

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

***FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT***

DECEMBER 31, 2009 AND 2008

THE CONSOLIDATED FUND OF FRIENDS FIDUCIARY CORPORATION

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Friends Fiduciary Corporation
Philadelphia, Pennsylvania**

We have audited the accompanying statements of assets and liabilities of The Consolidated Fund of Friends Fiduciary Corporation as of December 31, 2009 and 2008, the related statements of operations and changes in net assets for the years then ended, and the schedule of investments as of December 31, 2009. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Consolidated Fund of Friends Fiduciary Corporation as of December 31, 2009 and 2008 and the results of its operations and changes in its net assets for the years then ended in conformity with U.S. generally accepted accounting principles.

BBD, LLP.

**Philadelphia, Pennsylvania
April 19, 2010**

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Investments in securities, at fair value		
Boston Common Asset Management, LLC (cost of \$30,291,152 in 2009 and \$32,793,864 in 2008)	\$ 31,257,843	\$ 20,948,603
Brandywine Asset Management (cost of \$25,437,776 in 2009 and \$25,592,160 in 2008)	29,981,612	20,371,908
Chicago Equity Partners (cost of \$37,733,527 in 2009 and \$35,109,418 in 2008)	42,053,576	27,636,652
Great Lakes Advisors, Inc. (cost of \$14,472,012 in 2009 and \$9,667,308 in 2008)	15,866,797	9,024,918
Lazard Asset Management LLC (cost \$16,077,688 in 2009)	16,585,572	-
Payden & Rygel (cost of \$59,788,086 in 2009 and \$73,146,288 in 2008)	57,345,234	69,783,910
United States Trust Company (cost of \$8,373,412 in 2008)	-	8,198,700
Columbia Management (cost of \$10,394,509 in 2009 and \$11,206,651 in 2008)	12,226,275	7,588,254
Urdang Investment Management, Inc. (cost of \$9,960,222 in 2009 and \$10,120,837 in 2008)	10,816,809	7,108,528
Income and deposit account (cost of \$1,644,063 in 2009 and \$9,675,875 in 2008)	1,644,063	9,675,875
Cash	30,020	44,844
Dividends and interest receivable	1,358,055	1,336,974
Loans receivable	<u>600,000</u>	<u>400,000</u>
Total assets	<u>219,765,856</u>	<u>182,119,166</u>
LIABILITIES		
Distributions payable	967,833	529,239
Accrued operating expenses	<u>218,782</u>	<u>159,635</u>
Total liabilities	<u>1,186,615</u>	<u>688,874</u>
NET ASSETS – Equivalent to \$38.51 per unit, based upon 5,676,174 units outstanding in 2009. Equivalent to \$34.19 per unit, based upon 5,306,708 units outstanding in 2008.	<u>\$218,579,241</u>	<u>\$181,430,292</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

STATEMENTS OF OPERATIONS

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
INVESTMENT INCOME		
Income		
Interest	\$ 5,173,664	\$ 4,132,825
Dividends	<u>2,134,008</u>	<u>3,630,814</u>
Total income	<u>7,307,672</u>	<u>7,763,639</u>
Expenses		
Investment advisory fees	737,143	806,872
Administrative services	335,556	327,869
Custodian fees	100,790	83,469
Professional fees	216,510	116,250
Other expenses	<u>247,801</u>	<u>184,851</u>
Total expenses	<u>1,637,800</u>	<u>1,519,311</u>
NET INVESTMENT INCOME	<u>5,669,872</u>	<u>6,244,328</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized loss on investments	(14,216,302)	(8,338,564)
Net unrealized gain (loss) on investments	<u>47,327,211</u>	<u>(61,095,237)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	<u>33,110,909</u>	<u>(69,433,801)</u>
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 38,780,781</u>	<u>\$ (63,189,473)</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

