

Investment Management of Delaware Community Foundation Funds

December 31, 2009

All funds established at the Delaware Community Foundation (DCF) are managed as provided by the Investment Policy Statement approved by the Board of Directors. The Investment Committee oversees the process and selects and monitors investment managers. A copy of the DCF's Investment Policy Statement is available upon request.

Delaware Community Foundation Investment Committee

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*Retired Investment Banker with firms in New York City
& San Francisco*

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*Chief Investment Officer, Endowment
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Thomas D. Wren

Special Advisor, Promontory Financial Group, LLC

DCF Investment Managers

The Delaware Community Foundation strives to provide the highest level of stewardship possible to our fund holders. Because we pool our resources for investment purposes, your funds have access to the best performing money managers at a competitive fee. Approximately 60% of our assets are invested in equity securities, 30% in fixed income instruments and 10% in alternative asset classes. The DCF portfolio is monitored by the DCF Investment Committee which is made up of community leaders with investment expertise, and Deutsche Bank Alex. Brown, a division of Deutsche Bank Securities Inc. Strategic changes are made as necessary, while taking a long-term view of the market.

Equities

Julius Baer International Equity Fund – Zurich, Switzerland (inception 11.23.04)

International equities. Mid to large cap core manager. Julius Baer invests at least 65% of assets in foreign stocks and up to 25% in emerging markets in a well-diversified portfolio of more than 700 companies. The managers utilize both a bottom up (for developed markets) and a top down (for emerging markets) investment process. The performance benchmark is the MSCI EAFE index.

Westfield Capital Management – Boston, Massachusetts (inception 06.21.00)

Domestic Equities. Small cap growth manager. Westfield applies fundamental research to companies in diverse industries with consistent or accelerating earnings growth. The managers perform extensive, in-depth research that includes company on-site visits and meetings with management. The performance benchmark is the Russell 2000 Growth Index.

Lateef Management Associates – Greenbrae, California (inception 03.23.05)

Domestic Equities. All cap growth manager. Lateef uses a team appraisal approach to analyze companies, based on a set of proprietary evaluation criteria. The managers select companies with a sustainable competitive advantage, a high barrier to entry for competition and a record of stable growth to preserve capital and minimize risk. The performance benchmark is the Russell 3000 index.

Allianz NFJ Dividend Value Fund – Dallas, Texas (inception 04.19.07)

Domestic Equities. Large cap value manager. This fund invests primarily in US large cap stocks that pay dividends and reflect a value oriented investment style. Dividends contribute to a stock's total return, and also offer stability during periods of market turbulence. The relevant portfolio benchmark is the Russell 1000 Value Index.

Vanguard Institutional Index Fund Institutional Shares – Valley Forge, Pennsylvania (inception 06.30.09)

Domestic Equities. Large cap blend fund. The fund employs a "passive management" —or indexing— investment approach designed to track the performance of the Standard & Poor's 500 Index which is dominated by the stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets to the stocks that make up the index. The performance benchmark is the S&P 500 Index.

Lazard Emerging Markets Equity Portfolio – New York, New York (inception 09.22.08)

International emerging markets equities. The portfolio seeks long-term capital appreciation by investing in companies with strong, sustainable financial productivity at attractive valuations. The performance benchmark is the MSCI Emerging Markets Free Index.

Brandywine Blue Fund – Wilmington, Delaware (inception 03.16.05)

Domestic Equities. Large cap growth fund. Brandywine Blue selects companies with high share-price performance potential through rapid earnings growth, reasonable price/earnings ratios and proven track records. It is an intensive fundamental research driven firm that emphasizes strong sell disciplines to effectively manage risk. The performance benchmark is the Russell 1000 Growth Index.

Fixed Income

Loomis & Sayles Investment Grade Bond Fund Class Y – Boston, Massachusetts (inception 06.01.06)

Fixed Income. A flexible, fixed-income strategy seeks to deliver strong, long-term performance without taking on excessive risk. A high-quality, 5-star fund, Loomis Sayles Investment Grade Bond Fund compliments an investment grade portfolio with a flexible, multi-sector approach to offer added exposure to international and below-investment grade bonds. The performance benchmark is the Barclays Capital Aggregate Index.

Vanguard Total Bond Market Index – Valley Forge, Pennsylvania (inception 01.09)

Fixed Income. The fund seeks to track the performance of a broad, market-weighted bond index. The index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities with maturities of more than one year. The performance benchmark is the Barclays Capital Aggregate Index.

Alternative Assets Class

Wellington Management Company LP – Boston, Massachusetts (inception 09.03.07)
Alternative Asset Class. Commodities. Energy, commodity and inflation protected fixed income asset allocation program. This program is designed to provide protection against the negative impact on investment performance that result from rising inflationary pressures or expectations. The program uses common stocks, exchange traded commodity contracts and marketable inflation protected fixed income securities that facilitate mark to actual market investment performance monitoring. The performance benchmark is the Diversified Inflation Hedge Index.

