciary Trust International of California (a Franklin Templeton Company) and Kayne Anderson Rudnick. Eric earned a BA from the University of California, San Diego and an MBA from the University of California, Los Angeles.

Kristy Oehms serves as Director Investment Solutions. She is responsible for performance analysis, trading and strategy implementation. Kristy has been in the banking industry for 15 years, all as a member of the Hancock Whitney team. Kristy has a Bachelor’s of Business Administration from Delta State University.

Anthony Frey, Senior Vice President, oversees the Trust & Asset Management line of business for the Company. Tony has over 25 years of experience in Trust & Asset Management in national and regional financial institutions. Immediately preceding his tenure at Hancock Whitney, Tony served as the Director of Trust for Capital One, joining Capital One/Hibernia in 2000. He had the responsibility of managing both Retirement and Institutional groups until 2006, when he was selected to manage all of Trust Administration. Tony is a graduate of the University of New Orleans earning a B.S. in Finance. He is a Certified Public Account and a graduate of the Graduate School of Banking at Louisiana State University.

Miles Milton serves as Director of Wealth Management for the Company. Miles is an Executive Officer of the Company and is a member of the Management Committee. He attended Baylor University and received his B.B.A in Finance. Miles formerly served as Senior Managing Director at Northern Trust. He has over 20 years of senior management experience in trust and investment services.
REGULATORY OVERSIGHT

As stated above in “Organization, Clients, Services and Fees,” the Investment Group is an unincorporated department of Hancock Whitney Bank, a banking corporation chartered under the laws of the state with trust powers, and, as such is regulated by the Federal Deposit Insurance Corporation (FDIC) and Mississippi Department of Banking and Consumer Finance. Thus, it is not required to be nor is it registered with the SEC for its investment management services.
# Privacy Policy

**WHAT DOES HANCOCK WHITNEY CORPORATION DO WITH YOUR PERSONAL INFORMATION?**

**Why?** Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?** The types of personal information we collect and share depend on the product or service you have with us. This information can include:
- Social Security number and income
- Credit history and credit scores
- Account balances and payment history

**How?** All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Hancock Whitney Corporation (HWC) chooses to share; and whether you can limit this sharing.

## Reasons we can share your personal information

<table>
<thead>
<tr>
<th>Reasons we can share your personal information</th>
<th>Does HWC share?</th>
<th>Can you limit this sharing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>For our marketing purposes— to offer our products and services to you</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>For joint marketing with other financial companies</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes— information about your transactions and experiences</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes— information about your creditworthiness</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>For our affiliates to market to you</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>For nonaffiliates to market to you</td>
<td>NO</td>
<td>WE DON’T SHARE</td>
</tr>
</tbody>
</table>

**To limit our sharing:** Call toll-free 888-416-4502. Our menu will prompt you through our choices. Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

**Questions?** Call toll-free 888-416-4502 and press “0” to speak with a representative.
**Who we are:**

**Who is providing this notice?** Hancock Whitney Corporation and its affiliates as defined below.

**What we do:**

<table>
<thead>
<tr>
<th>How does Hancock Whitney Corporation protect my personal information?</th>
<th>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to confidential information to those employees who need to know such information to administer your account(s).</th>
</tr>
</thead>
</table>
| How does Hancock Whitney Corporation collect my personal information? | We collect your personal information, for example, when you:
- Open an account or apply for a loan
- Pay your bills or use your debit card
- Show your drivers license

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies. |
| Why can’t I limit all sharing? | Federal law gives you the right to limit only:
- Sharing for affiliates’ everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. |
| What happens when I limit sharing for an account I hold jointly with someone else? | Your choices will apply to everyone on your account – unless you tell us otherwise. |

**Definitions:**

| Affiliates | Companies related by common ownership or control. They can be financial and nonfinancial companies.  
- Our affiliates include financial companies such as Hancock Whitney Bank and Hancock Whitney Investment Services, Inc. |
|---|---|
| Nonaffiliates | Companies not related by common ownership or control. They can be financial and nonfinancial companies.  
- Nonaffiliates we share with include companies such as direct marketing companies and check-printing companies. |
| Joint marketing | A formal agreement between nonaffiliated financial companies that together market financial products or services to you.  
- Our joint marketing partners include companies such as credit card companies and insurance companies. |
Proxy Voting Policies

I. The Board of Directors

A. Voting on Director Nominees in Uncontested Elections

Votes on director nominees are made on a case-by-case basis, examining the following factors:

- long-term corporate performance record relative to a market index;
- composition of board and key board committees;
- nominee’s attendance at meetings (past two years);
- nominee’s investment in the company;
- whether a retired CEO sits on the board; and
- whether the chairman is also serving as CEO.

