

Investors Against Genocide

Draw the line at investing in genocide

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MOMENTUM BUILDS IN ADVANCE OF UNPRECEDENTED SHAREHOLDER ACTION *Fidelity shareholders to vote March 19 on proposal to keep their mutual funds genocide-free*

Boston, MA – March 17, 2008 – International, national, and regional religious and human rights organizations have rallied behind an unprecedented shareholder proposal designed to ensure that mainstream mutual funds avoid investments that contribute to genocide. Last week, the Unitarian Universalist Service Committee (UUSC), Physicians for Human Rights, American Jewish World Service (AJWS), Genocide Intervention Network, The ENOUGH Project, The Aegis Trust and the Unitarian Universalist Association all signed on as supporters of the proposal in addition to many regional organizations. More supporters are expected to sign on in coming weeks as the campaign continues to gain momentum.

Shareholders have begun to vote, in preparation for shareholder meetings on March 19 for various Fidelity funds including the \$72.9 billion Contrafund. Other Fidelity funds voting on the 19th include: Capital and Income, Growth and Income, Low-Priced Stock, Puritan, Real Estate Investment Portfolio, Select Health Care Portfolio, and Utilities. More Fidelity funds will also vote on the genocide-free investing shareholder proposal at shareholder meetings scheduled for April 16 and May 14.

Fidelity's fund management is recommending that shareholders vote against the proposal, referenced on the proxy ballots as "shareholder proposal concerning board oversight procedures to screen out investments in companies that substantially contribute to genocide."

"Ethical investing may mean different things to different people, but surely there is a minimum standard upon which everyone agrees," states Eric Cohen, chairperson of Investors Against Genocide, the non-profit organization that is leading the shareholder action. "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."

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. It 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.

"We support efforts to pressure university endowments, state and municipal pension funds, and mutual funds to sell equity holdings in a targeted list of companies doing business with the Sudanese regime," states John Prendergast, co-chair of The ENOUGH Project, an initiative to end genocide and crimes against humanity. "Moving forward, the effect of this shareholder proposal is political as much as economic. It casts genocidal regimes and the companies that support them as pariahs that must change their behavior or be denied international investment capital."

"The Unitarian Universalist Association is voting for this resolution on behalf of our retirement plan

participants invested in Fidelity funds and urging thousands of individual UU mutual fund investors to do the same," states Tim Brennan, Treasurer and Vice President of Finance at the Unitarian Universalist Association. "We have the opportunity to use our financial assets to witness for the people of Sudan, and we believe it is our religious duty to do so."

Ruth Messinger of the American Jewish World Service is also a supporter of the shareholder proposal and her organization sent 30,000 of its members an email advising them of the upcoming vote. "We believe that economic pressure is a critical strategy in bringing an end to the genocide in Darfur and to future genocides," states AJWS President Ruth W. Messinger. "Passage of this shareholder proposal will be an important first step in ensuring that investments made by Americans in their trusted mutual funds will not support genocidal regimes."

Cohen urges people who own affected Fidelity mutual funds to watch their mail and email and vote their proxy ballots. Shareholders who have already discarded their ballots, or would like to change an earlier vote, can do so right up until the meeting is held on the 19th. Shareholders can contact their Fidelity representative for information on how to vote, or re-vote.

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 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."

"When the proposal passes, affected funds with existing investments in problem companies will have two acceptable options," Cohen adds. "If the holding is substantial enough that the fund can effectively influence the problem company's management and the company is receptive to engagement, then this may be appropriate. If the holding is relatively small or the problem company does not respond adequately to engagement efforts, then shares should be sold."

"By supporting the work of Investors Against Genocide, we intend to intensify the drumbeat for Darfur in the investment world," states UUSC President Charlie Clements. "Investors of conscience do not want their savings and their pension funds to be associated with genocide in any form, in any place, in any investment."

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. 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

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.

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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 works with individuals, companies, organizations, financial institutions, the press, 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. For more information, visit www.investorsagainstgenocide.org.

American Jewish World Service (AJWS) is an international development organization motivated by Judaism's imperative to pursue justice. AJWS is dedicated to alleviating poverty, hunger and disease among the people of the developing world regardless of race, religion or nationality. Through grants to grassroots organizations, volunteer service, advocacy and education, AJWS fosters civil society, sustainable development and human rights for all people, while promoting the values and responsibilities of global citizenship within the Jewish community. For more information visit www.ajws.org

ENOUGH is a project of the Center for American Progress to end genocide and crimes against humanity. With an initial focus on the crises in Darfur, Chad, eastern Congo, and northern Uganda, ENOUGH's strategy papers and briefings provide sharp field analysis and targeted policy recommendations based on a "3P" crisis response strategy: promoting durable peace, providing civilian protection, and punishing perpetrators of atrocities. ENOUGH works with concerned citizens, advocates, and policy makers to prevent, mitigate, and resolve these crises. To learn more about ENOUGH and what you can do to help, go to www.enoughproject.org.

Physicians for Human Rights (PHR) mobilizes the health professions to advance the health and dignity of all people by protecting human rights. As a founding member of the International Campaign to Ban Landmines, PHR shared the 1997 Nobel Peace Prize. For more information, visit www.physiciansforhumanrights.org

The Aegis Trust campaigns to prevent genocide worldwide. Aegis was founded in 2000 and has its home at the first Holocaust Centre in the UK, which opened in 1995. Since 2002 Aegis has had an office in Kigali, Rwanda. Aegis activities include: research, policy, education, remembrance, awareness of genocide issues in the media and humanitarian support for victims of genocide. For more information, visit www.aegistrust.org

The Genocide Intervention Network is working to build the first permanent anti-genocide constituency in the United States, mobilizing the political will to stop genocide when it occurs. Accessible online at www.GenocideIntervention.net, GI-Net empowers individuals with tools to stop genocide through education, fundraising for civilian protection and advocacy efforts.

The Unitarian Universalist Association is a faith community of more than 1000 self-governing congregations that bring to the world a vision of religious freedom, tolerance and social justice. For more information on the UUA, including recent press releases and news articles, please visit our online pressroom at www.uua.org/pressroom.

The Unitarian Universalist Service Committee (UUSC), an international human rights organization of over 47,000 members and supporters, advances human rights and social justice around the world, partnering with those who confront unjust power structures and mobilizing to challenge oppressive policies. In addition to protecting rights in humanitarian crises like Darfur, UUSC promotes workers' rights, advances the human right to water, and defends civil liberties in the United States and internationally. For more information, visit www.uusc.org.