

## Proxy Voting

### General Policy

Ranger Investment Management, L.P., as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice include the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

The Firm views seriously its responsibility to exercise voting authority over securities which form part of its investors' portfolios. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and consideration.

It is the Firm's policy to review each proxy statement on an individual basis and to base its voting decision exclusively on its judgment of what will best serve the financial interests of the beneficial owners of the security. These beneficial owners include the Private Funds, Mutual Funds, and a portion of the Separate Accounts we manage.

A number of recurring proxy issues can be identified with respect to the governance of a company and actions proposed by that company's board. Ranger Investment Management, L.P. follows an internal proxy voting policy that allows the Firm to vote on these issues in a uniform manner.

The Firm, in exercising its voting powers, also has regard for the statutes and rules applicable to registered investment advisers. The manner in which votes are cast by the Firm is reported to investors by delivery of this Proxy Voting Policy. In addition, the Firm will provide, upon request, a list of how each proxy was voted for an investor.

If a conflict of interest is identified, the Firm's portfolio managers, Chief Compliance Officer, General Partner and outside legal counsel (if necessary) will consult to determine the best method to resolve any actual or apparent conflict between the interest of the Firm and its Clients, in a manner that seeks to vote the best interest of the Client without regard to the conflict. As such, the Firm will determine whether it is appropriate to disclose the conflict to the affected Clients, to give the Clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with the voting guidelines set forth by the Proxy Service or receiving another independent third-party recommendation. The Firm will maintain a record of the voting resolution of any conflict of interest.

From time to time, the Firm may receive notices regarding class action lawsuits involving securities that are or were held by the portfolios it advises. As a matter of policy, the Firm refrains from serving as the lead plaintiff in class action matters and also refrains from submitting proofs of claim where the Firm

believes, in its sole discretion, which either the recovery amounts are likely to be negligible or such participation is not in the interest of the applicable account. As a result, the Firm, may on behalf of Clients forgo participation in class action lawsuits.

We generally support environmental proposals that seek to:

- Improve climate-related initiatives and disclosures in a prudent and fiscally responsible manner and within a reasonable time frame. This includes alignment with climate reporting frameworks such as SASB/ISSB, GRI, and TCFD.

We generally support social proposals that seek to:

- Improve human capital initiatives and disclosures in a prudent and fiscally responsible manner and within a reasonable time frame. This includes diversity, equity, and inclusion disclosures, racial equity audits, publicizing EEO-1 reports, employee health and safety initiatives, and data security and privacy initiatives.

We generally support governance proposals that seek to:

- Improve board composition, independence, and diversity. In the election of directors, we consider how proposals may benefit or hinder board independence, board diversity, average board tenure, and overall board expertise that we deem important to the business.
- Improve board structure such as the separation of the CEO and Chair roles, a declassified board structure, majority voting rights, and a single class of stock which prohibits unequal voting rights. We carefully consider the potential impacts to board independence and diversity when these topics are related to director elections.
- Better align executive compensation with the interests of shareholders. For proposals related to equity-based compensation, we consider the dilutive impact of stock options on a case-by-case basis and do not support proposals where we deem dilution to be excessive.

## **Background**

Proxy voting is an important right of shareholders and reasonable care, and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

Staff Legal Bulletin No. 20 was jointly published by the SEC's Division of Investment Management and Division of Corporation Finance on June 30, 2014. The Division of Investment Management provided guidance about investment advisers' responsibilities in voting client proxies and retaining proxy advisory firms, while the Division of Corporation Finance addressed the availability and requirements of two exemptions to the federal proxy rules that are often relied upon by proxy advisory firms.

### ***Proxy Voting Advice as a Solicitation Under the Exchange Act***

On July 22, 2020, the SEC adopted amendments to its rules governing proxy solicitations. The amendments specify that proxy voting advice generally constitutes a solicitation within the meaning of Section 14(a) of the Exchange Act.