In cases of significant votes and when information is readily available, we also review:

- corporate governance provisions and takeover activity;
- board decisions regarding executive pay;
- director compensation;
- number of other board seats by nominee; and
- interlocking directorships.

B. Chairman and CEO is the Same Person

We vote on a case-by-case basis on shareholder proposals that would require the positions of chairman and CEO to be held by different persons.

C. Majority of Independent Directors

Shareholder proposals that request that the board be comprised of a majority of independent directors are evaluated on a case-by-case basis.

We vote for shareholder proposals that request that the board audit, compensation and/or nominating committees include independent directors exclusively.

D. Stock Ownership Requirements

We vote against shareholder proposals requiring directors to own a minimum amount of company stock in order to qualify as a director, or to remain on the board.

E. Term of Office

We vote against shareholder proposals to limit the tenure of outside directors.
F. Director and Officer Indemnification and Liability Protection

Proposals concerning director and officer indemnification and liability protection are evaluated on a case-by-case basis.

We vote against proposals to limit or eliminate entirely director and officer liability for monetary damages for violating the duty of care.

We vote against indemnification proposals that would expand coverage beyond just legal expenses to acts, such as negligence, that are more serious violations of fiduciary obligations than mere carelessness.

We vote for only those proposals that provide such expanded coverage in cases when a director’s or officer’s legal defense was unsuccessful if: (1) the director was found to have acted in good faith and in a manner that he reasonably believed was in the best interests of the company; and (2) only if the director’s legal expenses would be covered.

G. Charitable Contributions

We vote against shareholder proposals to eliminate, direct or otherwise restrict charitable contributions.

II. Proxy Contests

A. Voting for Director Nominees in Contest Elections

Votes in a contested election of directors are evaluated on a case-by-case basis, considering the following factors:

- long-term financial performance of the target company relative to its industry;
- management’s track record;
- background to the proxy contest;
- qualifications of director nominees (both slates);
- evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can be met; and
- stock ownership positions.

B. Reimburse Proxy Solicitation Expenses

Decisions to provide full reimbursement for dissidents waging a proxy contest are made on a case-by-case basis.

III. Auditors

Ratifying Auditors
We vote for proposals to ratify auditors, unless: an auditor has a financial interest in or association with the company, and is therefore not independent; or there is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company’s financial position.

IV. Proxy Contest Defenses

A. Board Structure: Staggered vs. Annual Elections

We vote against proposals to classify the board.

We vote for proposals to repeal classified boards and to elect all directors annually.

B. Shareholder Ability to Remove Directors

We vote against proposals that provide that directors may be removed only for cause.

We vote for proposals to restore shareholder ability to remove directors with or without cause.

We vote against proposals that provide that only continuing directors may elect replacements to fill board vacancies.

We vote for proposals that permit shareholders to elect directors to fill board vacancies.

C. Cumulative Voting

We vote against proposals to eliminate cumulative voting.

We vote for proposals to permit cumulative voting.

D. Shareholder Ability to Call Special Meetings

We vote against proposals to restrict or prohibit shareholder ability to call special meetings.

We vote for proposals that remove restrictions on the right of shareholders to act independently of management.
E. Shareholder Ability to Act by Written Consent

We vote against proposals to restrict or prohibit shareholder to take action by written consent.

We vote for proposals to allow or make easier shareholder action by written consent.

F. Shareholder Ability to Alter the Size of the Board

We vote for proposals that seek to fix the size of the board.

We vote against proposals that give management the ability to alter the size of the board without shareholder approval.

V. Tender Offer Defenses

A. Poison Pills

We vote for shareholder proposals that ask a company to submit its poison pill for shareholder ratification.

We review on a case-by-case basis shareholder proposal to redeem a company’s poison pill.

We review on a case-by-case basis management proposals to ratify a poison pill.

