

(this was merged to clients on my letterhead stationery)

«Date»

«First» «Last»
«Spouse» «Company»
«Street1» «Street2»
«City», «State» «Zip» «Country»

Dear «Salutation»,

In addition to your enclosed quarterly reports, the First Affirmative-prepared Realized Gains and Losses annual report is provided for your FAFN-managed taxable accounts having realized gains or losses from the sale of securities. *Please provide it or a copy to your tax preparer.* Doing so can save you time and money in tax prep fees because it means you and your preparer do not have to do that research and analysis.

And while you're at it, if applicable we recommend you have a discussion with your tax advisor regarding your eligibility to contribute to your IRA account for last-year's income and for the current year. There have been some tax law changes in recent years that may enable you to contribute more than before.

In the world of socially responsible investing and corporate social responsibility initiatives, we are seeing a troubling new trend of editorial attacks. This started in the fall when *Common Ground* published an ill-conceived and poorly researched piece by Paul Hawken. Until then, I had a high regard for Mr. Hawken. Over the past twenty years, his books helped me think in new ways about economics and sustainability. But his latest effort, with serious omissions, is an unfounded attack on significant global SRI and CSR efforts—including your personal participation in SRI. Well, it turns out that he is coming out with an investment fund so has a vested interest in making everyone else look bad. His greatest omission, and he knows better, was to focus his critiques on screening standards and ignore all that SRI has accomplished as a result of shareholder advocacy, dialog with corporate executives, shareholder activism, and community empowerment investing.

SRI is *not*, as Mr. Hawken implies, about anointing some companies as "socially responsible" by virtue of their inclusion and others as socially irresponsible by virtue of their exclusion from one mutual fund or another. SRI does not certify companies as "socially responsible." SRI is a series of strategies utilized by investors to focus their power as shareholders on improving corporate citizenship and improving quality of life for all.

More recently, we've seen other attacks using some of Mr. Hawkin's tactics in mainstream press, including *The Economist* and *Fortune*. However, if one looks closely at the primary sources on which the author of *The Economist* story drew for example, the first-named source is the Institute for Economic Affairs in London. They are to the UK what the right-wing conservative American Enterprise Institute, Cato, et al are to the U.S. Their one-sided piece fell far short of *The Economist's* customary high standards of critical analysis.

In a way, the recent negative attention only serves to show how truly successful our SRI and CSR efforts have become. These last gasps of the status quo are only a visceral illustration that we are really getting under their skin. Our efforts are indeed improving corporate values, policies, and practices around water rights, AIDS, human rights, global warming, diversity and more. The conservative right however, sees us as a threat to their efforts to concentrate power and wealth amongst their friends—including big media. So our work is far from done, in fact, from the SRI and CSR trends I see, we're just getting started.

Still, there *are* many more positive than negative articles about SRI than maybe I lead you to believe above. Let me know if you are interested and I'll forward some to you periodically.

What else can you do though?

Stay informed: Turn off the ~~propaganda machine~~, er... uh, mainstream media. Turn on to Democracy Now! (Radio or TV weekday mornings or via Internet), turn on to Air America (AM radio), subscribe to Utne Reader, Yes!, The Progressive. There are sources of high quality news and information—you just can't be lazy and rely on mainstream commercial sources. Look for links to more information about this on the news page of my web site. Ask me about those or about borrowing a copy of Amy Goodman's (Democracy Now!) ***Independent Media In a Time of War*** or Michael Moore's ***Fahrenheit 9-11*** if you haven't seen those yet or if you want to have a home showing.

Tell a friend, colleague, or organization: Suggest that they also get themselves up to speed with the above news sources. Tell them about how you got your money working for change in socially responsible, sustainable, and ethical investing. And if they are working with over \$1 million, put them in touch with me so I can help them get started.

If you have any questions or any major changes to report that might affect how your finances are managed, please give me a call. Otherwise, I look forward to talking with you at your next scheduled financial review.

Sincerely,

Eric A. Smith