

Form ADV Part IIA - Appendix 1

Material Changes (Item 2)

Consistent with the new SEC rules, annual updates will be provided to all First Affirmative clients via a "Material Changes" document within 120 days of the close of the firm's fiscal year, which is the calendar year. Throughout the year, we will provide all clients with additional information about material changes, as necessary.

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Services, Fees, and Compensation (Item 4)

First Affirmative Financial Network ("First Affirmative") serves as an Investment Strategist and manager of model mutual fund portfolios offered on the FTJ Fund-Choice ("FTJ") administrative platform. Clients are introduced to FTJ and to the investment strategies offered by FTJ by licensed investment advisors, some of whom may be Investment Advisor Representatives of First Affirmative Financial Network. At FTJ, client accounts are subscribed to one or more model portfolios managed by Investment Strategists, which may include First Affirmative.

|| Asset Management Fee Paid to First Affirmative

As Investment Strategist, First Affirmative earns an asset management fee of 0.10% on assets subscribed to its managed models. Clients also pay Administration Fees to FTJ, and a wrap fee is collected by FTJ and paid to First Affirmative to compensate the Investment Advisor Representative ("IAR") who serves as advisor to the client.

First Affirmative Financial Network, LLC

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This wrap fee program brochure provides information about the qualifications and business practices of independent Registered Investment Advisor, First Affirmative Financial Network, LLC (SEC File #801-56587).

Registration does not imply a certain level of skill or training. This information has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. Additional information about First Affirmative is available at www.adviserinfo.gov.

Questions? Please feel free to contact us at 800.442.7284 x119 or kathy@firstaffirmative.com.

June 30, 2012

|| Administration Fee Paid to FTJ FundChoice

From...	To...	Fee Schedule
\$0.00	\$50,000.00	0.450%
\$50,000.01	\$100,000.00	0.350%
\$100,000.01	\$250,000.00	0.200%
\$250,000.01	\$500,000.00	0.175%
Over	\$500,000.01	0.150%

In addition, clients pay \$25 annually for electronic delivery of statements and correspondence, or \$50 annually to receive paper statements, confirmations, etc

|| Advisory Fee Paid to Investment Advisor Representatives of First Affirmative Financial Network

On the first	\$250,000	1.000%
On the next	\$250,000	0.995%
On the next	\$500,000	0.950%
On the next	\$1,000,000	0.800%
On the next	\$1,000,000	0.700%
On the next	\$2,000,000	0.600%
On the next	\$5,000,000	0.400%
Above	\$10,000,000	0.300%

The cost to invest in broadly diversified portfolios of mutual funds managed by First Affirmative and offered through FTJ may be more or less than the client would pay if purchasing the individual funds separately and directly from the fund company or through other means. Costs that may affect the fees charged outside the program could include administration fees, investment strategist fees, investment advisor representative fees, and transaction charges. The advisor, therefore, may have a financial incentive to recommend the wrap fee program over other programs or services.

Clients should be aware that mutual funds that may be owned in First Affirmative managed models have internal expenses, such as portfolio management, legal and accounting, printing, marketing, trading costs, and other administrative expenses, including fees paid to custodians. Fund expenses are more fully disclosed in each mutual fund prospectus. They are accounted for and charged

internally by the mutual funds, and are not shared with First Affirmative or your advisor.

Account Requirements and Types of Clients (Item 5)

There is no minimum size for accounts that may be subscribed to First Affirmative managed mutual fund models through FTJ FundChoice.

First Affirmative provides advisory services to the following types of clients:

- Individuals (to include high net worth individuals)
- Pension and profit sharing plan trustees
- Pension and profit sharing plan participants
- Trusts, estates, and charitable organizations
- Nonprofit organizations and other non-governmental organizations
- Corporations or other businesses not listed above

Portfolio Manager Selection and Evaluation (Item 6-A)

The Investment Advisor Representative ("IAR") assists the client in completing a detailed risk questionnaire, reviews the information given, and develops an investment policy statement ("IPS") before recommending an investment strategist or strategy. IARs meet with clients periodically to review the client's financial situation, including investment strategist performance. First Affirmative is subject to the same selection process and review as the other portfolio managers that participate in this wrap fee program.

