



October 1, 2013

Global Women's Equity Fund (the "GWEF") is pleased to share the following comments with the Ontario Securities Commission. **To note: we have attached important information from a Canadian Senator, the Liberal Party Leader and the Ministry for Women's Initiatives.**

Re: Comment on OSC Staff Consultation Paper 58-401 Disclosure Requirements Regarding Women on Boards and in Senior Management

The corporate boards of most Canadian companies are characterized by low levels of female representation and involvement. Global Women's Equity Fund, a new fund focused on long term capital growth, supports increasing the number of women at the board table across Canada. The fund primarily invests in a broad range of global equity securities of companies that have demonstrated their support for women's causes and are leaders in promoting gender equality in the workplace. The Fund believes that it is these socially responsible companies (which include women in senior management positions) that perform better financially as a result. In this way, the Ontario Securities Commission has an important role to play. The Global Women's Equity Fund advises the OSC to pass legislation mandating more women on corporate boards.

In this advanced economy women have become important levers of economic development, contributing as entrepreneurs and managers. In The

Financial Lives of Girls and Women, a survey of more than 1,000 Canadian women conducted in 2010 by Angus Reid, confirmed that “90% of women control the purse strings when it comes to making decisions about household spending.”¹ With more women in the workforce with higher incomes than ever before, they have more financial power and are gaining more respect within organizations.

Even so, women are still drastically under-represented on the executive boards and in the top positions of companies. In Canada, only 8 percent of the highest paying executive positions are held by women.² The United Nations has recommended a set of Women's Empowerment Principles which, to date, 540 CEOs have signed on to support.³ It includes principles including the establishment of 'high level corporate leadership for gender equality and the promotion of education, training, and professional development for women.

Representation and greater involvement for women is important for two main reasons: the organizational benefits of diversity, and the significant business case for increased financial returns.

New research suggests that a “Woman Effect” exists; companies with more women in leadership positions outperform companies with fewer women.⁴ Greater ‘Gender Diversity’ can reduce the risk of ‘group thinking’ and challenge rash decision-making. Furthermore, studies show that women's leadership and employment positively affect the financials of companies. “Assets (like those included in the Global Women's Equity Fund) managed under sustainable and socially responsible guidelines in Canada grew by 16% between June 30, 2010 and December 31, 2011.”⁵

What type of disclosure requirements regarding women on boards and in senior management would be most appropriate and useful?

The OSC's draft plan to encourage gender diversity in Canada is a positive first

1 *The Financial Lives of Girls and Women*. Angus Reid, 2010.

2 *Rosenzweig Report on Women at the Top Levels of Corporate Canada*, <http://rosenzweigco.com/mediacenter/diversity/index.htm>

3 <http://weprinciples.unglobalcompact.org/Site/PrincipleOverview>

4 Mckinsey, *Women Matter* (2007) http://www.mckinsey.com/features/women_matter

5 Social Investment Organization, 2013

step. The Global Women's Equity Fund recommends requiring companies to disclose their specific practises of gender diversity on boards and senior management. If the company chooses not to comply, GWEF believes that they should be required to explain why such policy is lacking, in addition to undertaking a review of potential losses in not initiating one. The disclosure of this information will allow investors to make accurate investment decisions on the company. The disclosure should be an integral part of the Annual Report (the "AR") for all corporations and should be contained in a new and specific section of the AR.

Furthermore, on an annual basis, an update report should be mailed out to shareholders detailing the following:

- Efforts made by the organization as it pertains to hiring more women on their boards,
- Current statistics showing (over the past 5-year period) the number (and also expressed as a percentage) of women that are either Directors or Officers within the organization;
- An explanation (if applicable) explaining why an organization does not have any women Director or Officer on the Board.

What are effective policies for increasing the number of women on boards and in senior management?

Some companies without any women on the board have a long way to go. GWEF believes that companies should be required to establish targets to increase gender diversity on Canadian boards. These targets must be quantifiable to ensure that efforts are commensurate with change. The results can be publicly reported to show the improvements being made.

Canada is lagging behind other countries that are benefitting from having women at their board tables. The OSC should require companies to make timely commitments to these objectives.

GWEF believes that listed companies should implement a programme (within their Human Resources/diversity/integration Department) that would encourage and mentor women to “take the next step” to further themselves.

Women within an organization that are Officers or Directors should lead this effort. They may decide to implement a “Women for the Future” committee that would actively search and “mentor” younger women employees. These younger women would, in turn, would eventually become Directors or Officers themselves and carry the efforts on to the next generation of women employees within their organization.

What practices should we recommend for facilitating increased representation of women on boards and in senior management?

The OSC experiences few barriers in mandating a gender diversity policy for boards and senior management. Canada has access to a large supply of qualified board candidates, although there must be sustained attention by corporations to continue to train young talent to further augment future women leaders.

Alongside the implementation of measurable and time-sensitive corporate goals on gender diversity, there should be a review process to determine the success of each company's policy. By mandating that review after 2-3 years of the policy, next steps can be taken to address whether a different method is needed.

