

MARYLAND CAPITAL MANAGEMENT

Code of Conduct/Ethics

1. General Provisions

1.1 Professional Responsibilities

Maryland Capital Management, LLC (MCM) is registered as an investment adviser with the Securities and Exchange Commission pursuant to the provisions of Section 203 of the Investment Advisers Act of 1940. MCM is dedicated to providing effective and proper professional investment management services to a wide variety of institutional and individual advisory clients. MCM's reputation is a reflection of the quality of our employees and their dedication to excellence in serving our clients. To ensure these qualities and dedication to excellence, our employees must possess the requisite qualifications of experience, education, intelligence, and judgment necessary to effectively serve as investment management professionals. In addition, every employee is expected to demonstrate the highest standards of moral and ethical conduct for continued employment with MCM.

MCM serves as investment manager for individual and institutional advisory clients. When used herein, the term "client" includes individual and institutional investors for whom MCM provides investment supervisory services or manages investment advisory accounts.

The SEC and the courts have stated that portfolio management professionals, including registered investment advisers, have a fiduciary responsibility to their clients. In the context of securities investments, fiduciary responsibility should be thought of as the duty to place the interests of the client before that of the person providing investment advice, and failure to do so may render the adviser in violation of the anti-fraud provisions of the Advisers Act. An adviser's duty to disclose material facts is particularly important whenever the advice given to clients involves a conflict or potential conflict of interest between the employees of the adviser and its clients. Employees must maintain the confidentiality of client information in accordance with MCM's Privacy policies and procedures.

Under the amendment to Rule 17j-1 of the Investment Company Act of 1940, MCM is required to adopt procedures reasonably necessary to prevent its employees from violating provisions of the Act with respect to personal securities trading.

In meeting its fiduciary responsibilities to our clients, MCM has promulgated this Code of Conduct (the "Code") regarding the purchase and/or sale of securities in the personal accounts of our employees or in those accounts in which our employees may have a direct or indirect beneficial interest. In those situations where employees may be uncertain as to the intent or purpose of this Code, they are advised to consult with the Chief Compliance Officer ("CCO"). The CCO may under circumstances that are considered appropriate, or after consultation with

the President of MCM, grant exceptions to the provisions contained in this manual only when it is clear that the interests of MCM's clients will not be adversely affected. All questions arising in connection with personal securities trading should be resolved in favor of the interest of the clients even at the expense of the interest of our employees. The Management of MCM will satisfy themselves as to the adherence to this policy through periodic reports by the CCO.

1.2 Failure to Comply with the Provisions of the Code - Sanctions

Strict compliance with the provisions of this Code shall be considered a basic condition of employment with MCM. It is important that employees understand the reasons for compliance with this Code. MCM's reputation for fair and honest dealing with its clients and the investment community in general, has taken considerable time to build. This standing could be seriously damaged as a result of even a single security transaction considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of the CCO for any questions as to the application of the Code to their individual circumstances. Further, employees are required to promptly report any violations of the MCM Code of Conduct/Ethics to the CCO. Employees should also understand that a material breach of the provisions of the Code might constitute grounds for terminations of employment with MCM. No employee will be penalized or retaliated against in any way for reporting inappropriate conduct to the CCO.

2. Applicability of Restrictions and Procedures of this Code

2.1 Advisory Representatives/Supervised Persons

Rule 204-2(a)(12) of the Advisers Act requires generally that any partner, officer or director of MCM, or any **associate** who makes, participates in making, or whose activities relate to making any recommendation as to the purchase and/or sale of securities must report his/her personal securities transactions not later than 30 calendar days following the end of each calendar quarter. Such persons are collectively defined under sub-paragraph (A) of this rule as **"Advisory Representatives."** This reporting requirement also applies to any employee of MCM who in the course of his/her duties with MCM is privy to information about securities that are being considered by any advisory representative for purchase by our clients.

2.2 Access Persons

In addition to the provisions of Rule 204-2(a)(12) of the Advisers Act, Rule 17j-1 of the Investment Company Act requires that any director, officer, or general partner of a fund or of an investment adviser, or any employee of a fund or of an investment adviser who, in connection with his or her regular function or duties, participates in the selection of a fund's portfolio securities, or who has access to information regarding a fund's future purchases or sales of portfolio securities must report his/her personal securities transactions not later than 30 calendar days following each calendar quarter. Under 17j-1 such persons are defined as **"Access Persons."**

Inasmuch as MCM is actively involved in managing the portfolios of individual and institutional clients, most of our employees fall under either the definition of “Advisory Representative” as given in the Advisers Act or “Access Person” under the Investment Company Act. For purposes of the Code all such employees of MCM are hereafter collectively referred to as “Access Persons” and are subject to provisions of the Code.