FTJ FundChoice sends statements to clients on a monthly basis if there is activity in the account. If there is no activity, clients receive statements quarterly. Clients also receive quarterly reports based on the standards of the CFA Institute. First Affirmative does not review the performance calculated by FTJ.

As an Investment Strategist and manager of mutual fund portfolios, First Affirmative receives compensation. Investment Advisor Representatives (IARs) of First Affirmative Financial Network do not receive any portion of this compensation. Fees earned by IARs are paid to First Affirmative, which passes 90% of the fee through to the individual IAR. First Affirmative does not earn compensation on assets managed on the FTJ FundChoice platform that are advised by First Affirmative IARs. FTJ collects all of the fees and

pays First Affirmative. FTJ has an automated system which ensures that we do not receive double compensation.

First Affirmative Financial Network, LLC is a Registered Investment Advisor registered with the SEC with its principal place of business located in Colorado. First Affirmative began conducting business in 1999. George Richard Gay, Managing Member and Chief Executive Officer, and Steven Jerome Schueth, Managing Member and President, are the two principal shareholders of the firm.

As of 06/30/2012, First Affirmative was actively managing \$654.91 million of client assets on a discretionary basis, plus \$50.86 million of client assets on a non-discretionary basis.

At First Affirmative, we believe that the ways we save, spend and invest can dramatically influence both the fabric and consciousness of society. Investors can make a meaningful difference by consciously directing investment capital 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. Clients who invest with First Affirmative make a conscious choice to put their money to work for a dual purpose—to provide for a secure retirement, for example, while working for a more socially just and environmentally sustainable future for all.

Specifically, we offer the following fee-based advisory services to our clients:

1. Sustainable Investment Solutions™—discretionary asset management
2. Model Portfolio Management
3. Financial Planning
4. Retirement Consulting
5. Other Personalized Investment Services
6. Publications of Periodicals

|| Sustainable Investment Solutions™

First Affirmative's Sustainable Investment Solutions™ process reflects the desire of our clients to make money and make a difference with their money. We begin with a Confidential Client Questionnaire where information is gathered on financial goals, time horizon, risk tolerance, and societal priorities. An asset allocation strategy is developed to meet the client's needs, and an Investment Policy Statement is created to guide discretionary management of the client account. To the extent possible, we

work with the advisor to custom tailor a portfolio to meet the unique needs of each individual or institutional client.

Discretionary authority is limited to decisions First Affirmative considers appropriate in accordance with the client's stated investment objectives and risk tolerance. Client accounts may be invested in a portfolio of mutual funds, model folios—which may include individual stocks, mutual funds, exchange traded funds (ETFs), American Depositary Receipts (ADRS) or Real Estate Investment Trusts (REITs), solely or in combination—or separate accounts invested in equities, separate accounts invested in fixed income securities, or a combination of these possibilities, depending on the client.

Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Engagement of third-party money managers and/or separate account managers is part of our Sustainable Investment Solutions process. We monitor the performance of the selected managers. If we determine that a particular manager is not providing acceptable management services to the client, or is not managing the client's portfolio in a manner consistent with the client's IPS, we may recommend another manager to the client; or, in cases where we have discretion, we may take action without discussing the change with the client. First Affirmative believes that recommending and facilitating a manager change is required of us under our fiduciary duty to the client.

|| Model Portfolio Management

In addition to using third-party money managers, First Affirmative manages a select group of model portfolios which are used in client accounts, when appropriate. Certain model portfolios managed by First Affirmative are also offered to investors on other wrap account platforms, including FTJ FundChoice. Generally, First Affirmative provides portfolio management services to clients using various model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

|| SRI / ESG Integration

Money represents many things: years of hard work, college for children and grandchildren, a secure retirement, and/or financial security for an organization, its employees or beneficiaries. For many First Affirmative clients, money also represents an opportunity to influence corporate behavior and transform society for the better.

Since 1988, when First Affirmative's predecessor firm was operating the business, and when some current key personnel and IARs joined the firm, we have been a leader in providing investment services to socially conscious investors, business owners, trusts, and nonprofit organizations. In concert with First Affirmative, many network advisors are qualified to provide financial planning and investment advice aimed at integrating a client's personal or organizational values and goals into the investment process.

