

April 2008

Dear Client,

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

It's no secret that recent financial market and economic news has been glum at best. There is a lot of fear and hand wringing going on and news outlets are selling headlines handily—foreclosures, joblessness, energy prices, falling dollar, financial markets, and they don't even mention the out-of-touch Bush regime.

It's times like these when I'm *really* glad we manage broadly diversified portfolios and we don't speculate on any particular one idea or economy. Did you know that the US financial market has bested most of the major foreign markets over the past several months and is seen by major institutional money managers as a defensive holding during the current global economic woes? If you consider how far some developing economies' stock markets and sectors skyrocketed to ridiculous highs last year, this is no time for heavy speculation on those risky investments—rather our prudent globally diversified, long-view, and risk-managed portfolios make much more sense. It's times like these when successful investors stay invested and pick up companies at bargain prices.

PROXY NOTICE ALERT: First Affirmative and our separate managers responsibly and carefully vote proxies for all our FAFN-managed accounts. However, if you have stocks in another account (or know someone else who does) you should be aware of a new devious scheme intended to deceive shareholder-citizens. The "Free Enterprise Action Fund", an anti-SRI mutual fund, is filing anti-sustainability, anti-climate-action, and anti-shareholder-democracy resolutions to be put before shareholders this year. The titles and introductory material are misleading and to the hurried shareholder may appear to be good resolutions. However, they are actually anti-sustainability and anti-democratic schemes to try to get companies whom are already working towards sustainability to stop those efforts! Our ignorant opposition is not as lazy as you would hope; they are energetically pursuing these reckless campaigns. So be careful, and let me know if you come across any of their resolutions.

The good news is the recently released bi-annual SRI Trends Report indicates that SRI continues to grow in all its successful investment strategies. See lead article on the enclosed Affirmative Thinking newsletter and more on goodfunds.com (news page). In this issue of the newsletter, there are also good perspectives on the markets and economy, mission-related investing, and a number of interesting relevant side-bar pieces.

Please contact me if you have questions, comments, or changes to report that might affect how your finances are managed or anything else. Otherwise I look forward to talking with you during your next periodic financial review and renewal session.

Best regards,

