

HAAS

Financial
Services Inc.

CENTER FOR FINANCIAL GERONTOLOGY

Money Monitor

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JIM'S JOURNAL

BEREAVEMENT

On a beautiful summer day when sunlight is shimmering through the trees and birds are singing their melodious tunes, it may seem strange to write about grief and bereavement. However, this article is prompted by the recent passing of another long-time Haas client. It is also a story not infrequent in my nearly fourteen years in the financial services business. In my own case, within the last three years, both my father and step-mother died, as well as a client/friend in her mid-fifties. Both my parents were under hospice care at the end and in the ensuing time since then, I have gathered and been sent a lot of information on grief and bereavement which I will share with you. At one time or another, it is inevitable that we will experience the passing of a loved one or close friend. Since one of our goals at Haas Financial is to maintain holistic relationships with our clients, hopefully this information will benefit you when faced with that situation.

In her classic book, "On Death and Dying," Dr. Elizabeth Kubler-Ross studied people who are dying, as well as those who remain on earth. For those who are left, she writes about the six stages of grief that lead to recovery: denial, anger, bargaining, depression, acceptance, and hope.

Denial is when we attempt to reject what has happened to us. We pretend that it didn't happen, isn't happening, or hasn't happened. Denial is normal and may even be necessary for a time. It

gives us an opportunity to get ourselves adjusted to the reality of what actually has happened and is happening to us. Denial is a way of protecting ourselves from a major shock which is too great to accept at the moment; it is not abnormal at the time of a tragedy.

Anger. Once you become aware that this loss really has happened, you may experience feelings of anger. You may also hide your anger from yourself and others because it is too frightening or you don't know what to do with it without hurting yourself or someone else. You may be angry at the loved one because you have been left behind, angry with God, angry with yourself or angry with others.

In many cases anger is followed by bargaining. You feel as though you want to make a deal with God, and that you would do anything to have the one you lost returned. When you fully realize what has happened to you, there is a feeling of near futility. At this point, you are still too afraid to accept the reality of what has happened.

Bargaining gives way to depression. Depression may create sensations of hopelessness, sometimes bordering on despair. Life is not worth living because "everything has been lost." You may become listless, fatigued and find yourself in a very dark place of deep shadows. You can't see the light at the end of the tunnel or hear what others are saying when they try to help you. After depression comes acceptance. You accept the reality of what has happened to you and are no longer trying to deny it. A great deal of the

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anger has been dropped and depression is beginning to lift. You are starting to feel some zest for life and are saying "yes" to the reality of your loss. There is more openness, functionality is better and you begin to see faint rays of hope for yourself.

Hope is when you regain your emotional and spiritual balance. You once again affirm life and the willingness to participate in the living process.

Denial, anger, bargaining, depression, acceptance, and hope are the six phases of grief and grieving. It can be helpful for you to know that what you are going through right now is normal.

Few people are prepared for a loved one's death. People often don't like to think about death so that when it happens, it is harder to face. Losing someone close changes your life. The pain may differ depending on whether you lose a parent, partner, child, unborn child, or a companion. The loss affects people in different ways. It is not unusual to experience disbelief, anger, physical problems, fear, guilt, and prolonged depression. At times there is even personal growth that takes place because of the loss. As a result, be sure to take care of yourself by maintaining a healthy diet, get proper rest, avoid using alcohol or medications without the advice of your doctor, and stay active. Remember that healing takes time so allow yourself time to grieve, accept comfort from others, express your feelings in writing, look to your faith, deal with past regrets, complete a project you loved one started and postpone major decisions. Keep memories alive because even after your loved one is gone, he or she can still be a part of your life. Life goes on, and so can your life, if you let it.

It is most important to get help when you need it. Help may come from: bereavement counselors, self-help groups, hospices, religious advisers or local mental health associations. Seeking support is not a sign of weakness. It is a positive step in the healing process.

Finally, let us know at Haas Financial so that we can help you organize and/or reorganize your financial affairs. We are here to help you.



MARK'S MEMO

Socially Responsible Investing

I hate to do this but, this article will start with a disclaimer. Mutual funds are mentioned by name in the following text. I am neither recommending you buy them or not buy them. Any investment mentioned in this article is only here to illustrate concepts and inform you of this very different way of thinking about investments.

Whenever investing, the first objective is ensuring you make enough money to keep ahead of inflation and taxes. Second is to create a portfolio that lasts as long as you do. For some this is not enough.

Some folks want to do more than *do well* with their investments they also want to *do good*. If you are one of these investors, you will want to add the dimension of *social responsibility* to your investment choices.

This is no small task! There are many choices of strategies and many different opinions on what makes an investment socially responsible. Let's start by examining some different types of these funds:

Religious Funds: These funds might be affiliated with a religious order, like the Catholic, Ave Maria Fund Family, and the Aquinas Funds, be based on Biblical principals like the Timothy Plan family of funds, or Islamic principals like the Amana Trust

funds and Azzad Funds for example. The screening processes of these funds are intertwined with the faith-based morals and values as perceived by their principals.

Ethical Funds: These funds act on a set of values tied to various themes. They may employ one or more of these themes. Examples are human rights, animal rights, product safety, fair labor practices, corporate responsibility and environmental responsibility. Other ethical strategies use screens to exclude investments companies that deal in weapons, alcohol, tobacco and gambling. Calvert Funds uses several of these themes in their screening processes. Other Ethical Funds are Parnassa Funds and Citizens Funds and there are many, many more.

