

April 2006

Dear Client:

The bi-annual SIF Trends Report was released in February and illustrates the increasing popularity of the three SRI strategies—screening criteria, shareholder advocacy, and community investing. In fact, \$2.29 trillion professionally managed is now involved in one or more of those strategies. This is approximately ten percent of all professionally managed money. See www.socialinvest.org for the full report or request a copy from me.

In addition to the return of busy bees and everything greening up, spring is corporate annual general meeting time of year. And this year, there is a bumper crop of environmental, social, and governance related shareholder proposals to be voted on. In fact, so far it looks like there's over 300. For example, shareholders are asking Wachovia and 37 other companies to report on political donations and policies; Lowe's and 66 more are being pressured to report on forest protection and energy efficiency plans; 3M and 20 others are being asked to review animal welfare standards; and 23 companies are pushed to implement internationally recognized labor, social justice, and human rights standards.

Nearly all the resolutions have themes that I believe you agree with. However, a small but growing number of other resolutions are from twisted neo-cons. So it is important that assets in our SRI, liberal/progressive mutual funds and managed accounts continue to grow in popularity so we have more clout in these dialogues, negotiations, and activities.

SRI oriented mutual funds and separate account managers that we use are sponsoring many of these dialogues and shareholder resolutions. Also, institutions from New York City pensions to PETA, unions including SEIU, and large foundations are pressing forward on the campaigns. As in past years, we expect some companies to make requested changes, some to ignore us, and some to think about it. So we press on.

My web site, www.goodfunds.com, offers some new and interesting items, links to view your accounts, and other recent helpful updates. In addition, I recommend a read of the enclosed client newsletter, FAFN's Affirmative Thinking.

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

Warmest regards,