2.3 Associated Persons

Inasmuch as some of our employees are involved in purely administrative duties not involving investment advisory services, they are not considered to be Access Persons. However, certain activities under the Advisers Act or the Investment Company Act apply to **all** employees of MCM. For those activities under the Advisers Act or the Investment Company Act or any provisions of this Code that apply to **all** employees of MCM, the term “Associate” or “Associated Person” will be used to collectively describe such employees. For example, a computer specialist who is not otherwise involved in managing client accounts or providing investment advisory services is nevertheless subject to the provisions of the Advisers Act, the Investment Company Act, and this Code with respect to trading on insider or privileged information.

3. Securities Subject to the Provisions of the Code

3.1 Covered Securities

Section 202(a)(18) of the Advisers Act and Section 2(a)(36) of the Investment Company Act both define the term “**Security**” as follows:

Any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, any put, call straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call straddle, option or privilege entered into on a national securities exchange relating to a foreign currency, or in general, any interest or instrument commonly known as a “security” or any certificate of interest or participation in, temporary or interim certificate for receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

For purposes of this Code, the term “Covered Securities” shall mean all such securities described above except:

- Securities that are direct obligations of the United States;

- Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;
- Securities issued by any state or municipal subdivision thereof;
- Shares of any registered open-end investment company (mutual funds);
- Purchases affected upon exercise of rights offered by an issuer pro-rata to all holders of a class of its securities, to the extent such rights are acquired from such issuer;
- Any transaction exempt from registration is not subject to the prior clearance provisions of the Section.

Although the term "Covered Securities" under the Advisers Act and the Investment Company Act represents an all-inclusive list of investment products, for purposes of this Code, the term will most often apply to those securities listed on any of the nationally recognized stock exchanges of the United States (*i.e.* New York Stock Exchange, American Stock Exchange, Chicago Stock Exchange, Pacific Stock Exchange, or the National Association of Securities Dealers Automated quotation System (NASDAQ) market, etc.). However, if there is any question by an Access Person as to whether a security is "covered" under this Code, he/she should consult with the CCO for clarification on the issue before entering any trade for his/her personal account.

In addition to the above restrictions, no Access Person shall purchase or sell any covered security for any account in which he/she has any beneficial interest, if

- Such security is being considered for purchase or sale by the Investment Committee even though no order(s) has been entered with (MCM) Trading Department;
- There is any possible conflict of interest or appearance thereof. An access Person may not execute a securities transaction in his/her account or in any account in which he/she has a beneficial interest in a direction contrary to that currently recommended by the Investment Committee, *i.e.* selling a security when the Investment Committee is recommending the purchase of that security or vice versa. (Note: This provision may be waived by the CCO in special situations upon written request by the Access Person.)

3.2 Securities not Subject to Restrictions

Security transactions in accounts in which the Access Person has a beneficial interest, but over which he/she has no direct or indirect control, are not subject to the trading restrictions of the Section or the reporting requirements of sub-section 5.3 and 5.4 of the Code, however, the Access Person should advise the CCO in writing, giving the name of the account, the

person(s) or firm(s) responsible for its management, and the reason for believing that he/she should be exempt from reporting requirements under this Code.

4. Limitations on Personal Trading by Access Persons

Personal securities transactions by Access Persons are subject to the following trading restrictions:

4.1 Pre-clearance of Transactions

No Access Person may purchase or sell any covered security without first obtaining prior clearance from the CCO. If the CCO is unavailable to do so, MCM's President has been designated with the ability to provide pre-clearance and approval of personal securities transactions. The CCO may reject any proposed trade by an Access Person that: (a) involves a security that is being purchased or sold by MCM on behalf of any advisory client or is being considered for purchase or sale; (b) is otherwise prohibited under any internal policies of MCM; (c) breaches the Access Person's fiduciary duty to any advisory client; (d) is otherwise inconsistent with applicable law, including the Advisers Act, the Investment Company Act and the Employee Retirement Income Security Act of 1974; or (e) creates a conflict of interest or an appearance thereof.

