

Investment Fund of the Diocese of Long Island

The objective of the Fund is to provide professional investment management to any institution of the Episcopal Diocese of Long Island and to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, income.

Overview

- ✦ Professional management of the Fund.
- ✦ Fiduciary oversight with Investment Committee and leading institutional investment advisor.
- ✦ Broad diversification among several asset classes, investment strategies, investment managers, economic sectors, and securities.
- ✦ Difference between Total Return and Dividend Payout - Total Return is intended to accomplish two goals: provide income for distributions and seek capital appreciation to preserve buying power by accounting for inflation. Hence, a portion of the total return is retained in the Fund.

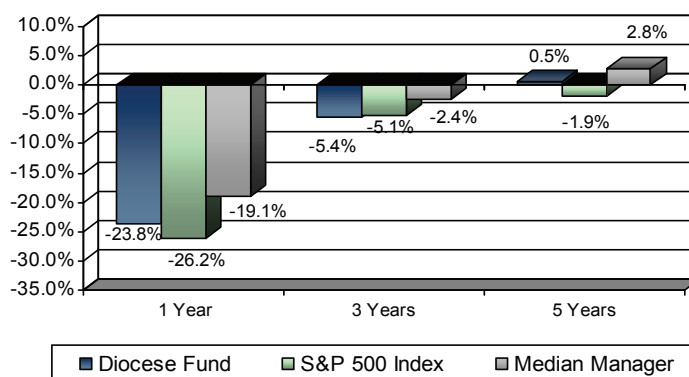
Performance*

- ✦ All asset classes outperformed its respective benchmarks for the quarter.
- ✦ The Total Fund's return was +16.72% in 2Q09 and +7.06% year-to-date.
- ✦ The Total Fund declined 23.8% for the one-year period ended June 30, 2009, outpacing the S&P 500 Index, but trailing the median balanced manager.
- ✦ The Fund's rate of return is -5.4% over 3 years and +0.5% over 5 years.

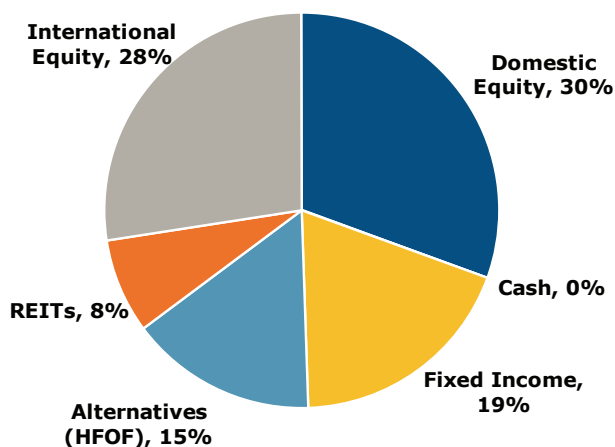
Asset Allocation

- ✦ The equity allocation is managed by 4 domestic equity managers and 3 international equity managers.
- ✦ The global real estate allocation provides added diversification and uses 2 investment managers.
- ✦ The fixed income allocation is managed by one manager and is maintained within the Fund for diversification and income purposes.
- ✦ Hedge fund of funds allocation provides further diversification and lower volatility than the equity allocation. This HFOF allocation uses 3 managers.

**Annualized Rate of Return
Period Ending June 30, 2009**



Actual Asset Allocation – June 30, 2009



*Returns are reported **net of all fees**. The **S&P 500 Index** is an index consisting of 500 stocks commonly used as an indicator of broad equity market performance. The **median manager** is represented by the 50th percentile return of a peer group of other balanced portfolios.