

Proxy Voting by Canadian Mutual Funds 2006-2009

A Survey of Management and Shareholder Resolutions

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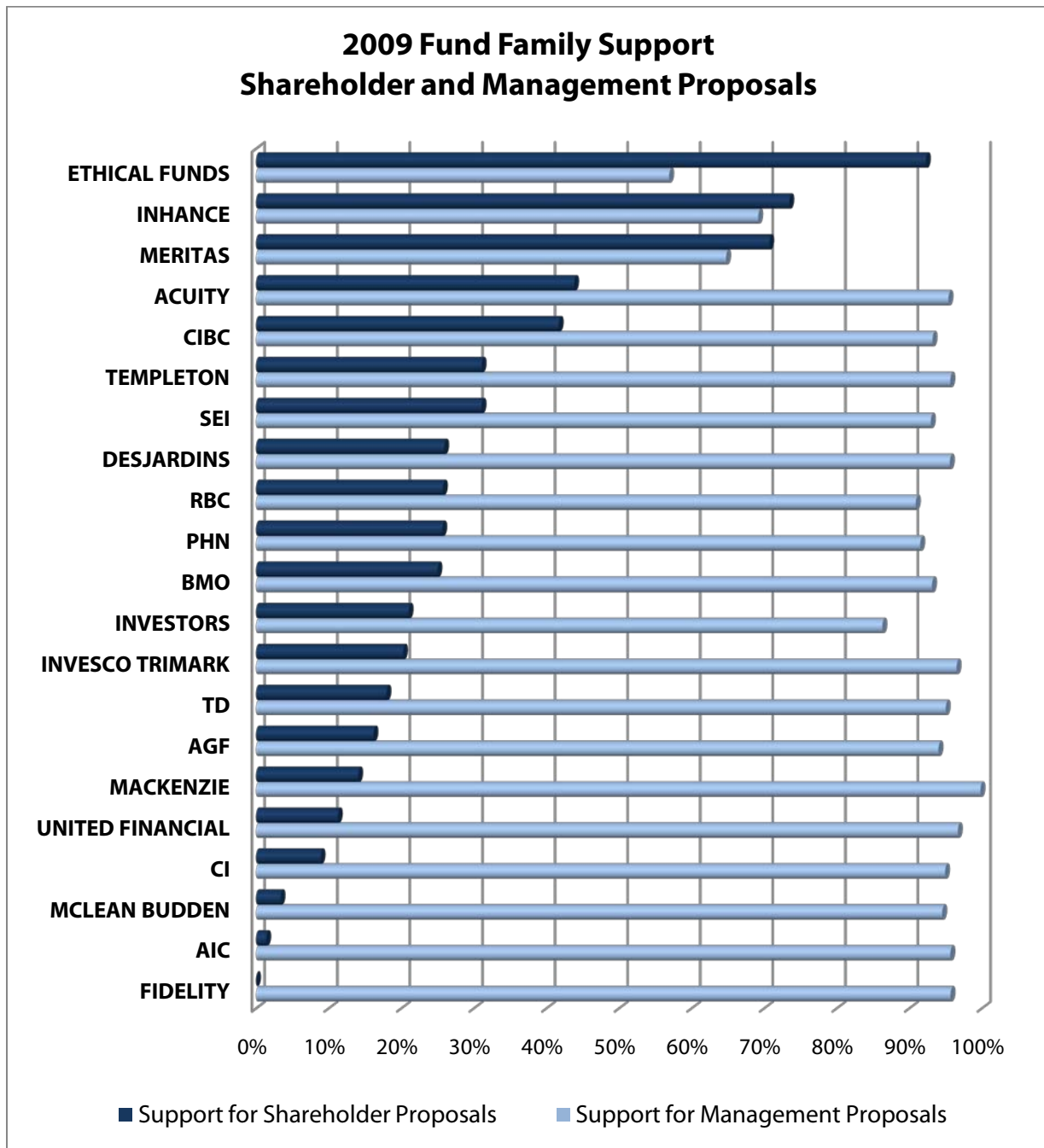
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Executive Summary

Our third annual survey of proxy voting by Canadian mutual funds features an analysis of four full years of data on votes cast by 258 funds managed by 21 fund companies in connection with the shareholder meetings of more than 200 senior Canadian issuers.



As in past years, we examined mutual fund proxy votes on director elections, auditor appointments, and all other management and shareholder proposals. This year we also took a close look at fund voting on compensation proposals put forward by management. Year after year, and in each subcategory of proposal, we found that an increasing percentage of mutual fund voting power is being exercised to vote against management.

The slow, steady decline in mutual fund support for management's board nominees that we have tracked in past years continued in 2009, but average levels of support continue to be very high.

The 2009 voting record indicates that the auditor item on corporate ballots continues to win overwhelming approval from almost all mutual fund companies. Notable exceptions are the three Socially Responsible Investment (SRI) fund companies. Their ballots indicate moderate levels of support overall, which decreases very slightly in each of the four years we examined.

Mutual funds rejected a significant 20 to 30% of compensation resolutions put forward by management each year. The majority of these proposals sought approval for stock option grants, either under new plans or by amendments to existing schemes. These resolutions were relatively unpopular with shareholders generally, although average votes against did not exceed 20% in any of the four years we surveyed.

We were also able to compare fund votes with all shareholder votes on shareholder proposals. Here we found that mutual funds were less supportive of shareholder proposals than all shareholders in 2006 and 2007, but more supportive of them in 2008 and much more so in 2009. In addition, we found that support for shareholder proposals has grown each year among all shareholders, including mutual funds.

The three SRI fund families we surveyed are far less supportive of management than each of the other fund families every year, and in every category of proposal examined. The vote reports of these fund companies indicate a strong desire for change on boards, in auditor appointments and on equity-based compensation. This sentiment is perhaps no better expressed than by the SRI fund companies' strong support for shareholder initiatives, many of which were filed by one of these companies.

At the other extreme, the ten largest Canadian retail fund families voted, as a group, a higher percentage of their ballots in favour of management on all the issues we examined than the average of the 21 funds we surveyed. As these funds represent an enormous proportion of the voting power of all funds in which an individual can invest, they deliver a strong signal in favour of current corporate practice.

Introduction

Investments in Canadian mutual funds totalled approximately \$547 billion at June 30, 2009.¹ The 21 fund families we surveyed for this report had assets under management (AUM) in excess of \$530 billion as of that date. The ten largest fund families made up 85% of the total AUM of the 21 fund families included in our dataset, and 79% of all assets under management in all Canadian mutual funds.

Each of the mutual funds we surveyed invest in shares of public companies and, as shareholders, are invited to vote on various matters at annual and other company meetings. It is the duty of mutual fund companies to vote all shares held by their funds in the best interests of unitholders. Mutual fund managers in Canada are also required to report annually on how they voted on all matters put to them by public companies. The reporting period is July 1 to June 30. In this report, we examine the vote reports of the 21 fund companies on matters on the agenda at 208 Canadian companies in the four year period from July 1, 2005 to June 30, 2009.

The votes cast by fund companies with assets totalling half a trillion dollars cannot fail to have a significant influence on corporate behaviour, and are well worth examining for that reason alone. Another important reason to build an awareness of how mutual funds vote is that fund companies make vote decisions on behalf of fund unitholders, the ultimate beneficiaries of fund investments. Purchasers of mutual fund units are encouraged by industry regulators to learn as much as they can about how the money they invest will be managed by a fund company. The company's vote decisions are an important aspect of fund management, and warrant investor consideration.

Methodology

This is the third edition of our report on proxy votes cast by Canadian mutual funds. The 21 mutual fund companies included in our dataset are the same ones we have surveyed in past years. They include, as of June 30, 2009, the ten largest mutual fund companies by AUM, the three fund companies marketing SRI funds exclusively, and a broad spectrum of other Canadian mutual fund companies. A list of all of the funds within each family is included in Appendix 1 to this report.

On proxy ballots, "for" and "withhold" are the voting options available to shareholders of Canadian issuers with respect to the election of directors and the appointment or reappointment of auditors. On all other matters submitted to shareholders on proxy ballots, the voting options are "for" and "against." A list of the issuers included in this report can be found in Appendix 2.

¹ Investment Funds Institute of Canada, Statistical Commentary, June 2009. Online at: <http://statistics.ific.ca/English/Reports/MonthlyStatistics.asp>

The majority of fund companies (13 of 21) reported that one or more of its funds abstained from voting on one or more of the proposals we surveyed and 14 companies reported at least one non-vote, indicating that no vote was cast on at least one ballot item.

When tabulating the levels of support for the proposals, votes for were counted as fund support and votes against or withheld and abstentions were tabulated as not supportive. Non-votes were not counted. For example, if a fund voted against an amendment to a stock option plan or reported that it abstained from voting, that fund has no votes in support of the resolution and the support level is 0%. If a fund reports only non-votes on a resolution, the result is simply “null” because the fund has not voted on the proposal.

Weighting of Fund Votes by Assets Under Management

The proxy vote disclosure provided by most mutual fund companies indicates how its funds voted on each ballot item, but does not set out the number of shares that were voted.² A very large fund family and a very small one may both disclose that all shares in all funds voted against Company A’s stock option plan. In terms of the vote tally, the very large fund family almost invariably holds, and votes, more shares of Company A than the very small one.

In order that our analysis accounts for the relative voting power of each fund family and the approximate impact of its vote decisions on vote outcomes, we weight vote decisions by the assets under management (AUM) of each company in much of the analysis that follows.

The chart below indicates, for June 30 of each year included in this report, the percentage of the AUM of all fund families that is accounted for by each firm. For fund companies that are members of the Investment Funds Institute of Canada (IFIC), we have used the figures that organization reported.³ For other fund companies, we relied on each company’s public asset disclosures.

Note also that in brackets after the full name of each fund company, we provide the abbreviated name of each company used in the rest of this report.

² The SEC recently put out a Concept Release on the U.S. Proxy System. One regulatory change the SEC is contemplating is a requirement that the mutual funds it regulates augment their proxy vote reports by providing the number of shares voted in connection with each proxy as well as the vote decision. See page 49 of the Concept Release online at: <http://www.sec.gov/rules/concept/2010/34-62495.pdf>

³ See IFIC Monthly Statistics Online at: <http://statistics.ific.ca/English/Reports/MonthlyStatistics.asp>

Fund Family Assets Under Management				
Fund Family	Percentage of Total AUM			
	2006	2007	2008	2009
Acuity Funds Ltd. (ACUITY)	0.69	0.65	0.61	0.49
AGF Management Ltd. (AGF)	4.62	5.11	4.63	4.21
AIC Ltd. (AIC)	1.57	1.36	0.88	0.73
BMO Investments Inc. (BMO)	5.18	5.37	5.51	5.50
CI Mutual Funds Inc. (CI)	10.64	9.17	9.37	9.89
CIBC Asset Management (CIBC)	8.81	8.57	8.70	8.41
Desjardins (DESJARDINS)	1.47	1.65	1.92	1.91
Northwest & Ethical Investments L.P. (ETHICAL FUNDS) ⁺	0.36	0.38	0.37	0.74
Fidelity Investments Canada Ltd. (FIDELITY)	6.88	7.00	7.55	7.48
Inhance Investment Management (INHANCE)*	0.02	0.02	0.02	0.01
Invesco Trimark (INVESCO TRIMARK)	8.51	8.57	6.52	5.6
Investors Group Inc. (INVESTORS)	10.14	10.28	10.07	10.40
Mackenzie Financial Corporation (MACKENZIE)	8.27	8.10	7.76	7.35
McClean Budden Ltd. (MCLEAN BUDDEN)	0.52	0.55	0.62	0.56
Meritas Mutual Funds Inc. (MERITAS)	0.02	0.03	0.03	0.04
Phillips Hager & North Investment Management Ltd. (PHN)	3.21	3.37	3.29	3.33
RBC Asset Management Inc. (RBC)	12.25	13.22	15.45	16.83
SEI Investments Canada Co. (SEI)	1.81	1.61	1.57	1.66
TD Asset Management Inc. (TD)	8.87	9.29	9.82	9.94
Templeton (TEMPLETON)	4.50	4.61	4.26	3.80
United Financial Corp. (UNITED FINANCIAL)	1.67	1.10	1.05	1.12

⁺Ethical Funds Co. and Northwest Mutual Funds Inc. merged to form Northwest & Ethical Investments LP. late in 2007.