4.2 Short Term Trading

No Access Person of MCM may purchase and subsequently sell (or sell and purchase) the same security within any 60-day period, unless such transaction is approved in advance in writing by the CCO, or unless such transaction is necessitated by an unexpected special circumstance involving the Access Person. The CCO shall consider the totality of the circumstances, including whether the trade would involve a breach of any fiduciary duty, whether it would otherwise be inconsistent with applicable laws and MCM's policies and procedures, and whether the trade would create an appearance of impropriety. Based on his/her consideration of these issues, the CCO shall have the sole authority to grant or deny permission to execute the trade.

4.3 Potential Conflicts in Trading by Access Persons for their own Accounts

As a general practice, MCM will make every attempt to aggregate (or "block") trades for securities in which multiple purchases or sales are being executed in a single day. If an approved transaction involves a security that is being purchased or sold by MCM on behalf of an advisory client, Access Persons' transactions shall be permitted within such blocks. If multiple aggregated (or "blocked") transactions were to occur in a single day, Access Persons' transactions should be included in the last block of the trading day. If after completion of all anticipated trading for client accounts, a trade is executed for an Access Person's personal account on that same day at a price better than that received by the client; the Access Person must notify the CCO who will prepare a memorandum detailing the circumstances of the transaction. If after reviewing the transaction the CCO

determines that a potential conflict of interest exists, he/she shall have the authority to make any necessary adjustments, including canceling and re-billing the transaction to such other account(s) as appropriate. Such memoranda and any corrective action taken will be recorded and maintained in MCM's compliance files.

5. Securities Reporting by Access Persons

5.1 Application of the Code of Conduct to Access Persons of MCM

The provisions of this Code apply to every security transaction, in which an Access Person of MCM has, or by reason of such transaction acquires, any direct or indirect beneficial interest, in any account over which he/she has any direct or indirect control. Generally, an Access Person is regarded as having a beneficial interest in those securities held in his or her name, the name of his or her spouse, and the names of his or her minor children who reside with him/her. An Access Person may be regarded as having a beneficial interest in the securities held in the name of another person (individual, partnership, corporation, trust, custodian, or another entity) if by reason of any contract, understanding, or relationship he/she obtains or may obtain benefits substantially equivalent to those of ownership. An Access Person does not derive a beneficial interest by virtue of serving as a trustee or executor unless the person, or a member of his/her immediate family, has a vested interest in the income or corpus of the trust or estate. However, if a family member is a fee-paying client, the account will be managed in the same manner as that of all other MCM clients with similar investment objectives.

If an Access Person believes that he/she should be exempt from the reporting requirements with respect to any account in which he/she has direct or indirect beneficial ownership, but over he/she has no direct or indirect control in the management process, he/she should so advise the CCO in writing, giving the name of the account, the person(s) or firm(s) responsible, and the reason for believing that he/she should be exempt from reporting requirements under this Code.

5.2 On Becoming an Access Person

Any employee of MCM who during the course of his/her employment becomes an Access Person, as that term is defined in sub-section 2.2 of this Code, must provide the CCO with an **Initial Securities Holdings Report** no later than 10 days after the employee becomes an Access Person, and the information must be current as of a date no more than 45 days prior to the date of becoming an access person. This report must include the following information:

- A list of securities, including the title, number of shares, and/or principal amount (if fixed income securities) of each covered security in which the Access Person had any direct or indirect beneficial interest or ownership as of the date the employee became an Access Person;

- The name of any broker, dealer or bank with whom the Access Person maintained an account, or in any other account in which securities were held for the direct or indirect benefit or ownership of the Access Person;

5.3 Daily Transaction Reports

Every Advisory Representative and/or Access Person must submit a **Personal Securities Trading Report** to the CCO prior to executing the transaction all securities trades to be executed in the Access Person's brokerage account(s) or in any account(s) in which the Access Person may have any direct or indirect beneficial interest or ownership. The **Personal Securities Trading Report** must contain the following information:

- The date of each transaction, the name of the covered security purchased and /or sold, the interest rate and maturity date (if applicable), the number of shares and/or the principal amount of the security involved;
- The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
- The price at which the covered security was affected;
- The name of the broker, dealer or bank through which the transaction was effected

5.4 Quarterly Transaction Reports. Rule 204-2(a)(12) of the Advisers Act

Every Advisory Representative and/or Access Person must submit a quarterly **Personal Securities Trading Report** to the CCO no later than 30 days after the end of each calendar quarter listing all securities transactions executed during that quarter in the Access Person's brokerage account(s) or in any account(s) in which the Access Person may have any direct or indirect beneficial interest or ownership. The quarterly **Personal Securities Trading Report** must contain the following information:

- The date of each transaction, the name of the covered security purchased and /or sold, the interest rate and maturity date (if applicable), the number of shares and/or the principal amount of the security involved;
- The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
- The price at which the covered security was affected;

- The name of the broker, dealer or bank through which the transaction was effected;
- In addition to the securities transaction data, the report will contain representations that the Advisory Representative (i) during the period, has not purchased or sold any securities not listed on the report; (ii) has not opened a securities brokerage account during the period which has not been reported to MCM, and (iii) agrees to notify MCM if he/she opens a personal securities account which has not otherwise been disclosed to MCM.
- The date the report is submitted to the CCO by the Advisory Representative and/or Access Person.

5.5 Annual Holdings Report. Rule 204A-1(b)(1) of the Advisers Act

Every Advisory Representative and/or Access Person must submit an **Annual Securities Holdings Report** with brokerage statement to the CCO no later than 30 days after the end of each calendar year listing all securities holdings in the Access Person's brokerage account(s) or in any account(s) in which the Access Person may have any direct or indirect beneficial interest or ownership. The **Annual Securities Holdings Report** must contain the following information:

- The title of the security, ticker symbol or Cusip
- The type of security
- The # of shares (principal amount)
- The name of the broker, dealer or bank through which the securities are held
- The date the report is submitted to the CCO by the Advisory Representative and/or Access Person.

6. Reports of Associates' Securities Trades in Accounts with Broker/Dealers

All Associates of MCM having account(s) with any broker/dealer must ensure that the account(s) are established so that duplicate copies of trade confirmations and monthly account statements are submitted directly to MCM by the broker/dealer. Notwithstanding the fact that an Associate may have an account with a broker/dealer, all securities transactions in the Associate's account with that broker/dealer must be executed through the trading desk of MCM.

7. Personal Securities Transactions and Insider Trading

In 1989, Congress enacted the Insider Trading and Securities Enforcement Act to address the potential misuse of material non-public information. Courts and the Securities and Exchange Commission currently define inside information as information that has not been disseminated to the public through the customary news media; is known by the recipient (tippee) to be non-public; and has been improperly obtained. In addition, the information must be material, *e.g.* it must be of sufficient importance that a reasonably prudent person might base his/her decision to invest or not invest on such information

The definition and application of inside information is continually being revised and updated by the regulatory authorities. If an Associate of MCM believes he/she is in possession of inside information, it is critical that he/she not act on the information or disclose it to anyone, but instead advise the CCO accordingly. Trading securities while in possession of material, non-public information about a security or issuer, or improperly communicating that information to others is a violation of Firm policy and may constitute a violation of federal/state securities laws, as well as the forfeiture of any profit realized from the transaction.

In addition to the above procedural requirements, Access Persons are subject to the following restrictions in managing their personal investments and in dealing with clients of MCM:

8. Options

Transactions in put or call options are subject to the same criteria as those for the underlying securities.

9. Dealings with Clients

No Associate may directly or indirectly purchase from or sell to a client of MCM any security, unless the transaction is pre-approved in writing by the CCO. Associates of MCM are prohibited from ever holding customer funds or securities or acting in any capacity as custodian for a client account. Moreover, Associate are prohibited from borrowing money or securities from any MCM client and from lending money to any MCM client, unless the client is a member of the Associates immediate family and the transaction has been approved in writing by the CCO.

10. Pay-to-Play

New Rule 206(4)-5 under the Investment Advisers Act of 1940 prohibits a registered

investment adviser from providing compensated services to a state or local government entity if the adviser makes contributions to a public official in a position to influence the award of that advisory business. Covered associates can contribute \$350 per official, per election if they can vote for the official and \$150 per official, per election if they cannot vote for the official. All employees must notify the CCO if there have been any such contributions.

If a covered associate makes a contribution to an official of a government entity who is in a position to influence the award of the government entity's business, then the adviser is prohibited from receiving compensation for providing advisory services to that government entity for two years thereafter, otherwise known as a "time-out" period. There is only a six month look-back for "new" employees who do not solicit clients for the adviser.

"Contribution" under the Rule is defined as any gift, subscription, loan, advance, deposit of money, or anything of value made for:

- The purpose of influencing any election for federal, state, or local office;
- The payment of debt incurred in connection with any such election;
- Transition or inaugural expenses incurred by a successful candidate for state or local office

The rule prohibits an adviser from doing anything indirectly which, if done directly, would violate the Rule.

