

## Status Report – Fourth Quarter, Ending December 31, 2009

### Commonfund

Our corpus increased in value from \$176.0 million to \$182.6 million during the fourth quarter of 2009. The quarterly return was 3.87% versus our policy benchmark return of 4.31%. One year performance was 21.62% versus a benchmark return of 23.14%. U.S. equity markets continued to rally through December, although they have retreated somewhat in January. The corpus has declined with the markets in January.

### Palmetto Bank

Our operating funds at The Palmetto Bank ended the quarter at \$698,085.

### Operating Expenses

We finished the year in excellent shape versus our operating expense budget. For the quarter our spending was \$205,318 versus a budget of \$191,497 or 107%. This overage for the quarter was all related to timing differences on legal fees, financial consulting and annual report printing fees. Our full year 2009 spending (excluding an unbudgeted professional retainer approved by the Board) was \$745,981, which was 98% of our annual budget for 2009 of \$762,000.

### Contributions

We received a total of \$2.9 million in partner contributions during 2009 related to our work – nearly \$2.3 in support of the Forest Health through Biotechnology Initiative; over \$300K for Commodity Check-off work; \$150K for work in the Biomass area; \$50K from the U.S. Forest Service in support of the Partnership for Southern Forest Conservation project; and over \$100K in support of various smaller projects.

### Programmatic Investments

We spent over \$1.7 million on programmatic investments and related expenses in Q4 versus \$626K in Q3, \$577K in Q2 and \$174K in Q1, bringing our total 2009 programmatic spending to \$3.1 million. We spent \$608K for all of 2008. Our largest outlays for the quarter were approximately \$200K on the National Conservation Easement Database; \$383K on Forest Investment Zones; \$621K on Forest Health through Biotechnology; \$110K on Biomass projects; \$250K on Working Forest Marketplace, \$76K on Check Off, and \$49K on Partnership for Southern Forests.

We initiated three projects in the fourth quarter.

- **Healthy Watersheds through Healthy Forests:** \$6 million collaborative with the Natural Resources Conservation Service to connect “forests to faucets.”
- **Forested Landscape Planning Initiative:** \$25,000 commitment to Open Spaces Institute for a two year effort to assess the conservation status and potential of large forested parcels in the eastern U.S.
- **Keeping Working Forests as Forests Coalition** (Working Forest Coalition); broad partnership looking at national-level policy to keep forests as forests.

*Duane McDougall, Treasurer*

*John Heaps, Fractional CFO*

*Carlton Owen, President*