* As a result of an agreement completed in December 2009, mutual funds managed by Inhance Investment Management were merged with funds managed by IA Clarington Investments Inc.

Analysis of Fund Voting on Management Resolutions

Election of Directors

Canada's public companies must submit director nominees to shareholders for election to the board. Although some Canadian corporate statutes allow companies to arrange their boards in a staggered fashion so that directors serve terms of up to three years between elections, the overwhelming majority are elected annually.

The mechanics of the process make clear that 'election' is a misnomer. Shareholders may either vote for directors or withhold their votes.⁴ There is no option on proxy ballots to vote against a nominee. In determining whether a director is elected to the board, withheld votes do not, as a technical matter, count. A nominee is elected if he or she receives just one 'for' vote. This is called plurality voting.

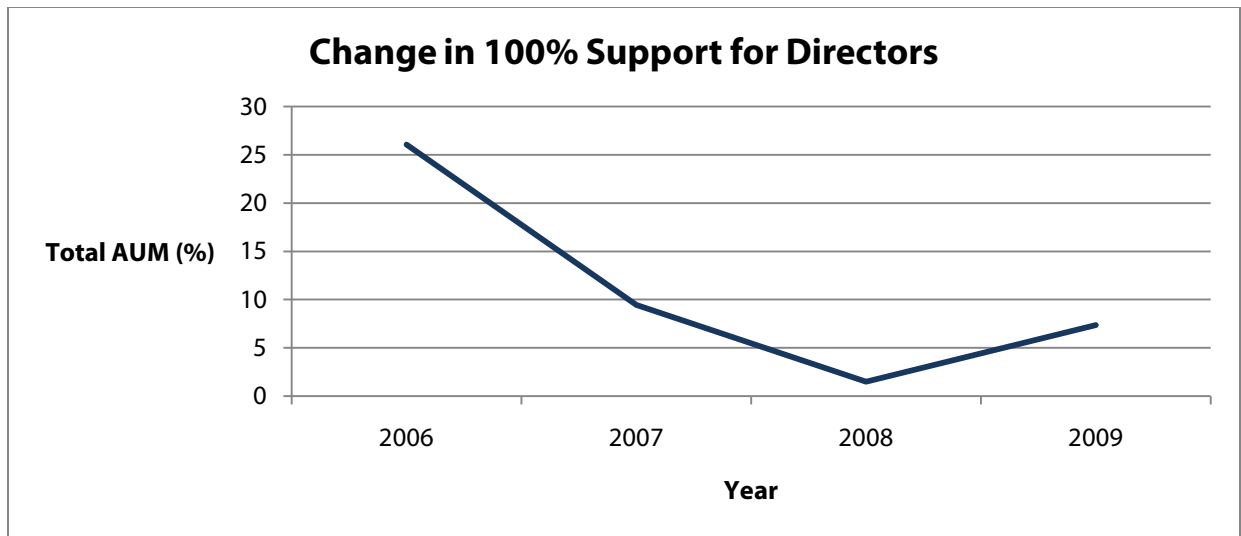
More than 100 Canadian issuers have adopted a policy of majority voting for directors. This means that if more shareholder votes are withheld than are cast for a director nominee, the nominee is not elected, and must submit a letter of resignation to the board. Majority voting policies in Canada provide that boards can reject a director's resignation - and therefore the will of the shareholders. To date, a director nominee at a company with a majority voting policy has never failed to secure majority support.

Regardless of the legal effect of the vote and the election policy that applies, for shareholders the voting options of for and withhold represent a clear choice between supporting nominees and opposing their election to the board.

Overall, mutual fund support for director nominees on the ballots of senior Canadian issuers has fallen slightly over the past four years. For all director elections included in our dataset, 93% of ballots were voted 'for' a nominee (or slate of nominees) in 2006 and 2007. Support decreased very slightly to 92% in 2008 and dipped to 89% in 2009.

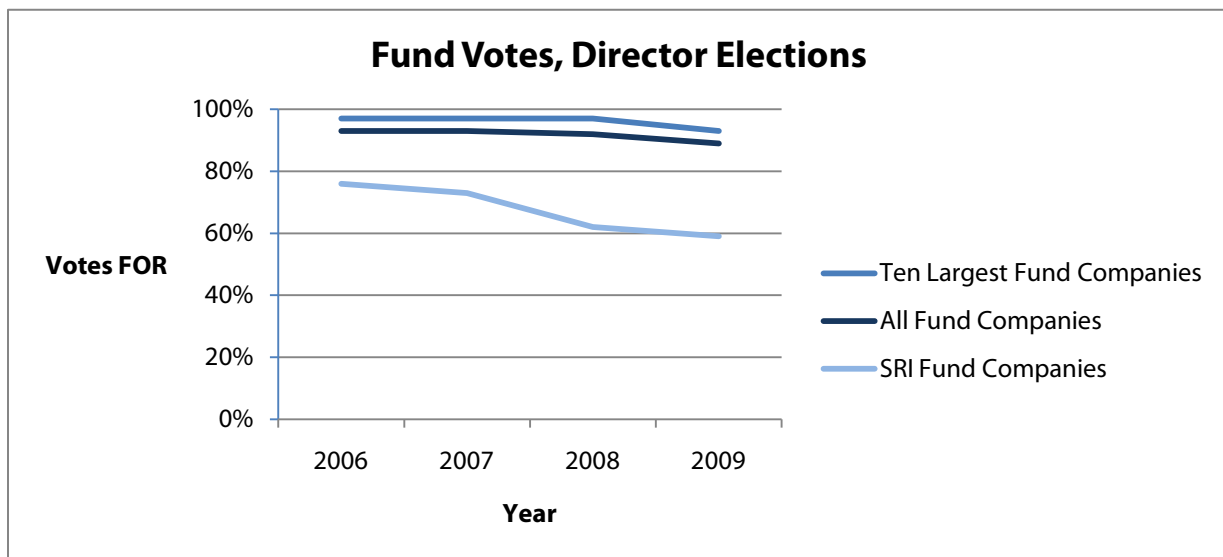
One of the coincident changes in mutual fund voting records over the four year period we examined was a decrease in the number of funds voting all of their proxies in support of all director nominees. The number of fund families reporting 100% support for director nominees has fallen from five in 2006 to just one in 2009. As noted in the chart below, total AUM of these funds decreased from 26% in 2006 to 7.35% in 2009, with a dip down to just 1.5% in 2008.

⁴ National Instrument 51-102 9.4(6) indicates that "A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the name of the securityholder must be voted or withheld from voting in respect of the appointment of an auditor or the election of directors."

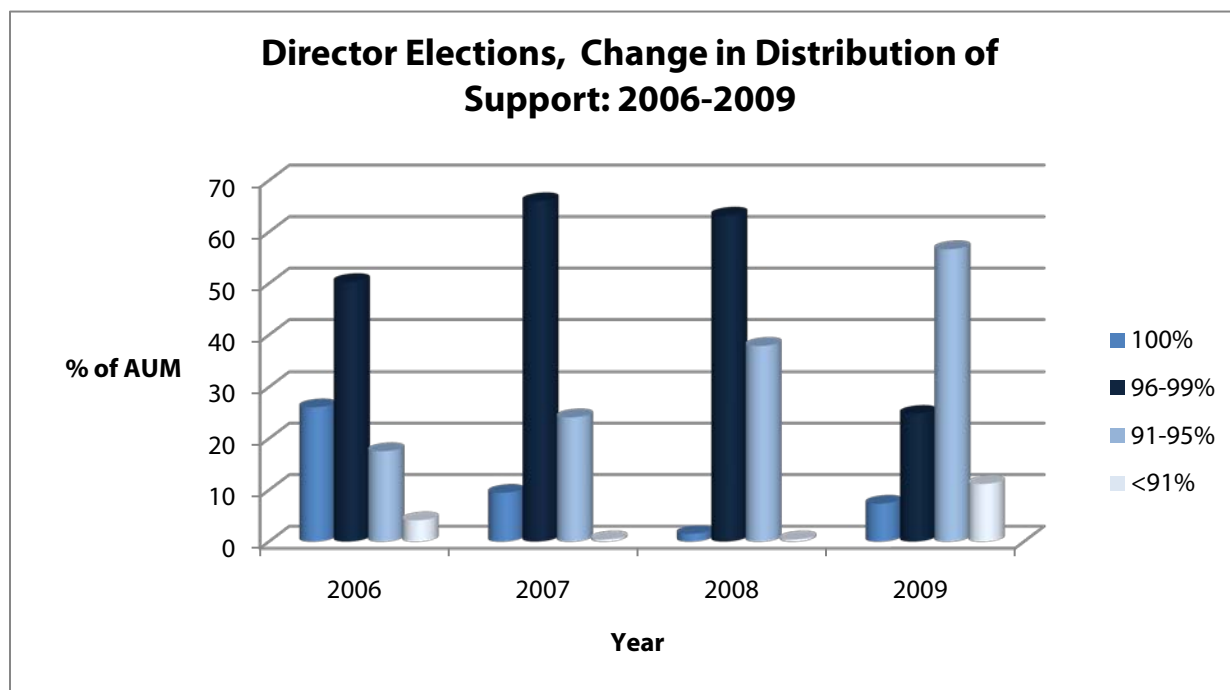


We also examined the director voting data of sub-groups of fund companies. We compared support for board nominees by the ten largest fund companies by AUM and the three fund companies that self-identify as socially responsible investors (SRI) with that of all 21 fund companies in our dataset.

This data shows there is little difference between the average overall level of support for directors reported by the ten largest fund companies and the average for all 21 fund companies. Both groups of funds demonstrate a slow and steady decline in the level of support for director nominees from year to year. The voting records of the SRI fund families provides a point of contrast, showing relatively weak levels of support for director nominees in all years, and significant drops in the level of support from year to year to a low of 59% in 2009.



We also weighted each fund company's reported level of support for director nominees by its AUM and graphed the data in ranges to illustrate changes in the distribution of fund voting power from year to year.



As the chart above illustrates, mutual fund voting power is concentrated in the 100% and 96–99% ranges in 2006, the 96–99% range in 2007 and 2008 and in the 91–95% range in 2009.

It is not possible to complete a direct comparison of mutual fund company support for directors and the votes cast by all shareholders because many Canadian public companies do not report the number or percentage of shares voted for the nominees and number withheld. Instead, these companies simply indicate that the director nominees were elected by the shareholders.

Although the simple average of support for directors based on mutual fund proxy votes is very high, some fund companies report voting for a low or very low percentage director nominees. Fund companies that voted ‘for’ on less than 91% of director election resolutions are few in number and dominated by SRI product providers. As noted in the following table, however, there was a significant increase in the percentage of AUM of the fund families providing relatively low levels of support for director nominees in 2009.

