

PETA's Gift & Estate Planning Club

Augustus

club

Planning Guide

Cruelty-Free Investing



Aligning Your Investments With Your Values

We can make an important, direct commitment to helping animals every day by becoming caring consumers. When we choose not to buy from companies that profit from animal abuse, we take a strong stand against animal exploitation. We take a similar stand when we choose to invest only in caring companies.

"Cruelty-free investing" is investing only in companies, mutual funds, bonds, and other investment vehicles that do not support, cause,

or contribute to animal exploitation and suffering, including the destruction of natural habitats.

As cruelty-free investment options become more available, each of us has

more opportunities to invest wisely and compassionately. Please know that we applaud everything that you do to choose investments that will be good both for you and for animals.

Individual Stocks

A good place to start when considering individual stock investments is identifying which companies do and which do not test cosmetics, toiletries, and other household products on animals. Some investors choose to eliminate companies that conduct animal tests from their portfolios, while others choose to selectively invest in companies that have agreed to permanently ban animal testing.

PETA maintains an exhaustive listing of companies and their animal-testing policies on its Web site PETA.org. In addition, consumers can request our biannual "Caring Consumer" pocket guides and shopping guide by calling 757-622-7382.

Another good starting point is researching companies in sectors of the

economy that you are considering for your investments. Remember that animal exploitation can take many forms and try to avoid companies that cause suffering in any way, not just those that conduct or sanction vivisection. In particular, exercise great caution before selecting companies in the following sectors of the economy: food and beverages, clothing and apparel, entertainment, building and construction, chemicals, consumer products, energy, leisure and recreation, medical supplies, mining, oil, and pharmaceuticals.

Alternatively, a stockholder can work from inside a company toward reforming abusive policies. This is one of the many ways in which PETA fights cruelty to animals. By acquiring stock in numerous animal-abusing companies, PETA has gained standing to attend annual meetings and submit shareholder resolutions to try to end some of the worst abuses. In fact, we are currently in the process of submitting shareholder resolutions at





annual meetings of Pfizer, GE, and Wyeth-Ayerst, all of which sponsor animal tests.

If you would like to “cleanse” your portfolio of cruelty, please consider donating your “bad” stocks to PETA. We will either put them to work for animals’ rights or sell them and apply the proceeds to other important, lifesaving programs for animals.

Mutual Funds

Please keep in mind that mutual-fund companies interpret “cruelty-free” and “socially responsible” in many different ways. It is critical that you review each specific fund’s screening guidelines, i.e., its principles for screening out exploitative companies. Regardless of what mutual-fund company representatives may tell you, always ask

for written information (including a prospectus) that clearly spells out the fund’s screening or other investing guidelines.

It is also important to carefully evaluate the primary economic sectors that each fund invests in, as well as its top holdings. Some funds may have commendable written guidelines but use loopholes (in broad language) to invest in companies that harm large numbers of animals. Other funds may have vaguely written guidelines, yet screen their investments carefully and in keeping with their stated principles.

Some animal-protection supporters choose to invest in socially responsible environmental funds. As shareholders, they urge the companies that administer these funds to expand their screening procedures to include direct screens against cruelty to animals.

Specialized Sector Funds

You can also avoid investing in companies that exploit animals by choosing specialized funds that focus exclusively on particular sectors of the

economy that do not generally involve the exploitation of animals. This approach still allows for a vast selection of choices, from technology to financial services (banks and brokerages) to telecommunications.

Most of the largest, best-known mutual-fund companies now offer some specialized funds, thereby making it easier for customers to concentrate part of their portfolios in a wide range of companies within their preferred economic sectors. Ask the mutual-fund companies that you are considering investing in for specific information on the sector fund choices that they offer.

Tips for Examining Mutual Funds

Even without cruelty-free investment screening or specialized sector investing, it is possible to find well-rated and well-performing funds that invest in multiple economic sectors of the economy where animal exploitation does not take place.

Even if your employer offers you a finite list of funds to choose from for your 401(k) plan or other retirement

plan, you can still take steps to help ensure that within that list of available funds, you are choosing those that best suit your values and animals’ interests. Review the following sections of any fund’s prospectus and other written materials:

Primary Sectors: Review the sectors of the economy in which each fund concentrates the majority of its investments.

Top 10 Holdings: Review at a minimum the fund’s top 10 holdings (i.e., the top 10 companies that the fund invests in). If you’re unfamiliar with one or more of the companies listed, please research them and learn what businesses they represent. If you find one or more companies on the list that deal in pharmaceuticals, health laboratories, food production, or other industries that exploit animals, it may well be that this fund contains still more exploitative companies within its holdings.

Allocation of Assets: Review what percentages of the fund’s holdings are in stocks, bonds, cash, or other types of security.

