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For immediate release: February 20, 2007

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Vermont Pension Funds Axe Investments In Sudan

Montpelier – Vermont pension funds will no longer be invested in companies targeted for divestment by the Sudan Divestment Task Force, following a vote last week by the Vermont Pension Investment Committee.

State Treasurer Jeb Spaulding, Chair of the Committee, said this action is another concrete step implementing a policy adopted last month regarding investments in countries identified by the U.S. State Department as State Sponsors of Terrorism – countries such as Sudan, Iran, North Korea, and Syria.

Spaulding explained, “The Committee believed it would be prudent, from a fiduciary position, to refrain from owning securities in companies listed on the Sudan Divestment Task Force ***Highest Offenders*** list, because the value of our portfolio could suffer if we continue holding those securities while other investors take affirmative action to sell securities on the list.”

“Personally, I hope that by joining with other institutional and individual investors, we can do our part to apply economic pressure on the Sudanese government and companies they do business with to get serious about ending the horrific atrocities still taking place in Darfur,” he stated.

While there are about 30 companies on the divestment list at this time, it appears only one, Schlumberger, is held by Vermont’s pension funds. Spaulding said Vermont money managers have been notified to sell Schlumberger. Vermont had stock in PetroChina, another company on the Sudan Divestment Task Force ***Highest Offenders*** list, but sold those securities in recent months.

According to Spaulding, the investment committee relied on the Sudan Divestment Task Force because of the quality of their research and because their targeted approach is consistent with Vermont’s policy, which focuses on companies whose activities significantly contribute to terrorism or genocide and that consistently refuse meaningful engagement with investors or humanitarian organizations about steps the company could take to play a positive role.

The Sudan Divestment Task Force Web site explains, “Targeted divestment affects only companies that have a business relationship with the government of Sudan, impart minimal

benefit to the country's underprivileged, and have demonstrated no substantial corporate governance policy regarding the Darfur situation.”

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