B. Fair Price Provisions

We vote for fair price proposals, as long as the shareholder vote requirement embedded in the provision is no more than a majority of disinterested shares.

We vote for shareholder proposals to lower the shareholder vote requirement in existing fair price provisions.

C. Greenmail

We vote for proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company’s ability to make greenmail payments.

We review on a case-by-case basis anti-greenmail proposals when they are bundled with other charter or bylaw amendments.

D. Pale Greenmail

We review on a case-by-case basis restructuring plans that involve the payment of pale greenmail.
E. Unequal Voting Rights

We vote **against** dual class exchange offers.

We vote **against** dual class recapitalizations.

F. Supermajority Shareholder Vote Requirement to Amend the Charter or Bylaws

We vote **against** management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments.

We vote **for** shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.

G. Supermajority Shareholder Vote Requirement to Approve Mergers

We vote **against** management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

We vote **for** shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

H. White Squire Placements

We vote **for** shareholder proposals to require approval of blank check preferred stock issues for other than general corporate purposes.

VI. Miscellaneous Governance Provisions

A. Confidential Voting

We vote **for** shareholder proposals that request corporations to adopt confidential voting, use independent tabulators and use independent inspectors of election as long as the proposals include clauses for proxy contests as follow: In the case of a contested election, management is permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents do not agree, the confidential voting policy is waived.

We vote **for** management proposals to adopt confidential voting.

B. Equal Access

We vote **for** shareholder proposals that would allow significant company shareholders equal access to management’s proxy material in order to evaluate and propose voting recommendations on proxy proposals and director nominees, and in order to nominate their own candidates to the board.
C. Bundled Proposals

We review on a case-by-case basis bundled or “conditioned” proxy proposals. In the case of items that are conditioned upon each other, we examine the benefits and costs of the package items. In instances when the joint effect of the conditioned items is not in shareholder’s best interests, we vote against the proposals. If the combined effect is positive, we support such proposals.

D. Shareholder Advisory Committees

We review on a case-by-case basis proposals to establish a shareholder advisory committee.

VII. Capital Structure

A. Common Stock Authorization

We review on a case-by-case basis proposals to increase the number of shares of common stock authorized for issue.

We use quantitative criteria that measures the number of shares available for issuance after analyzing the company’s industry and performance. Our first step is to determine the number of shares available for issuance (shares not outstanding and not reserved for issuance) as a percentage of the total number of authorized shares after accounting for the requested increase. Shares reserved for legitimate business purposes, such as stock splits or mergers, are subtracted from the pool of shares available. We then compare this percentage to an allowable cap developed for the company’s peer group to determine if the requested increase is reasonable. Each peer group is broken down into four quartiles, and within each quartile an “allowable increase” for company is set. The top quartile performers will have the largest allowable increase.

If the requested increase is greater than the “allowable increase”, we will vote against the proposal.

B. Reverse Stock Splits

We will review management proposals to implement a reverse stock split on a case-by-case basis. We will generally support a reverse stock split if management provides a reasonable justification for the split.

C. Blank Check Preferred Authorization

We vote for proposals to create blank check preferred stock in cases when the company expressly states that the stock will not be used as a takeover defense or carry superior voting rights.

We review on a case-by-case basis proposals that would authorize the creation of new classes of preferred stock with unspecified voting, conversion, dividend and distribution, and other rights.

We review on a case-by-case basis proposals to increase the number of authorized blank check preferred shares. If the company does not have any preferred shares outstanding, we will vote against the requested
increase. If the company does have preferred shares outstanding, we will use the criteria set forth in Section VII A.

D. Shareholder Proposals Regarding Blank Check Preferred Stock

We vote for shareholder proposals to have blank check preferred stock placements, other than those shares issued for the purpose of raising capital or making acquisitions in the normal course of business, submitted for shareholder ratification.

E. Adjust Par Value of Common Stock

We vote for management proposals to reduce the par value of common stock.

F. Preemptive Rights

We review on a case-by-case basis proposals to create or abolish preemptive rights. In evaluating proposals on preemptive rights, we look at the size of a company and the characteristics of its shareholder base.