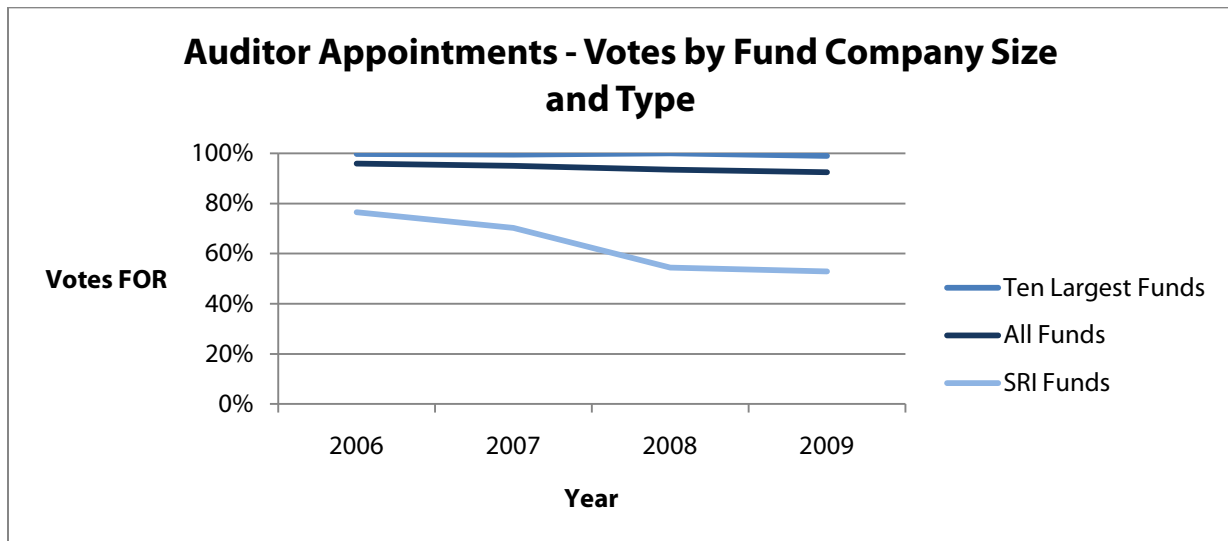
Votes Cast ‘For’ Directors Less than 91%					
	Fund Companies				% of AUM
2006	PHN (85%)	INHANCE (85%)	ETHICAL FUNDS (49%)	MCLEAN BUDDEN (85%)	4.1
2007	MERITAS (80%)	INHANCE (73%)	ETHICAL FUNDS (48%)		0.4
2008	MERITAS (69%)	INHANCE (69%)	ETHICAL FUNDS (48%)		0.4
2009	MERITAS (58%)	INHANCE (77%)	ETHICAL FUNDS (44%)	INVESTORS (85%)	11.2

Auditor Appointments

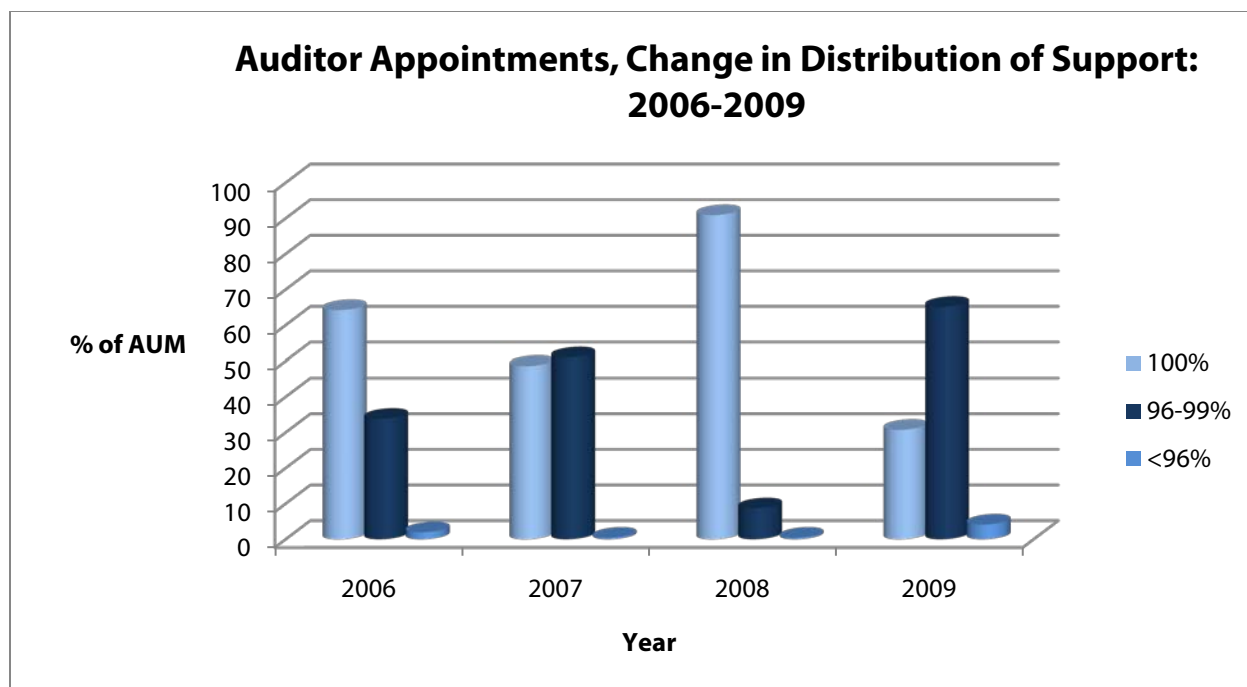
Audit firms are appointed in the same way directors are elected in that the only voting choices for shareholders are for and withhold. Mutual fund voting records indicate that at Canadian companies, auditor appointments and reappointments are even less likely to be opposed than director nominees.

Of all of the issues or groups of issues we examine each year, we find the least opposition to management on auditor-related ballot issues. Within the 21 fund families we examined, five supported all auditor (re)appointments on all ballots voted from 2006 to 2009. This is the only category in which we found mutual fund companies that voted all ballots with management. Six other fund families supported all auditor items on the ballots of companies we surveyed in three years of this four year period.

From 2007 to 2008, the number of fund companies supporting all auditor resolutions nearly doubled, as did fund voting power (AUM) of the fund families in this group. For 2009, companies voting all ballots in support of auditor appointments was halved, yet fund family AUM in this group shrunk to just one third of the 2008 tally. This is because six of the nine fund families that exited the 100% support group in 2009 were among the ten largest by AUM.



The data shows that, as with director elections, levels of overall mutual fund support for auditor appointments are very strong in all years, but did drop significantly in 2009.



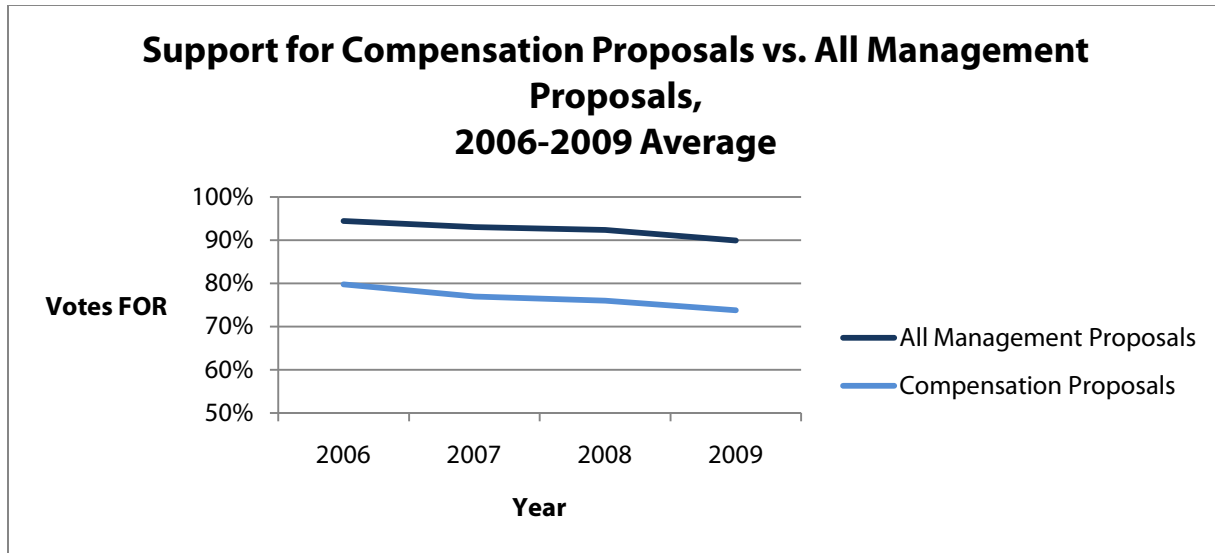
Mutual fund voting power is concentrated at 100% in 2006 and 2008, split evenly between 100% and the 96–99% range in 2007 and moves to the 96–99% range in 2009.

Compensation Resolutions

Our analysis of mutual fund voting on executive compensation proposals identified management proposals to introduce or amend compensation schemes on the ballots of companies in our dataset for the 2006 to 2009 period. We then selected from this group the proposals that received the support of fewer than 95% of votes cast.⁵ We refer to these voting items as the compensation proposals. Finally, we compiled the voting record of our 21 fund families on the compensation proposals for analysis.

Our data contains the fund votes reported for all ballot issues, and we are therefore able to compare levels of fund support for all management proposals (including director elections, auditor appointments and compensation matters) to support for the compensation proposals. We found that in each year we surveyed, the overall average support by all funds for all management proposals was significantly higher than support for the compensation proposals.

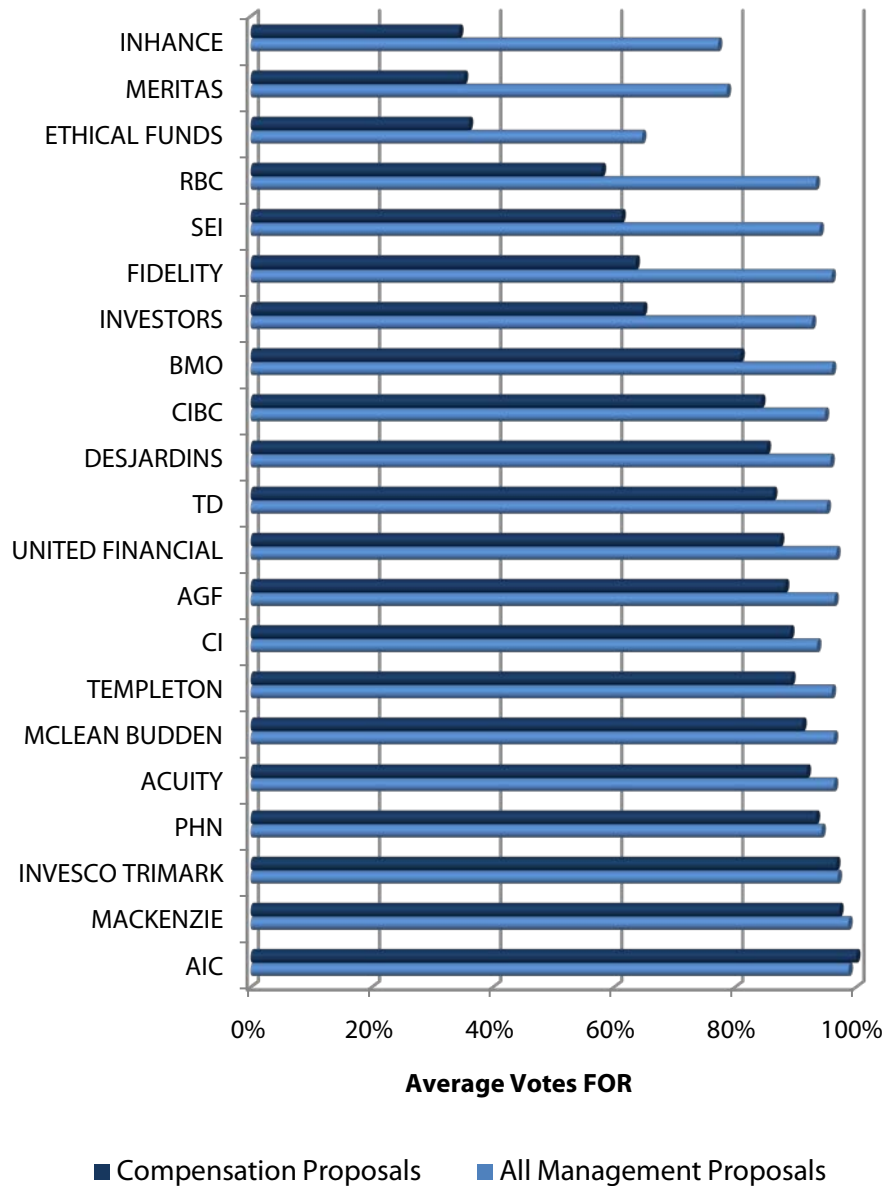
⁵ Canadian corporate law and vote reporting requirements enable companies to report that shareholders have approved a resolution without reporting the number of votes for and against management if, prior to consideration of the issue at a company meeting, the votes already cast by proxy are at least 95% in favour and no shareholder present at the meeting requests that a poll be taken. We selected compensation matters with shareholder votes against of at least 95% for examination in order to have numerical shareholder vote results on all issues in the dataset.