For a solid overview of a fund, do not forget to study performance (the historical rate of return), fees, minimum initial investment requirements, minimum subsequent contributions, category and strategy (i.e., growth vs. income; large-cap vs. mid-cap or small-cap companies), and assets (the total size of the fund’s holdings).

Educate your broker or advisor so that he or she will be able to help guide those who follow in your footsteps.

Promoting Cruelty-Free Investing

Please voice your desire to reflect your values in the investments that you make to everyone involved in the investment process: your broker, your

financial advisor, mutual-fund company representatives, and companies that you choose—and choose not—to invest in. Future options depend largely on convincing the financial-services industry that there is a very strong demand for strictly cruelty-free investment opportunities.

You can help by writing, calling, faxing, and contacting by e-mail representatives of investment companies and explaining to them why you are or are not considering investing in their funds. You can also let mutual-fund companies know that you would be interested in investing more in their funds if they tightened their screening requirements and expanded the types of cruelty that their screens disallowed.

Similarly, by explaining your concerns for animals and describing the types of companies that you want to exclude from your portfolio, you can educate your broker or advisor so that he or she will be able to help guide those who follow in your footsteps.

Providing for Your Animal Companions

How well protected will your animal companions be if something unexpected happens to you?

Critical steps should be taken now to ensure that, should you become unable to care for your animal companions, they will still receive the loving care that they are accustomed to and make the transition to a life without you as painlessly as possible.

Emergency Plans

It is essential that you arrange for someone who can come to your home on short notice to visit your animals in the event of an emergency. The person you choose will need to be able to feed and provide fresh water for your animals, console them, and take care of their needs until their long-term care has been arranged. Many people select a family member or a nearby neighbor who has a key to their home and is already familiar with their animal companions.

Vital Information Files and Cards

Make sure that vital information about each of your animals is readily accessible to help their temporary guardian care for them, both in case of emergency and while choosing the best new homes for them. At a minimum, you should provide a list of people to contact in the event of an emergency, along with the following:

- Your animals’ names, ages, and genders
- The name and location of their veterinarian
- Their diets, eating habits, and feeding schedules
- A picture or two of each animal

- Insight into their behavior: likes and dislikes, personalities, etc.
- A description of their current lifestyle at your home (e.g., Do they spend time in your backyard? Do they often ride in your car with you? Where do they sleep? What are their favorite toys?)



- A list of priorities that the caretaker should consider when looking for a new home

Annually revisit the files where this information is stored and make necessary modifications in order to keep them as accurate and helpful as possible. Keep critical contact information, as well as information about where these files can be found, in your purse or wallet. You should also place a sign indicating the number of your animal companions in a

highly visible location in your home.

Someone You Trust

For many people, selecting the best permanent caretaker(s) for their animal companions is the most difficult aspect of estate planning. It is a good idea to name at least two candidates in case your first choice is not able, available, or willing to take responsibility for your animals.

Everyone’s situation is different, but the key factor in selecting guardians is trust. Choose people you trust to carry out your wishes.

Once you have selected guardians or when you are close to finalizing your selections, we suggest that you complete your plans in consultation with your attorney, who will be able to advise you on a variety of options that may vary according to your state of residence, including trusts and conditional bequests.

You may want to ask your attorney to word your legal documents in such a way as to limit the powers or increase the responsibility of your animals’ guardians. Following are some examples of clauses that you may want to include:

- Ensure that your animals will never be tested on, used for research of any kind, or commercially exploited
- Require your animals’ guardian to carefully visit and inspect a prospective new home before relinquishing custody of your animals
- Require the guardian to request a fee from potential new guardians or take

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other steps to ensure that whoever is seeking custody of the animals is not attempting to acquire animals deceptively with the ultimate goal of selling them to others who might exploit and otherwise harm them

- Require that euthanasia be performed, if and when necessary, by a licensed veterinarian or shelter worker only
- Require that each animal visit a veterinarian at least once a year
- State any other stipulations clearly and succinctly in order to ensure that your animal companions continue to enjoy the life that you want for them

Special Considerations

Sadly, horses, cattle, sheep, and many other species retain commercial value even after death, which heightens the possibility that unprincipled people may try to acquire these animals deceptively or harm them for personal gain. Be sure to stipulate in your will or trust that under no circumstances are your animals to be used commercially or sold for commercial use in the future, whether alive or dead.

It is also important to consider your animals' lifespan and life expectancy when making your plans. Turtles, horses, exotic birds, and many other animals have long life spans of 30, 40, or even 50 years—and sometimes more. Fewer potential caretakers will be able to make lifetime commitments to such animals. Choose their guardians with care so as to decrease the chances of their being shuttled from person to person and possibly falling into the wrong hands.

These are difficult but important choices. Now is the time to make them in order to protect your animals and provide for their care in the event that they outlive you.

Your Legacy

Wills, trusts, and other planned-giving documents ensure that your wishes will be carried out and your legacy will continue after you are gone. Failure to properly plan and express your wishes will result in your assets' being distributed in accordance with the laws of your state, without specific regard to your personal situation or preferences or the needs of those who depend on you—including your animal companions.

