

Proxy Voting Guidelines for the Bragg Capital Trust

As Amended August 15, 2003

Queens Road Value Fund
Queens Road Small Cap Value Fund

I. FIDUCIARY DUTIES OVERVIEW

The Board of Trustees function as fiduciaries. As fiduciaries, they must discharge their responsibilities in accordance with the twin duties of loyalty and care. The duty of loyalty requires the Board and other fiduciaries to act solely in the interest of beneficiaries. Under the duty of care, the fiduciaries must seek to maximize investment returns, while minimizing risk of loss. This principle shall extend to the voting of proxies.

II. PRINCIPLES OF CORPORATE RESPONSIBILITY

The twin duties of loyalty and care prohibit fiduciaries from placing non-financial considerations over risk/return considerations in the evaluation of investment decisions, including proxy voting. However, actions taken by the Funds as a shareowner can be instrumental in encouraging action as a responsible corporate citizen by the companies in which the Funds invest.

The Board expects those who manage the companies whose equity securities are held in the Funds' portfolios to conduct themselves with propriety and with a view toward responsible corporate conduct.

III. PRINCIPLES OF CORPORATE RESPONSIBILITY AND ACCOUNTABILITY

In general, the Fund's proxy voting guidelines focus on the following points:

1. Directors should be accountable to shareowners, and management accountable to directors. To ensure this accountability, directors must be accessible to shareowner inquiry concerning their key decisions affecting the company's strategic direction.
2. Information about companies must be readily transparent to permit accurate market comparisons; this includes the notion of some globally accepted minimum accounting standard.
3. Investors - even minority and foreign investors - must be treated equitably and upon the principle of one share/one vote.
4. Proxy materials should be written in a manner designed to provide shareowners with the information necessary to make informed voting decisions. Similarly,

proxy materials should be distributed in a manner designed to encourage shareowner participation. All shareowner votes, whether cast in person or by proxy, should be formally counted; vote outcomes should be formally announced.

5. Corporate directors and management should have a long-term strategic vision that, at its core, emphasizes sustained shareowner value. In turn, despite differing investment strategies and tactics, shareowners should encourage corporate management to resist short-term behavior by supporting and rewarding long-term superior returns.

IV. GENERAL GUIDELINES

The following guidelines apply generally to the respective votes, however, if the Advisor believes it is in the best interest of the beneficial owner of the shares to vote in a manner inconsistent with these general guidelines, it may do so. Any votes contrary to these guidelines will be noted and disclosed to the Board of Trustees at the next Trustee's meeting.

1. The Advisor will generally vote **for** the Directors nominated by management and/or the Board of Directors in uncontested elections.
2. The Advisor will generally vote **for** option, stock and other grants for employees, management and non-employee directors where it feels the grants will be effective in aligning the interests of these groups with the interests of shareholders. In circumstances where the Advisor feels the grants are excessive, the Advisor will vote **against** such matters.
3. The Advisor will generally vote **against** proposals to allow the Board of Directors or the Compensation Committee to materially amend stock based compensation plans, including the authority to reprice outstanding options, without requiring shareholder approval.
4. The Advisor will generally vote **against** poison pill provisions (including "blank check preferred stock"), board staggering, dual share class capitalizations, super-majority provisions and other matters in which the Advisor feels management is trying to unnecessarily entrench its management position.
5. The Advisor will generally vote **for** measures which increase shareholder's rights, including cumulative voting and confidential voting.
6. The Advisor will generally vote **for** matters which will increase board independence including matters that reduce the liability of directors acting in good faith.
7. The Advisor will generally vote **for** matters designed to increase the amount of relevant, non-confidential, information provided by the company to investors and potential investors.
8. The Advisor will generally vote **for** the recommendation of the Board of Directors on routine corporate governance matters including state of incorporation, corporate restructuring, appointment of auditors, changes of fiscal year end, and increases in authorized common stock.

V. ADDITIONAL GUIDELINES

1. These guidelines above are designed to provide portfolio managers with direction regarding the voting of proxies as well as to provide investors and potential investors with guidance regarding the Advisor's policies on the voting of proxies. If the portfolio manager believes it is in the best economic interest of the beneficial owners of the portfolio to vote in a manner inconsistent with guidelines above, he or she may do so. In such a case, the portfolio manager will disclose to the Board of Trustees the exception and an explanation.
2. When conflicts of interest or the appearance of conflicts of interest arise the Portfolio Manager will place the interests of the beneficial owners of the portfolio above any other. All material conflicts of interest will be reported to the Board of Trustees.
3. The Portfolio Manager of a portfolio has the duty to vote the proxies for the shares in the portfolio. If a portfolio is co-managed, the co-managers will share the responsibility equally. The responsibility to vote proxies shall mean both a. determining how the proxy will be voted in accordance with these guidelines and b. causing the proxy to be voted in good order.
4. For proxies which the Advisor has the right to vote, the Advisor will retain the right to determine the proxy voting decision. Third party services, including proxy voting services, may be used when making the proxy voting decision, however the Advisor will not delegate voting decisions to any third party.
5. Any proxy matters initiated by the Advisor will be disclosed to the Fund's Board of Trustees prior to the Advisor seeking to place the matter on the proxy ballot.

VI. IMPLEMENTATION OF PRINCIPLES

The Board of Trustees delegates to the Fund's Adviser the authority and responsibility to execute all proxies and voting instructions in a manner that is consistent with these Principles of Corporate Responsibility and Accountability unless such a vote may result in long-term harm to the company that outweighs all reasonably likely long term benefit to the company (i.e., is inconsistent with the Board's fiduciary duties).

The Adviser will provide the Board with quarterly reports listing all votes made under this delegated responsibility.