As is evident in the graph above, the 'spread' between levels of support for all management proposals and the subset of the compensation resolutions was quite uniform at about 15% in each year.

We found only one fund company, AIC, that reported a higher percentage of votes for the compensation proposals than for all management proposals. Invesco Trimark's proxy vote reports indicate that its support for the compensation proposals was the same as its support for all management proposals. In all other cases, mutual fund support for compensation proposals was lower than support on all management proposals.

Support for Compensation Proposals vs. All Management Proposals

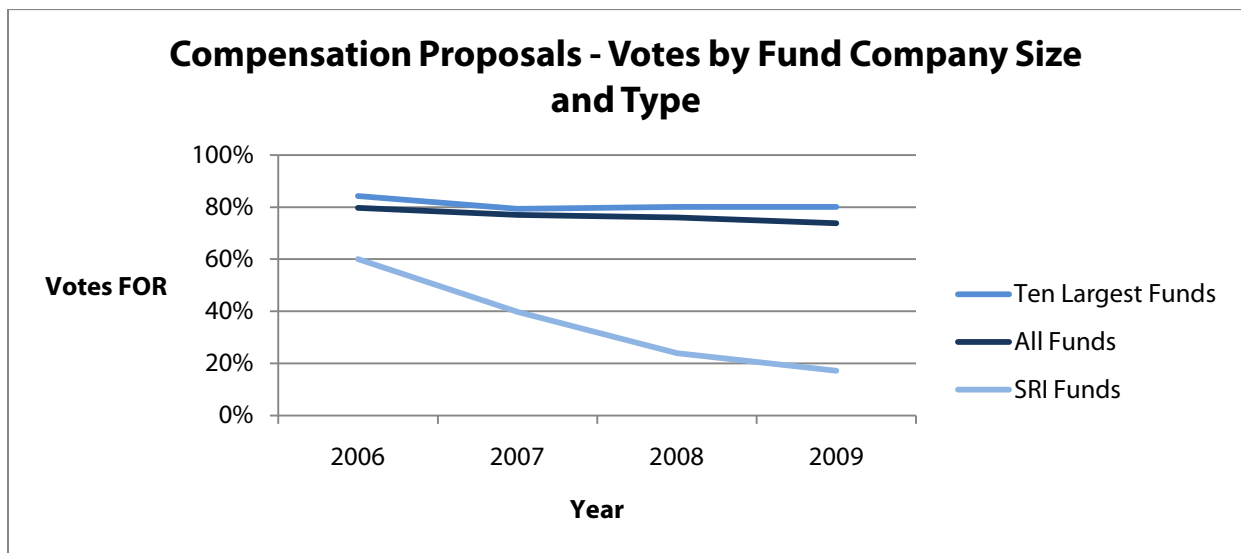


The overwhelming majority of the compensation proposals in our dataset were requests for shareholder approval of matters related to stock option compensation. The resolutions include the introduction of new option plans, required periodic authorization for 'rolling' plans or an increase in shares for plans with a fixed number of awards reserved, the introduction of an amending formula for a plan and other related matters such as grants made outside a plan. The remaining compensation proposals are requests for shareholder ratification of compensation plans under which shares are granted.

The proxy voting records of the 21 mutual fund families we surveyed reveal that funds supported a steadily decreasing percentage of the compensation proposals in each year of our four year period. In contrast, support for compensation resolutions from all shareholders for the resolutions we examined oscillated slightly. Of particular note is that the weighted average of all mutual fund votes on the compensation resolutions indicates lower support for management than the final vote tally of ballots cast by all shareholders. This data is compiled in the following table:

Comparison of Support for Compensation Proposals				
	2006	2007	2008	2009
Average Shareholder Vote	85.6%	81.5%	83.3%	82.7%
Average Mutual Funds Vote, Weighted by AUM	80.9%	79.6%	78.8%	75.1%

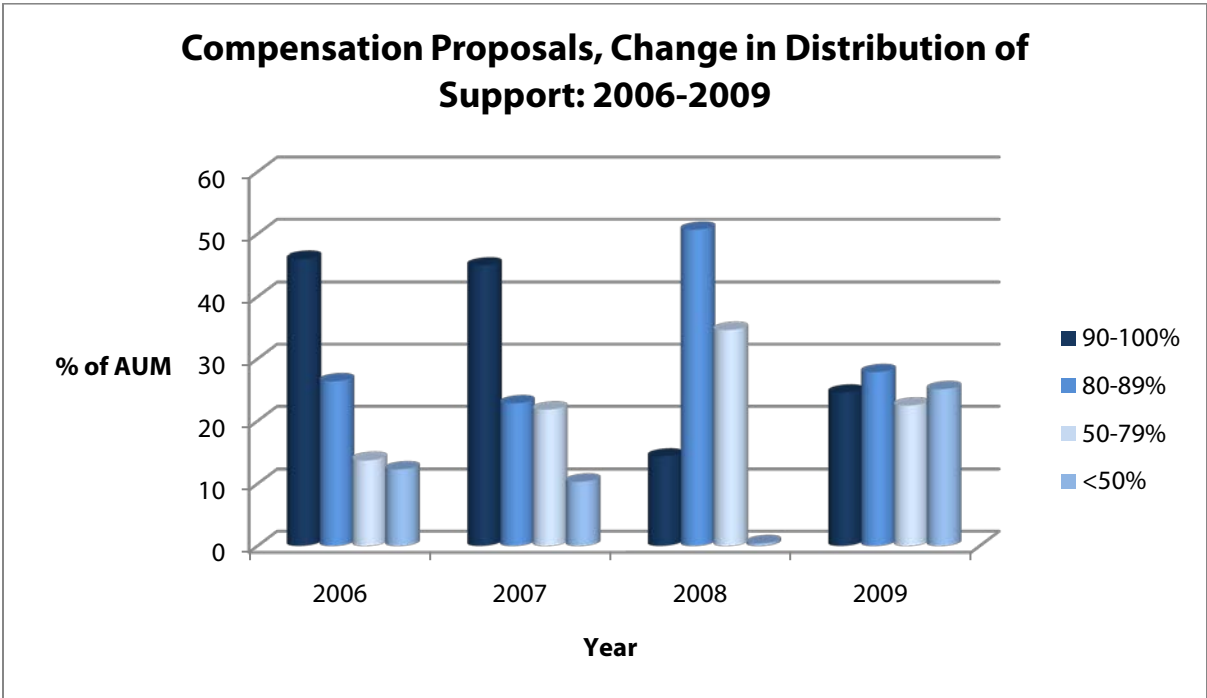
Next, we looked for differences in vote support for compensation proposals in three fund family groupings: the ten largest fund families by AUM, the three SRI fund families and all fund families. As with the director and auditor items on the fund ballots in our dataset, we found that the ten largest fund families provided the strongest vote support for management. These funds reported voting for the compensation resolutions more often than all fund families. The vote reports of the SRI fund families reveal a rapidly decreasing tendency to vote in support of company compensation proposals over the 2006 to 2009 period.



Finally, the vote reports of the SRI fund families reveal a rapidly decreasing tendency to vote in support of company compensation proposals over the 2006 to 2009 period. Although the SRI fund families invariably support management on a lower percentage of its proposals, the difference is most extreme in the compensation category. Clearly the three SRI fund families are not content with the status quo on equity-based compensation at Canadian senior issuers.

To examine the impact of the differences in AUM among the 21 fund families, we weighted the average support for compensation resolutions of each company for each year by its percentage of total fund AUM. The average support for the compensation resolutions increases when the votes are AUM weighted because, as a group, the ten largest fund companies vote with management on a higher percentage of their ballots than the other funds in our dataset.

Weighting each company’s level of support by AUM also throws the declining level of support for the compensation proposals into clear relief, as illustrated in the following chart:



When we group fund families by their AUM-weighted support for the compensation resolutions, we can see the decrease in very strong support (90%+) and increase in moderate support (89% and lower) that make up the declines in overall average votes for management from 2006 to 2009.

We took a detailed look at a subset of compensation proposals that were judged unacceptable by a significant investor constituency over the 2006 to 2009 period, receiving the support of just 51% to 59% of all votes cast. Included in the table below are proxy ballots voted by all fund families on these

eight resolutions.⁶ For each fund company, we note the number of ballots voted, the number voted for management and the resulting percentage of support for the resolutions by the fund families.

Fund Support for Compensation Proposals Receiving Less than 60% Shareholder Support			
Fund Family	Ballots Voted	Ballots Voted For	Support
DESJARDINS	4	0	0.0%
ETHICAL FUNDS	1	0	0.0%
INHANCE	1	0	0.0%
MACKENZIE	2	0	0.0%
MERITAS	3	0	0.0%
PHN	1	0	0.0%
SEI	5	0	0.0%
INVESTORS	5	0	0.0%
FIDELITY	2	0	0.0%
BMO	3	1	33.3%
CIBC	25	10	40.0%
TEMPLETON	7	3	42.9%
RBC	16	7	43.8%
UNITED FINANCIAL	4	2	50.0%
AGF	22	11	50.0%
ACUITY	15	8	53.3%
CI	6	4	66.7%
TD	16	12	75.0%
INVESCO TRIMARK	3	3	100.0%
MCLEAN BUDDEN	1	1	100.0%

A majority of fund families (13 of 20 or 65%) supported these controversial resolutions on fewer than half of the ballots they voted, and nine companies rejected all of the ones that they voted. AIC was the only fund company in our dataset that did not vote any of these resolutions.

Analysis of Fund Voting on Shareholder Resolutions

Shareholders of a company that meet certain legal requirements regarding number and value of shares held and duration of holding may file proposals with the company for a vote by their fellow shareholders at an annual meeting. Dozens of shareholder proposals are filed with Canadian companies each year. If management agrees with what the shareholder proposes, it may be adopted

⁶ Three in 2007 (NuVista, Transat AT, Niko Resources), three in 2008 (Highpine, Ensign, BFI) and one in 2009 (Eldorado Gold).

by the company and withdrawn by the shareholder. If, however, the shareholder and company representatives cannot reach an agreement, the proposal usually goes to a shareholder vote.

