

## **First Affirmative Financial Network**

### ***A Pioneer in Sustainable, Responsible, Impact Investing***

First Affirmative Financial Network, LLC (“First Affirmative”) is a leading provider of investment management and consulting services to financial advisors and their socially conscious clients. By integrating a client’s mission and values into the investment process, First Affirmative delivers personalized portfolio management to those who wish to profit from companies making positive contributions to society.

At First Affirmative, we understand that the ways we save, spend and invest can dramatically influence both the fabric and consciousness of society. We believe that in addition to the benefits of ownership, investors bear responsibility for the impact our money has in the world. We believe that integrating money with values can be both prudent and competitive.

Investors who choose to work with First Affirmative Financial Network make a conscious choice to put their money to work for a dual purpose—to provide for a secure retirement, for example, while consciously directing their investments toward enterprises that contribute to a clean, healthy environment, treat people fairly, embrace equal opportunity, produce safe and useful products, and support efforts to promote world peace.

An independent Registered Investment Advisor, First Affirmative offers discretionary asset management services through investment professionals across the country and manages money for hundreds of individual and institutional clients who are looking to invest in renewable energy, healthy food, clean water, and sustainable living standards—for everyone.

#### **A \$3.7 Trillion Industry**

Sustainable and Responsible Investing is thriving in the United States; and it’s grown at a faster pace than the broader universe of all investment assets under professional management since 1995. According to the 2012 US SIF [Report on Sustainable and Responsible Investing Trends in the United States](#), approximately \$3.74 trillion in total assets under management are invested using one of the three core SRI strategies—ESG integration (environmental, social, governance), shareowner advocacy, and community impact investing. SRI/ESG assets represent 11.3 percent of all investments under professional management in the U.S. in 2012.

#### **Supporting a Network of Financial Professionals Focused on Serving Socially Conscious Investors**

With increasing client demand for responsible investing, First Affirmative offers a unique package of resources for advisors seeking to enhance the services they offer socially conscious investors. First Affirmative offers a comprehensive suite of services uniquely designed to meet the needs of socially conscious individual and institutional investors and the investment advisors who serve them.

First Affirmative also hosts regional mini-conferences designed for investment professionals who work with clients to direct investment capital in ways that are more positive, healthy, and transformative; we call

them BaseCamps. Traditionally, a “base camp” is a place for mountain climbers to rest, resupply, and resume the climb refreshed and reinvigorated. BaseCamp participants have an opportunity to network, learn from experts, and teach colleagues about issues of importance to their socially conscious clients.

Here’s the 2013 [BaseCamp events](#) schedule:

- San Francisco, CA (March 6th)
- Washington, DC (April 24th)
- Seattle, WA (May 16th)
- Boston, MA (June 19th)



The series culminates with a Summit Camp in Colorado Springs, Colorado, October 26–28, 2013, immediately preceding the 24th annual SRI Conference on Sustainable, Responsible, Impact, Investing.

## A Sustainable Approach to Portfolio Management

Since 1988, First Affirmative has focused on serving the special needs of socially conscious investors. By incorporating environmental, governance, and social justice issues into the investment process, First Affirmative is able to design portfolios that align investor’s values with their financial goals. First Affirmative’s Sustainable Investment Solutions™ process places a heavy emphasis on diversification to mitigate market risks—finding the mix of investment assets with the highest probability of meeting each client’s unique needs.

## Sustainable Investment Solutions

First Affirmative believes that integrating money with values can be both prudent and rewarding. We have combined this core belief with years of custom consulting and portfolio management expertise to produce a unique investment strategy called Sustainable Investment Solutions™. Based on an investor’s financial goals, time horizon, risk tolerance, and societal priorities, an asset allocation strategy and an Investment Policy Statement are developed to guide discretionary management of each client account. Investment assets may be allocated to socially screened mutual funds and/or SRI-capable separate account managers in various combinations designed to meet each client’s needs while reflecting their social priorities. Fees are based on assets under management.

