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 writing to you today on the issue of mandatory disclosure of proxy voting policies and votes cast by mutual funds.

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.

Most recently, on Jan. 23, the Securities and Exchange Commission (SEC) voted to adopt proposals that will require all US mutual fund companies and investment advisors to disclose proxy votes and voting policies.

I endorse these new rules. 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.

I urge the Ontario Securities Commission to draft similar rules for public consultation on behalf of the Canadian Securities Administrators, so that Canada can harmonize its mutual proxy voting disclosure rules with those in the US.

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.

Sincerely,

Sylvie Boustie
232 Rundlewood Close NE
Calgary AB
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