Genus Social Housing Canadian Equity Fund

Q1 2019

January 1st - March 31st

Proxy Voting Report

Responsible investment for a sustainable economy

SHAREHOLDER ASSOCIATION for RESEARCH & EDUCATION

Proxy Voting Highlights Q1 2019

Meetings

Type

Annual	2
Special	2
Total	4

Jurisdiction

Canada	1
United States	3
Total	4

Proposals

	Votes consistent with / contrary to management recommended votes		No. proposals
All proposals	44% consistent	56% contrary	34
Management proposals	50% consistent	50% contrary	28
Director Elections	50% consistent	50 % contrary	20
Say-On-Pay		100% contrary	2
Auditor Ratification	50% consistent	50 % contrary	2
Shareholder proposals	17%	83% contrary	6
Governance	17%	83% contrary	6

Common sense voting on executive compensation

Executive compensation at publicly-listed companies has become enormously complex. Corporate boards use a wide range of data and indicators with the stated objective of aligning executives' incentive pay with better corporate performance. However, the objective result has been a continued escalation of executive pay, and incentives that focus on share price rather than long-term value and productivity.

Although SHARE's analysts review much of this complex pay structure in the course of their work, they focus on the factors that contribute most to the misalignment of executive pay with sustainable long-term value. Our analysis zeroes in on four all-too-common practices that inflate pay and distract management from building sustainable and productive companies. No fancy footwork, complex graphs and scoring here: where we find these practices, we vote against the board's approach to executive compensation. Period.

- **Too much pay at the top.** We vote against executive pay when it is too high relative to the company's performance. We compare the total compensation of the five highest-paid executives to the company's net income after taxes or EBITDA to determine how executives' pay compares to performance. We prefer this to analyses that focus on shareholder returns, because buyback can encourage executives to focus too narrowly on gaming the share price with practices like massive share buybacks, that may undercut long-term performance. When executives focus instead on growing revenues and innovation, companies and their stakeholders will ultimately benefit.
- **Too much pay, period.** We vote against executive pay when it is too high relative to the pay of average workers, because increasingly unequal societies are less sustainable, less inclusive, and less productive. For companies in the US and Canada, SHARE compares the total compensation paid to a company's highest-paid executive – usually the CEO – with the average personal wage in the appropriate country. If the executive's pay is more than 200 times the average wage, we vote against the executive pay.
- **Money for nothing.** If more than 30% of the executives' incentive compensation is not based on performance, SHARE votes it down. If the incentive pay is not based on performance, what is it an incentive for?
- **Growing disparity.** Internal pay disparities within a company can contribute to low productivity, poor morale, and high employee turnover. We compare the CEO's pay to the pay of the next-highest-paid executive and, where the data is available, to the pay of the company's median employee. If the CEO's pay is three times that of the next-highest-paid executive or more, we vote against the executive compensation. An acceptable "vertical" ratio of CEO pay to the median employee's pay varies with the size and type of company. But in general, if the ratio is more than 160-to-1, we vote against the executive compensation plan.

By voting consistently against common practices that distort compensation and distract executives, we're bringing common sense back to executive pay.

AMERISOURCEBERGEN CORPORATION United States

Ticker Symbol	**ABC**	ISIN	**US03073E1055**
Meeting Date	**28-Feb-2019**	Meeting Type	**ANNUAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
TRUST BANQUE NATIONALE.	**N1-000001002.2**	**10200**	0	13-Feb-2019	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1.1	Election of Director: Ornella Barra	Management	For	For
1.2	Election of Director: Steven H. Collis	Management	Against	Against
	Comments: Mr. Collis is both the company's CEO and chair of the board of directors. The chair of the board cannot be a member of management and still guide the board in its responsibility for overseeing management's performance without a conflict of interest.			
1.3	Election of Director: D. Mark Durcan	Management	For	For
1.4	Election of Director: Richard W. Gochnauer	Management	For	For
1.5	Election of Director: Lon R. Greenberg	Management	For	For
1.6	Election of Director: Jane E. Henney, M.D.	Management	For	For
1.7	Election of Director: Kathleen W. Hyle	Management	For	For
1.8	Election of Director: Michael J. Long	Management	Against	Against
	Comments: Mr. Long, who serves as the chair of the compensation committee, is the CEO of Arrow Electronics Inc. Directors who are chief executives themselves may have conflicts of interest in setting the pay of other chief executives, and thus are not suitable to be members of compensation committees.			
1.9	Election of Director: Henry W. McGee	Management	For	For
2	Ratification of Ernst & Young LLP as independent registered public accounting firm for fiscal year 2019.	Management	For	For
3	Advisory vote to approve the compensation of named executive officers.	Management	Against	Against
	Comments: Half of the executives' long-term incentive pay (representing over 32% of total compensation) is made up of stock options and restricted share units, which do not have any performance requirements and simply vest over time. Incentives which are not linked to performance reward executives for staying instead of for doing a good job. In addition, the balance of the long-term equity pay (representing another 32% of total compensation) is determined using earnings per share (EPS) as the main performance requirement. Financial performance measured on a per share basis (such as EPS) can artificially be improved through stock repurchase, giving executives unearned compensation. For the past three years the company repurchased a total of close to 18 million shares worth $3.24 billion.			
4	Stockholder proposal, if properly presented, to permit stockholders to act by written consent.	Shareholder	For	Against
	Comments: For as long as the company does not have a controlling shareholder, the right of its shareholders to act and call votes by written consent should be supported. As of date, AmerisourceBergen does not have a shareholder who controls more than half of all its voting shares.			
5	Stockholder proposal, if properly presented, to urge the Board to adopt a policy that no financial performance metric be adjusted to exclude legal or compliance costs in determining executive compensation.	Shareholder	For	Against
	Comments: The proposal requests that adjustments to exclude the company's legal and compliance costs from the financial performance metrics used to determined its executive incentive pay be disallowed. This will help AmerisourceBergen to further improve executive accountability, given its business role and risk exposure to the current US opioid crisis.			