11. Margin Accounts

While brokerage margin accounts are discouraged, an Associate may open or maintain a margin account with a brokerage firm with whom the Associate has maintained a regular brokerage account for a minimum of six months. This provision may be waived by the CCO upon written request by the Associate.

12. New Issues

In view of the potential conflicts of interest, Associates are not permitted to purchase initial public offerings of securities ("IPO's") that are over-subscribed and likely to rise to an immediate premium over the issue price. Such IPOs are termed "hot issues."

13. Private Placements

No Associate shall purchase any security which is the subject of a private offering, unless prior written approval has been obtained from the CCO.

14. Short Sales

Associates are prohibited from selling short any security which is held broadly in client portfolios, except that short sales may be made “against the box” in the Associate’s personal account for tax purposes. Short sales executed by Associated must also comply with the other applicable trading restrictions of this Code.

15. Bonds (Corporate and Municipal)

Purchases and sales of \$200,000 or greater, by Associates in their personal accounts of a single bond issue shall not be executed prior to the completion of all client orders pending in the same bond.

16. Other Restricted Activities Applicable to All Associates of MCM

16.1 Outside Business Interests

MCM does not wish to limit any Associate’s professional or financial opportunities, but needs to be aware of such outside interests so as to avoid potential conflicts of interest and ensure that there is no interruption in service to our clients. Understandably, MCM must also be concerned as to whether there may be any potential financial liability or adverse publicity that may arise from an undisclosed business interest by an Associate.

All Access persons are required to:

- Disclose annually to the CCO any board position they hold for a foundation, endowment, charity or similar organization
- Obtain prior approval from the CCO for board positions held on a publicly traded company or if the employee serves as a member on an investment committee of any Board.
- Obtain prior approval from the CCO if the employee sits on the board of *any* organization that has the potential to be a client of MCM

16.2 Gifts & Entertainment

Giving, receiving or soliciting gifts in a business may give rise to an appearance of impropriety or may raise a potential conflict of interest. Access persons should not accept or provide any gifts or favors that might influence the decisions you or the recipient must make in business transactions involving MCM. Gifts of cash, fees, trips, favors, etc that exceed \$250 may not be given or received. Access persons must immediately notify the Chief Compliance Officer in the event that a gift exceeding \$250 is received to determine whether the gift should be declined or returned. Gifts of nominal value and those that are customarily part of normal business operations, such as meals and entertainment, may be appropriate.

16.3 Use of Source Material

Investment related materials (research reports, investment summaries, etc.) written by Associated Persons of MCM for distribution outside of the company or available to outside parties should be original information and, if appropriate, include proper reference to sources. It is not necessary to reference publicly available information. However, any investment related material referencing MCM or bearing MCM's name or logo must first be submitted to the CCO prior to presentation to outside parties.

16.4 Communications with Clients through Radio, Television and Other Media

Associates of MCM are encouraged to participate in lectures, seminars, and media appearances where the purpose of such communications is to provide investment advice or explain the services offered through MCM. However, the Associate must submit to the CCO for approval, prior to presentation, an outline of any speech or lecture to members of the general public which discusses investments in general or specific securities currently recommended by MCM.

Associates making appearances on radio or television programs as representatives of MCM are prohibited from recommending any specific security, unless such security is currently on MCM's list of approved investments. In situations where an Associate is asked his/her opinion on the investment merits of a security not on MCM recommended list, the Associate should make it clear to the audience that any opinion given is his/her own and not necessarily that of MCM.

17. Recordkeeping

The Investment Advisers Act requires advisors to keep copies of all relevant documents that pertain to the Code of Ethics (including but not limited to: prior

versions of the Code, approval of personal securities transactions, annual holding reports, etc.). All documents are available upon request.

18. Promulgation, Execution and Distribution of the Code

The Principals of MCM have read and approved this Code of Conduct/Ethics regarding personal securities trading by Access Persons/Associates of MCM. In addition to having approved this Code, the firm agrees to review at least annually the provisions of this Code which may require periodic revisions, clarifications, or up-dating so as to comply with the provisions of the Investment Advisers Act, the Investment Company Act and SEC interpretations thereof with respect to personal securities trading by Access Persons/Associates of MCM.

Signed _____ Date: _____

19. Acknowledgement of Receipt of Code of Conduct/Ethics

Access Person/Associate of MCM

I have read the above Code of Conduct of MCM regarding personal securities trading and other potential conflicts of interest and agree to comply with the provisions therein.

Signed _____ Date: _____