STATEMENTS OF CHANGES IN NET ASSETS

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATIONS		
Net investment income	\$ 5,669,872	\$ 6,244,328
Net realized loss on investments	(14,216,302)	(8,338,564)
Net unrealized gain (loss) on investments	<u>47,327,211</u>	<u>(61,095,237)</u>
Net increase (decrease) in net assets resulting from operations	<u>38,780,781</u>	<u>(63,189,473)</u>
DISTRIBUTIONS TO CONSTITUENTS (\$2.49 and \$2.64 per unit, respectively)	<u>(13,910,205)</u>	<u>(13,363,396)</u>
CAPITAL TRANSACTIONS		
Proceeds from units issued	22,249,447	16,567,693
Payments for units redeemed	<u>(9,971,074)</u>	<u>(3,777,474)</u>
Total from capital transactions	<u>12,278,373</u>	<u>12,790,219</u>
Total increase (decrease) in net assets	37,148,949	(63,762,650)
NET ASSETS		
Beginning of year	<u>181,430,292</u>	<u>245,192,942</u>
End of year	<u>\$218,579,241</u>	<u>\$ 181,430,292</u>
A summary of unit transactions is as follows:		
Units issued	660,239	408,327
Units redeemed	<u>(290,773)</u>	<u>(83,968)</u>
	369,466	324,359
Units outstanding at beginning of the year	<u>5,306,708</u>	<u>4,982,349</u>
Units outstanding at end of the year	<u>5,676,174</u>	<u>5,306,708</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
<u>COMMON STOCKS: 58.49%</u>			
Advertising – 0.16%			
8,300	Publicis Groupe	\$ 296,207	\$ 339,390
Agriculture – 0.13%			
8,700	Archer Daniels Midland Co.	232,043	272,397
Airlines – 0.13%			
25,100	Southwest Airlines Co.	338,616	286,893
Apparel – 0.33%			
11,400	Abercrombie & Fitch Co.	299,430	397,290
2,298	Adidas	111,837	125,090
2,200	Ross Stores, Inc.	98,251	93,962
1,300	VF Corp.	93,510	95,212
		<u>603,028</u>	<u>711,554</u>
Auto Parts and Equipment – 1.40%			
5,100	Autonation, Inc.	78,955	97,665
5,700	Carmax, Inc.	99,415	138,225
14,200	Denso Corp.	360,426	424,040
26,400	Ford Motor Co.	212,799	264,000
11,300	Honda Motor Co.	372,707	377,496
14,800	Johnson Controls	220,536	403,152
13,500	Magna International, Inc.	414,799	682,830
5,700	Paccar, Inc.	207,593	206,739
7,600	Toyota Motor Corp.	365,468	465,439
		<u>2,332,698</u>	<u>3,059,586</u>
Banks – 5.39%			
4,300	B B & T Corp.	110,607	109,091
20,107	Banco Santander	307,092	333,200
82,300	Bangkok Bank Public Co.	263,002	286,347
105,111	Bank of America Corp.	1,723,551	1,582,972
7,600	Bank of New York Mellon Corp.	209,353	212,572
7,436	BNP Paribas	489,779	596,386
97,250	China Merchants Bank	222,960	255,226
13,800	Citigroup, Inc.	608,307	45,678
9,948	Credit Suisse Group	431,433	492,709
31,300	Fifth Third Bancorp	235,761	305,175
3,310	Goldman Sachs Group, Inc.	481,697	558,860
2,120	HDFC Bank, Ltd.	211,526	275,770
39,519	HSBC Holdings	447,755	452,337
57,405	J P Morgan Chase & Co.	1,962,589	2,392,066
1,600	M&T Bank Corp.	101,217	107,024
35,640	Morgan Stanley Group, Inc.	1,156,569	1,054,944
14,800	PNC Financial Services Group, Inc.	690,830	781,292
11,748	Standard Chartered	201,569	298,797

