

**COMMUNITY FUNDS, INC.**  
**INVESTMENT POOL PERFORMANCE**  
**For the Period Ending December 31, 2011**  
(Returns are Net of Fees)

	<u>MARKET</u> <u>VALUE</u>	<u>% OF</u> <u>TOTAL</u>	<u>TARGET</u>	<u>1 MONTH</u>	<u>QTR</u>	<u>6 MONTHS</u>	<u>YEAR</u> <u>TO DATE</u>	<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>
<b>U.S. Growth</b>			13%							
iShares(R 1000 Growth)	\$ 29,442,063	4.3		0.01	10.51	-3.74	2.62	2.62	17.75	2.22
Russell 1000 Growth Index				-0.32	10.61	-3.92	2.64	2.64	18.02	2.50
Vanguard Mid Cap Growth Index Fund	\$ 14,500,500	2.1		-1.86	10.33	-11.88	-3.81	-3.81	20.92	****
MSCI US Mid Cap Growth Index				-1.84	10.34	-11.81	-3.61	-3.61	21.23	****
Frontier Small Cap Fd LP	\$ 30,170,184	4.4		0.15	13.54	-12.54	-7.72	-7.72	19.67	3.51
Russell 2000 Growth Index				-0.22	14.99	-10.59	-2.91	-2.91	19.00	2.09
<b>U.S. Value</b>			13%							
Vanguard Value Index Fund	\$ 20,468,042	3.0		2.38	12.49	-4.94	1.17	1.17	11.52	****
MSCI US Prime Market Value Index				2.42	12.52	-4.89	1.24	1.24	11.50	****
Southeastern	\$ 35,688,526	5.2		-0.52	9.90	-11.19	-4.07	-4.07	19.39	-0.94
Russell 1000 Value Index				2.02	13.11	-5.22	0.39	0.39	11.55	-2.64
Morgan Stanley US Real Estate	\$ 21,399,672	3.1		4.24	14.82	-3.56	5.57	5.57	24.83	0.01
FTSE NAREIT Equity REITs Index				4.67	15.22	-1.73	8.29	8.29	21.04	-1.42
Perkins Investment Management	\$ 19,056,043	2.8		-0.11	11.70	-7.36	****	****	****	****
Russell Midcap Value Index				1.25	13.37	-7.56	****	****	****	****
<b>U.S. Core</b>			8%							
John Bristol - Equity	\$ 45,524,783	6.6		0.16	10.71	-4.22	0.94	0.94	15.55	1.70
S&P 500 Index				1.02	11.82	-3.69	2.11	2.11	14.11	-0.25
Gardner Russo & Gardner	\$ 14,991,549	2.2		****	****	****	****	****	****	****
S&P 500 Index				****	****	****	****	****	****	****
Eagle Cap Management	\$ 10,125,026	1.5		1.25	****	****	****	****	****	****
S&P 500 Index				1.02	****	****	****	****	****	****
<b>Consolidated US Equity</b>	\$ 241,366,387	34.9		0.53	11.56	-6.95	-0.86	-0.86	17.71	0.05
S&P 500 Index				1.02	11.82	-3.69	2.11	2.11	14.11	-0.25
<b><u>INTERNATIONAL EQUITY</u></b>										
<b>Developed International</b>			16%							
Vanguard Total International Stock Index Fund	\$ 30,446,782	4.4		-2.58	4.24	-17.57	-14.49	-14.49	9.12	****
MSCI All Country World Free Ex US Index				-1.18	3.37	-17.10	-13.94	-13.94	10.88	****
Capital Guardian Int'l Equity	\$ 43,787,369	6.3		-1.89	3.66	-16.96	-13.64	-13.64	7.76	-4.49
MSCI EAFE Index				-0.95	3.33	-16.31	-12.14	-12.14	7.65	-4.72
Axiom Int'l Investors	\$ 14,641,339	2.1		-2.69	0.83	-21.97	-21.00	-21.00	4.05	-5.33
MSCI All Country World Free Ex US Index				-1.12	3.72	-16.87	-13.71	-13.71	10.70	-2.92
<b>Emerging Markets</b>			6%							
Capital Int'l Emerging Markets Growth Fund	\$ 31,780,643	4.6		-3.31	3.96	-22.01	-21.53	-21.53	17.56	2.69
* MSCI Emerging Markets IMI				-1.21	3.86	-19.62	-19.24	-19.24	20.93	2.65
<b>Consolidated International Equity</b>	\$ 120,656,134	17.5		-2.54	3.49	-19.21	-17.29	-17.29	9.44	-2.95
MSCI EAFE Index				-0.95	3.33	-16.31	-12.14	-12.14	7.65	-4.72

