

Genocide-free Investing

KRC Research Results from 2010 and 2007



KRC RESEARCH

Following are the results of a nationally representative telephone survey of 1,016 adults, ages 18 and over, conducted April 1-5, 2010. The margin of error for the overall study is +/- 3.1% at the 95% confidence level and is higher for subgroups. The data was weighted by demographic variables to ensure the sample accurately reflects the U.S. adult population. Detailed results are appended at the end of this memo.

KEY FINDINGS

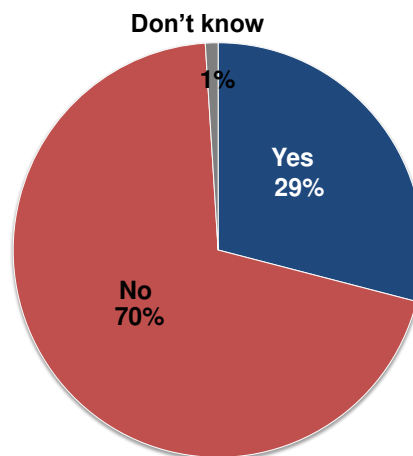
- ✓ Awareness that mutual funds invest in companies that fund genocide is limited. The vast majority of Americans are unaware that mutual funds invest in foreign firms that finance genocide overseas.
- ✓ That said, significant majorities find this practice unacceptable and express support for new regulations that would require greater transparency for mutual funds when investing in companies that finance genocide.
 - This trend is particularly strong among affluent Americans and those who own mutual funds.
- ✓ Americans by wide margins agree that their funds should be genocide free.
 - This trend is near universal among those earning \$50,000 or more. In fact, this income group is significantly more likely than those earning less than \$50,000 to agree that their funds should be genocide free (95% vs. 84%).
- ✓ The overwhelming majority of Americans also strongly believe that Board of Directors and shareholders have a role in limiting their mutual funds from financing companies that support genocide. Solid majorities say they agree that:
 - Mutual funds should be required to get permission from their shareholders before investing in companies that fund genocide; and,
 - Board of Directors of fund companies should be required to approve any investments in foreign companies that fund genocide.

DETAILED FINDINGS

Awareness that mutual funds invest in foreign companies that fund genocide is remarkably low. The vast majority of Americans are unaware that their savings may be invested in foreign companies that finance genocides overseas.

- ✓ Seven in ten consumers do not know that some American mutual funds invest in foreign companies that fund genocide in places like Sudan.
- ✓ Those most likely to be unaware are:
 - Women compared to men (75% vs. 65%).
 - Those with less than a college education compared to those with a college degree (74% vs. 61%).
 - Those earning less than \$50,000 compared to those earning more (77% vs. 67%).
 - Those who don't own mutual funds (74% vs. 66%).

Before today, were you aware that some American mutual funds invest their customers' savings in foreign companies that fund genocide, in places like Sudan where hundreds of thousands of people have died?



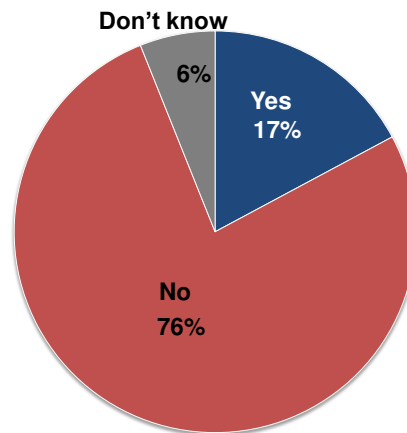
Lack of disclosure by mutual funds is unacceptable. The overwhelming majority of Americans reject the disclosure practices of fund companies around genocide.

- ✓ Three in four (76%) report that it is unacceptable that mutual funds are not required to disclose to the public or shareholders that they invest in foreign companies that fund genocide.

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- ✓ This trend is consistent across all demographic groups and geographies.

And do you find it acceptable that mutual funds are NOT currently required to disclose to the public or shareholders that they invest in foreign companies that fund genocide?

