Shareholders Laud Executive Compensation Reductions at Goldman Sachs But Long Term Systemic Change Still Required

Vancouver, BC – January 26, 2010 – Investors in Canada and the US who asked Goldman Sachs to evaluate compensation trends at the firm in November of 2009 say that last week's announcement that company compensation is down 20% from 2007 levels does not go far enough. Although the announcement last week is a step in the right direction, it does not address the systemic issues that were raised in a shareholder proposal filed with the company by The Ethical Funds Company and MMA Praxis Mutual Funds late last year.

The shareholder proposal asks that the company create an independent panel on executive compensation to evaluate its compensation practices in the context of industry trends. Given that the US government had to prop up the entire US financial sector with public funds, shareholders are adamant that independent oversight is the key to fostering the kind of long term systemic change that can bring reason to compensation practices at the firm and on Wall Street, and in particular can ensure that excessive risk-taking, believed by many to be a major cause of the market meltdown, is not driven by compensation practices at Wall Street firms.

Goldman's reduced compensation pool is a positive step, but compensation still amounts to over $16 billion, an average of US$500,000 per employee.

"Although Goldman Sachs has shown some restraint, it is not evidence of a change. We are seeing spiraling pay packages, and want concrete proof that this is not simply business as usual on Wall Street," states Bob Walker, Vice President of Sustainability for Ethical Funds.

Minority shareholders have clearly been heard in this case, which caused Goldman Sachs to make significant changes to its compensation practices in December 2009, including adopting 'say on pay' and the bonus pool reduction announced last week. However, more fundamental issues remain unaddressed. In calling for some reflection and further justification for high levels of compensation so soon after being bailed out by US taxpayers, Ethical Funds and MMA Praxis echo concerns emerging from the Obama Administration and regulatory bodies in Washington.

Not only should investors be concerned about high levels of compensation at Goldman Sachs, but the firm is also trying to prevent shareholders from having a say on the issue its 2010 Annual General Meeting. Goldman Sachs has challenged the shareholder proposal at the Securities and Exchange Commission in an attempt to omit it from the proxy ballot and to stifle the compensation debate. Ethical Funds and MMA Praxis Mutual Funds strongly believe that all investors should have the ability to cast their vote on this issue later at the AGM.

The shareholder proposal submitted to Goldman Sachs in November 2009 by Ethical Funds and co-filed by MMA Praxis Mutual Funds, can be found at the Ethical Funds website.

About Ethical Funds

The Ethical Funds Company is a division of Northwest & Ethical Investments L.P., which has $4.5 billion in assets under management. The Ethical Funds Company is Canada's largest provider of socially responsible mutual funds. The Ethical Funds approach to investing is based on the thesis that companies integrating best environmental, social and governance (ESG) practices into their strategy and operations will provide higher risk-adjusted returns over the long term.

About MMA Praxis Mutual Funds

MMA Praxis is a faith-based, socially responsible family of mutual funds designed to help people and groups integrate their finances with faith values. MMA provides a wide range of insurance and financial services. Rooted in the Anabaptist faith tradition, MMA also offers practical stewardship education and tools to individuals, congregations, organizations, and businesses.

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