

## **Status Report – Second Quarter, Ending June 30, 2009**

### Commonfund

Our corpus increased in value from \$142.3 million to \$156.8 million during the second quarter of 2009. The quarterly return was 11.0% versus our policy benchmark return of 12.8%. One year performance is negative 21.2% versus a benchmark return of negative 18.6%. Markets have continued to rally through the writing of this update, with the corpus rising an additional \$4.5 million.

### Palmetto Bank

Our operating funds at The Palmetto Bank ended the quarter at \$644,000.

### Operating Expenses

We continue on a good pace versus our administrative expense budget. Excluding a one-time professional services retainer payment -- approved by the Board as an addition to the budget -- which added \$63,750 to our administrative expenses in the quarter, we are \$11,426 or about 3% under budget for the first six months. Our YTD spending excluding the retainer payment was \$381,992, which is about 50% of our annual budget for 2009 of \$762K.

### Contributions

We have received a total of \$700,000 in new contributions so far this year related to our work -- \$500,000 (from Duke Energy) in support of the Forest Health through Biotechnology project, \$10,000 to support the convening on Timber Investment Management Organizations (“TIMO”), \$15,000 in support of our Community Forest Trust initiative and \$175,000 in support for our forest products Check-off initiative.

### Programmatic Investments

We spent approximately \$577K on programmatic investments and related expenses in Q2 versus \$174K in Q1 and \$222K in Q4 2008. This brings our six month programmatic spending to \$751K. We spent \$608K for all of 2008. Our largest outlays for the quarter were approximately \$280K for our Forest Investment Zones initiative, \$41K for Biotechnology, \$50K on Community Forest Trust, \$60K on Check-off projects, \$70K on Biomass projects and \$76K on various smaller projects and convenings.

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*Duane McDougall*, Treasurer

*John Heaps*, Fractional CFO

*Carlton Owen*, President