## Making Money and Making a Difference

The First Affirmative Investment Committee and the mutual funds and separate account managers used in client portfolios, identify appropriate investment opportunities by utilizing both quantitative analysis of profit potential as well as qualitative analysis of environmental, social, and governance (ESG) factors. First Affirmative has the proven experience, resources, and commitment to help an investor achieve his or her financial goals while putting money to work in ways aimed at improving society for all. There is no longer any reason to separate good fortune from good will.

## Industry Leadership

First Affirmative’s CEO and President, between them, have logged over two decades of service as directors of US SIF, the Forum for Sustainable and Responsible Investing (formerly the Social Investment Forum), a non-profit membership association dedicated to advancing the concept, practice, and growth of the SRI industry in the United States. First Affirmative also produces the premier annual industry conference. The 22nd annual SRI Conference will be October 28–30, 2013 at [The Broadmoor](#) in Colorado Springs, Colorado. For more information on The SRI Conference, go to [www.SRIconference.com](http://www.SRIconference.com).



## Frequently Asked Questions: The SRI Conference on Sustainable, Responsible, Impact Investing

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### 1. What is The SRI Conference on Sustainable, Responsible, Impact Investing?

The **SRI Conference** is the oldest and largest annual conference for sustainable and responsible investors, SRI industry practitioners, and related organizations in North America. This event is designed to inform, inspire, and serve the needs of investment professionals, as well as institutional and high net worth investors.

### 2. What is the goal of The SRI Conference?

A professional conference, The SRI Conference (<http://SRIconference.com>) is a gathering place for people and organizations directing investment capital in positive, healthy, and transformative ways. The conference offers attendees many opportunities to meet and learn from passionate, creative, socially conscious people from all corners of the responsible investment industry in the United States and around the world.

### 3. When and where will The SRI Conference be held in 2013?

The 24th annual SRI Conference on Sustainable, Responsible, Impact Investing will be October 28–30, 2013 at **The Broadmoor** in Colorado Springs, Colorado.

### 4. Who hosts and produces The SRI Conference?

The conference has been owned and produced by **First Affirmative Financial Network** since its inception in 1990, in collaboration with many other organizations that serve responsible investors. You can view the list of sponsor organizations here: <http://www.SRIconference.com/sponsors.jsp>.

### 5. Who attends The SRI Conference?

About one-third of the participants who will join us at The Broadmoor will be licensed investment professionals serving investor clients; about one-third will be representatives of SRI mutual fund companies, asset managers, social research organizations, and other product/service providers to the industry; and about a third will represent investors, non-profit organizations, community development financial institutions and credit unions, faith-based organizations, and other groups that work with the SRI industry on various social change initiatives.

### 6. What's on the agenda? Who will be speaking?

The SRI Conference agenda covers a wide variety of topics of interest to responsible investors. In 2013, the agenda will have four tracks focused on 1) ESG Integration and Portfolio Management, 2) the Nexus of Energy, Economy and Environment, 3) Shareowner Engagement—Encouraging Responsible Corporate Citizenship, and 4) Impact Investing for a Sustainable Future. We expect to provide 6–8 hours of Continuing Education (CE) credit for Certified Financial Planners.

### 7. Will presentations be recorded?

Yes. The conference content is so rich that all presentations are recorded. All presentations will be audio recorded, and some sessions may be video recorded. Recordings are posted to the website quickly after the conference

adjourns. You can view the agenda, access recordings, and the full Conference Notebook from 2012 here: <http://www.SRIconference.com/agendalanding.jsp>.

**8. How do I submit an idea for a speaker or session?**

The SRI Conference agenda is developed with the assistance of an Agenda Committee. The Committee welcomes proposals from far and wide. Please review the [2013 Proposal Guidelines](#) and submit your ideas for speakers and sessions as instructed.

**9. Are there opportunities for small groups to gather around a topic of special interest?**

Yes. In addition to private meetings, and conversations during meals, a relatively unique aspect of The SRI Conference is "Topic Tables," which are scheduled during a long lunch. Topic Tables are conversation circles that provide an informal opportunity for participants to share ideas on topics of mutual interest. Identify a topic, be available to lead a conversation, and those interested will sit down with you for lunch!