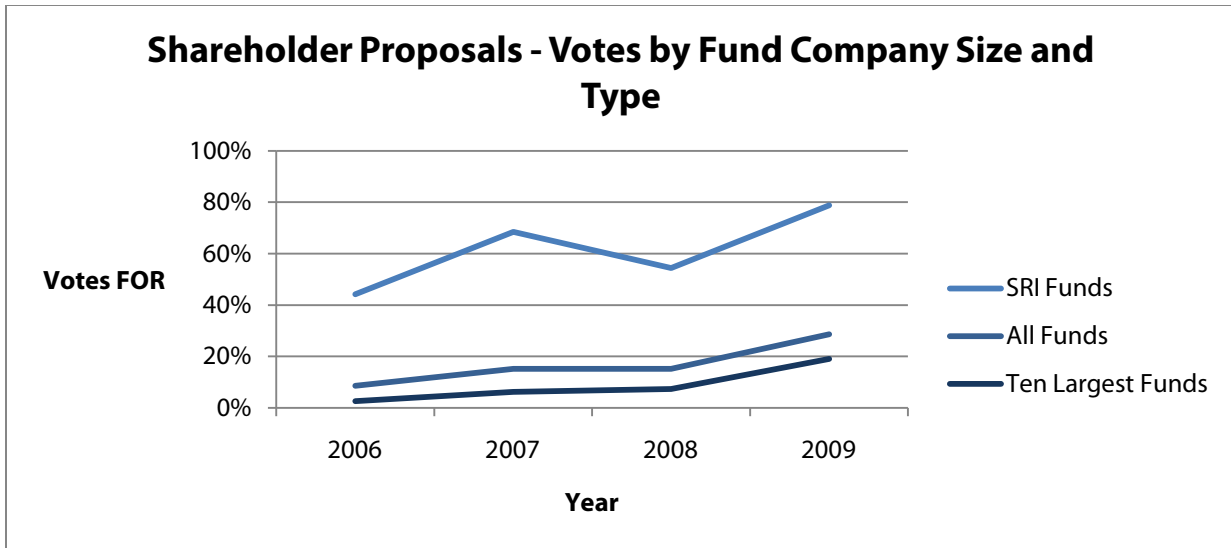
The data we collected for this report includes mutual fund vote decisions on all of the shareholder proposals that were voted on Canadian company’s ballots with the exception of votes at companies that were no longer separate public issuers as of June 30, 2009. Refer to Appendix 3 for details regarding the shareholder proposals.

We compared the votes of mutual funds, weighted by fund company AUM, with the average of votes cast by all shareholders as reported by the issuers. We found that mutual funds provided a lower percentage of support for the proposals than all shareholders who voted in 2006 and 2007, but that funds, as a group, were greater supporters of the proposals filed in 2008 and 2009 than other shareholders.

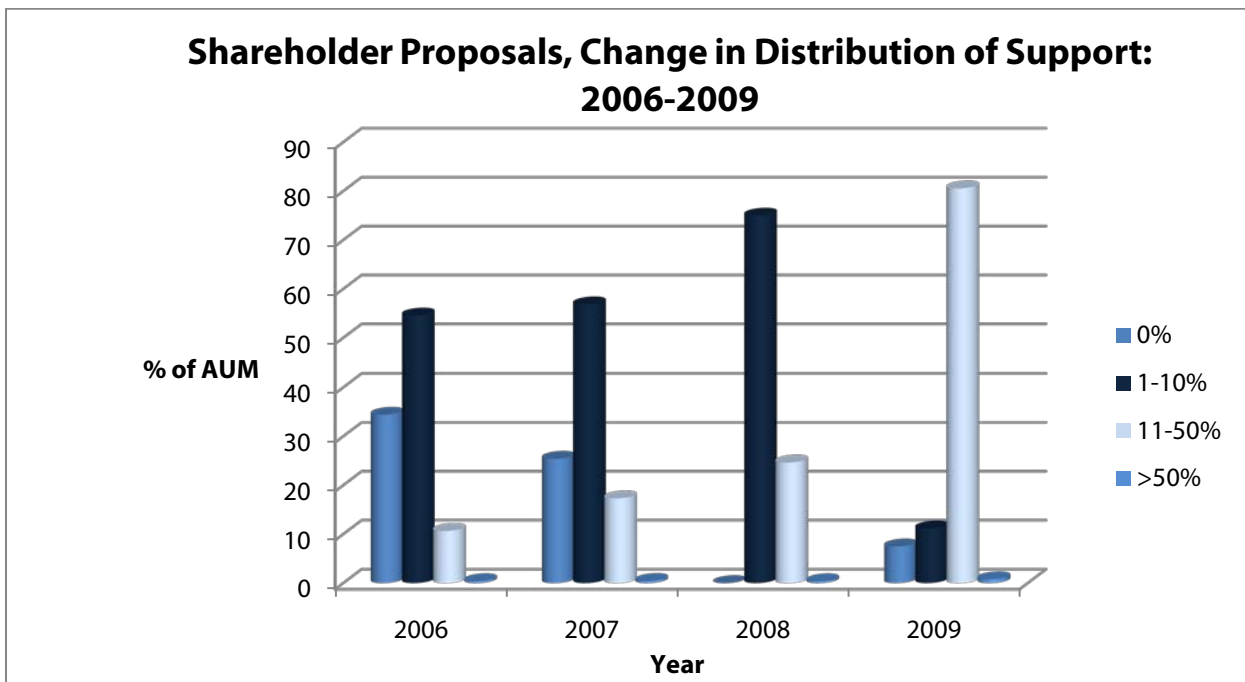
Comparison of Support for Shareholder Proposals				
	2006	2007	2008	2009
Average Shareholder Vote	5.0%	7.5%	7.2%	15.1%
Average Mutual Funds Vote, Weighted by AUM	3.2%	6.8%	7.8%	21.1%

The comparative figures in the table above appear to establish a trend of increasing shareholder support for shareholder proposals. One caution against reaching that conclusion is that in 2008 and 2009, a large number of shareholder proposals asking for a ‘say on pay’ or advisory shareholder vote on executive compensation were voted, receiving 40%+ support in 2008 and majority support in 2009. These proposals have significantly increased the overall support for shareholder proposals in Canada.

As we observed in the context of other issue categories, the ten largest funds by AUM were less supportive of shareholder initiatives than all funds taken together, and far less supportive of shareholder initiatives than the SRI fund families. The relevant fund vote data is set out in the chart that follows:

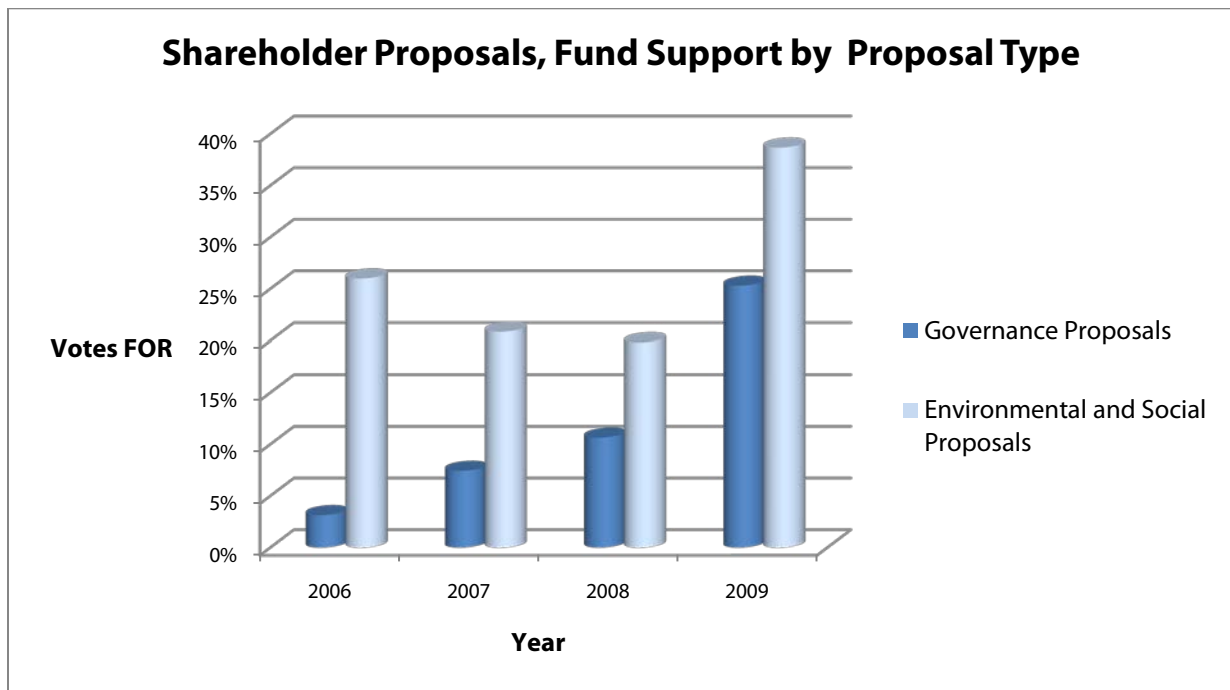


The proxy voting records of mutual funds in our dataset also indicate that fund companies have been increasingly supportive of shareholder proposals in the past four years. Fund families casting all ballots against all shareholder proposals (0% support in the chart above) decreased significantly. We also found that fund families supporting a very modest number of proposals each year (1 to 10% support in the chart above) increased steadily from 2006 to 2008 and then plummeted in 2009 as the range in which most fund family votes are found, weighted by AUM, is 11 to 50%.

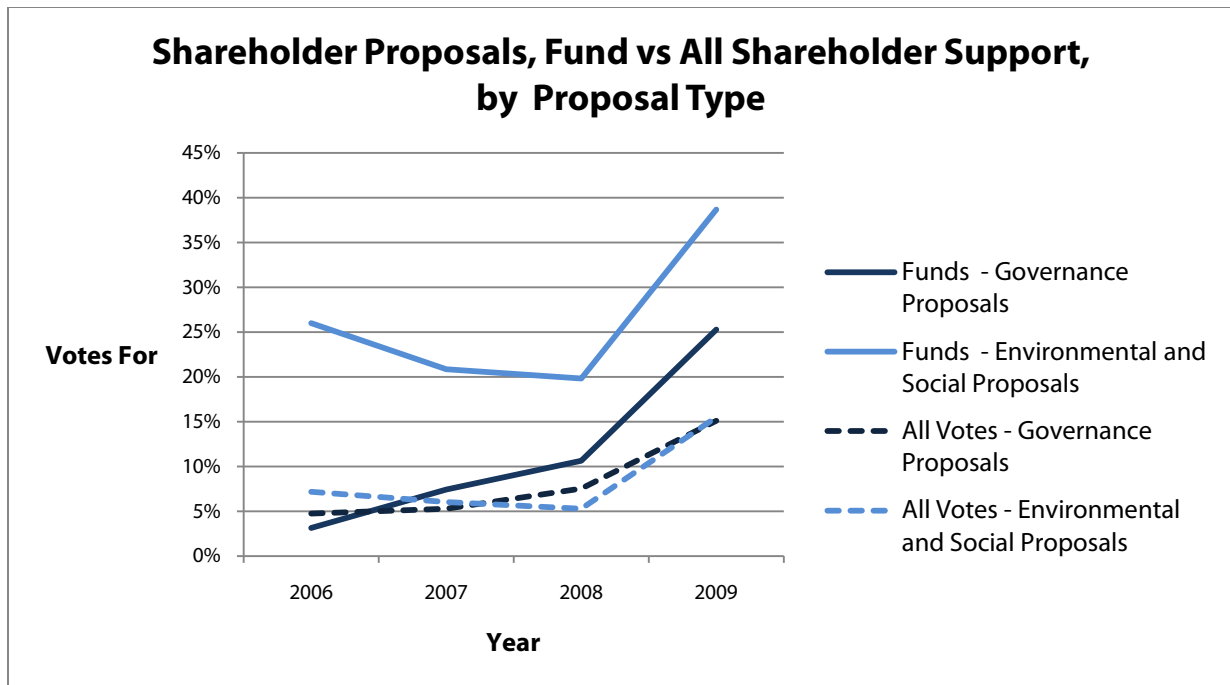


We categorize shareholder proposals by separating them into two groups. The first type addresses corporate governance matters such as board structure, director qualifications and executive compensation. The other propose changes to corporate practice on environmental or social matters such as the impact of company operations on water supplies or the rights of people who live nearby.