See accompanying notes

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SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
6,600	Sumitomo Mitsui Group	452,578	187,518
9,212	UBS	277,272	143,025
8,100	US Bancorp	245,729	182,331
23,600	Wells Fargo & Co.	993,743	636,964
9,000	Wintrust Financial Corp.	245,260	277,110
14,000	Zions Bancorp	<u>231,106</u>	<u>179,620</u>
		<u>12,301,285</u>	<u>11,747,014</u>
	Beverages – 1.18%		
21,300	Coca Cola Co.	374,546	451,560
8,600	Dr. Pepper Snapple Group	204,396	243,380
30,683	Pepsico, Inc.	<u>1,561,699</u>	<u>1,865,526</u>
		<u>2,140,641</u>	<u>2,560,466</u>
	Biotechnology – 0.92%		
17,400	Amgen, Inc.	1,103,910	984,318
13,600	Genzyme Corp.	843,590	666,536
8,400	Gilead Sciences, Inc.	<u>399,477</u>	<u>363,468</u>
		<u>2,346,977</u>	<u>2,014,322</u>
	Building Materials – 0.30%		
20,000	Quanex Building Products Corp.	280,230	339,400
12,000	Simpson Manufacturing Co., Inc.	<u>344,101</u>	<u>322,680</u>
		<u>624,331</u>	<u>662,080</u>
	Chemicals – 0.97%		
4,700	Lubrizol Corp.	282,457	342,865
8,900	Nitto Denko Corp.	402,720	317,396
10,000	OM Group, Inc.	204,299	313,900
4,600	Sigma Aldrich Corp.	212,536	232,530
4,439	Sociedad Quimica Minera	171,460	166,773
17,700	Symrise	431,414	380,926
2,037	Wacker Chemie	<u>352,014</u>	<u>355,649</u>
		<u>2,056,900</u>	<u>2,110,039</u>
	Coal – 0.22%		
2,400	Peabody Energy Corp.	108,577	108,504
5,000	Walter Energy, Inc.	<u>110,190</u>	<u>376,550</u>
		<u>218,767</u>	<u>485,054</u>
	Commercial Services – 1.31%		
5,700	Automatic Data Processing	197,482	244,074
3,500	Cintas Corp.	101,675	91,245
23,200	Experian	118,241	230,407
14,000	Fair Isaac Corp.	314,972	298,340
12,000	Forrester Research, Inc.	271,381	311,400
5,000	FTI Consulting, Inc.	215,859	235,800
8,000	Hewitt Associates, Inc.	213,138	338,080

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SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
3,000	Manpower, Inc.	173,000	163,740
1,495	Mastercard, Inc.	277,904	382,690
7,400	Meitec	221,891	99,758
949	New Oriental Education & Technology	77,909	71,754
44,000	NSK, Ltd.	288,350	321,392
233,240	Raffles Education Corp.	<u>89,806</u>	<u>67,283</u>
		<u>2,561,608</u>	<u>2,855,963</u>
	Computers – 1.80%		
3,910	Apple, Inc.	586,517	823,962
43,500	Dell, Inc.	456,009	624,660
2,750	Hewlett Packard Co.	75,022	141,653
5,305	Infosys Technologies	199,731	293,207
7,955	International Business Machines Corp.	731,177	1,041,310
18,000	Manhattan Associates, Inc.	387,418	432,720
14,100	Seagate Technology	200,650	256,479
7,000	Western Digital Corp.	<u>246,784</u>	<u>309,050</u>
		<u>2,883,308</u>	<u>3,923,041</u>
	Cosmetics/Personal Care – 0.62%		
8,025	Colgate Palmolive Co.	477,483	659,254
3,600	Estee Lauder Co., Inc.	167,517	174,096
8,371	Procter & Gamble Co.	<u>393,973</u>	<u>507,534</u>
		<u>1,038,973</u>	<u>1,340,884</u>
	Delivery and Freight Services – 0.40%		
3,000	CH Robinson Worldwide, Inc.	152,866	176,190
6,800	Overseas Shipholding Group, Inc.	256,087	298,860
6,900	United Parcel Service, Inc.	<u>393,939</u>	<u>395,853</u>
		<u>802,892</u>	<u>870,903</u>
	Diversified Finance Services – 2.42%		
9,400	American Express Co.	320,583	380,888
4,900	Ameriprise Financial, Inc.	126,678	190,218
14,995	AXA Advisors	225,843	355,843
1,555	Blackrock, Inc.	308,505	361,071
3,200	Capital One Financial Corp.	126,829	122,688
28,500	Cielo	288,901	250,797
22,000	Cowen Group, Inc.	272,896	130,240
27,000	Daiwa Securities Group	321,063	134,862
3,207	Deutsche Boerse	353,309	266,504
10,300	Discover Financial Services	178,245	151,513
2,800	Franklin Resources, Inc.	259,915	294,980
4,800	Greenhill & Co., Inc.	246,586	385,152
30,862	ICAP	274,865	214,301
7,300	Intertek Group	112,777	147,944
7,300	Invesco, Ltd.	112,584	171,477