**10. What is SRI? What is ESG?**

Sustainable, responsible, impact investing (SRI) is the process of integrating personal values, societal concerns, and/or institutional mission into investment decision-making. SRI is an investment process that considers the social and environmental consequences of investments, both positive and negative, within the context of rigorous financial analysis. SRI portfolios seek to invest in profitable companies which stand above their peers based on analysis of environmental, social, and corporate governance factors (commonly referred to as "ESG").

**11. What are the approaches investors typically utilize in SRI/ESG investment strategies?**

Generally, socially conscious investors seek to own profitable companies that make positive contributions to society. "Buy lists" may include enterprises with good employer-employee relations, strong environmental practices, products that are safe and useful, and operations that respect human rights around the world. ESG analysis seeks to identify profitable companies with superior environmental management capabilities, best-of-class relationships with employees and communities, and outstanding corporate governance. Responsible investors generally seek the lower risk and higher returns over time that such companies potentially offer.

**12. How much money is involved in SRI/ESG portfolios?**

It is reported that \$3.74 trillion under professional management in the U.S. is involved in one or more of the three primary responsible investment strategies—ESG integration, shareowner engagement, and community impact investing. These assets account for 11.3 percent of all investments under professional management in the U.S., according to the [2012 US SIF Report on Sustainable and Responsible Investing Trends in the United States](#).

**13. How many SRI funds are in the marketplace?**

The 2012 US SIF Trends Report found 361 registered investment companies (mutual funds, ETFs, annuity subaccounts) being offered in the United States. Prominent SRI mutual fund providers include Calvert Investments, Domini Social Investments, and Pax World Investments. For a more complete list of funds and asset managers, see [The SRI Conference sponsor list](#), or the [US SIF Mutual Fund Performance Chart](#). First Affirmative uses dozens of funds and managers in client portfolios—see the ["Funds and Managers"](#) area of the First Affirmative website.

**14. How do SRI portfolios perform?**

An impressive body of academic evidence and real-world results has effectively refuted the stale notion that constructing investment portfolios based on ESG analysis (environmental, social, governance factors) automatically

results in underperformance. There are a variety of sources of information on performance, which change regularly, including the [Mutual Fund Performance Chart](#) published monthly by US SIF.

*Regardless how well a portfolio may have performed historically, past performance is no guarantee of future results. There can be no assurance that any investment strategy will generate profitable results.*

**15. What is “ESG Integration”?**

The practice of qualitatively analyzing investments based on environmental, social, and/or corporate governance factors (ESG criteria) is commonly known as ESG integration or qualitative screening. The outcome can be either positive (screening in) or negative (screening out). Qualitative screening combined with a traditional quantitative analysis of profit potential, provides the basis for designing investment portfolios aligned with a client’s values and social priorities, while producing the returns needed to achieve the investor’s financial goals.

**16. What is “Shareowner Engagement”?**

Shareowner engagement is a term that reflects a variety of advocacy efforts, including engaging in dialogue with company management, voting proxies, and submitting proxy resolutions. Action is focused on encouraging companies to be more responsible corporate citizens and improving impacts on society at large. Socially conscious investors often work cooperatively to steer company management on a course that they believe will improve financial performance over time and enhance shareowner value.

**17. What is “Community Investing”?**

Many socially conscious investors earmark a percentage of their investment portfolios to community development financial institutions (CDFIs) that work to alleviate poverty, create jobs, provide affordable housing, and finance small business development in disadvantaged communities which tend to have very limited access to investment capital, or no access to capital.

**18. What is First Affirmative Financial Network?**

First Affirmative is an independent Registered Investment Advisor offering Sustainable Investment Solutions™ ([www.firstaffirmative.com](http://www.firstaffirmative.com)). Since 1988, First Affirmative has been offering consulting and investment management services designed to meet the unique needs of responsible investors through a nationwide network of investment professionals. First Affirmative has been a member of the US SIF, the Forum for Sustainable and Responsible Investing (formerly the Social Investment Forum), since inception, and senior management has 25 years of cumulative service as directors of the industry membership association.