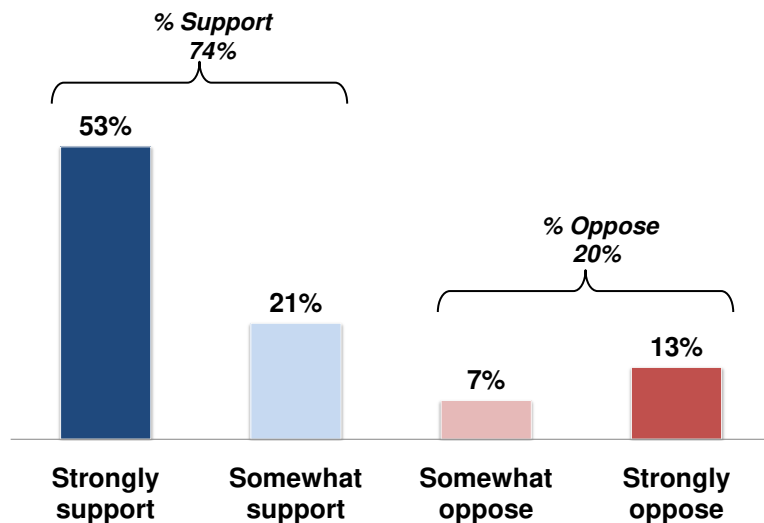


Americans would support greater transparency. Support is overwhelmingly strong for new regulations that would require mutual fund companies to be more transparent in their investments.

- ✓ When respondents were asked if they would support or oppose new regulations that would require greater disclosure by mutual funds of their investment in companies that support genocide, nearly three in four Americans (74%) say they would support such regulations with one in two (53%) expressing strong support.
- ✓ Support for new regulations that would require greater disclosure is universal among demographic subgroups. That said, support is more prevalent among:
 - Those who own mutual funds (78% vs. 70%).
 - Those earning \$50,000 or more (83% vs. 70%).
 - College graduates (79%) compared to those who have less than a college education (71%).
- ✓ Only one in five (20%) oppose new regulations that would require mutual funds to disclose that they invest in foreign companies that fund genocide.

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And would you strongly support, somewhat support, somewhat oppose, or strongly oppose new regulations that would require mutual funds to disclose that they invest in foreign companies that fund genocide?



Genocide-free investment is the preference for the vast majority of Americans.

- ✓ The overwhelming majority of Americans would like their funds to be genocide-free. When respondents were read the following statement: “I would like my mutual funds to be genocide-free,” nearly nine in ten (88%) say they agree with the statement and seven in ten (72%) completely agree.
 - Those who earn \$50,000 or more are significantly more likely than those who earn less than \$50,000 to agree with this statement (95% vs. 84%).

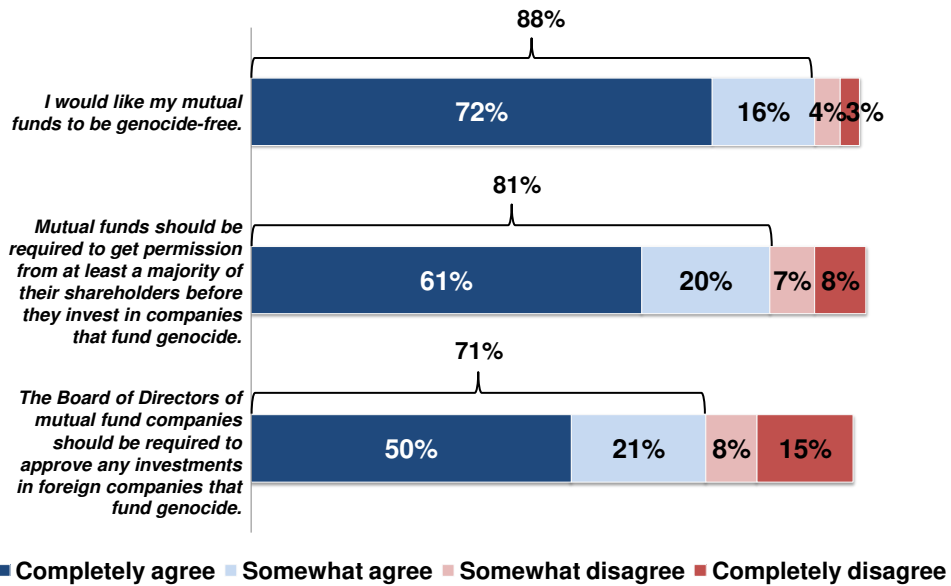
Significant majorities believe Board of Directors and shareholders of mutual fund companies should have a say on whether mutual funds invest in companies that finance genocide.

- ✓ Eight in ten (81%) agree that before investing in companies that finance genocide, mutual fund companies should get permission from their shareholders.
 - This trend is stronger among women where nearly nine in ten (86%) agree with the statement compared to nearly eight in ten men (77%).
- ✓ Seven in ten (71%) agree that Board of Directors of mutual funds should approve any investments in companies that fund genocide. This trend is consistent across geographies and demographic subgroups, but is more prevalent among:
 - Mutual fund owners than non-owners (75% vs. 67%).
 - Those earning more than \$50,000 than less (78% vs. 68%).