G. Debt Restructuring

We review on a case-by-case basis proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan. We consider the following issues:

- *Dilution* – How much will ownership interests of existing shareholders be reduced, and how extreme will dilution to any further earnings be?
- *Change in Control* – Will the transaction result in a change in control of the company?
- *Bankruptcy* – Is the threat of bankruptcy, which would result in severe losses in shareholder value, the main factor driving the debt restructuring?

Generally, we approve proposals that facilitate debt restructuring unless there are clear signs of self-dealing or other abuses.

H. Share Repurchase Programs

We vote for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.

VIII. Executive and Director Compensation

In general, we vote on a case-by-case basis on executive and director compensation plans, with the view that viable compensation programs reward the creation of stockholder wealth by having a high payout sensitivity to increases in shareholder value.
In evaluating a pay plan, we measure its dilutive effect both on shareholder wealth and on voting power. We value equity-based compensation along with the cash components of pay. We estimate the present value of all short- and long-term incentives, derivative awards, and cash/bonus compensation — which enables us to assign a dollar value to the amount of potential shareholder wealth transfer.

Our vote is based, in part, on a comparison of company-specific adjusted allowable dilution cap and a weighted average estimate of shareholder wealth transfer and voting power dilution. Administrative features are also factored into our vote. For example, our policy is that the plan should be administered by a committee of disinterested persons; insiders should not serve on compensation committees.

Other factors, such as repricing underwater stock options without shareholder approval, would cause us to vote against a plan. Additionally, in some cases we would vote against a plan deemed unnecessary.

A. OBRA-Related Compensation Proposals

- Amendments that Place a Cap on Annual Grant or Amend Administrative Features

  Vote for plans that simply amend shareholder-approved plans to include administrative features or place a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m) of OBRA.

- Amendments to Added Performance-Based Goals

  Vote for amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of OBRA.

- Amendments to Increase Shares and Retain Tax Deductions Under OBRA

  Votes on amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m) should be evaluated on a case-by-case basis.

- Approval of Cash or Cash-and-Stock Bonus Plans

  Vote for cash or cash-and-stock bonus plans to exempt the compensation from taxes under the provisions of Section 162(m) of OBRA.

B. Shareholder Proposals to Limit Executive and Directors Pay

We review on a case-by-case basis all shareholder proposals that seek additional disclosure of executive and director pay information.

We review on a case-by-case basis all other shareholder proposals that seek to limit executive and director pay.
C. Golden and Tin Parachutes

We vote for shareholder proposals to have golden and tin parachutes submitted for shareholder ratification.

We review on a case-by-case basis all proposals to ratify or cancel golden or tin parachutes.

D. Employee Stock Ownership Plans (ESOPs)

We vote for proposals that request shareholder approval in order to implement an ESOP or to increase authorized shares for existing ESOPs, except in cases when the number of shares allocated to the ESOP is "excessive" (i.e., generally greater than five percent of outstanding shares).

E. 401(k) Employee Benefit Plans

We vote for proposals to implement a 401(k) savings plan for employees.

IX. State of Incorporation

A. Voting on State Takeover Statutes

We review on a case-by-case basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freeze-out provisions, fair price provisions, shareholder laws, poison pill endorsements, severance pay and labor contract provisions, anti-greenmail provisions and disgorgement provisions).

B. Voting on Reincorporation Proposals

Proposals to change a company's state of incorporation are examined on a case-by-case basis.

X. Mergers and Corporate Restructurings

A. Mergers and Acquisitions

Votes on mergers and acquisitions are considered on a case-by-case basis, taking into account at least the following:

- anticipated financial and operating benefits;
- offer price (cost vs. premium);
- prospects of the combined companies;
- how the deal was negotiated; and
- changes in corporate governance and their impact on shareholder rights.
B. Corporate Restructuring

Votes on corporate restructuring proposals, including minority squeezes, leveraged buyout, spin-offs, liquidations and asset sales are considered on a case-by-case basis.

C. Spin-offs

Votes on spin-offs are considered on a case-by-case basis depending on the tax and regulatory advantages, planned use of sale proceeds, market focus and managerial incentives.

D. Asset Sales

Votes on asset sales are made on a case-by-case basis after considering the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.

E. Liquidations

Votes on liquidations are made on a case-by-case basis after reviewing management’s efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

F. Appraisal Rights

We vote for proposals to restore, or provide shareholders with, rights of appraisal.

G. Changing Corporate Name

We vote for changing the corporate name.