See accompanying notes

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SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
12,610	Itau Unibanco Holding	216,170	288,012
4,100	KB Financial Group, Inc.	250,899	208,485
13,000	KBW, Inc.	324,950	355,680
8,000	Legg Mason, Inc.	150,746	241,280
47	Osaka Securities	222,929	223,653
151	Sony Financial Holdings, Inc.	459,154	392,848
		<u>5,154,427</u>	<u>5,268,436</u>
	Electric – 2.86%		
11,250	AES Corp.	150,050	149,738
10,000	Arrow Electronics, Inc.	261,090	296,100
5,400	Consolidated Edison, Inc.	220,576	245,322
3,300	Constellation Energy Group, Inc.	106,706	116,061
13,700	Cooper Industries	345,239	584,168
5,200	DTE Energy Co.	205,518	226,668
34,350	Duke Energy Corp.	683,221	591,164
7,300	Edison International	340,842	253,894
20,540	Emerson Electric Co.	564,378	875,004
3,700	Hubbell, Inc.	114,257	175,010
45,000	International Power	327,733	224,618
1,540	Keyence Corp.	338,257	317,611
4,100	Koninklijke Philips Electronic	162,143	121,650
21,000	NGK Insulators	401,801	455,664
3,500	Nidec Corp.	245,815	321,070
3,200	NRG Energy, Inc.	91,391	75,552
2,600	Nstar	85,705	95,680
8,100	Public Service Enterprise Group, Inc.	178,349	269,325
915	Samsung Electronics, Ltd.	289,076	313,912
5,700	Thomas & Betts Corp.	120,969	204,003
5,308	Vestas Wind Systems	431,149	324,442
		<u>5,664,265</u>	<u>6,236,656</u>
	Engineering & Construction – 0.25%		
3,900	Fluor Corp.	219,583	175,656
12,500	Shaw Group, Inc.	403,256	359,375
		<u>622,839</u>	<u>535,031</u>
	Food – 1.58%		
23,700	Dean Foods Co.	418,636	427,548
7,000	General Mills, Inc.	321,169	495,670
2	JM Smucker Co.	61	124
5,900	Kraft Foods, Inc.	157,959	160,362
13,600	Kroger Co.	262,356	279,208
10,000	Starbucks Corp.	198,171	230,600
20,200	Sysco Corp.	607,376	564,388
105,504	Tesco	805,645	729,197
2,200	The Hershey Co.	77,081	78,738
10,200	Unilever	288,815	328,441
15,000	Viterra, Inc.	149,200	141,222
		<u>3,286,469</u>	<u>3,435,498</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
Forest Products & Paper – 0.53%			
3,700	Avery Dennison Corp.	148,185	135,013
31,800	Masco Corp.	381,447	439,158
9,000	Meadwestvaco Corp.	228,334	257,670
8,300	Plum Creek Timber Co., Inc.	<u>233,869</u>	<u>313,408</u>
		<u>991,835</u>	<u>1,145,249</u>
Hand/Machine Tools – 0.15%			
9,300	Makita Corp.	<u>220,934</u>	<u>316,677</u>
Healthcare-Products – 2.40%			
8,350	Aetna, Inc.	69,486	264,695
15,030	Cogdell Spencer, Inc.	61,523	85,070
6,600	Coventry Health Care, Inc.	101,372	160,314
2,200	Covidien	81,259	105,358
800	CR Bard, Inc.	68,939	62,320
11,839	CSL	300,273	345,934
13,500	Forest Laboratories, Inc.	377,700	433,485
14,180	HCP, Inc.	329,581	433,057
3,500	Humana, Inc.	196,647	153,615
24,978	Johnson & Johnson	1,498,894	1,608,833
2,700	McKesson Corp.	119,417	168,750
4,300	Medco Health Solutions, Inc.	226,595	274,813
10,000	Molina Healthcare, Inc.	280,840	228,700
7,050	Nobel Biocare	238,210	237,194
10,200	Rhoen-Klinikum	276,405	249,810
30,296	Smith & Nephew	359,867	312,866
2,300	Thermo Fisher Scientific, Inc.	<u>104,580</u>	<u>109,687</u>
		<u>4,691,588</u>	<u>5,234,501</u>
Home Builders – 0.36%			
16,000	Ryland Group, Inc.	398,946	315,200
15,000	Thor Industries, Inc.	<u>381,383</u>	<u>471,000</u>
		<u>780,329</u>	<u>786,200</u>
Home Furnishings – 0.32%			
6,000	Bed Bath & Beyond, Inc.	232,870	231,660
22,000	Williams Sonoma, Inc.	<u>229,400</u>	<u>457,160</u>
		<u>462,270</u>	<u>688,820</u>
Hotels – 0.07%			
7,300	Wyndham Worldwide Corp.	<u>63,064</u>	<u>147,241</u>