The Commission noted several factors that indicate proxy voting advice businesses generally engage in solicitations when they provide proxy voting advice to their clients, including:

1. The proxy voting advice generally describes the specific proposals that will be presented at the registrant's upcoming meeting and presents a "vote recommendation" for each proposal that indicates how the client should vote.
2. Proxy voting advice businesses market their expertise in researching and analyzing matters that are subject to a proxy vote for the purpose of assisting their clients in making voting decisions.
3. Many clients of proxy voting advice businesses retain and pay a fee to these firms to provide detailed analyses of various issues, including advice regarding how the clients should vote through their proxies on the proposals to be considered at the registrant's upcoming meeting or on matters for which shareholder approval is sought; and
4. Proxy voting advice businesses typically provide their recommendations shortly before a shareholder meeting or authorization vote, enhancing the likelihood that their recommendations will influence their clients' voting determinations.

The Commission observed that where these or other significant factors are present, the proxy voting advice businesses' voting advice generally would constitute a solicitation subject to the Commission's proxy rules because such advice would be "a communication to security holders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy."

*Exemptions* The SEC recognizes two exemptions to the solicitation rule:

1. When a business that provides proxy voting services does not provide any voting recommendations and is instead exercising delegated voting authority on behalf of its clients; and
2. Any proxy voting advice provided by a person who furnishes such advice only in response to an unprompted request.

However, the persons who provide proxy voting advice in reliance on the exemptions must include in their voting advice to clients the conflicts of interest disclosure specified in new Rule 14a-2(b)(9)(i). Such persons must include in their voting advice (or in any electronic medium used to deliver the advice) prominent disclosure of:

- Any information regarding an interest, transaction, or relationship of the proxy voting advice business (or its affiliates) that is material to assessing the objectivity of the proxy voting advice in light of the circumstances of the particular interest, transaction, or relationship; and
- Any policies and procedures used to identify, as well as the steps taken to address, any such material conflicts of interest arising from such interest, transaction, or relationship.

On July 13, 2022, the SEC voted to rescind Rules 14a-2(b)(9)(ii-iv) which required proxy advisor firms to make their advice available and to provide clients with a mechanism to become aware of information before they vote. This became effective on September 19, 2022.

## **Responsibility**

The Investment Team has the responsibility for the implementation and monitoring of our proxy voting policy, practices, disclosures and record keeping, including outlining our voting guidelines in our procedures.

## **Procedure**

Ranger Investment Management, LP. has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

## ***Delegation of Proxy Voting Authority and Voting Obligations***

Terms and conditions defining and/or limiting the scope of Ranger Investment Management, L.P.'s proxy voting authority and voting obligations, as agreed upon with the client, is documented as part of

the investment policies and objectives or included in the body of the Investment Management Agreement of such client(s).

### ***Voting Procedure***

- Ranger Investment Management, L.P. has engaged the services of a third-party proxy services, ISS to assist with the administration of the proxy voting process; ISS services include proxy voting recommendations based upon research and guidelines published by ISS;
- Ranger Investment Management, L.P. reviews every proxy on a case-by-case evaluation of each issue that may result in proxy votes that differ from the ISS recommendation.
- The Investment Team will determine which client accounts hold the security to which the proxy relates; and
- Proxies are generally considered by the investment team members responsible for monitoring the security being voted. That person will cast their votes in accordance with this our policy. Any non-routine matters are referred to the Portfolio Manager.

### **Disclosure**

- Ranger Investment Management, L.P. will provide required disclosures in response to Item 17 of Form ADV Part 2A summarizing this proxy voting policy and procedures, including a statement that clients may request information regarding how Ranger Investment Management, L.P. voted a client's proxies.
- Ranger Investment Management, L.P.'s disclosure summary will include a description of how clients may obtain a copy of the firm's proxy voting policies and procedures; and
- Ranger Investment Management, L.P.'s proxy voting practice is disclosed in the firm's advisory agreement(s).

