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25th February, 2003

David Brown
Chair
Ontario Securities Commission
20 Queen St. West, 19th floor Box 55
Toronto ON M5H 3S8



Dear Mr. Brown:

Re: Mutual fund proxy voting

I am a Maltese mathematician doing my doctorate in Ontario. I have been interested in socially responsible investing for two years, and have spent quite some time raising awareness about this issue at the University of Waterloo.

I was happy to learn of the U.S. Securities and Exchange Commission (SEC) vote on January 23, to adopt proposals requiring all US mutual fund companies and investment advisors to disclose proxy votes and voting policies. I strongly hope that the Ontario Securities Commission will enact similar rules.

What follows is extracted from a Social Investment Organisation letter that I endorse. I believe that proxy voting represents an important asset. As such, mutual funds should be encouraged to develop policies to determine how they vote their proxies. Moreover, since mutual funds vote their shares on behalf of unitholders, unitholders have a right to know how mutual funds cast these votes. It is an issue of fundamental transparency that investors know how their assets are being voted on critical issues of corporate governance and social responsibility.

With the corporate scandals involving companies such as Enron and WorldCom in the US, investors across Canada are watching with great interest as governments and securities regulators in the United States take necessary steps to improve corporate governance, address accounting scandals, and restore confidence in the markets.

Proxy voting is an important, but often overlooked, investor responsibility. It is a crucial mechanism for making mutual fund managers accountable to unitholders – the owners of mutual fund assets.

The only way that investors can be assured that mutual funds are voting their shares in the interests of unitholders is if proxy voting policies are made public, and the results of shareholder votes are disclosed.

I urge the Ontario Securities Commission to draft rules on proxy voting disclosure, similar to those of the U.S. SEC, for public consultation on behalf of the Canadian Securities Administrators.

Sincerely,

A handwritten signature in cursive script that reads "Alastair Farrugia".

Alastair Farrugia, M.Sc.