XI. Mutual Fund Proxies

A. Election of Trustees

We vote on trustee nominations on a case-by-case basis.

B. Investment Advisory Agreement

We vote on investment advisory agreements on a case-by-case basis.
C. Fundamental Investment Restrictions

We vote on amendments to a fund's fundamental investment restrictions on a case-by-case basis.

D. Distribution Agreements

We vote on distribution agreements on a case-by-case basis.

XII. Social and Environmental Issues

In general, we abstain from voting on shareholder social and environmental proposals, on the basis that their impact on share value can rarely be anticipated with any high degree of confidence.

In most cases, however, we vote for disclosure reports that seek additional information that is not available elsewhere and that is not proprietary, particularly when it appears that companies have not adequately addressed shareholder's social and environmental concerns.

In determining our vote on shareholder social and environmental proposals, we also analyze the following factors:

- whether adoption of the proposal would have either a positive or negative impact on the company's short-term or long-term share value;
- the percentage of sales, assets and earnings affected;
- the degree to which the company's stated position on the issues could affect its reputation or sales, or leave it vulnerable to boycott or selective purchasing;
- whether the issues presented should be dealt with through government or company-specific action;
- whether the company has already responded in some appropriate manner to the request embodied in the proposal;
- whether the company's analysis and voting recommendation to shareholders is persuasive;
- what other companies have done in response to the issue;
- whether the proposal itself is well framed and reasonable;
- whether implementation of the proposal would achieve the objectives sought in the proposal; and
- whether the subject of the proposal is best left to the discretion of the board.

Among the social and environmental issues to which we apply this analysis are the following:

- Energy and Environment
- South Africa
- Northern Ireland
- Military Business
• Maquiladora Standards and International Operations Policies
• World Debt Crisis
• Equal Employment Opportunity and Discrimination
• Animal Rights
• Product Integrity and Marketing
• Human Resources Issues

Conflicts of Interest

Voting by Adviser

The following procedures prescribe a three-step process for the Proxy Committee (or its equivalent) to use when an adviser, either directly or through an affiliate, may have a conflict of interest when voting proxies. The first step is to identify those issuers with which the adviser or its affiliates (collectively, the “adviser”) has a significant business or personal/family relationship that could give rise to a conflict of interest. The second step is to identify those proxy proposals where the adviser’s conflict of interest may be material. The third step is to determine how to vote proxies involving a material conflict of interest. These procedures are designed to ensure that all proxies are voted in the best interests of clients and not the product of the conflict.

(a) Identifying Those Issuers with which the Adviser May Have a Conflict of Interest

The Proxy Committee will use the following four steps to identify issuers with which it may have a conflict of interest. The Proxy Committee will maintain a list of such issuers.

1. Significant Business Relationships – The Committee will maintain a list of issuers with which the adviser may have a significant business relationship such as, for example, where the fund’s adviser also manages a pension plan, administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to an issuer whose securities are held by the fund and whose management is soliciting proxies. For this purpose, a “significant business relationship” is any business relationship with a publicly traded company where loans, deposits, or assets under administration exceed $25 million or annual fees received from a client are in excess of $250,000; and (2) may not directly involve revenue to the adviser or its affiliates but is otherwise determined by the Committee to be significant to the adviser or its affiliates where a key client also has a relationship with a publicly traded corporation where Hancock Bank’s relationship with that client may be adversely affected if we do not vote in accordance with his/her wishes on a particular proxy proposal. For example, Hancock Bank has a substantial lending relationship with ABC Company where Mr. Joe Smith is the owner. Mr. Smith is also a director for XYZ, Inc., a publicly traded corporation. Mr. Smith knows XYZ, Inc. is a holding of Hancock Horizon Burkenroad Fund and he strongly urges Hancock Bank to vote for the executive compensation package which is currently proposed by management.

2. Significant Personal/Family Relationships – The Committee will identify issuers with which its employees who are involved in the proxy voting process may have a significant personal/family relationship. For this purpose, a “significant personal/family relationship” is one that would be reasonably likely to influence how the adviser votes proxies. To identify any such relationships, the Committee shall obtain information on a regular basis about any significant personal/family relationship between any employee of the adviser who is involved in the proxy voting process (e.g., portfolio managers, members of the Committee, senior management, as applicable) and senior employees of issuers
for which the adviser may vote proxies.