The mutual fund voting record indicates that in every year we examined, fund companies were more supportive, on average, of shareholder proposals on environmental and social issues than they were of governance proposals.



Putting the proposal type and shareholder vote data together, we found that as a group, mutual fund companies have been stronger supporters of shareholder proposals than all shareholders throughout the four year period from 2006 to 2009. In particular, fund support for shareholder initiatives on environmental and social matters has been significantly stronger than that of all shareholders that voted.



Analysis of Fund Voting on Specific Shareholder Proposals

Next, we take a closer look at fund voting on shareholder initiatives by examining the fund companies' records on several specific proposals. In each case, we compare mutual fund support for the proposals to the percentage of overall shareholder support. As with the compensation proposals, we wanted to gauge whether mutual funds have been more or less supportive than shareholders overall of important initiatives that have been advanced by shareholders.

Canadian Banks:

Say on Pay

An advisory vote on executive compensation or 'say on pay' is a management proposal asking shareholders to vote for or against the information about executive compensation set out in its proxy materials. The vote is 'advisory' in that the outcome is not binding upon the board of directors, but is intended to inform them about shareholders' views on its executive compensation decisions.

In 2008 and 2009, Meritas Mutual Funds filed proposals with senior Canadian issuers asking that each provide its shareholders with a say on pay. The Meritas proposals were voted in each year at major Canadian banks, garnering average shareholder support of 40.5% in 2008 and 52.9% in 2009. The increase in overall investor support for say on pay provides an interesting backdrop for an examination of mutual fund company vote decisions.

In the table below, fund family votes on the say on pay resolutions filed at Canada's 'big five' banks⁷ are compiled. Fund families that voted all proxies on which the Meritas proposals appeared 'for' or 'against' are noted accordingly. We classify a fund company's record as a 'mix' if it reported that some ballots were voted 'for' and some were voted 'against.' Generally, a mixed voting record occurs if the voting decisions are made by a different person or group for some funds than for other funds, or if there are different voting guidelines for different funds. One example of this would be a fund company in which the portfolio manager of each fund decides how the shares in that fund will be voted.

Fund Votes on Say on Pay Proposal at Canadian Banks				
Fund Family	2008		2009	
	Vote Cast	AUM (%)	Vote Cast	AUM (%)
ACUITY	FOR	0.61	FOR	0.49
DESJARDINS		1.92		1.91
ETHICAL FUNDS		0.37		0.74
INHANCE		0.02		0.01
INVESTORS		10.07		10.4
MERITAS		0.03		0.04
PHN		3.29		3.33
SEI		1.57		1.66
		17.88		
CIBC	MIX	8.7	MIX	8.41
BMO		5.51		5.50
				32.49
AGF		4.63		4.21
INVESCO TRIMARK		6.52		5.60
TEMPLETON	4.26	3.8		
RBC	15.45	16.83		
		45.07		
TD	AGAINST	9.82	AGAINST	9.94
UNITED FINANCIAL		1.05		1.12
				41.5
CI		9.37		9.89
AIC		0.88		0.73
FIDELITY		7.55		7.48
MACKENZIE		7.76		7.35
MCLEAN BUDDEN		0.62		0.56
		37.05		26.01

⁷ Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada and The Toronto-Dominion Bank. Note that Meritas withdrew the proposal filed at The Toronto-Dominion Bank in 2009 when that bank became the last of the five to adopt the proposal to hold a say on pay vote.

Most fund families (17 of 21 or 80%) did not change their voting pattern on say on pay shareholder resolutions from 2008 to 2009. Two companies, CIBC and BMO, had a mixed 2008 vote record, but reported supporting all of the proposals each voted in 2009. Two others, TD and United Financial, moved from an across the board rejection of the proposal in 2008 to a mixed voting pattern in 2009.

As a result of these changes, AUM voted against say on pay proposals dropped from 37% in 2008 to 26% in 2009, and AUM voted in favour increased from 18.8% to 32.5%.

Fund companies with more than 40% of total AUM voted some shares for say on pay and other shares against it, indicating that they did not have a fixed opinion on whether shareholders should have a non-binding vote on executive compensation.

We note that overall, shareholders demonstrated strong and increasing support for giving themselves a say on executive pay: in 2008, average votes 'for' were 40.5%, climbing to an average of 52% in 2009.

Barrick Gold Corporation:

Community Engagement and Sustainable Development Guidelines

Barrick Corporation released a set of engagement and development guidelines in 2006. Three years on, the filer of this proposal asserted that the company's approach to relations with the communities where it is developing or operating mines presented situations of serious and ongoing social and environmental concern.

In its proposal, the filer asked that Barrick Gold invite an independent third party to review its community engagement practices and perform an assessment of the company's conduct against the substance of its Community Engagement and Sustainable Development Guidelines.

Barrick Gold reported that 16.4% of shareholders who cast ballots on this 2009 proposal voted for it. Among the mutual funds we surveyed, we found that the AUM-weighted support for it of 14.9%, was very close to the overall shareholder support of 16.4%. The votes cast by each of the fund families that considered this Barrick Gold proposal are set out in the table that follows.

Fund Votes on Guidelines Compliance Proposal at Barrick Gold		
Fund Family	Vote Cast	AUM (%)
ACUITY	FOR	0.49
CIBC		8.41
DESJARDINS		1.91
ETHICAL FUNDS		0.74
MERITAS		0.04
PHN		3.33
		14.92
TEMPLETON	MIX	3.8
AGF	AGAINST	4.21
BMO		5.50
CI		9.89
FIDELITY		7.48
INVESCO TRIMARK		5.60
INVESTORS		10.4
MCLEAN BUDDEN		0.56
RBC		16.83
SEI		1.66
TD		9.94
UNITED FINANCIAL		1.12
AIC	NO HOLDING	0.73
INHANCE		0.01
MACKENZIE		7.35
		8.09

Enbridge Inc.:

Prior consent for new projects from aboriginal communities

Enbridge's proposed Northern Gateway pipeline project would pass through areas where First Nations' land claims have not been settled, making ownership and control of the land uncertain. This 2009 shareholder proposal asked the company to report on i) the costs and benefits of obtaining "free, prior and informed consent" of the Aboriginal communities who would be affected as a necessary condition for proceeding with the project; and ii) on the status of negotiations with First Nations along the pipeline and shipping routes.

The table that follows sets out the mutual fund company votes, along with the percentage of total fund AUM that each company represents.

Fund Family Votes on Communities Consent Proposal at Enbridge Inc.		
Fund Family	Vote Cast	AUM (%)
ACUITY	FOR	0.49
BMO		5.5
CIBC		8.41
DESJARDINS		1.91
ETHICAL FUNDS		0.74
INHANCE		0.01
MERITAS		0.04
SEI		1.66
TEMPLETON		3.8
		22.56
AGF	MIX	4.21
RBC		16.83
		21.04
CI	AGAINST	9.89
FIDELITY		7.48
MACKENZIE		7.35
MCLEAN BUDDEN		0.56
PHN		3.33
TD		9.94
UNITED FINANCIAL		1.12
		39.67
AIC	NO HOLDING	0.73
INVESCO TRIMARK		5.6
INVESTORS		10.4
		16.73

We found that at 22.6%, the AUM-weighted mutual fund support appears significantly weaker than the overall shareholder vote in favour of 32.6%. An additional 21% of voting power is accounted for by fund companies that voted some of their ballots in support of this proposal. AGF voted all but one of its five ballots for this proposal, but RBC voted all but one of its 13 ballots against it. What this means is that support for the proposal accounted for by fund families in the 'mix' category was very weak, and therefore mutual fund support was indeed significantly weaker than that expressed by all shareholders.

Power Corporation:

Report on implications of investments in Burma

This proposal asks that Power Corporation examine and report on its indirect stake in Total S.A., a major oil and gas company with significant operations in Burma. The filer of the proposal, Ethical Funds Company (now Northwest & Ethical Investments L.P.), asked that Power Corporation's report explain its investment in the context of: (i) Canadian government sanctions against financial dealings with Burma; and (ii) the company's own Corporate Social Responsibility Statement and commitment to the Universal Declaration of Human Rights.

Fund Votes on implications of investments in Burma Proposal at Power Corporation				
Fund Family	2008		2009	
	Votes Cast	AUM (%)	Votes Cast	AUM (%)
ACUITY	NO HOLDING	0.61	NO HOLDING	0.49
INHANCE		0.02		0.01
MACKENZIE		7.76		7.35
		8.39		
TEMPLETON	FOR	4.26	FOR	3.8
DESJARDINS		1.92		1.91
				13.56
CIBC		8.70		8.41
ETHICAL FUNDS		0.37		0.74
MERITAS		0.03		0.04
SEI		1.57		1.66
TD		9.82		9.94
BMO		5.51		5.50
		32.18		
PHN	MIX	3.29	MIX	3.33
RBC		15.45		16.83
				46.45
AGF		4.63		4.21
INVESCO TRIMARK		6.52	5.60	
		29.89		
CI	AGAINST	9.37	AGAINST	9.89
FIDELITY		7.55		7.48
INVESTORS		10.07		10.4
MCLEAN BUDDEN		0.62		0.56
UNITED FINANCIAL		1.05		1.12
AIC		0.88		0.73
		29.54		39.99

Support for this proposal among mutual funds was very strong in 2008 and increased significantly in 2009. Fund companies with voting power of more than 32.2% cast all ballots for this proposal in its first appearance, and support increased to 46.5% the following year.

According to the company, 10.8% of all votes were cast for this proposal in 2008 and 14% supported it in 2009. We note that Power Corporation has a controlling shareholder that exercises more than 60% of all voting rights. Controlling shareholders vote with management. These votes must be ignored to calculate support for the proposal among non-controlling (or 'minority') voters, including the mutual funds included in this report. Among minority shareholders, support for the Ethical Funds proposal was approximately 25% in 2008 and 2009.⁸ It therefore appears that mutual fund companies were stronger supporters of the proposal than all other minority shareholders in both years.

We also looked for any changes in mutual fund votes on this proposal from year to year. We found that funds with a large percentage of AUM (almost 30%) reporting a mixed voting record in 2008 developed a uniform position, for or against, in 2009. Fund companies representing about 20% of voting power firmed up a position in favour of the proposal and voted all ballots accordingly. Fund companies with approximately 10% of all voting power elected to vote all ballots against the proposal.

Great-West Lifeco Inc.:

Report on exposure to climate change risks

This proposal asked Great-West Lifeco Inc. to prepare a report assessing the impact of climate change on its business, and announce its plans to disclose this assessment to its shareholders. The filer, Ethical Funds Company (now Northwest & Ethical Investments L.P.), also asked that if the company elected not to disclose this information through a reporting mechanism such as the Carbon Disclosure Project, it provide shareholders with an explanation of this decision.

⁸ It is not possible to measure minority support with precision because Power Corporation does not report the number of shares voted for and against each shareholder proposal. The company indicates only the percentage of votes cast in each case. It is therefore not possible to determine how many minority shares were voted for and against.