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- College grads than those with less than a college education (76% vs. 68%).

Do you completely agree, somewhat agree, somewhat disagree, or completely disagree?



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**INVESTORS AGAINST GENOCIDE OMNIBUS
TOPLINE RESULTS
April 8, 2010**

Random national sample: 1,016 adults, 18 years of age and older
Dates of interviews: April 1 – 5, 2010
Margin of error: +/- 3.1% at the 95% confidence level
Weights: Data was weighted by demographic variables to ensure the sample accurately reflects the U.S. adult population
Note: Numbers may not total 100% due to rounding

1. Before today, were you aware that some American mutual funds invest their customers' savings in foreign companies that fund genocide, in places like Sudan where hundreds of thousands of people have died?

	Total
Yes	29%
No	70%
Don't know/refused	1%

2. And do you find it acceptable that mutual funds are NOT currently required to disclose to the public or shareholders that they invest in foreign companies that fund genocide?

	Total
Yes	17%
No	76%
Don't know/refused	6%

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3. And would you strongly support, somewhat support, somewhat oppose, or strongly oppose new regulations that would require mutual funds to disclose that they invest in foreign companies that fund genocide?

	Total
Strongly support	53%
Somewhat support	21%
Somewhat oppose	7%
Strongly oppose	13%
Don't know/refused	6%
NET: Support	74%
NET: Oppose	20%

Next, I am going to read you a few statements, and I'd like to know whether you completely agree, somewhat agree, somewhat disagree, or completely disagree with each.

4. The Board of Directors of mutual fund companies should be required to approve any investments in foreign companies that fund genocide.

	Total
Completely agree	50%
Somewhat agree	21%
Somewhat disagree	8%
Completely disagree	15%
Don't know/refused	6%
NET: Agree	71%
NET: Disagree	23%

5. Mutual funds should be required to get permission from at least a majority of their shareholders before they invest in companies that fund genocide.

	Total
Completely agree	61%
Somewhat agree	20%
Somewhat disagree	7%
Completely disagree	8%
Don't know/refused	3%
NET: Agree	81%
NET: Disagree	15%

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6. I would like my mutual funds to be genocide-free.

	Total
Completely agree	72%
Somewhat agree	16%
Somewhat disagree	4%
Completely disagree	3%
Don't know/refused	5%
NET: Agree	88%
NET: Disagree	7%

7. Do you currently own any mutual funds either as part of your retirement savings plan or as part of your other investments?

	Total
Yes	46%
No	52%
Don't know/refused	3%

KRC RESEARCH

Following are the results of a nationally representative telephone survey of 1,022 adults, ages 18 and over, conducted April 12-15, 2007. The margin of error for the overall study is +/- 3.1% at the 95% confidence level and is higher for subgroups. The data was weighted by demographic variables to ensure the sample accurately reflects the U.S. adult population. Detailed results are appended at the end of this memo.

KEY FINDINGS

- ✓ When it comes to responding to genocide, Americans by wide margins put moral decisions ahead of financial ones – and are willing to back up these decisions with action. Solid majorities are willing to:
 - Withdraw their investments from American companies that directly or indirectly support genocide; and,
 - Warn their friends, family and coworkers against buying products or investing in American companies that have shares in firms that provide revenue to governments that perpetrate genocide.

DETAILED FINDINGS

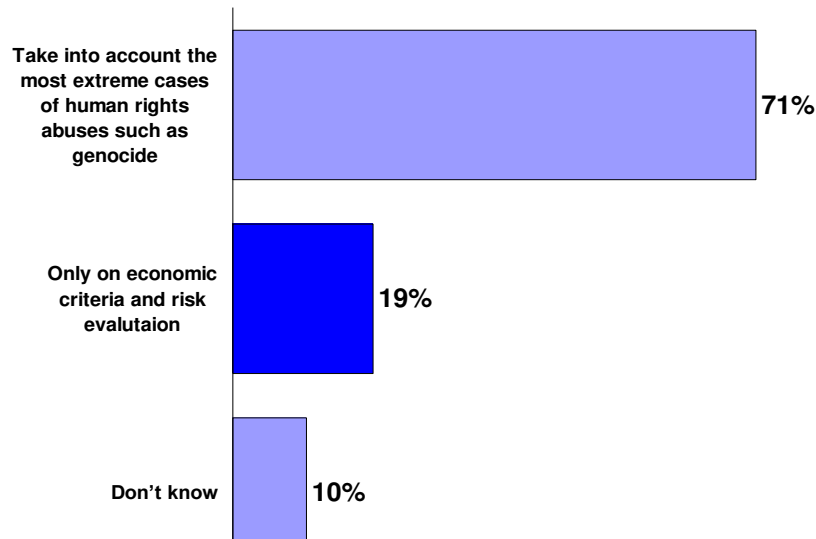
When thinking about investing and genocide, Americans are more than three times as likely to believe that human rights abuses such as genocide should matter more than economic criteria and risk evaluation when American firms invest overseas.