The Global Women's Equity Fund looks forward to promoting women in Canada and around the globe by investing in the companies that invest in women.

We recommend that the OSC mandate more women on corporate boards in Canada, requiring measured and timely disclosure.

Please contact Global Women's Equity Fund for further information. We appreciate the opportunity to comment on this issue.



Alexis Klein HBA, CIM, FCSI

FOUNDER

Global Women's Equity Fund

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IMPORTANT INFORMATION FOLLOWS:

SÉNAT



SENATE

L'honorable Céline Hervieux-Payette, c.p.
(Bedford, Québec)

The Honourable Céline Hervieux-Payette, P.C.
(Bedford, Quebec)

CANADA

Ottawa, October 1, 2013

Mr. Alexis Klein HBA, CIM, FCSI
Chief Marketing Officer
Global Women Equity Fund
76 Routliffe Lane
Toronto ON M2N 0A5

Dear Mr. Klein,

It is with great pleasure that I write this letter of support for the Global Women's Equity Fund.

As an advocate for women's rights, I encourage all efforts dedicated to the advancement of women, particularly in the economic sphere. For many years now I have been working tirelessly as Sponsor of a Bill that, if passed, would modernize the composition of the boards of directors of certain corporations, financial institutions and parent Crown corporations, by ensuring the balanced representation of women and men on those boards.

Women are active participants in the business community – as business owners, shareholders, officers, managers and employees – and they also play an important role in the market as consumers. A series of studies have shown that companies that achieve diversity in their management and on their corporate boards attain better financial results, on average, than other companies. Women, therefore, can be powerful drivers of economic development.

The Global Women's Equity Fund, as an investment vehicle for the promotion and empowerment of women, can certainly help to achieve gender equality in the business world. Furthermore, such a Fund has the ability to provide the necessary financing for women looking to start their own businesses. A survey conducted by the Bank of Montreal this year found that more than one-third of Canadian women are interested in

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CANADA

starting their own businesses within the next decade. The survey also found that 42 percent of those polled felt access to capital would be their biggest challenge in becoming business owners. Indeed, the harsh reality is that women, unfortunately, lack access to the tools and startup capital required to be business owners.

For such an important initiative I trust that advice is being sought from experts in the field, as this will assist in ensuring the success of the Fund. Also, I look forward to receiving further information about the criteria of the Fund; for instance, how and by whom the Fund will be managed.

Congratulations for the accomplishments achieved thus far. I wish you all the best with the launch!

Sincerely,

A handwritten signature in blue ink, reading 'Céline Hervieux-Payette'.

The Honourable Céline Hervieux-Payette, P.C.
Senator



Justin P.J. Trudeau

Leader of the Liberal Party of Canada
Chef du Parti libéral du Canada

September 13, 2013

Dear Friends,

I would like to congratulate all of the hard-working, dedicated, and involved people who helped to make the establishment of the Global Women's Equity Fund possible.

While the number of executive roles filled by women has risen in recent years, a vast under-representation of women in top positions still exists in Canada. At a time when a strong economy is at the forefront of our thoughts, companies cannot ignore the financial benefits that go hand-in-hand with socially responsible business practices. Your efforts to make the Global Women's Equity Fund a reality have not only provided Canadians with an investment vehicle to promote positive change in the business world, but they have helped to encourage the development of a sustainable economy beneficial to all members of society.

We in the Liberal Party of Canada are committed to the promotion of gender equality and the development of a strong, inclusive society for all Canadians. In turn, as we move forward and strengthen our vision for Canada, it is crucial to have organizations such as the Global Women's Equity Fund who give Canadian investors the opportunity to support socially responsible businesses from around the world.

Once again, I would like to congratulate everyone at the Global Women's Equity Fund for your success, and I wish you all the best.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justin Trudeau', with a long horizontal line extending to the right.

Justin P.J. Trudeau
Member of Parliament for Papineau

**Ministry of Citizenship
and Immigration**

Ontario Women's
Directorate

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Mr. Alexis Klein
Chief Marketing Officer
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Dear Mr. Klein,

Thank you for your letter regarding the Global Women's Equity Fund. I have been asked to respond on behalf of the Minister Responsible for Women's Issues. I apologize for our delayed response.

To begin, I would like to extend our congratulations to you for the launch of your Global Women's Equity Fund and commend you for promoting investments in companies that support the advancement of women. I have shared information about the Fund with some women's organizations.

As you may be aware, the Ontario government is committed to broader gender diversity on corporate boards. At our request the Ontario Securities Commission is currently undertaking consultations to seek input on a proposal that would require firms to publicly disclose gender diversity on boards and in senior management in Ontario.

Thank you very much for sharing the information on the Global Women's Equity Fund. I wish you the best in your future endeavours.

Sincerely,

A handwritten signature in cursive script that reads "Susan Seaby".

Susan Seaby

Executive Director