Fund Votes on Climate Change Reporting Proposal at Great-West Lifeco		
Fund Family	Votes Cast	AUM (%)
ACUITY	FOR	0.49
AGF		4.21
BMO		5.5
CIBC		8.41
DESJARDINS		1.91
ETHICAL FUNDS		0.74
INHANCE		0.01
MERITAS		0.04
SEI		1.66
TEMPLETON		3.8
		26.77
PHN	MIX	3.33
RBC		16.83
TD		9.94
		30.10
AIC	AGAINST	0.73
CI		9.89
FIDELITY		7.48
INVESCO TRIMARK		5.6
INVESTORS		10.4
MACKENZIE		7.35
MCLEAN BUDDEN		0.56
		42.01
UNITED FINANCIAL	NO HOLDING	1.12

Overall shareholder support for this proposal was a modest 7% of shares voted; however, Great-West Lifeco, like Power Corporation, is controlled by a single shareholder with the right to cast more than half of all votes. Among minority shareholders, support for this proposal was approximately 35% of votes cast. Overall, the fund families in our dataset also reported strong support for the proposal. Ten of the 21 companies voted all their proxies for it. On an AUM-weighted basis, these families account for 26.8% of the total voting power of the funds included in this report. We can conclude that these fund companies were less likely to support the proposals than all other minority shareholders.

Conclusion

In 2004, Canadian securities regulators proposed that Canadian mutual funds disclose their proxy voting records on an annual basis. The regulatory view was that two related benefits would flow from mandating such disclosure: fund vote reporting would “facilitate accountability on the part of fund managers in voting proxies in the best interest of fund shareholders” and would satisfy the “fundamental right” of fund investors “to know how their fund has voted proxies on shareholders behalf.”⁹

When shareholders vote their proxies, they express a view for or against the board and management of an issuer in a very direct way. Investors in mutual funds hold units of the funds, and so have an indirect investment in public companies and other fund holdings. The fund company, not the unitholder, holds the right to make vote decisions. Fund vote disclosure requirements allow unitholders to view the voting records of the funds in which they invest in order to discover what votes have been cast. Mutual fund investors should review fund votes because, as we note throughout this report, proxy voting decisions are a key point of distinction among fund families.

If unitholders do not agree with the voting decisions of their fund company, either on specific issues or overall, they may, as with any investment, redeem the holding and purchase an alternative fund or other asset. If, however, fund investors are otherwise satisfied with their fund manager, the only avenue open to them is to express this view to the fund company.

As a practical matter, fund unitholders are unlikely to be able to influence specific vote decisions because mutual funds vote proxies that represent the interests of all investors in the fund. What they can do, however, is argue for changes to the fund company’s proxy voting policies.

Each company is required to develop policies and disclose a summary of them in its annual regulatory filings. In addition, a fund company must provide its voting policies to any fund investor who requests a copy, free of charge.

Our analysis indicates that the voting behaviour of most mutual fund companies varies little from year to year, and runs heavily in support of corporate management. Fund investors who are not satisfied with the voting record of the funds in which they hold units and want to see change should express this view to their fund company. The information in this report provides mutual fund unitholders with a tool to assess how their funds vote and communicate any concerns they have to the fund company.

⁹Canadian Securities Administrators, Notice and Request for Comment, (2004) 27 OSCB 5193. Online at: http://www.osc.gov.on.ca/documents/en/Securities-Category8/rule_20040528_81-106_not-rfc-changes-pro-ni.pdf

Appendices

Appendix 1: Funds and Fund Families

ACUITY	Acuity All Cap 30 Canadian Equity Fund
	Acuity All Cap and Income Trust (merged with Acuity Growth and Income Trust in 2007)
	Acuity Canadian Balanced Fund
	Acuity Canadian Equity Fund
	Acuity Canadian Small Cap Fund
	Acuity Clean Environment Equity Fund
	Acuity Conservative Asset Allocation Fund
	Acuity Dividend Fund (formerly Acuity Income Trust Fund)
	Acuity Dividend Fund
	Acuity Income Trust Fund
	Acuity Fixed Income Fund
	Acuity Focused Total Return Trust
	Acuity Global Dividend Fund
	Acuity Global Equity Fund
	Acuity Growth and Income Fund
	Acuity Growth and Income Trust
	Acuity High Income Fund
	Acuity Income Trust Fund
	Acuity Multi-Cap Total Return (merged with Acuity Growth and Income Trust in 2007)
	Acuity Natural Resource Fund
	Acuity Pure Canadian Equity Fund
	Acuity Social Values Balanced Fund
	Acuity Social Values Canadian Equity Fund
	Acuity Social Values Global Equity Fund
Total: 24	
AGF	AGF Canada Class
	AGF Canadian Balanced Fund (renamed AGF Canadian Asset Allocation Fund in 2010)
	AGF Canadian Growth Equity Fund Limited
	AGF Canadian Large Cap Dividend Fund
	AGF Canadian Resources Fund Limited
	AGF Canadian Small Cap Fund

	AGF Canadian Stock Fund
	AGF Global Equity Class
	Harmony Canadian Equity Pool
Total: 9	
AIC	AIC Advantage Fund
	AIC Advantage Fund II
	AIC American Advantage Fund
	AIC Canadian Balanced Fund
	AIC Canadian Equity Fund
	AIC Canadian Focused Fund
	AIC Diversified Canada Fund
	AIC Dividend Income Fund
	AIC Global Advantage Fund
	AIC Global Balanced Fund
	AIC Global Focused Fund
	AIC Value Fund
Total: 12	
BMO	BMO Canadian Equity Class
	BMO Equity Fund
	BMO Equity Index Fund
	BMO European Fund
	BMO Global Equity Class
	BMO International Equity Fund
	BMO Resource Fund
Total: 7	
CI	CI Canadian Investment Corporate Class
	CI Canadian Investment Fund
	CI Canadian Small/Mid Cap Fund
	CI Global Fund
	CI Global Small Companies Fund
	Harbour Fund
	Signature Canadian Balanced Fund
	Signature Canadian Resource Fund
	Signature Select Canadian Corporate Class
	Signature Select Canadian Fund
	Synergy American Fund
	Synergy Canadian Corporate Class

Total: 12	
CIBC	CIBC Balanced Fund
	CIBC Balanced Index Fund
	CIBC Canadian Equity Fund
	CIBC Canadian Equity Value Fund
	CIBC Canadian Index Fund
	CIBC Canadian Resources Fund
	CIBC Canadian Small-Cap Fund (formerly CIBC Canadian Small Companies Fund)
	Imperial Canadian Equity Pool
Total: 8	
DESJARDINS	Desjardins Alternative Investments Fund (renamed Desjardins Completion Investments Fund in March 2010)
	Desjardins American Equity Value Fund
	Desjardins Canadian Balanced Fund
	the Desjardins Canadian Equity Growth Fund (formerly Desjardins Canadian Equity Fund)
	Desjardins Canadian Equity Value Fund
	Desjardins Small Cap Equity Fund
	Desjardins Dividend Income Fund (formerly Desjardins Canadian Equity Growth Fund)
	Desjardins Enhanced Alternative Investments Fund
	Desjardins Environment Fund
	Desjardins Global Equity value Fund
	Desjardins Global Real Estate Fund
	Desjardins Global Small Cap Equity Fund
	Desjardins Overseas Equity Value Fund
	Desjardins Québec Balanced Fund
	Desjardins Short-Term Income Fund
Total: 15	
ETHICAL FUNDS	Ethical Balanced Fund
	Ethical Canadian Dividend Fund
	Ethical Canadian Index Fund (merged into Ethical Growth Fund in 2009)
	Ethical Canadian Stock Fund (merged into Ethical Growth Fund in 2009)
	Ethical Global Dividend Fund
	Ethical Growth Fund

	Ethical Monthly Income Fund (merged into Ethical Balanced Fund in 2009)
	Ethical Special Equity Fund
Total: 8	
FIDELITY	Fidelity American Disciplined Equity Fund
	Fidelity American Opportunities Fund
	Fidelity Canadian Asset Allocation Fund
	Fidelity Canadian Balanced Fund
	Fidelity Canadian Growth Company Fund
	Fidelity Canadian Large Cap Fund
	Fidelity Global Fund
	Fidelity Greater Canada Fund
	Fidelity Small Cap America Fund
	Fidelity True North Fund
Total: 10	
INHANCE	Inhance Balanced Fund
	Inhance Canadian Equity Fund
	Inhance Global Leaders Fund
	Inhance Monthly Income Fund
Total: 4	
INVESCO TRIMARK	Invesco Canadian Balanced Fund (formerly AIM Canadian Balanced Fund)
	Invesco Canadian Premier Growth Fund (formerly AIM Canadian Premier Fund)
	Invesco European Growth Fund (formerly AIM European Growth Class)
	Invesco International Growth Class (formerly AIM International Growth Class)
	Invesco Core Canadian Balanced Class (formerly Invesco Trimark Core Canadian Balanced Class)
	Invesco Core Canadian Equity Class (formerly Invesco Trimark Core Canadian Equity Class)
	Invesco Core American Equity Class (formerly Invesco Trimark Core American Equity Class)
	Invesco Pure Canadian Equity Class (formerly Invesco Canadian Focus Class)
	Invesco Core Global Equity Class (formerly Trimark Core Global Equity Class)
	Invesco Canadian Equity Private Pool (formerly AIM Canadian Equity Growth Private Pool)

	Invesco Pure Canadian Equity Class (formerly, Invesco Canadian Focus Class)
	Trimark Canadian Endeavour Fund
	Trimark Canadian Fund
	Trimark Canadian Small Companies Fund
	Trimark Global Endeavour Fund
	Trimark Resources Fund (formerly Trimark Canadian Resources Fund)
	Trimark Income Growth Fund
	Trimark International Companies Fund
	Trimark Select Balanced Fund
	Invesco Select Canadian Equity Fund (formerly Trimark Select Canadian Growth Fund)
	Trimark U.S. Companies Fund
	Trimark U.S. Small Companies Class
Total: 22	
INVESTORS	Investors Canadian Balanced Fund
	Investors Canadian Equity Fund
	Investors Canadian Large Cap Value Fund
	Investors Canadian Small Cap Fund
	Investors Canadian Small Cap Growth Fund
	Investors European Equity Fund
	Investors Global Fund
	Investors North American Equity Fund
	Investors Summa SRI Fund
	Investors US Large Cap Growth Fund
	Investors US Small Cap Class
Total: 11	
MACKENZIE	Mackenzie Cundill Canadian Security class
	Mackenzie Cundill Canadian Security Fund
	Mackenzie Cundill Value Class
	Mackenzie Cundill Value Fund
	Mackenzie Focus Canada Class
	Mackenzie Focus Canada Fund
	Mackenzie Focus Fund
	Mackenzie Universal Canada Balanced Fund
	Mackenzie Universal Canadian Growth Class
	Mackenzie Universal Canadian Growth Fund
	Mackenzie Universal Canadian Resource Fund
	Mackenzie Universal Canadian Value Class

	Mackenzie Universal North American Growth Class
	Mackenzie Universal Sustainable Opportunities Class
	Mackenzie Universal US Blue Chip Class
Total: 15	
MCLEAN BUDDEN	Mclean Budden Balanced Growth Fund
	Mclean Budden Balanced Value Fund
	Mclean Budden Canadian Equity Fund
	Mclean Budden Canadian Equity Growth Fund
	Mclean Budden Canadian Equity Value Fund
	Mclean Budden High Income Equity Fund
Total: 6	
MERITAS	Meritas International Equity Fund
	Meritas Jantzi Social Index Fund
	Meritas Monthly Dividend and Income Fund
	Meritas US Equity Fund
Total: 4	
PHN	PH&N Balanced Fund
	PH&N Balanced Pension Trust
	PH&N Canadian Equity Fund
	PH&N Canadian Equity Growth Fund
	PH&N Canadian Equity Pension Trust
	PH&N Canadian Equity Plus Pension Trust
	PH&N Canadian Growth Fund
	PH&N Canadian Income Fund
	PH&N Community Values Canadian Equity Fund
	PH&N Dividend Income Fund
	PH&N Small Float Fund
	PH&N Vintage Fund
Total : 12	
RBC	RBC Balanced Fund
	RBC Balanced Growth Fund
	RBC Canadian Dividend Fund
	RBC Canadian Equity Fund
	RBC Canadian Index Fund
	RBC European Equity Fund
	RBC Global Dividend Growth Fund
	RBC Global Energy Fund

