

## **SUMMARY OF THE BUSINESS CONTINUITY PLAN OF DUPREE & COMPANY, INC**

### **Objective:**

Our firm recognizes the threats posed by both internal and external events upon our business and the resulting effect on our customers. Accordingly, Dupree & Company (“Dupree”) has developed and approved a Business Continuity Plan (“Plan”) describing how we will respond to events that significantly disrupt our business. Because the timing and severity of a significant business disruption (“SBD”) cannot be predicted, we will have to be flexible in responding to actual circumstances and events as they occur. If a SBD occurs, it is the objective of Dupree to resume business activities as soon as possible without endangering our employees and to enable shareholders of Dupree Mutual Funds (the “Funds”) to have timely access to information and their funds.

Our office is equipped with fire detection and suppression systems to reduce the threat of fire. Security systems and personnel ensure that only authorized persons gain entry to our office.

Significant business disruptions can vary in their scope and severity. For less severe business disruptions affecting only our office building, it is our objective to resume operations within four hours. For more severe disruptions, such as city-wide or a regional disruption, it is our objective to resume operations within 24 hours. These recovery time frames are objectives and may be negatively impacted by circumstances beyond our control.

Consistent with regulatory requirements, Dupree is providing this disclosure statement to our clients; the disclosure statement summarizes our Plan. Clients should understand that because the Plan contains confidential details and proprietary information, it cannot be distributed outside of the firm.

### **Business Description:**

Dupree is a registered Broker/Dealer, Investment Adviser and Transfer Agent. Dupree serves as the Investment Adviser to the Funds and also as the Transfer Agent for the Funds. We do not hold any customer funds or securities. Dupree does not execute any transactions in its capacity as a registered Broker/Dealer.

### **Operational Risk:**

If a SBD occurs, we will immediately identify what means will permit us to communicate most effectively with the shareholders of the Funds, other investment adviser clients, employees, banks and regulators. Although the effects of a SBD will determine the means of alternative communication, the communications options we will employ will include our web-site, telephone voice mail, e-mail, U.S. Mail, private mail carrier service, or private courier service.

### **Financial and Credit Risk:**

If a SBD occurs, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. If we determine that we may be unable to meet our obligations or fund operations, we will request additional financing from our bank or other credit sources to fulfill our obligations. If we cannot remedy a capital deficiency, we will file appropriate notice with our regulators and immediately take appropriate steps to alleviate the capital deficiency.

### **Mission Critical Functions:**

Dupree’s “mission critical functions” are those that ensure prompt and accurate processing of transactions, specifically for the Funds. Among other things, this includes the computation of NAV (Net Asset Value) for the Funds and performing daily shareholder and bond accounting functions for the Funds. We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of computing the NAV for the Funds on a daily basis and performing shareholder and bond accounting functions. We have established an off-site back-up

server outside of the Lexington, Kentucky geographic area which will enable us to perform these mission critical functions from a location other than our main office, if necessary. This off-site location includes a technology infrastructure that is synchronized with the server that we maintain in our main office.

**Employees:**

We now communicate with our employees in person. If a SBD occurs, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with our employees.

**Regulators:**

We are currently members of the following Self Regulatory Organization:

The Financial Industry Regulatory Authority (FINRA)

We communicate with our regulators using the telephone, e-mail, facsimile, U.S. mail, private mail carrier service, and in person. If a SBD occurs, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with our regulators.

**Regulatory Reporting:**

Our firm is subject to regulation by the Securities & Exchange Commission (SEC) and FINRA. We now file reports with our regulators primarily by electronic means, but we may also file reports by facsimile, e-mail, the internet, or by U.S. Mail. If a SBD occurs, we will check with the SEC and FINRA to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral) to our previous filing method. In the event we cannot contact our regulators, we will continue to file reports using the communications means available to us.

**Banks:**

We have made arrangements with our bank to arrange for financing that may be needed in the event of a SBD. If our bank or other lenders are unable to provide financing, we will seek alternative financing.

**Contacting Us:**

If a SBD occurs, you should attempt to contact us as you usually do by telephone at (859) 254-7741 or (800) 866-0614. If you cannot contact us by telephone, you can attempt to contact us by e-mail at [inquiry@dupree-funds.com](mailto:inquiry@dupree-funds.com) or [shareholders@dupree-funds.com](mailto:shareholders@dupree-funds.com). We will post recorded disaster recovery status reports and announcements on our telephone answering machine and website. Our website address is [www.dupree-funds.com](http://www.dupree-funds.com).

**Updates, Annual Review & Testing:**

Our Plan is reviewed annually and is periodically tested. Our Plan is subject to modification and amendment based on test results as well as any new requirements that are identified when the Plan is reviewed. Dupree will update our Plan whenever we have a material change to our operations, structure, business or location. An updated summary of our Plan will be posted on our web-site and a written copy of the updated summary is available by mail upon written request.

Approved: March 1, 2012