Green Funds: This may be the newest class of socially responsible investing; also called Green Chip Stocks. Green funds invest in companies that promote alternative or clean energy, and/or environmental responsibility. As you can see there is potential for overlap in these different styles. Examples of Green funds include Sustainable Asset Management USA Funds, Calvert's Global Alternative Energy Fund, Winslow Green Solutions Fund and Green Century Funds.

The funds listed above barely scratch the surface; they have not been analyzed in any way for this article. I listed them because they were easier to find than those I did not list. Please do not make a single investment decision based on this article.

Choosing the strategy or strategies you find most attractive in socially responsible investing is a way of screening in or out the types of companies in which your money will be invested. The next level of screening involves the techniques used by the investment managers. The strategy could be considered the *macro* approach, and the technique employed is the *micro*.

The techniques used by the managers could include the follows;

Restrictive Screening: As the name implies, the manager avoids companies which engage in activities deemed undesirable, such as, abortion/contraception, alcohol, animal testing, defense contracts, firearms, gambling, genetically modified foods, nuclear power, tobacco, unfair labor practices, etc.

Positive Screening: With this method, the manager looks for companies that promote those activities considered to be desirable, such as, charitable giving or endowment creation, environmentally sound policy, evidence of ethical behavior at the board of director's level, excellent product safety record, fair labor practices, etc.

Shareholder Advocacy: Here the manager actually chooses companies in which they may attempt to influence the company to change its business practice. After the investment is made, the manager uses the voting stock to sway company management to alter business practices to conform to the socially responsible strategy.

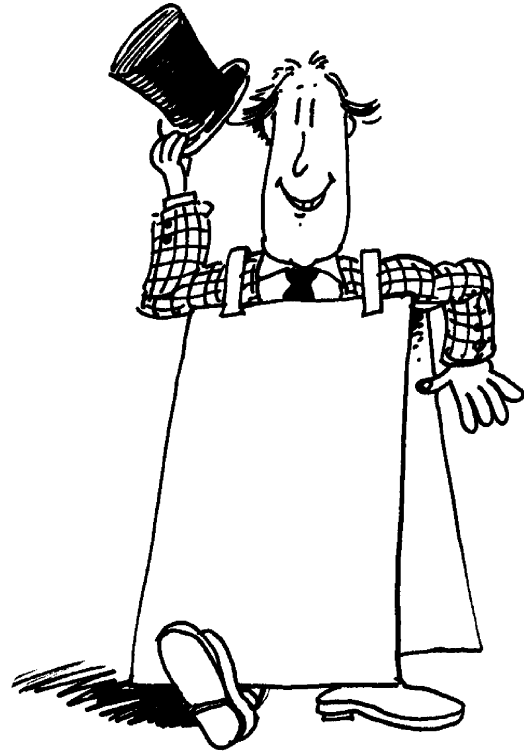
Passive Screens: The manager uses the screens for initial and subsequent investments. Once in the portfolio, the companies are not actively ejected based on the social criteria.

Active Screens: Companies must qualify on an ongoing basis to enter and stay in the portfolio. If the company changes corporate policy in a manner that is contrary to the social screens that company is ejected from the portfolio.

You are ready to start making your choices of Socially Responsible funds. You have chosen your strategies and techniques. You can now research the individual funds within those qualifiers. Here are some of the challenges inherent in this process.

The biggest challenge is the relative lack of experience. Mutual funds have existed since the 1920s. We can easily study US and International

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Stock funds and screen them based on historical and current data compared to their peers and an index like the S&P 500. We can look at the fund manager, the fund company and see how their investment expertise has fared over long periods of time and many different economic cycles. Socially Responsible funds just don't have that long history.

The next challenge is the narrow focus socially responsible fund management must take. It seems that the more restrictive the universe of choices in which the fund manager may work, the more difficult it has been for him/her to outperform the market over the long haul. The more freedom he/she has the better has been the historical performance. This may be changing, but experience does not generally show this to be true.

There are studies that show Socially Responsible funds historically have both underperformed and beat the market. I have not read a study in which Socially Responsible funds kept pace with other professionally managed funds.

Socially responsible investing hasn't really taken off yet. It still seems to be more of a trendy premise. As with some trends, when they become popular they can be exploited by people who may exploit the trend. It is possible to end up with a fund that uses its screens irresponsibly, thereby negating the purpose for which it exists. I hope this doesn't happen, but it wouldn't be the first time.

Can we overcome these challenges? Probably. Do you want to? That is the real question. What do you want your money to do for you? Do well? Do well and do good? Let us know and we will do our best to help.

Rusty Deaton has recently joined us as a new financial apprentice. He recently graduated from Michigan Technological University with a degree in Business Administration, and is looking toward beginning his licensing curriculum in the fall of this year. His current project is to create a brand new database, to make communicating with you the client even easier and to ensure the integrity of our information.

Rusty is an appreciator of music of all varieties, and actually used to work at a radio station during his college career- so don't be surprised if you enter the office and catch snippets of jazz! He also loves to cook and read fiction. He has brought a fresh, energetic feeling to the office.

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