UBP Multi-Strategy Hedge Fund – Switzerland and New York, New York (inception 06.26.06)
Alternative Asset Class. Hedge Funds. The fund goal is to achieve long-term risk-adjusted capital appreciation by investing in a diversified portfolio of hedge funds, managed by some of the industry's most experienced managers. The performance benchmark is the HFRI Composite Index.

Endowment Asset Allocation as of December 31, 2009 \$143,569,432*

Equities 56.4%

1. Julius Baer International Equity

\$15,968,528 (11.1%)
International Equities. Mid to large cap core manager.
Benchmark: MSCI EAFE Index

2. Westfield Capital Management

\$14,697,210 (10.2%)
Domestic Equities. Small cap growth manager.
Benchmark: Russell 2000 Growth Index

3. Lateef Management

\$12,451,304 (8.7%)
Domestic Equities. All cap growth manager.
Benchmark: Russell 3000 Index

4. Allianz NFJ

\$11,813,842 (8.2%)
Domestic Equities. Large cap value manager.
Benchmark: Russell 1000 Value Index

5. Vanguard (VINIX)

\$11,555,472 (8.0%)
Domestic Equities. Large cap blend manager.
Benchmark: S&P 500 Index

6. Lazard Emerging Markets Portfolio

\$9,153,338 (6.4%)
International emerging markets equities.
Benchmark: MSCI Emerging Markets Free Index.

7. Brandywine Blue

\$5,428,530 (3.8%)
Domestic Equities. Large cap growth fund.
Benchmark: Russell 1000 Growth Index

Fixed Income 27.6%

8. Loomis & Sayles

\$24,646,217 (17.2%)
Fixed Income. Core Plus.
Benchmark: Barclays Capital Aggregate Index

9. Vanguard Total Bond Market Index

\$14,908,834 (10.4%)
Fixed Income.
Benchmark: Barclays Capital Aggregate Index

Alternative Assets Class 16%

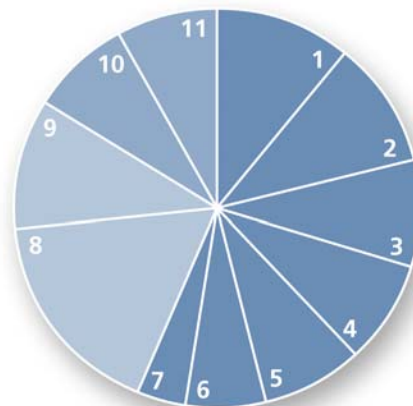
10. Wellington Management Company LP

\$7,771,552 (8.1%)
Alternative Asset Class. Commodities.
Benchmark: Diversified Inflation Hedge Index

11. UBP Multi-Strategy Hedge Fund

\$11,274,592 (7.9%)
Alternative Asset Class. Hedge Funds.
Benchmark: HFRI Composite Index.

* Does not include The Rodel Charitable Foundation of Delaware



Consolidated Portfolio

Delaware Community Foundation

Account	Asset Class	Portfolio (%)	Market Value (\$)	Performance (%)					
				Quarter	YTD	1 Year	3 Year	5 Year	Inception
NFJ	Large Cap Value	8.2	11,813,842	7.75	13.20	13.20	-----	-----	(11.54)
Brandywine Blue	Large Cap Growth	3.8	5,428,530	4.48	8.88	8.88	(8.77)	-----	(1.67)
Vanguard (VINIX)	Large Cap Blend	8.0	11,555,472	6.06	21.80	-----	-----	-----	21.80
Westfield Capital Management	Small Cap Growth	10.2	14,697,210	7.04	40.92	40.92	(0.88)	2.46	3.10
Lateef Management Associates	Other Equity Blend	8.7	12,451,304	5.57	26.88	26.88	(1.11)	-----	3.07
Julius Baer International Equity	Foreign Developed Blend	11.1	15,968,528	1.24	22.63	22.63	(3.30)	7.03	8.33
Lazard	Foreign Emerging Blend	6.4	9,153,338	5.68	70.47	70.47	-----	-----	14.90
Loomis & Sayles	FI Taxable Intermediate	17.2	24,646,217	2.23	27.18	27.18	7.68	-----	7.71
Vanguard	FI Taxable Intermediate	10.4	14,908,834	0.04	4.68	-----	-----	-----	4.68
UBP - SelectInvest Multistrategy	Hedge Funds	7.9	11,274,592	1.74	2.78	2.78	(0.67)	-----	0.29
Wellington Management Company LP	Commodity	8.1	11,671,563	8.05	43.41	43.41	-----	-----	(3.99)
Consolidated Portfolio		100.0%	\$143,569,432	4.10%	22.36%	22.36%	(2.22%)	2.40%	7.09%

Reprinted in part from the Delaware Community Foundation, Portfolio Evaluation, Fourth Quarter 2009 by Deutsche Bank Alex. Brown.
December 31, 2009

**DELAWARE COMMUNITY FOUNDATION**

P.O. Box 1636 | Wilmington, DE 19899 | 302.571.8004

P.O. Box 1364 | Dover, DE 19903 | 302.535.6462

36 The Circle | Georgetown, DE 19947 | 302.856.4393