	RBC Global Precious Metals Fund
	RBC Global Resources Fund
	RBC Global Technology Fund
	RBC Jantzi Canadian Equity Fund
	RBC Jantzi Balanced Fund
	RBC Jantzi Global Equity Fund
	RBC Life Science and Technology Fund
	RBC Managed Payout Solution-Enhanced Plus
	RBC Monthly Income Fund
	RBC North American Dividend Fund
	RBC North American Growth Fund
	RBC North American Value Fund
	RBC O'shaughnessy All-Canadian Equity Fund
	RBC O'shaughnessy Canadian Equity Fund
	RBC O'shaughnessy Global Equity Fund
	RBC O'shaughnessy U.S. Growth Fund
	RBC O'shaughnessy U.S. Value Fund
	RBC U.S Equity Currency Neutral Fund
	RBC U.S. Equity Fund
	RBC U.S. Income Fund
	RBC U.S. Mid-Cap Equity Currency Neutral Fund
	RBC U.S. Mid-Cap Equity Fund
Total: 30	
SEI	Canadian Equity Fund
	Canadian Small Company Equity Fund
	EAFE Equity Fund
	US Large Company Equity Fund
Total: 4	
TD	TD Balanced Growth Fund
	TD Balanced Income Fund
	TD Canadian Blue Chip Equity Fund
	TD Canadian Equity Fund
	TD Canadian Index Fund
	TD Canadian Small-Cap Equity Fund
	TD Canadian Value Fund
	TD Dividend Growth Fund
	TD Dividend Income Fund
	TD Emerald Canadian Equity Index Fund
	TD Resource Fund

	TD US Blue Chip Equity Fund
	TD US Mid-Cap Growth Fund
	TD US Equity Portfolio
	TD US Equity Fund
	TD US Small-Cap Equity Fund
Total: 16	
TEMPLETON	Bissett All Canadian Focus Fund
	Bissett Canadian Dividend Fund
	Bissett Canadian Equity Fund
	Bissett Dividend Income Fund
	Bissett Energy Corporate Class
	Bissett Income Fund
	Bissett International Equity Fund
	Bissett Large Cap Fund (merged into Bissett Canadian Equity Fund in 2008)
	Bissett Small Cap Fund
	Bissett US Focus Corporate Class
	Franklin Flex Cap Growth Corporate Class
	Franklin Templeton Canadian Core Equity Fund
	Franklin Templeton Canadian Large Cap Fund
	Franklin Templeton Canadian Small Cap Fund
	Mutual Discovery Fund
	Templeton Balanced Fund (merged into Templeton Canadian Asset Allocation Fund which was renamed Templeton Canadian Balanced Fund in 2008)
	Templeton Canadian Balanced Fund (Formerly Templeton Canadian Asset Allocation Fund)
	Templeton Canadian Stock Fund
	Templeton European Fund (merged into Templeton International Stock Corporate Class in 2010)
	Templeton Global Income Fund
	Templeton Growth Fund Ltd.
	Templeton International Stock Fund
Total: 22	
UNITED FINANCIAL	United Canadian Equity Diversified Pool (merged into Canadian Equity Value Pool and Canadian Equity Growth Pool in 2009)
	United Canadian Equity Growth Pool
	United Canadian Equity Small Cap Pool
	United Canadian Equity Value Pool

	United US Equity Diversified Pool (merged into US Equity Value Pool and US Equity Growth Pool in 2009)
	United US Equity Growth Pool
	United US Equity Small Cap Pool
Total: 7	

Total Funds: 258

Appendix 2: List of Issuers

Addax Petroleum Corporation
Advantage Energy Income Fund
Aecon Group Inc.
AGF Management Limited
Agnico-Eagle Mines Ltd.
Agrium Inc.
Alamos Gold Inc.
Alimentation Couche-Tard Inc.
AltaGas Income Trust
ARC Energy Trust
Astral Media Inc.
Atco Ltd.
Aurizon Mines Ltd.
Bank of Montreal
Bank of Nova Scotia (The)
Barrick Gold Corporation
Baytex Energy Trust
BCE Inc.
Bell Aliant Regional Communications Income Fund
Birchcliff Energy
Boardwalk Real Estate Investment Trust
Bombardier Inc.
Bonavista Energy Trust
Brookfield Asset Management Inc.
Brookfield Properties Corporation
CAE Inc.
Calloway Real Estate Investment Trust
Cameco Corporation
Canadian Apartment Properties Real Estate Investment Trust
Canadian Hydro Developers, Inc.
Canadian Imperial Bank Of Commerce
Canadian National Railway Company
Canadian Natural Resources Limited

Canadian Oil Sands Trust
Canadian Pacific Railway Limited
Canadian Real Estate Investment Trust
Canadian Tire Corporation, Limited
Canadian Utilities Limited
Canadian Western Bank
Canfor Corporation
Cardiome Pharma Corp.
CCL Industries Inc.
Celestica Inc.
CGI Group Inc.
Chartwell Seniors Housing Real Estate Investment Trust
CI Financial Income Fund
Cineplex Galaxy Income Fund
CML HealthCare Income Fund
Cogeco Cable Inc.
Cominar Real Estate Investment Trust
Consumers' Waterheater Income Fund (The)
Corus Entertainment Inc.
Crescent Point Energy Trust
Crew Energy
Davis + Henderson Income Fund
Daylight Resources Trust
Dorel Industries Inc.
Dundee Corporation
Eldorado Gold Corporation
Emera Incorporated
Empire Company Limited
Enbridge Inc.
EnCana Corporation
Enerflex Systems Income Fund
Enerplus Resources Fund
Ensign Energy Services Inc.
Equinox Minerals Limited
European Goldfields Limited
Extendicare Real Estate Investment Trust
Fairfax Financial Holdings Limited
Finning International Inc.
First Quantum Minerals Ltd.
FirstService Corporation
FNX Mining Company Inc.
Fort Chicago Energy Partners L.P.
Fortis Inc.
Forzani Group Ltd. (The)
Franco-Nevada Corporation
Freehold Royalty Trust

Gammon Gold Inc.
George Weston Limited
Gerdau AmeriSteel Corporation
Gildan Activewear Inc.
Goldcorp Inc.
Great-West Lifeco Inc.
Groupe Aeroplan
H&R Real Estate Investment Trust
Harvest Energy Trust
Highpine Oil & Gas Limited
Home Capital Group Inc.
HudBay Minerals Inc.
Husky Energy Inc.
IAMGOLD Corporation
IESI-BFC Ltd.
IGM Financial Inc.
Imperial Oil Limited
Industrial Alliance Insurance and Financial Services Inc.
Intact Financial Corporation
Inmet Mining Corporation
InnVest Real Estate Investment Trust
Inter Pipeline Fund
Ivanhoe Mines Ltd.
Jazz Air Income Fund
Jean Coutu Group (PJC) Inc. (The)
Just Energy Income Fund
Keyera Facilities Income Fund
Kinross Gold Corporation
Labrador Iron Ore Royalty Income Fund
Laurentian Bank of Canada
Loblaw Companies Limited
Lundin Mining Corporation
MacDonald, Dettwiler and Associates Ltd.
Magna International Inc.
Major Drilling Group International Inc.
Manitoba Telecom Services Inc.
Manulife Financial Corporation
Maple Leaf Foods Inc.
MDS Inc.
Methanex Corporation
Metro Inc.
Minefinders Corporation Ltd.
Mullen Group Income Fund
NAL Oil & Gas Trust
National Bank of Canada
New Gold Inc.

Nexen Inc.
Niko Resources Ltd.
North West Company Fund
Northland Power Income Fund
NOVA Chemicals Corporation
NuVista Energy Ltd.
ONEX Corporation
Open Text Corporation
Osisko Mining Corporation
Pacific Rubiales Energy Corp.
Pan American Silver Corp.
Paramount Energy Trust
Pason Systems Inc.
Pembina Pipeline Income Fund
Pengrowth Energy Trust
Penn West Energy Trust
Petrobank Energy And Resources Ltd.
Petro-Canada
Peyto Energy Trust
Potash Corporation of Saskatchewan Inc.
Power Corporation of Canada
Power Financial Corporation
Precision Drilling Trust
Primaris Retail Real Estate Investment Trust
Progress Energy Trust
Provident Energy Trust
Quadra Mining Ltd.
Quebecor Inc.
Red Back Mining Inc.
Reitmans (Canada) Limited
Research In Motion Limited
Ritchie Bros. Auctioneers Inc.
RioCan Real Estate Investment Trust
Rogers Communications Inc.
RONA inc.
Royal Bank of Canada
Russel Metals Inc.
Saputo Inc.
Savanna Energy Services Corp.
Sears Canada Inc.
Shaw Communications Inc.
ShawCor Ltd.
Sherritt International Corporation
Shoppers Drug Mart Corporation
Silver Standard Resources Inc.
Silver Wheaton Corp.
Silvercorp Metals Inc.

Sino-Forest Corporation
SNC-Lavalin Group Inc.
Stantec Inc.
Sun Life Financial Inc.
Suncor Energy Inc.
Superior Plus Income Fund
SXC Health Solutions Corp.
Talisman Energy Inc.
Tanzanian Royalty Exploration Corporation
Teck Cominco Limited
TELUS Corporation
Thompson Creek Metals Company Inc.
Thomson Reuters Corporation (The)
Tim Hortons
TMX Group Inc.
Toromont Industries Ltd.
Toronto-Dominion Bank (The)
Torstar Corporation
TransAlta Corporation
Transat A.T. Inc.
TransCanada Corporation
Transcontinental Inc.
TransForce Inc.
Trican Well Service Ltd.
Trinidad Drilling Ltd.
TriStar Oil & Gas Ltd.
Uranium One Inc.
UTS Energy Corporation
Vermilion Energy Trust
Viterra Inc.
West Fraser Timber Co. Ltd.
WestJet Airlines Ltd.
Westshore Terminals Income Fund
Yamana Gold Inc.
Yellow Pages Income Fund

Appendix 3: Shareholder Proposals

The proposals included in this report were filed and voted by shareholders in the four years from 2006 to 2009 inclusive. Details of these shareholder proposals and all others filed in Canada since 2000 can be found on SHARE's website: <http://www.share.ca/shareholderdb/>.

www.share.ca

The Shareholder Association for Research and Education (SHARE) is a 4R_RUZR_āVRUVcā_āVda`_dS]Vā_gVde^ V_eā/Uf TRēZ _kāvovRcTYā R_UāVcgZVdāVcā_dēf eZ _Rjā_gVde cāH Vā VVcāc i j āj` eZ_XlāYRdV`]UVc V_XRXV^ V_eāR_Uā`_of]eZ_XāVcgZVdā` f cāVdāR_Uā` _VdV_TVdā a`]Z] āUg` TR] ā_UāZ` Vj āVovRcTYāYReāVjaā_gVde cāZ_eXcRēV V_gZ`_^ V_eR]āā TR]āR_UāX` gVc_R_TVābf Vdān ZēVZ_āYVZā_gVde^ V_eāeRēVj` Zā ā

