

Investors Against Genocide

Draw the line at investing in genocide

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Susan Morgan – 617-797-0451

SHAREHOLDERS AT FOUR MORE FIDELITY FUNDS VOTE ON GENOCIDE-FREE INVESTING PROPOSAL Strong support evidenced by 21% - 28% of votes despite active opposition by Fidelity

Boston, MA – April 16, 2008 – Shareholder activists were further encouraged on April 16 by the consistently high percentage of votes cast in favor of making mutual funds genocide-free. In this second round of voting on genocide-free investing, 25% of shareholders of Fidelity's Mid-Cap Fund, 21% of its International Discovery Fund, 22% of its Overseas Fund and 23% of its Canada Fund voted for the genocide-free investing proposal. Similarly, on March 19, 27% of shareholders of Fidelity's Capital and Income Fund and 28% of its Select Health Care Portfolio Fund voted in favor of the proposal. The proposal has been submitted to a wide range of other mutual funds with votes scheduled in coming months.

According to industry insiders, it is highly unusual for a social concern to receive such a high percentage of the vote, when opposed by management. Chief among the reasons for these low numbers is the large number of votes that simply follow management's guidance, including institutional voters, "insider" voters, and many ordinary investors who reflexively check the "vote with management" box. The consistently high vote totals for genocide-free investing suggest that this proposal resonates strongly with shareholders.

"Today's results reflect the broad base of Fidelity customers who have serious concerns about having their personal savings tied to genocide," states Eric Cohen, Chairperson of Investors Against Genocide, the non-profit organization leading the shareholder action. "We are confident that as individuals become aware of this connection, they will vote their values and support genocide-free investing."

More votes on the genocide-free investing proposal will take place on May 14 at shareholders' meetings for 15 additional Fidelity funds including the \$72 billion Contrafund, the \$50 billion Diversified International Fund, and the \$39 billion Magellan Fund. (See the full list at www.InvestorsAgainstGenocide.org). The proposal requests oversight procedures to screen out investments in companies that, in the judgment of the fund's Board, substantially contribute to genocide. Fidelity is advising shareholders to vote against the proposal.

"We know most ordinary investors ignore or discard their proxy materials," explains Cohen. "In this case, there is an issue of interest and importance to ordinary Americans. We encourage individual shareholders to check the proxy ballot card for a proposal regarding genocide." Cohen notes that shareholders who have discarded their ballots, or would like to change an earlier vote, can do so right up until the meetings on May 14. They should contact their Fidelity representative for information on how to vote or re-vote.

At today's shareholder meetings, Fidelity General Counsel Eric Roiter stressed the company's commitment to listening and responding to the opinions of its shareholders. "We are not trying to superimpose our values on our shareholders," he stated. "If they want something different from us, we are listening." Cornelia Small, a Fidelity Trustee representing the Board of Trustees, stated, "The board is actively discussing and grappling with this issue."

Several shareholders present raised concerns about Fidelity's opposition to the proposal if the intention is to accurately assess the opinions of its shareholders. "Fidelity could have taken a neutral stance on the proposal and let the shareholders decide the policy," states Cohen. "Instead Fidelity has actively opposed it and is using its control of the machinery of proxy balloting to tilt the vote against the proposal. The deck is stacked against the majority of individual shareholders who do not want their savings invested in genocide."

One major factor that skews the results is that large blocks of internal and institutional shares automatically vote with management. Another factor is that Fidelity has hired a proxy solicitation firm to call shareholders and urge them to vote with management, without stating the shareholder proposal under consideration, and electronic voting

preferentially places the option to vote with management, before displaying the issues to be voted. Lastly, Fidelity employs a policy of counting non-votes from brokers as if they were votes opposing the proposal.

Following up on shareholder concerns, Investors Against Genocide asked Ms. Small to request of the Fidelity's Board of Trustees that it adopt a neutral stance on the proposal. "We hope that Fidelity will remove these systemic obstacles to the voting process so that it may truly represent the opinions of its shareholders," Cohen states. "We look forward to a response from Fidelity on whether they will take a neutral posture on this proposal as we head into the next round of voting on May 14."

"We will continue our campaign to submit shareholder proposals to hundreds of mutual funds, at Fidelity, Vanguard, American Funds, Franklin Templeton and other major mutual fund companies, and look forward to the day when Fidelity and other mutual fund companies make a commitment to genocide-free investing," Cohen states.

In introducing the shareholder proposal at the meeting, Cohen said, "Ethical investing may mean different things to different people. However, surely there is a minimum standard upon which nearly everyone agrees. We draw the line at investing in genocide. The shareholder proposal on genocide-free investing sets this minimum standard for all mutual funds." The proposal has been filed with 28 of Fidelity's mutual funds and dozens of funds from other companies. 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.

"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."

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.