3. **Contact with Proxy Committee Members** - The Proxy Committee should ensure that the adviser and its affiliates adopt procedures reasonably designed to prevent employees who are not involved in the proxy voting process from attempting to influence how the adviser votes any proxy. At a minimum, these procedures should provide that, if a person employed by the adviser not involved in the proxy voting process contacts any Committee member for the purpose of influencing how a proxy is voted, the member will immediately contact the Trust Department Compliance Officer who will determine: (1) whether the adviser should now treat the proxy in question as one involving a material conflict of interest; and (2) if so, whether the member of the Committee who was contacted should reclude himself/herself from all further matters regarding the proxy.

4. **Duties of the Proxy Committee** - The Committee has a duty to make reasonable investigation of information relating to conflicts of interest. For purposes of identifying conflicts under this policy, the Proxy Committee shall rely on publicly available information about the adviser and its affiliates, information about the adviser and its affiliates that is generally known by employees of the adviser, and other information actually known by a member of the Committee. Absent actual knowledge, the Committee is not required to investigate possible conflicts involving the adviser where the information is (i) non-public, (ii) subject to information blocking procedures, or (iii) otherwise not readily available to the Committee.

In connection with the consideration of any proxy voting matters under this policy, each member of the Proxy Committee has a duty to disclose to the Committee any material conflicts of interest of which the member has actual knowledge but which have not been identified by the Committee pursuant to this policy.

(b) **Identifying those Proxy Proposals Where the Adviser’s Conflict is Material**

If the adviser receives a proxy relating to an issuer with which it has a conflict of interest (as determined in (a) above), the Proxy Committee shall determine whether the conflict is “material” to any specific proposal included within the proxy. If not, then the adviser can vote the proxy in accordance with its proxy voting procedures; if so, the adviser may vote on any such proposal only in accordance with (c) below. The Committee shall determine whether a proposal is material as follows:

1. **Routine Proxy Proposals** – Proxy proposals that are “routine” shall be presumed not to involve a material conflict of interest for the adviser, unless the Committee has actual knowledge that a routine proposal should be treated as material. For this purpose, “routine” proposals would typically include matters such as the selection of an accountant, uncontested election of directors, meeting formalities, and approval of an annual report/financial statements. The Committee shall adopt procedures specifically designed for the adviser’s circumstances that identify those proposals that the adviser will consider to be “routine” for purposes of this policy.1

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1 The procedures provide that the Committee should be aware of information about the adviser or its affiliates that is generally known by employees of the adviser, but it does not extend this knowledge to information about the adviser’s affiliates that is generally known by employees of the adviser’s affiliates (unless, of course, such information also is generally known by the adviser’s employees).

2 Alternatively, an adviser may determine that, if it has a conflict with respect to any specific proposal in a proxy, it will vote all proposals in that proxy in accordance with one of the procedures set forth in (c) below.
2. **Non-Routine Proxy Proposals** — Proxy proposals that are “non-routine” shall be presumed to involve a material conflict of interest for the adviser, unless the Committee determines that the adviser’s conflict is unrelated to the proposal in question (see 3. below). For this purpose, “non-routine” proposals would typically include any contested matter, including a contested election of directors, a merger or sale of substantial assets, a change in the articles of incorporation that materially affects the rights of shareholders, and compensation matters for management (e.g., stock option plans, retirement plans, profit sharing or other special remuneration plans). The Committee shall adopt procedures specifically designed for the adviser’s circumstances that identify those proposals that the adviser will consider to be “non-routine” for purposes of this policy.

3. **Determining that a Non-Routine Proposal is Not Material** — As discussed above, although non-routine proposals are presumed to involve a material conflict of interest, the Committee may determine on a case-by-case basis that particular non-routine proposals do not involve a material conflict of interest. To make this determination, the Committee must conclude that a proposal is not directly related to the adviser’s conflict with the issuer. The Committee shall record in writing the basis for any such determination.

(c) **Determining How to Vote Proxies Involving a Material Conflict of Interest**

For any proposal where the Proxy Committee determines that the adviser has a material conflict of interest, the adviser will vote that proxy regarding the proposal by using an independent third party (such as a proxy voting service) to vote the specific proposal that involves a conflict.