- ✓ Seven in ten (71%) are likely to agree more with the statement that companies should take into account the most extreme cases of human rights abuses such as genocide when investing overseas rather than base their investment decisions on economic criteria only (19%).
 - College graduates (79%) are much more likely than those without a college degree (68%) to say that companies should take into account human rights abuses such as genocide in their investment decisions.
 - More than three quarter (78%) of those earning \$50,000 or more also say that investment decisions should take into account genocide, compared to about two-thirds (66%) of those who earn less than \$50,000.
 - The majority of Americans between the ages of 25-54 (78%) say that human rights should be taken into account, compared to just half of younger Americans (18-24: 56%), and two-thirds of those between the age of 55-64 (69%), or 65+ (63%).

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- ✓ Only one in five (19%) believe that investment decisions should be based only on economic criteria and risk evaluation.
 - A third of those between the ages of 18-24 (34%) are likely to say that economic considerations should be the only determinant for investment decisions, far more than any other age group: (Age 25-34: 11%; Age 35-44: 14%; Age 45-54: 20%; 55-64: 22%; 65+: 18%).
 - Nearly one in five (19%) of those 65 or older are undecided.

Which of these statements do you agree with more? The decision on where to invest should:



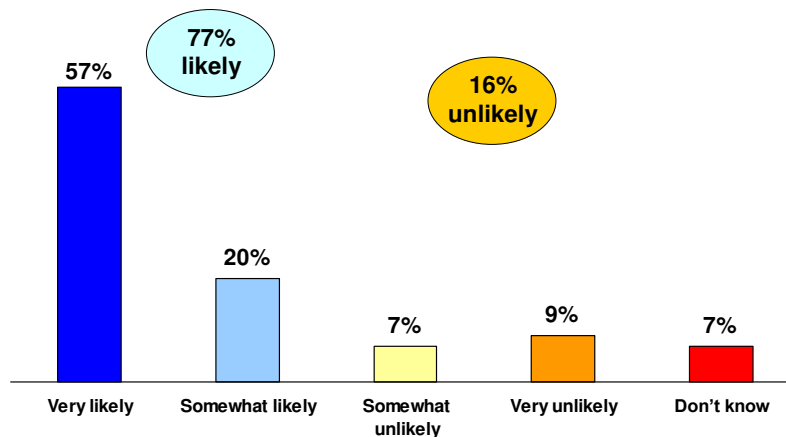
When it comes to Sudan, Americans are willing to take action against companies active in Sudan. More than three-quarters (77%) say they would switch their investments to a different company if they learned that those managing their funds had significant investments in firms that were active in Sudan.

- ✓ When respondents were read a brief description of the situation in Sudan and asked if they would change their investments to another company if they learned that the company managing their investments was active in Sudan, the majority report that they are likely to do so. In fact, more than half (57%) say they are “very likely” to change their investments and another two in ten (20%) “somewhat likely” to do so.
 - Those familiar with Darfur are significantly more likely than those who never heard of it to divest from Sudan (84% vs. 72%). There are no notable differences among those not too familiar or just heard the name Darfur (79%).

Genocide-free Investing: KRC Research results from the 2007 study

- Those earning \$50,000 or more are also significantly more likely than those earning less to change their investments (83% vs. 75%).
 - Americans between the ages of 25-34 are more likely to change their investments than any other age group. Nearly nine in ten (88%) say they are likely to change their investment to another company. This number is significantly higher than those between the ages of 35-44 (75%), 45-54 (77%), 55-64 (75%), and 65+ (69%). It is also directionally higher (but not significant) to those between the ages of 18-24 (80%).
- ✓ Less than one in five (16%) say they are unlikely to change their investments, with only one in ten (9%) saying “very unlikely.”

If you learned that a U.S. company managing your investments or retirement plans had significant investments in companies that were economically active in Sudan, how likely would you be to change your investments to another company? Are you ____?