Clients may wish to own or avoid investments for many reasons—both financial and non-financial (or extra-financial) reasons. Recommended investments are always reviewed for suitability from a financial and risk perspective. In addition, we do our best to align client values and priorities for society at large with the investments owned in client portfolios. We work to integrated environment, social, and corporate governance (ESG) analysis into the investment process. Model portfolios offered through FTJ FundChoice reflect a broad set of sustainable, responsible, impact investment criteria that we believe are generally shared by socially conscious clients.

Generally, First Affirmative provides portfolio management services to clients using various model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

|| Research Sources

Depending on the type of account and each client's specific needs, First Affirmative may use many methods to determine appropriate advice, such as fundamental and technical analysis, charting of cyclical trends, demographic analysis, and modern portfolio theory focusing on asset allocation strategies. Both financial and non-financial factors are considered in the portfolio management process. Information is gathered from many sources, including those identified below. In each case, final recommendations as to portfolio design and allocation will be based on the client's expressed values and needs.

- Personal Inspections
- SEC Filings
- SRI / ESG Research Organizations

- Annual Reports
- Company Press Releases
- Independent Research Reports
- Corporate Rating Services
- General Financial Press
- Books and Newsletters
- Prospectuses

|| Financial Planning

First Affirmative, through its IARs, provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans.

In general, the financial plan may, but is not required to, address any or all of the following areas:

Personal. We review family records, budgeting, personal liability, estate information and financial goals.

Taxes and Cash Flow. We analyze the client's income tax and spending and planning for past, current, and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability. Clients are directed to a tax professional as needed.

Investment. We analyze investment alternatives and their effect on the client's portfolio.

Insurance. We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.

Retirement. We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

Death and Disability. We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

Estate. We assist in assessing and developing long-term strategies, including living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, and elder law, as appropriate.

None of this assistance is or will be presented to the

client as legal advice. First Affirmative will recommend that the client seek qualified legal advice.

We gather required information through in-depth personal interviews including the client's current financial status, tax status, future goals, returns objectives, and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and we prepare a written financial plan. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or investment advisor.

First Affirmative will only provide advice regarding the following investment vehicles: exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, mutual funds, exchange traded funds (ETF), exchange traded notes (ETN), United States governmental securities, options contracts on securities, community investments, and shareholder advocacy. We do not offer recommendations concerning direct ownership of commodities, futures, short selling, or exotic derivatives.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Unless specifically requested by the client, all recommendations are of a generic nature. Implementation of financial plan recommendations is entirely at the client's discretion.

|| Retirement Consulting

We may also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing, and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates, and charitable organizations. Pension Consulting Services are comprised of four distinct services. A client may choose to use any or all of these services.

1. *Investment Policy Statement (IPS) Preparation.* We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objec-

tives for management of the overall plan. We will then prepare a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

2. *Selection of Investment Vehicles.* We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds and managers to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.
3. *Monitoring of Investment Performance.* We monitor client investments based on the procedures and timing intervals delineated in the IPS. Although First Affirmative is not involved in any way in the purchase or sale of these investments, we monitor the client's portfolio and will make recommendations to the client as market factors and the client needs dictate.
4. *Employee Communications.* For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and by the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

|| Other Personalized Planning Services

Some clients will open an account at an approved custodian and grant their IAR the ability to view the account. The IAR may also be granted the ability to place trades in the client account. This authority can only be granted on a nondiscretionary basis. This means that the IAR can only place trades after being specifically requested to do so by the client.

Some IARs may offer personal financial coaching, budget assistance, tax advice, retirement planning, estate planning, or other specialized services. In all cases, compensation is clearly disclosed in advance and a specific agreement identifies the work to be done. Payment of

service fees will be made to First Affirmative Financial Network, LLC.

|| Publication of Periodicals

First Affirmative produces a quarterly newsletter and other periodic publications focused on topics that include but are not limited to environmental, social, governance, shareowner advocacy, and community impact investing issues believed to be of interest to clients. First Affirmative also publishes a quarterly market commentary which may provide general information on various topics including, but not limited to, market trends, stock and bond market outlook, etc. No specific investment recommendations are provided and the information published does not purport to meet the objectives or needs of any individual. Newsletters, market commentaries, and other such publications designed for clients are distributed free of charge to clients.

Performance-Based Fees, Side-by-Side Management (Item 6-B)

First Affirmative does not charge performance-based fees.