### **Client Requests for Information**

- Client requests for information regarding proxy votes, or policies and procedures, received by any employee should be forwarded to Investment Team; and
- In response to any request, the Marketing and Client Service Team will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how Ranger Investment Management, L.P. voted the client's proxy with respect to each proposal about which client inquired.

### ***Voting Guidelines***

- In the absence of specific voting guidelines from the client, Ranger Investment Management, L.P. will obtain reasonable understanding of the client's objectives in order to vote proxies in the best interests of each particular client. Ranger Investment Management, L.P.'s policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on Ranger Investment

Management, L.P.'s voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

- In most cases, Ranger Investment Management, L.P. will vote for management's proposed directors in uncontested elections. For contested elections, the Firm votes for candidates it believes best serve shareholders' interests.
- Ranger will generally vote in favor of the following matters:
  - Votes to ratify management's appointment of independent auditors,
  - Votes for Increase Authorized Capital proposals in the absence of unusual circumstances. There are many business reasons for companies to increase their authorized capital. The additional shares often are intended to be used for general corporate purposes, to raise new investment capital for acquisitions, stock splits, recapitalizations or debt restructurings,
  - Votes against proposals to divide share capital into two or more classes or to otherwise create classes of shares with unequal voting and dividend rights. The Firm is concerned that the effect of these proposals, over time, is to consolidate voting power in the hands of relatively few insiders, disproportionate to their percentage ownership of the company's share capital as a whole. This concentration of voting power can effectively block any takeover which management opposes and dilute accountability to shareholders.
- Merger and acquisition proposals are reviewed on a case-by-case basis by taking the following into consideration: 1) whether the proposed acquisition price represents fair value; 2) whether shareholders could realize greater value through other means; and 3) whether all shareholders receive equal/fair treatment under the merger acquisition terms.
- Restructuring/recapitalization proposals are reviewed on a case-by-case basis taking the following into consideration: 1) whether the proposed restructuring/recapitalization is the best means of enhancing shareholder value; and 2) whether the company's longer-term prospects will be positively affected by the proposal.
- Ranger Investment Management, L.P. will vote for proposals to provide corporate indemnification for directors if consistent with all relevant laws. Corporations face great obstacles in attracting and retaining capable directors. The Firm believes such proposals will contribute to corporations' ability to attract qualified individuals and will enhance the stability of corporate management.
- In reviewing proposals, Ranger Investment Management, LP. will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.
- Where the potential effect of the vote is significant to the value of clients' investments or where the matter is not addressed by our policies and procedures, Ranger Investment Management, LP. will conduct a more detailed analysis than what is contemplated by the general voting guidelines.
- Ranger Investment Management, LP. will conduct sample testing to determine that votes are cast (either internally or by third-party proxy advisory firms) consistently with our voting policies and procedures.
- Ranger Investment Management, LP.'s proxy voting responsibilities and scope of voting arrangements will be agreed upon and clearly stated in writing.

## Shareholder Proposals - Corporate Governance Issues

- Ranger Investment Management, LP. will generally vote for proposals calling for a majority outside board. The Firm believes that a majority of independent directors can be an important factor in facilitating objective decision making and enhancing accountability to shareholders.
- Ranger Investment Management, LP. will generally vote against proposals to restrict Employee compensation. The Firm feels that the specific amounts and types of Employee compensation are within the ordinary business responsibilities of the Board of Directors and company management; provided, however, that share option plans meet our guidelines for such plans as set forth herein. On a case-by-case basis, the Firm will vote for proposals requesting more detailed disclosure of Employee compensation, especially if the company does not have a majority outside board.