Solid majorities agree with divesting from American companies that directly or indirectly do business with companies that support genocide or provide revenue to governments that perpetrate genocide.

- ✓ Eight in ten Americans (84%) say they will withdraw their investments from American companies that do business with companies that directly or indirectly support genocide.
 - Those with a college education (90% vs. 82%), and earning \$50,000 or more (92% vs. 80%) are more likely to share this opinion than those without.
- ✓ Eight in ten (82%) also say they would advise friends, family and co-workers against buying products or services, or investing in American companies that invest in a foreign company that directly or indirectly provides revenue to a government that perpetrates genocide.

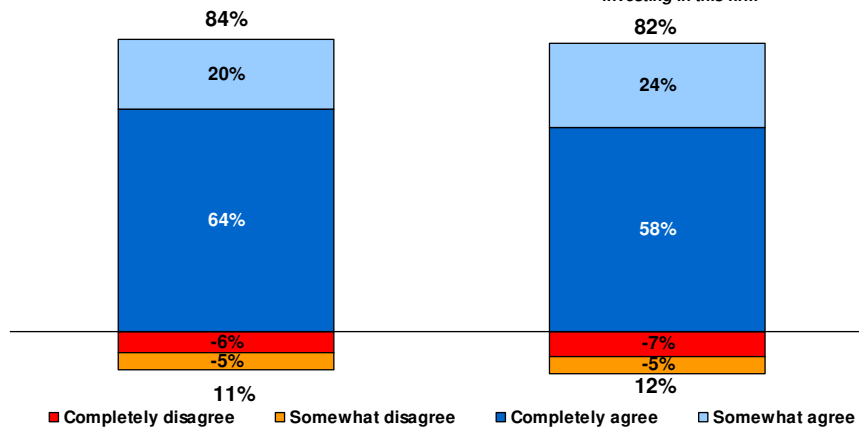
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- Those more likely to share this opinion are:
 - College educated (89% vs. 80%)
 - Earning \$50,000 or more (87% vs. 79%)

Do you completely agree, somewhat agree, somewhat disagree, completely disagree? If I learned that an American firm...

...that I invest in does business with companies that directly or indirectly support genocide, I would withdraw my investments

... is investing in a foreign company that directly or indirectly provides revenue to a government that perpetrates genocide, I would advise friends, family and coworkers against buying products or services, or investing in this firm



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**SAVE DARFUR OMNIBUS
POSTED QUESTIONNAIRE
APRIL 2007**

Random national sample: 1,022 adults, 18 years of age and older

Dates of interviews: April 12 – 15, 2007

Note: Numbers may not total 100% due to rounding

1. As you may have heard, the government of Sudan is involved in perpetrating a genocide in Darfur that has left at least 400,000 dead and two million displaced. If you learned that a U.S. company managing your investments or retirement plans had significant investments in companies that were economically active in Sudan, how likely would you be to change your investments to another company? Are you **(READ LIST)**?

	Total
Very likely	57%
Somewhat likely	20%
Somewhat unlikely	7%
Very unlikely	9%
Don't know/refused (DO NOT READ)	7%
Total likely	77%
Total unlikely	16%

2. When American firms invest in companies overseas, some people say that the decision on where to invest should be based only on economic criteria and risk evaluation. Other people say that American companies should take into account the most extreme cases of human rights abuses such as genocide. Which of these statements do you agree with more?

.....

	Total
Based only on economic criteria and risk evaluation	19%
Take into account most extreme cases of human rights abuses such as genocide	71%
Don't know/refused (DO NOT READ)	10%

Next, I am going to read you a few statements, and I'd like to know whether you completely agree, mostly agree, mostly disagree, or completely disagree with each. Here's the first one. (READ.) Do you completely agree, mostly agree, mostly disagree, or completely disagree?

	Total
5. If I learned that an American firm that I invest in does business with companies that directly or indirectly support genocide I would withdraw my investments.	
Completely agree	64%
Somewhat agree	20%
Somewhat disagree	5%
Completely disagree	6%
Don't know/refused (DO NOT READ)	5%
Total agree	84%
Total disagree	11%

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	Total
6. If I learned that an American firm is investing in a foreign company that directly or indirectly provides revenue to a government that perpetrates genocide, I would advise friends, family and coworkers against buying products or services, or investing in this American firm.	
Completely agree	58%
Somewhat agree	24%
Somewhat disagree	5%
Completely disagree	7%
Don't know/refused (DO NOT READ)	5%
Total agree	82%
Total disagree	12%

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