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	<u>MARKET VALUE</u>	<u>% OF TOTAL</u>	<u>TARGET</u>	<u>1 MONTH</u>	<u>QTR</u>	<u>6 MONTHS</u>	<u>YEAR TO DATE</u>	<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>
			7%							
<b><u>EQUITY ORIENTED HEDGE FUNDS</u></b>										
Drake Capital Offshore Partners @ Hedge Fund Research Fund of Funds	\$ 21,947,034	3.2		0.46	1.56	-3.49	-0.61	-0.61	9.84	3.35
TS World Development MSCI World Energy Sector	\$ 4,587,207	0.7		-0.33	5.95	-26.64	-29.56	-29.56	****	****
White ELM Cap	\$ 4,997,335	0.7		-0.58	16.55	-7.24	0.70	0.70	****	****
HFRI Equity Hedge (Total) Index				-1.62	-0.05	****	****	****	****	****
Scout Cap Fund	\$ 12,145,254	1.8		-0.87	1.96	****	****	****	****	****
HFRI Equity Hedge (Total) Index				-0.99	1.21	****	****	****	****	****
Crestwood Cap Int' l Ltd	\$ 10,000,000	1.5		-0.87	1.96	****	****	****	****	****
HFRI Equity Hedge (Total) Index				0.00	****	****	****	****	****	****
GEM Realty Sec	\$ 10,000,000	1.5		-0.87	****	****	****	****	****	****
HFRI Equity Hedge (Total) Index				0.00	****	****	****	****	****	****
<b>Total Equity Oriented Hedge Funds</b>	\$ 63,676,830	9.2		-0.25	1.74	-8.56	-7.29	-7.29	7.19	1.84
<b>Aggregate Marketable Equity</b>	\$ 425,699,351	61.6		-0.46	8.01	-11.30	-7.08	-7.08	14.08	-0.73
S&P 500 Index				1.02	11.82	-3.69	2.11	2.11	14.11	-0.25
			5%							
<b><u>PRIVATE EQUITY</u></b>										
^ Abbott Cap Private Equ Fd IV	\$ 3,297,753	0.5		0.00	0.00	0.00	5.22	5.22	9.93	5.69
^ Abbott Cap Private Equ Fd V	\$ 3,362,470	0.5		0.00	0.00	0.00	8.65	8.65	8.95	2.28
^ AG Net Lease Realty Fd	\$ 18,631,346	2.7		0.00	0.00	0.00	6.17	6.17	9.48	****
^ AG Net Lease Realty Fd II	\$ 2,607,320	0.4		0.31	0.31	0.31	1.07	1.07	****	****
^ CA Resources Bain X	\$ 6,207,442	0.9		0.00	0.00	0.00	0.57	0.57	1.09	****
^ Commonfund Capital Private Equity Partners V	\$ 3,613,107	0.5		0.00	0.00	0.00	5.17	5.17	13.11	6.38
^ Commonfund Capital Private Equity Partners VI	\$ 8,089,506	1.2		0.00	0.00	0.00	6.92	6.92	11.50	1.64
^ Commonfund Capital Private Equity Partners VII	\$ 4,749,167	0.7		0.00	0.00	0.00	3.02	3.02	7.02	****
^ Commonfund Capital International Partners V	\$ 1,672,988	0.2		0.00	0.00	0.00	3.32	3.32	12.56	3.00
^ Commonfund Capital International Partners VI	\$ 2,654,245	0.4		0.00	0.00	0.00	-4.59	-4.59	6.91	****
^ Hall Capital Partners Private Equity I	\$ 3,291,057	0.5		0.00	0.00	0.00	2.92	2.92	14.18	9.89
^ Morgan Stanley Emerging Private Markets I	\$ 3,170,185	0.5		0.00	0.00	0.00	9.14	9.14	12.40	****
^ Warburg Pincus X	\$ 8,699,631	1.3		0.00	0.00	0.00	-1.36	-1.36	7.87	****
^ <b>Total Private Equity</b>	\$ 70,046,217	10.1		0.00	0.00	0.00	4.08	4.08	9.44	5.19
^ Returns are Dollar Weighted {IRR}										
<b>Aggregate Equity</b>	\$ 495,745,568	71.7		-0.48	6.34	-9.64	-4.75	-4.75	13.66	-0.29
S&P 500 Index				1.02	11.82	-3.69	2.11	2.11	14.11	-0.25