Model portfolios offered through FTJ are not managed side-by-side with other First Affirmative managed models. The model holdings and the number of funds owned in FTJ managed models may vary from models managed for other clients and offered on other platforms due to the fact that different mutual funds are available to us via FTJ versus other custody and trading platforms.

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by First Affirmative. Known as a “wrap fee arrangement,” clients pay a single fee for advisory, brokerage, and custodial services. Transactions in client accounts may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the program sponsor or broker-dealer, the amount of portfolio activity in the client’s account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. First Affirmative will disclose and review with clients any separate program fees that may be charged to clients.

Method of Analysis, Investment Strategies, Risk of Loss (Item 6-C)

|| Methods of Analysis

First Affirmative may use the following methods of analysis in formulating investment advice and/or managing client assets:

Charting. In this type of technical analysis, charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down, to predict how long the trend may last, and when that trend might reverse.

Fundamental Analysis. The intrinsic value of a security is analyzed by reviewing economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (suggesting it may be a good time to buy) or overpriced (suggesting it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. There is risk in the fact that the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. Historical market movements are analyzed and that analysis is applied to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. Risk is inherent in the fact that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, the movements of a particular stock against the overall market are analyzed in an attempt to predict the price movement of the security.

Quantitative Analysis. Mathematical modeling is used in an attempt to obtain more accurate measurements of a company’s quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. This type of analysis describes the process of evaluating difficult to quantify factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

ESG Integration. A sustainable and responsible approach to investing includes both quantitative and qualitative analysis. All investors look for profit potential, but responsible investors also integrate an evaluation of environment, social, and governance (ESG) factors into the investment decision-making process. Management of environment, social, and governance issues and impacts can have a substantially material influence on company profitability, value, and share price.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund or funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

Performance Risk: A manager who has been successful in the past may not be able to replicate that success in the future. Past performance does not guarantee future results. In addition, as we do not control the underlying investments in the mutual funds, ETFs, or third-party model portfolios we may use in client accounts, different funds and managers may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate

from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all Forms of Analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. We also monitor the funds, ETFs, and managers in an attempt to determine if they are continuing to follow their stated investment strategy.

|| Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon, among other considerations:

Long-Term Purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

By holding the security for this length of time, we risk the possibility that we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-Term Purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

In a short-term purchase strategy, when an anticipated price swing does not materialize, we can be left with a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In

addition, this strategy involves more frequent trading than does a longer term strategy, and could result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

|| Risk of Loss

Investing involves risk, including loss of principal.

Voting Securities (Item 6-D)

First Affirmative does not vote client securities held on the FTJ platform.

Client Information Provided to Portfolio Managers (Item 7)

As an Investment Strategist, First Affirmative is a model manager with very limited access to client information through FTJ. Normally, clients subscribed to First Affirmative models have no ability to communicate directly with First Affirmative.

However, First Affirmative has full access to information about clients who are introduced to FTJ by Investment Advisor Representatives of First Affirmative Financial Network; and through their IAR, these clients have access to First Affirmative.

Clients who are subscribed to First Affirmative model portfolios on the FTJ platform can expect to receive all communication about their accounts directly from FTJ, or through their advisor. Clients working with a First Affirmative IAR can also expect periodic interaction from their advisor which, when circumstances change, may result in changes to the client's investment strategy.

Client Contact with Portfolio Managers (Item 8)

Any information and documents provided to First Affirmative about a client, their family, their financial circumstances, and their financial objectives will be kept strictly confidential, except as to First Affirmative's attorneys and accountants who may need to review our files (they must keep the information confidential) and insofar as we may be required by law or regulation to disclose such information to federal and state regulatory authorities, or as may be required by court order. First Affirmative does not sell or rent mailing lists and will not release client names and addresses to anyone outside of First Affirmative without the client's permission. First Affirmative's Privacy Policy discusses

our confidentiality guidelines in more detail. The client is encouraged to read this information before subscribing to any First Affirmative managed mutual fund portfolio. First Affirmative will offer copies of its Privacy Policy to all clients subsequent to any material changes, or at minimum, on an annual basis.

Disciplinary Information (Item 9-A)

First Affirmative is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Other Financial Industry Activities and Affiliations (Item 9-B)

Some of the related persons of First Affirmative are separately registered as securities representatives of a broker-dealer, as investment advisor representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies.