## ESG Factors

- We generally support environmental proposals that seek to:
  - Improve climate-related initiatives and disclosures in a prudent and fiscally responsible manner and within a reasonable time frame. This includes alignment with climate reporting frameworks such as SASB/ISSB, GRI, and TCFD.
- We generally support social proposals that seek to:
  - Improve human capital initiatives and disclosures in a prudent and fiscally responsible manner and within a reasonable time frame. This includes diversity, equity, and inclusion disclosures, racial equity audits, publicizing EEO-1 reports, employee health and safety initiatives, and data security and privacy initiatives.
- We generally support governance proposals that seek to:
  - Improve board composition, independence, and diversity. In the election of directors, we consider how proposals may benefit or hinder board independence, board diversity, average board tenure, and overall board expertise that we deem important to the business.
  - Improve board structure such as the separation of the CEO and Chair roles, a declassified board structure, majority voting rights, and a single class of stock which prohibits unequal voting rights. We carefully consider the potential impacts to board independence and diversity when these topics are related to director elections.
  - Better align executive compensation with the interests of shareholders. For proposals related to equity-based compensation, we consider the dilutive impact of stock options on a case-by-case basis and do not support proposals where we deem dilution to be excessive.
- Ranger Investment Management, L.P. reviews each proxy statement on an individual basis and recognizes that ESG factors could present material risk to portfolio investments. The designated

Investment Team member bases voting decisions exclusively on their judgment of what will best serve the financial interests of the beneficial owners of the security.

- ISS provides logistical support as well as advisory services. We utilize two ISS policies as a reference tool in proxy voting research: the ISS Benchmark Policy and the ISS Sustainability Policy. On most matters of corporate governance, such as board independence, director tenure, or CEO/ Chairman structure, the two policies are in alignment. Both policies offer guidance based on a commitment to create and preserve economic value and to advance principles of good corporate governance.
- On matters of environmental or social import, ISS' Proxy Voting Sustainability Policy seeks to promote support for recognized global governing bodies promoting sustainable business practices advocating for stewardship of the environment, fair labor practices, non-discrimination, and the protection of human rights.

### ***Conflicts of Interest***

- Ranger Investment Management, L.P. will conduct quarterly reviews to identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Ranger Investment Management, L.P. with the issuer of each security to determine if Ranger Investment Management, L.P. or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, Investment Team will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation; and
- Ranger Investment Management, L.P. will maintain a record of the voting resolution and the informed consent forms obtained from our clients in any conflict of interest.

### ***Recordkeeping***

The Firm shall retain the following proxy records in accordance with the SEC's five-year retention requirement.

- These policies and procedures and any amendments.
- Each proxy statement that Ranger Investment Management, L.P. receives.
- A record of each vote that Ranger Investment Management, L.P. casts.
- Any document Ranger Investment Management, L.P. created that was material to making a decision how to vote proxies, or that memorializes that decision including reports to Investment Team or proxy committee, if applicable; and
- A copy of each written request from a client for information on how Ranger Investment Management, L.P. voted such client's proxies, and a copy of any written response.

On an annual basis, Ranger Investment Management, LP. will review and document the adequacy of our voting policies and procedures to ensure that they have been formulated reasonably and implemented effectively, including whether the applicable policies and procedures continue to be



reasonably designed to ensure that the firm casts votes on behalf of our clients in the best interest of such clients.

### **Third-Party Proxy Advisory Firm**

In addition to conducting initial due diligence prior to engaging the services of any third-party proxy service firm, Ranger Investment Management, LP. will:

- Monitor and review such services at least annually.
- Evaluate any conflicts of interest, consistency of voting with guidelines, assessment of the proxy service firm's accurate analysis of relevant information, and fees and disclosures.
- Consider whether the proxy advisory firm has adequately disclosed its methodologies in formulating voting recommendations.
- Review any third-party information sources that the proxy advisory firm uses as a basis for its voting recommendations.
- Consider whether the proxy advisory firm has the capacity and competency to adequately analyze voting matters, including staffing personnel and/or technology and whether the proxy voting firm has an effective process for seeking timely input from issuers and proxy advisory firm clients.