

PROXY VOTING POLICY

This policy establishes the broad guidelines that Morguard Lincluden Global Investments (“Morguard Lincluden”) will follow when voting proxies attached to securities held by our clients, including securities held in any mutual funds or pooled funds for which Morguard Lincluden acts as Manager. As Manager of a mutual fund, these policies and procedures have been prepared in accordance with the requirements of National Instrument 81-106 Investment Fund Continuous Disclosure, PART 10, “Proxy Voting Disclosure for Portfolio Securities Held”.

Overview

Security issuers make available information packages and voting ballots to registered security holders when they call annual and special meetings to vote on matters related to operations, corporate structure and policy. Investment funds hold securities for the unitholders. Morguard Lincluden as Manager of investment funds assumes responsibility for exercising the voting rights. As well, Morguard Lincluden assumes that responsibility on behalf of those clients who have delegated that responsibility through the execution of discretionary investment management agreements.

Generally, votes are cast through the delivery of a proxy, a legal transfer of a security holder's right to vote to another party, to company management establishing their authority to vote on Morguard Lincluden's behalf as established on the proxy form. In unusual circumstances an authorized representative of Lincluden may attend a company meeting in person.

Guiding Principles

It is our policy to exercise voting rights, which are delegated to us, with due care and diligence and in the best interests of our clients as shareholders. It is the general policy of Morguard Lincluden to support management in routine matters; however, in order to protect or enhance the value of investments, it may sometimes be necessary to vote against management. Portfolio Managers have the responsibility for voting proxies for companies in the sectors which they cover if the issues are not covered by our standard policy.

Deviations from Policy

We may deviate from established standard policy if it is felt that by doing so is in the best interest of the client.

Morguard Lincluden may choose to refrain from voting proxies if by voting, trading restrictions are placed on the held securities (a practice in some foreign markets). In these cases the loss of liquidity may exceed the value of voting the shares and would not be in the best interests of the client. Morguard Lincluden will consider these situations on a case-by-case basis and act in the best interest of the client.

If securities are out on loan Morguard Lincluden will not receive the proxy ballot. To the extent that Morguard Lincluden has evaluated that our vote will be important to matters that we have deemed to have a material effect on security holder value we will make every effort to call the securities back from loan.

Conflicts of Interest

While the interests of our clients and those of Morguard Lincluden and its managers are for the most part aligned, conflicts of interest may still present themselves. In such cases, Morguard Lincluden has measures in place to identify such conflicts to ensure that votes are cast in the best interest of the client.

Proxy Voting Records

Morguard Lincluden maintains Proxy Voting Records. A report is available to clients upon request. In respect to mutual funds, the report for the year ending June 30 will be available to unitholders, free of charge upon request, no later than August 31 of that year.

Standard Policy for Routine Matters:

The guidelines that follow are a general outline of the position Morguard Lincluden will take in casting proxy votes. However, each voting decision will be made on a case-by-case basis and we reserve the right to diverge from the guidelines if we believe it is in the best interest of the clients.

BOARD OF DIRECTORS

Morguard Lincluden will generally support the following proposals in determining the composition of the board of directors and will vote against those that are in opposition to these basic principles:

- The separation of the roles of Chair of the board and CEO;
- The majority of board members to be independent directors;
- The election of board members individually on a yearly basis;
- A majority vote for the election of directors even in non-contested elections;
- Audit, Nominating, and Compensation committees comprise solely of independent directors;
- Establishing methods to monitor and evaluate board and board committee effectiveness (e.g. will withhold votes if a board member attends less than 75% of board meetings without a reasonable explanation).

AUDITORS

- We will generally support management's recommended appointment and compensation of independent auditors. However, we will vote against an auditor appointment if less than 50% of the fees expected to be paid to the auditor would be related to standard audit services.
- Attention is paid to a change of auditors to ensure that the change does not reflect a dispute with management over an accounting presentation.

EXECUTIVE COMPENSATION

Morguard Lincluden believes that all executive compensation must be fair, transparent, and should be in line with the interests of shareholders. For equity compensation plans, the manager will review each feature of the plan separately before voting on the plan as a whole. Morguard Lincluden will generally not support:

- Plans which do not have a portion of compensation linked to performance;
- Plans which allow the board of directors discretion to change the price, expiration date, the number of shares granted or reload options for any type of equity compensation. (A reload feature grants the owner additional options when the original options are exercised);

- Plans which will allow the concentration of shares to one individual;
- Plans which have the potential to dilute the stock more than 5% except in certain sectors with high growth and substantial intellectual property creation;
- Plans which include stock options;
- Plans which include excessive severance packages or 'golden parachutes'.

TAKEOVER DEFENSES

Morguard Lincluden will support proposals which will allow the board and management to act in the best interest of clients, and maximize long-term shareholder value in the event of a potential takeover. Morguard Lincluden will generally not support proposals which go beyond protecting shareholders or prolonging a search for further bidders, including:

- Proposals which would have the effect of entrenching the current board and/or management (e.g. reincorporation);
- Poison pill proposals which do not require shareholder approval at least every 3 years.
- Proposals which would require a supermajority vote;
- Proposals to sell assets in an attempt to deter a potential takeover ('crown jewel' defense) unless it is in the best interest of shareholders;
- Any other takeover defense which deters the shareholders from maximizing the value of their holdings.

CAPITAL STRUCTURE

Morguard Lincluden will review any proposals for new issuance of shares, payment of dividends, or share buybacks on a case-by-case basis. Morguard Lincluden will generally support proposals which:

- Contain pre-emptive rights which allow existing shareholders the opportunity to purchase any new issues before it is offered to outside investors;
- Change the capital structure to obtain flexibility to maintain competitiveness when the need for such change is evident;
- Maintain dividend policy in line with projected long-term company earnings. Morguard Lincluden will generally not support proposals which:
- Allow the board of directors sole discretion over the number of shares to be issued;
- Allow the board of directors sole discretion over the number of shares to be repurchased and/or the purchase price limit;
- Issue preferred shares if the rights of the security are not clearly defined;
- Create dual-class securities, especially when the securities have comparable risk to potential subordinate securities.
- Extend loans to employees for the purpose of purchasing equity in the company.

SOCIAL AND ENVIRONMENTAL ISSUES

These issues cover a broad range of topics including worker safety, consumer and product safety, human rights, environmental preservation and workplace diversity. They must be dealt with on a case-by-case basis, examining the potential effects each proposal would have on the long-term economic value of the company. Proposals must be compared to current measures already in place to ensure that the company maintains a position which is consistent with industry standards. Morguard Lincluden has adopted an ESG policy to address these types of issues.