These legal instruments, as well as other planned gifts, are also a crucial source of future funding for PETA's mission to protect animals. If you would like to name PETA the beneficiary of your will or trust, be sure to include the following three items among your written instructions; they are generally sufficient to identify PETA in most states (though we also strongly recommend that you consult with an attorney to have your estate documents drawn up and executed properly in compliance with state law):

- The organization's full name: People for the Ethical Treatment of Animals, Inc. (PETA)
- Its permanent address: P.O. Box 42516, Washington, DC 20015
- Its federal tax identification number: 52-1218336

For more information, please contact PETA's **Planned Gifts Department** at **757-622-7382**. Also, please visit the planned gifts section of PETA's Web site, PETA.org.



Sample Bequest or Trust Language

I give, devise, and bequeath to People for the Ethical Treatment of Animals, Inc. (PETA), federal tax identification number 52-1218336, P.O. Box 42516, Washington, DC 20015, the sum of \$_____ (or describe the real or personal property or portion of the estate) to be used for its general purposes.



Giving to Health Charities

If you support or are considering supporting a health charity, please make sure that your money is not contributing to the suffering of animals. Some health charities spend the money that donors give to them on gruesome animal experiments. Fortunately, however, many others refuse to fund animal tests of any kind, regarding them as a poor use of limited resources.

You can request a free copy of PETA's cruelty-free pack, including our "Guide to Health Charities That Do and That Don't Fund Animal Experiments," by calling 757-622-7382.

Charitable Gift Annuities

For those in retirement, a charitable gift annuity (CGA) may be a great way for you to make a major gift now while receiving the security of a fixed income each year for the rest of your life.

A CGA comprises a simple agreement between you and PETA. In exchange for a gift of cash or stock of \$5,000.00 or more, PETA agrees to pay you a fixed sum each year for life. The fixed sum is actually a percentage (an "annuity rate") of your gift and is determined by your age: The older you are, the higher the percentage.

Gift annuities can also be an attractive option for those between the ages of 45 and 60 who want to secure a steady income for their retirement years. By the terms of a

deferred annuity, the longer the payments are deferred, the higher the annuity rate and eventual payments.

CGAs are primarily gifts to charity rather than investments. However, they can offer you several significant benefits, including fixed income for life, part of which may be tax-free; a federal income-tax deduction for a portion of your gift; and some capital-gains tax savings if you make a gift of appreciated stock.

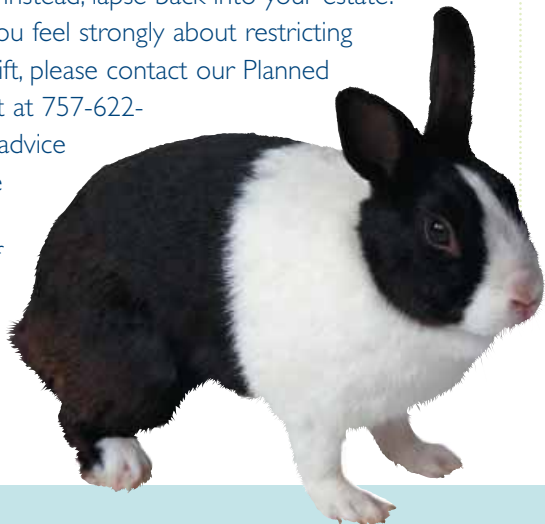
PETA's CGAs are protected by a reserve fund and by all of PETA's assets, though they are not regulated in most states as securities. As always, please consult with your independent financial advisor prior to finalizing long-term financial plans.

A Caveat About Restricting Bequests and Other Planned Gifts

PETA applies all gifts, including bequests, to the programs and campaigns that we believe will do the most good for the most animals in the long run. However, if you wish to earmark or specify which programs or species your gift will benefit, we can and will honor all reasonable requests.

To ensure that your gift does not lapse (i.e., fail because some contingency has not been met), it is important that an earmarking request be broad enough to avoid obsolescence in the time before the funds become available. For example, if you earmark your gift for a specific program that no longer exists in the future, your gift may not be put to use for animals at all but, instead, lapse back into your estate.

Therefore, if you feel strongly about restricting the use of your gift, please contact our Planned Gifts Department at 757-622-7382 for further advice about naming the species or major PETA program of your choice.



Life Insurance and Retirement Plan Beneficiary Forms

SAMPLE

Name of Beneficiary:

People for the Ethical Treatment of Animals, Inc.

Address of Beneficiary:

P.O. Box 42516, Washington, DC 20015
(This is PETA's permanent address.)

Relationship to Beneficiary: Charity

Social Security Number or Federal Tax Identification Number: 52-1218336

(Please indicate this number as the tax identification number, not the social security number.)