

Status Report – Fourth Quarter, Ending December 31, 2008

Commonfund

We have no concept of how to adequately characterize current markets. All we can say is that after checking with a number of our peers – we are all “feeling the pain.” The Endowment ended the year with the Endowment corpus at \$150.4M – down from \$175M at the end of September. Year-over-year we are down \$57.6M or nearly 28%. While we feel terrible about declines in market value of the corpus the only solace we can draw is that it appears we are at the “more favorable” end of loss spectrum compared to many in the Endowment world. Our operating/program fund stood at \$4.7M at year-end.

Palmetto Bank

Our operating funds at The Palmetto Bank were as follows -- \$276,000 at the beginning of the quarter and \$252,000 at the end. We won't report short-term interest any longer as it isn't worth noting.

Operating Expenses

We ended the year about 5% under our planned operating budget of \$762,500. There were no out-of-line expenses. As we previously reported via the Endowment's website “News” the board has adopted a flat operating budget for 2009 with a freeze on salaries.

Contributions

We received \$60,000 in new contributions related to our work -- \$50,000 in support of biomass projects; \$10,000 to support the convening on “landscape-scale” working forests.

Programmatic Investments

We initiated two programmatic investments during the quarter. Costs for both will span more than a single quarter.

- **RFP 2008-008 – Community-scale Woody Biomass Applications**
-- Project led by Biomass Energy Resource Center; total contract \$99,500.
- **RFP 2008-012 – Partnership for Southern Forestland Conservation**
-- Project led by the Partnership; total contract \$50,000/year/three-years.

Duane McDougall, Treasurer

John Heaps, Fractional CFO

Carlton Owen, President