

## Status Report – First Quarter, Ending March 31, 2009

### Commonfund

It's still too early to "call the bottom" but after eight consecutive monthly declines our corpus account increased in value in March – if ever so slightly (*We'll do anything to look for something positive*). One item of note is that the "Realty Investors" account was revalued downward in December 2008 which, along with some smaller adjustments, resulted in a revised corpus balance at December 31, 2008 from the previously reported \$148 million to approximately \$147 million. We ended the first quarter of 2009 at \$142.5 million or a decline of \$4.5 million. That's a 2.56% decline for the quarter while our investment policy benchmark was down 6.13%. One year performance is a negative 26.1% while the policy benchmark was down 26.7% for the same time period. Versus prior year we are down about \$55 million. Our operating/program fund stood at \$4.7M at quarter's end.

### Palmetto Bank

Our operating funds at The Palmetto Bank ended the quarter at \$288,000.

### Operating Expenses

We have started the year out well versus our operating budget. Our year-to-date spending was \$173,036 -- about 23% of our annual budget of \$762K. Our budget plan for the first quarter was \$169K, so we were about 2% over budget due to some quicker than expected spending on our annual report of about \$10K. This more than offset slightly lower spending on travel in the first quarter (Q1).

### Contributions

We received \$510,000 in new contributions related to our work -- \$500,000 (from Duke Energy) in support of our Forest Health Initiative and \$10,000 from the National Alliance of Forest Owners to support the December 2008 convening on working forests.

### Programmatic Investments

We spent approximately \$174K on programmatic investments and related expenses in Q1 versus \$222K in Q4 and \$608K for all of 2008. We initiated three programmatic investments during the quarter. Costs for all three will span more than a single quarter.

- **RFP 2008-007 – Forest Investment Zones**  
\$50,000 for a planning workshop for participants from all three "zones." Contract and spending for the multi-year, \$6M program will commence in Q2.
  - **RFP 2008-011 – Forest Health Initiative: Advancing Forest Health through Biotechnology**  
Among our more ambitious projects -- likely to exceed \$6-10 million in total investment over three years -- with \$1 million from the Endowment.
  - **RFP 2008-013 – Community-Based Forestry – Database Build-out**  
A \$5,000 investment in developing collateral materials to aid in distribution of information flowing from the assessment of Community-based Forestry.
- 

Duane McDougall, Treasurer

John Heaps, Fractional CFO

Carlton Owen, President