CENTENE CORPORATION United States

Ticker Symbol	**CNC**	ISIN	**US15135B1017**
Meeting Date	**28-Jan-2019**	Meeting Type	**SPECIAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
TRUST BANQUE NATIONALE.	**N1-000001002.2**	**10210**	0	18-Jan-2019	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	Approval of an Amendment to the Company's Certificate of Incorporation to Increase the Number of Authorized Shares of Common Stock.	Management	For	For
	Comments: Centene is proposing to double the number of common shares it can issue in order to carry out a 2-for1 stock split. This is a good use for the additional shares.			

ENCANA CORPORATION Canada

Ticker Symbol	**ECA**	ISIN	**CA2925051047**
Meeting Date	**12-Feb-2019**	Meeting Type	**SPECIAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
TRUST BANQUE NATIONALE.	**N1-000001002.1**	**58044**	0	30-Jan-2019	Yes

Item	Proposal	Proposed By	Vote	For/Against Management
1	To adopt the Agreement and Plan of Merger, dated as of October 31, 2018 (as it may be amended from time to time, the "merger agreement")Encana ("Merger Sub").	Management	For	For
	Comments: Encana is proposing to purchase Newfield Exploration for approximately $5.5 billion in shares. This proposal would allow Encana to issue the additional shares it needs for this deal. Its shareholders will be diluted by approximately 36.5%. In exchange, they will hold shares in a larger company with holdings in shale oil fields in Oklahoma, as well as Encana's existing holdings. Encana is paying a relatively low price for Newfield, which makes the deal more attractive. The new Encana will be larger and more able to compete with other large companies operating in the shale oil and gas industry.			
2	The adjournment of the Meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal.	Management	Against	Against
	Comments: Shareholders' votes become meaningless if a company can adjourn and reconvene meetings until it gets the vote result it wants.			

WALGREENS BOOTS ALLIANCE, INC. United States

Ticker Symbol	**WBA**	ISIN	**US9314271084**
Meeting Date	**25-Jan-2019**	Meeting Type	**ANNUAL**

Custodian	Account No.	Ballot Shares	Unavailable Shares	Vote Date	Vote Confirmed
TRUST BANQUE NATIONALE.	**N1-000001002.2**	**21100**	0	15-Jan-2019	Yes

Item	Proposal	Proposed By	Vote	For/Against

				Management
1a	Election of Director: Jose E. Almeida	Management	Against	Against

Comments: Only 3 of this company's 11 directors are independent. Two-thirds of the directors must be independent in order to ensure that the board can oversee management without conflicts of interest. For this reason, we have voted against those directors who are not independent. Mr. Almeida is the CEO of Baxter International, which does business with Walgreens Boots.

1b	Election of Director: Janice M. Babiak	Management	For	For
1c	Election of Director: David J. Brailer	Management	Against	Against

Comments: See the comments for Mr. Almeida. Mr. Brailer is the Executive Chair of Health Evolution Partner, which does business with Walgreens Boots.

1d	Election of Director: William C. Foote	Management	For	For
1e	Election of Director: Ginger L. Graham	Management	For	For
1f	Election of Director: John A. Lederer	Management	Against	Against

Comments: See the comments for Mr. Almeida. Mr. Lederer is the Executive Chair of Staples, which does business with Walgreens Boots.

1g	Election of Director: Dominic P. Murphy	Management	Against	Against

Comments: See the comments for Mr. Almeida. As a partner of Kohlberg Kravis Roberts, or KKR, Mr. Murphy took part in Walgreen's acquisition of Boots Alliance. Mr. Pessina, the current CEO, was also a party to that acquisition and maintains ties to KKR. Mr. Murphy is not independent because of this connection to Mr. Pessina.

1h	Election of Director: Stefano Pessina	Management	Against	Against

Comments: See the comments for Mr. Almeida. Mr. Pessina is the CEO of Walgreen Boots. He also owns about 15% of the company's shares.

