

Investors Against Genocide

Draw the line at investing in genocide

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Info@InvestorsAgainstGenocide.org

FIDELITY CONFIRMS VOTE ON GENOCIDE-FREE INVESTING

“Unprecedented” opportunity for shareholders to vote to keep their savings genocide-free

Boston, MA – February 19, 2008 - Legal counsel for Fidelity Investments has confirmed that shareholders of many Fidelity mutual funds will vote at their March 19 meeting on a shareholder proposal which asks the mutual fund giant to ensure that its investments are genocide-free. Thanks to a recent decision by the Securities and Exchange Commission (SEC) denying Fidelity’s “no-action” request, Fidelity failed in its attempt to block consideration by its shareholders. The SEC decision clears the way for hundreds of thousands of individual investors to decide if they want Fidelity to invest their savings in companies that help fund genocide.

According to Fidelity counsel, proxy materials for its funds which will meet on March 19 and include the genocide-free question will be mailed over the next couple of weeks. Proxy materials for funds that will not vote on this question at their March 19 meetings have already been mailed. Fidelity shareholder meetings scheduled for April 16 and May 14 will also be affected by the genocide-free investing shareholder proposal.

The shareholder proposal for genocide-free investing raises the issue of the fundamental management responsibilities of financial institutions and whether shareholders should be able to expect mainstream funds to be genocide-free. The public’s interest in this expectation was highlighted by a 2007 study by KRC Research, in which 71% of respondents said companies should take into account extreme cases of human rights abuses, such as genocide, when investing overseas, rather than base their investment decisions on economic criteria only. The related Sudan Accountability and Divestment Act passed both Houses of Congress unanimously and was signed into law by President Bush on December 31, 2007.

The proposal has been filed with 28 of Fidelity’s mutual funds and dozens of funds from other companies including Barclays, Franklin Templeton, T. Rowe Price, and Vanguard. Specifically, the proposal requests that the mutual fund’s “Board institute oversight procedures to screen out investments in companies that, in the judgment of the Board, substantially contribute to genocide, patterns of extraordinary and egregious violations of human rights, or crimes against humanity.”

“We urge people who own affected Fidelity mutual funds to watch their mail and email for these proxy materials,” states Eric Cohen, chairperson of Investors Against Genocide, the non-profit organization that is leading the shareholder action. “We ask shareholders to check their proxy voting cards for the shareholder proposal and read the supporting detail in the proxy materials so that they do not miss this important opportunity to vote for genocide-free investing.”

According to Cohen, many mutual fund investors don’t read or vote their proxies because the questions considered are typically routine. “Many shareholders will be unaware of this first opportunity to vote for genocide-free investing,” he says. “For this reason, we do not expect our proposal to pass on March 19.” However, as the proposal comes before additional funds in the coming months, and as more shareholders become aware of this proposal, Cohen believes that that they will support genocide-free investing. “Ultimately, we are confident that this resolution will prevail, even though we do not expect a

large number of favorable votes at the March 19 meeting.”

“Ethical investing may mean different things to different people, but surely there is a minimum standard upon which everyone agrees,” states Cohen. “Americans do not want their family savings and pension funds invested in companies that help to fund genocide whether that genocide is occurring today in Darfur or anywhere else in the future.”

According to Timothy Smith, Senior Vice President, of Boston-based Walden Asset Management, this shareholder action is “unprecedented” and “opens up a new chapter in mutual fund governance.”

“Never before has the mutual fund industry been challenged through shareholder resolutions to dozens of mutual fund companies on any issue,” Smith states. “In this case, mutual funds are being urged to carefully review the implications of owning significant blocks of shares in companies with strategic investments in the Sudan that are being charged with supporting genocide.”

Fidelity has confirmed that the genocide-free investing proposal will appear on proxies for the March 19 meetings of Capital and Income fund, Contrafund, Growth and Income fund, Low-Priced Stock fund, Puritan fund, Real Estate Investment Portfolio, Select Health Care Portfolio, and Utilities fund. In addition, the proposal is expected to appear on the proxies for Blue Chip Growth fund, Blue Chip Value fund, Dividend Growth fund, and Equity-Income fund.

Many US investment firms have huge holdings of shares in PetroChina, a Chinese oil company that is one of the worst offenders among companies helping to fund the genocide in the Darfur region of Sudan. Some of the largest holders of PetroChina include the well-known and widely held mutual fund firms Franklin Templeton, American Funds, Fidelity, and Vanguard.

An increasing number of colleges, universities, and states have taken action to divest from companies that help fund the genocide in Darfur. Thousands of individuals have joined this movement and divested their personal savings from investment firms, like Fidelity, that own shares in such companies.

Hundreds of thousands have been killed and 2.5 million have been driven from their homes, in Darfur. This humanitarian crisis has been labeled by the US government as the first genocide of the 21st century. The government of Sudan has continued to pursue genocide in Darfur for nearly five years, using as much as 70% of its oil revenue to provide arms and funding for the genocide, rather than economic development for the poor people of Sudan. Although federal law prevents most US companies from operating in Sudan, American financial institutions, notably mutual fund companies, are major investors in the Chinese, Indian, and Malaysian oil companies involved in Sudan which are helping to fund this genocide. As a result, ordinary investors, through their mutual funds, family savings, and pension plans entrusted to these financial institutions are inadvertently investing in genocide.

Investors Against Genocide is a non-profit organization dedicated to convincing mutual fund and other investment firms to change their investing strategy so as to avoid complicity in genocide. The organization will work with individuals, companies, organizations, financial institutions, the press, investment firm employees, and government agencies to build awareness and to create financial, public relations, and regulatory pressure for investment firms to change. The ultimate goals are that the Government of Sudan ends its deadly genocide in Darfur and that investment firms avoid investing in genocide in the future. For more information, visit www.investorsagainstgenocide.org.

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