Code of Ethics, Interest in Client Transactions, and Personal Trading (Item 9-C)

First Affirmative has adopted a Code of Ethics for the purpose of instructing and guiding its personnel in their ethical and fiduciary obligations to clients. The Code of Ethics also provides rules and requirements regarding the personal securities trading practices of First Affirmative's IARs.

First Affirmative, its personnel, and its Investment Advisor Representatives owe a duty of loyalty, fairness, and good faith toward all clients and are obligated to adhere not only to the specific provisions of the Code but to the general principles embodied in the Code. First Affirmative's Code of Ethics covers a range of topics that include the following: general ethical principles, reporting of personal securities trading, exceptions to reporting securities transactions, reportable securities, initial public offerings, and amendments to Form ADV and supervisory procedures

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of First Affirmative's Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy via e-mail sent to our Chief Compliance Officer, Kathy Lewis at kathy@firstaffirmative.com, or by calling 719-636-1045 x119. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell securities identical to or different from those recommended to our clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security or securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. First Affirmative does not aggregate client trades and therefore has no conflict with regard to aggregating client transactions with employee trades.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- All clients are fully informed that related persons who are also registered with a broker-dealer may receive separate commission compensation when effecting transactions during the implementation process.
- Clients can decline to implement any advice ren-

dered, except in situations where our firm is granted discretionary authority.

- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

As stated above some of the Investment Advisor Representatives of First Affirmative may subscribe client accounts or their own account to models managed by First Affirmative as well as other Investment Strategists' models. This could cause a conflict of interest for the IAR. However, we believe that this conflict of interest is mitigated by the process used to determine what Investment Strategists will be used.

Review of Accounts (Item 9-D)

First Affirmative's client accounts are reviewed and supervised in a variety of ways:

Clients. For months in which activity occurs in the client account, the client will receive monthly statements detailing deposits, withdrawals, purchases, sales, dividends, interest, fees deducted from the account and any other activity, from the custodian of the account. The client will receive separate confirmations of every trade made in the account, which should be saved for tax purposes. First Affirmative or its service providers will provide quarterly performance reports to all clients.

Under certain service arrangements these reports may be part of an annual fee which is not included in the assets under management fees. Most clients have continuous access to their accounts via the internet. For accounts managed under a Sustainable Investment Solutions agreement, First Affirmative provides quarterly reports either by mail or by electronic delivery. This report may also include a performance comparison utilizing historical data and may propose an optimal portfolio designed with the objective of providing the highest return relative to

the amount of risk assumed. First Affirmative can also provide reports on the social and ethical issues associated with a portfolio of specific common stocks.

Network Advisors. Each network advisor has the ability to view all positions and activities in his/her client account(s) via the internet, and each network advisor receives copies of all reports provided to their client(s). Account information is always available directly from First Affirmative through the network advisor. Network advisors are expected to review activity in client accounts, to periodically discuss the account with the client, and to ensure the suitability of the investment services provided based on each client's specific situation.

Supervising Broker-Dealer or Registered Investment Advisor Firms. Each broker-dealer and/or Registered Investment Advisor firm with which First Affirmative maintains a selling or solicitor's agreement is responsible for developing its own, independent procedures to review client accounts and supervise the activities of its representatives.

Sub-Advisors. Third-party managers who are responsible for managing portions of First Affirmative client accounts are also responsible for ongoing review, supervision, and transactions in the client accounts they manage. First Affirmative employees perform these duties for all accounts managed directly by First Affirmative.

Company Management. First Affirmative's Senior Management, including members of the Investment Committee, provides both periodic reviews and various systematic samplings of accounts to provide supervision and compliance with investment policy.

- The amount of the fee.
- As a matter of firm policy, a client working with a Solicitor will not be charged more than any other client.

|| Other Compensation

It is First Affirmative's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Financial Information (Item 9-F)

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement in this disclosure document.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. First Affirmative has no additional financial circumstances to report.

First Affirmative has never been the subject of a bankruptcy petition. First Affirmative Financial Network, LLC's financial statements are audited each calendar year by a qualified, independent CPA firm.

Client Referrals and Other Compensation (Item 9-E)

|| Client Referrals

First Affirmative may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document, our Sustainable Investment Solutions Brochure, and a separate Solicitor's Disclosure Statement that includes the following information:

- The Solicitor's name and relationship with our firm;
- The fact that the Solicitor is being paid a referral fee; and