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<b><u>ABSOLUTE RETURN HEDGE FUNDS</u></b>			12%							
AG Super Fund LP	\$ 26,152,876	3.8		0.53	1.98	-5.88	-1.35	-1.35	13.96	1.98
Davidson Kemper	\$ 31,185,860	4.5		0.33	1.49	-2.28	1.74	1.74	10.18	5.61
OZ Overseas Fd II	\$ 28,755,522	4.2		0.17	0.23	-2.78	1.60	1.60	12.03	****
<b>Total Absolute Return</b>	\$ 86,094,258	12.5		0.34	1.21	-3.57	0.73	0.73	11.90	4.31
Benchmark: 8% annual return				0.64	1.94	3.92	8.00	8.00	8.00	8.00
<b><u>FIXED INCOME</u></b>			20%							
Vanguard Intermediate-Term Bond Index Fund	\$ 19,977,287	2.9		1.83	1.59	6.87	10.74	10.74	9.14	****
Barclays Capt 5-10 Year US Government/Credit Index				1.70	1.61	6.80	10.79	10.79	8.89	****
Metropolitan West	\$ 55,384,781	8.0		1.12	1.05	3.16	6.48	6.48	12.91	8.59
Barclays Capt Aggregate Bond Index				1.10	1.12	4.98	7.84	7.84	6.77	6.50
John Bristol - Fixed Income	\$ 14,733,155	2.1		0.68	0.84	2.71	4.82	4.82	5.58	6.45
Barclays Capt Aggregate Bond Index				1.10	1.12	4.98	7.84	7.84	6.77	6.50
Vanguard Inflation-Protected Securities	\$ 18,732,601	2.7		0.21	2.63	7.64	13.39	13.39	10.25	****
Barclays Capt US Treasury Inflation Notes Index				0.04	2.69	7.32	13.56	13.56	10.38	****
<b>Consolidated Fixed Income</b>	\$ 108,827,825	15.7		1.03	1.40	4.53	8.16	8.16	11.05	7.99
Barclays Capt Aggregate Bond Index				1.10	1.12	4.98	7.84	7.84	6.77	6.50
<b><u>MONEY MARKETS</u></b>										
Dreyfus Institutional Reserves Money Fund	\$ 594,644	0.1		0.04	0.07	0.24	0.32	0.32	1.00	2.37
U.S. 30 Day T-Bill Total Return				0.00	0.00	0.01	0.04	0.04	0.08	1.17
<b><u>FIXED + CASH</u></b>	\$ 109,422,469	15.8		0.83	1.13	3.52	6.40	6.40	9.71	7.13
Barclays Capt Aggregate Bond Index				1.10	1.12	4.98	7.84	7.84	6.77	6.50
<b>TOTAL INVESTMENT POOL</b>	\$ 691,262,295	100.0		-0.12	4.65	-6.30	-1.74	-1.74	12.88	1.68
<b>Policy Benchmark</b> (Allocation on page 4)				0.42	5.58	-3.78	0.69	0.69	12.28	1.51
<p>@ Source: Hedge Fund Research, Inc., ©HFR, Inc 2010. www.hedgefundresearch.com  * Reflects MSCI EMERGING MARKETS from 4/01/02-11/30/07 and MSCI EMERGING MARKETS INVESTABLE MARKET INDEX, a broader benchmark, thereafter.</p>										
<b><u>BALANCED FUND</u></b>										
<b>John Bristol Consolidated</b>	\$ 60,257,938	8.7		0.29	8.53	-3.00	1.61	1.61	13.18	3.20
Custom Balanced Blend				1.05	8.61	-0.93	4.08	4.08	12.28	2.12
(70% S&P 500/30% Barclays Capt Aggregate Bond Index )										

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**COMMUNITY FUNDS, INC. INVESTMENT POOL  
POLICY PORTFOLIO BENCHMARK - RETURN FOR PERIOD ENDED 12/31/2011**

CI w/FR X US

**Policy Allocation December 2011**

Asset Class	Weight	Index	1 Month December Return	Weighted Average
U.S. Growth	13%	RUSSELL 3000 GROWTH	-0.31%	-0.04%
U.S. Value	13%	RUSSELL 3000 VALUE	1.98%	0.26%
U.S. Core	8%	S & P 500	1.02%	0.08%
International - Developed Equities	16%	MSCI EAFE	-0.95%	-0.15%
International - Emerging Mkts.	6%	MSCI EM[EMERGING MARKETS] IMI	-1.21%	-0.07%
Real Estate				0.00%
Private Equity	5%	Cambridge Priv Equ*	1.48%	0.07%
Absolute Return Hedge	12%	Absolute Return	0.64%	0.08%
Equity-Oriented Hedge	7%	HFRI Fund of Fd	-0.36%	-0.03%
Commodities				0.00%
Fixed Income - Bonds	20%	Barclays Capt Aggr.	1.10%	0.22%
Fixed Income - Inflation linked bonds				0.00%
Total Pool	100%			0.42%

\* For the quarter ended 06/30/2011