

July 2007

Dear Client,

Attached are your quarterly account reports and sustainable investing newsletter from First Affirmative.

This past quarter was one of the worst in recent years for bond prices so to the degree you have bonds, that portion of your account has dropped some. Fortunately, stock prices on average went up nicely so most accounts are up overall for the quarter. Of course day-to-day or even quarterly returns are less important than multi-year performance, which I am quite happy with overall due to First Affirmative Financial Network's professional and prudent account management services.

In FAFN's Affirmative Thinking newsletter you'll get to read a short article about this year's interesting shareholder action campaigns. Particularly timely are the resolutions pertaining to requiring disclosure of corporate political campaign giving and having to do with the climate crisis. If you want more stories and details about this, just let me know. I also want to point you to the update about the United Nations Principles for Responsible Investment, now with signatories managing over \$8 trillion in assets.

Language used to describe our investing strategies is changing. I am updating my web site and will be updating my stationery when I run out. Where we used to talk about "socially responsible investing" or "SRI", we now practice "sustainable investing." The reasoning becomes clear once you consider that a sustainable future depends on broad adoption of sustainability thinking, throughout society, including investing. "Socially responsible investing" does not really explain proactive liberal and progressive values we express in our investor campaigns. SRI historically implies just negative screening (avoiding "bad" things such as tobacco and nuclear weapons). SRI could include anyone's values or politics but sustainability is certain and positive—it says that we are working to sustain a healthy environment, healthy civilization, and democratic governance. Sustainable investing is proactive and brings the sustainability message to the mainstream rather than to a narrow religious or values-based niche. So when you're talking about your investment practices to friends or colleagues, you too can use "sustainable investing" to describe what we do. (For more on this, see Joe Keefe's recent article at www.greenmoney.com or request a copy from me.)

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

Best regards,

