

Summary of Proxy Voting Policies and Procedures

The Manager has delegated the voting of proxies of each Fund's portfolio securities to that Fund's Portfolio Advisor as part of the Portfolio Advisor's management of the Fund's portfolio, subject to the Manager's continuing oversight. A Portfolio Advisor voting proxies on behalf of a Fund must do so in a manner consistent with the best interests of the Fund and its securityholders.

As part of its continuing oversight, the Manager has established policies and procedures to be followed by each Fund's Portfolio Advisor, in conjunction with the Portfolio Advisor's own policies and procedures, in determining how to vote on any matter for which the Funds receive proxy materials for a meeting of securityholders of an issuer.

The policies and procedures established by the Manager (the "Proxy Policies") include:

- (a) a standing policy for dealing with routine matters on which a Fund may vote. In particular, the Proxy Policies apply general guidelines to a number of routine matters. These guidelines vary, depending on the specific matter involved. Routine matters include: election of directors; appointment of auditors; changes in capital structure; and an increase in authorized stock. While votes will be made on a case-by-case basis, the Funds will typically vote in favour of routine matters unless there are specific circumstances for voting against, as noted below;
- (b) the circumstances under which a Fund will deviate from the standing policy for routine matters. The Proxy Policies provide that a Fund's Portfolio Advisor may depart from the general guidelines with respect to routine matters in order to avoid voting decisions that may be contrary to the best interests of the Fund and the Fund's securityholders. For example, the Proxy Policies provide that Funds will typically support management's recommendations regarding the appointment of an auditor, but may vote against such a recommendation if the fees for services are excessive or if there are other reasons to question the independence or quality of the company's auditors;
- (c) the policies under which, and the procedures by which, a Fund will determine how to vote or refrain from voting on non-routine matters. These policies vary depending on the specific matter involved. Non-routine matters include: corporate restructurings; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; executive compensation; and social and environmental issues. For example, with respect to shareholders rights, the Proxy Policies provide that the Funds will typically vote in favour of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights; and

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- (d) procedures to ensure that portfolio securities held by a Fund are voted in accordance with the instructions of the Manager. This includes the requirement of each Portfolio Advisor to provide to the Manager on a quarterly basis a certificate confirming that it has voted all securities held by the Funds it manages in accordance with the Manager's policies and procedures.

A conflict of interest may exist if a Portfolio Advisor, its personnel or another related entity has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Conflicts of interest also may arise if an individual employed by the Portfolio Advisor that is involved in the proxy vote decision has a direct or indirect personal relationship or other interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy voter or that is lobbying for a particular outcome of a proxy vote.

Each Fund's Portfolio Advisor has procedures in place to identify potential conflicts of interest. When a Fund's Portfolio Advisor becomes aware of any vote that presents a conflict, the Portfolio Advisor must vote such proxy question in a manner consistent with, and uninfluenced by considerations other than, the best interest of the Fund and its securityholders.

The policies and procedures that the Funds follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-361-1392 or by writing to the Manager of the Funds, 1 First Canadian Place, 100 King Street West, 54th floor, Toronto, Ontario M5X 1H3.