1i	Election of Director: Leonard D. Schaeffer	Management	Against	Against

Comments: See the comments for Mr. Almeida. Mr. Schaeffer is a professor and trustee of the University of Southern California. The university receives research grants and charitable contributions from Walgreens Boots, and has an unspecified business relationship with the company.

1j	Election of Director: Nancy M. Schlichting	Management	Against	Against

Comments: See the comments for Mr. Almeida. Until 2016, Ms. Schlichting was CEO of the Henry Ford Health System, which has a long-standing business relationship with Walgreens Boots.

1k	Election of Director: James A. Skinner	Management	Against	Against

Comments: See the comments for Mr. Almeida. Mr. Skinner is the Executive Chair of Walgreens Boots.

2	Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for fiscal year 2019.	Management	Against	Against

Comments: Walgreens Boots hired its auditors for tax, consulting and other services last year that made up more than one third of the auditors' total fees. The practice of hiring auditors to perform other work for the company compromises the independence of those auditors. At a minimum, two-thirds of an auditor's fees from the company should be for the annual audit.

3	Advisory vote to approve named executive officer compensation.	Management	Against	Against

Comments: We have 2 primary reasons for voting against this company's compensation. First, the long-term incentive bonus does not provide an effective incentive for good long-term management. Only half of the bonus is based on performance. The other half is based on earnings per share (EPS) over the next 3 years. EPS can easily be inflated by repurchasing shares, and the company has authorized US$10 billion in share repurchases that could be used at any time in that 3-year period. Thus executives could repurchase shares and receive bonuses they didn't really earn. The other concern is that disparities in pay are substantial. The CEO makes roughly twice as much as the other executive officers. More troubling is the ratio of CEO pay to median worker pay, which is 435 to 1. These very large gaps in pay within the company correlate with low productivity and high employee turnover. Walgreens Boots and its shareholders would benefit from a restructured and improved compensation plan for the entire company.

4	Approval of the amendment and restatement of the Walgreens Boots Alliance, Inc. Employee Stock Purchase Plan.	Management	For	For

Comments: The only significant change to the employee share purchase plan is the creation of a subplan for employees outside the United States.

5	Stockholder proposal requesting an independent Board Chairman.	Shareholder	For	Against

Comments: The current chair of the board is an executive of the company. This is not consistent with widely-accepted standards for good corporate governance. The chair of the board must be an independent director in order to guide the board in its responsibility for overseeing management's performance without a conflict of interest.

6	Stockholder proposal regarding the use of GAAP financial metrics for purposes of determining senior executive compensation.	Shareholder	Against	For

Comments: This proposal asks the company to adopt a policy prohibiting the use of adjusted GAAP financial measures in executives' performance-based bonuses. The reasoning behind the proposal is sound - the company could tweak financial measures to omit certain costs and effectively lower the executives' performance targets. However, the proposal itself is too rigid to be practical. For example, some GAAP financial measures include changes in the value of foreign currencies, or other factors that executives cannot control. Those measures need to be adjusted in order to be fair measures of performance. Although we agree with the intent of this proposal, the proposal itself is not supportable.

7	Stockholder proposal requesting report on governance measures related to opioids.	Shareholder	For	Against

Comments: This proposal asks the company to report on how it is adapting its governance to address and mitigate the risks it faces related to the opioid crisis, including its executive compensation and responsibility for oversight of those risks. The extent of those risks is considerable. The company has already been fined US$80 million for violating the US Controlled Substances Act. It is currently being sued by 3 US states, the City of Miami and the Cherokee Nation. It also continues to be investigated for mishandling opioid medication. The company's response is that its ESG report explains the steps it is taking to be responsible in how it distributes opioids. But this is not what the proposal asks for, and the materials the company currently produces do not fully address the proposal's request. Shareholders are entitled to know how the company is managing this significant, material risk to its finances and reputation.

8	Stockholder proposal regarding the ownership threshold for calling special meetings of stockholders.	Shareholder	For	Against

Comments: This proposal asks the company to lower the ownership threshold for calling a special meeting, from 20% of the company's shares to 10%. This is reasonable. 20% of the company's shares is approximately 200 million shares, which would be worth US$14 billion at today's share price. This threshold poses an insurmountable obstacle to calling a special meeting, and effectively denies shareholders of what should be their right. If that threshold were lowered by half, it would still be quite high - roughly US$7 billion in shares - but it would be more likely that shareholders who wished to do so to could call a special meeting.

The Shareholder Association for Research and Education (SHARE) is a non-profit organization based in Vancouver, British Columbia. Since its creation in 2000, SHARE has provided leadership, expertise and advocacy in the area of responsible investment and active share ownership. SHARE assists institutional investors in implementing responsible investment strategies through our Active Ownership Services, including:

- Pension Investment & Governance Education
- Proxy Voting & Advisory Services
- Shareholder Engagement
- Responsible Investment Advisory Services

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