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December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
	Household Products/Wares – 0.91%		
7,000	Clorox Co.	242,279	427,000
2,900	Ecolab, Inc.	111,231	129,282
9,800	Henkel AG & Co.	449,723	509,133
11,300	Kimberly Clark Corp.	677,433	719,923
5,300	Newell Rubbermaid, Inc.	56,725	79,553
1,500	Whirlpool Corp.	<u>68,287</u>	<u>120,990</u>
		<u>1,605,678</u>	<u>1,985,881</u>
	Insurance – 2.42%		
22,900	ACE	903,535	1,154,160
5,100	Aflac, Inc.	193,282	235,875
7,434	Allstate Corp.	225,487	223,317
13,600	Axis Capital Holdings	429,987	386,376
1,904	Chubb Corp.	94,610	93,639
40,850	Cigna Corp.	753,644	1,440,780
7,400	Hartford Financial Services Group, Inc.	361,486	172,124
12,610	Lincoln National Corp.	300,334	313,737
17,833	Manulife Financial Corp. Com	494,796	327,057
46,250	Prudential Financial, Inc.	682,310	781,568
7,400	X L Capital, Ltd.	<u>132,059</u>	<u>135,642</u>
		<u>4,571,530</u>	<u>5,264,275</u>
	Internet – 1.52%		
4,500	Amazon.com, Inc.	368,597	605,340
1,015	AOL, Inc.	22,206	23,629
7,000	F5 Networks, Inc.	136,769	370,790
1,925	Google, Inc.	805,485	1,193,462
3,961	Iliad	426,233	474,648
1,359	SBI Holdings, Inc.	177,575	241,743
18,200	Tencent Holdings, Ltd.	<u>122,706</u>	<u>395,497</u>
		<u>2,059,571</u>	<u>3,305,109</u>
	Iron/Steel – 0.57%		
3,800	A K Steel Holdings Corp.	193,346	81,130
3,400	Allegheny Technologies, Inc.	64,235	152,218
19,230	Cliffs Natural Resources, Inc.	496,412	886,311
2,400	Nucor Corp.	<u>112,905</u>	<u>111,960</u>
		<u>866,898</u>	<u>1,231,619</u>
	Leisure Time – 0.09%		
14,600	Brunswick Corp.	<u>255,241</u>	<u>185,566</u>
	Machinery – 1.10%		
8,000	Bucyrus International, Inc.	364,222	450,960
15,510	Caterpillar, Inc.	510,894	883,915
7,000	Deere & Co.	312,489	378,630
5,800	Fanuc Co.	458,293	537,666
2,700	Joy Global, Inc.	<u>62,460</u>	<u>139,239</u>
		<u>1,708,358</u>	<u>2,390,410</u>

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SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
	Media – 1.05%		
9,604	British Sky Broadcasting	89,122	87,161
24,605	Comcast Corp.	471,159	414,840
11,200	Directv	250,693	373,520
183	Jupiter Telecommunications	134,476	181,241
27,900	RR Donnelley & Sons Co.	365,906	621,333
11,166	Time Warner, Inc.	316,294	325,377
9,600	Viacom, Inc.	<u>291,264</u>	<u>285,408</u>
		<u>1,918,914</u>	<u>2,288,880</u>
	Metal Fabricate/Hardware – 0.13%		
8,000	Kaydon Corp.	<u>393,457</u>	<u>286,080</u>
	Mining – 0.20%		
3,800	Barrick Gold Corp.	92,374	149,644
9,000	Lonmin	<u>200,062</u>	<u>284,714</u>
		<u>292,436</u>	<u>434,358</u>
	Miscellaneous Manufacturers – 1.25%		
18,900	3M Co.	1,217,558	1,562,463
5,000	Danisco	239,028	335,985
10,300	Eastman Kodak Co.	444,130	43,466
8,350	Illinois Tool Works	301,804	400,717
6,200	Ingersoll Rand Co.	242,980	221,588
7,900	Leggett Platt, Inc.	<u>155,175</u>	<u>161,160</u>
		<u>2,600,675</u>	<u>2,725,379</u>
	Office/Business Equipment – 0.08%		
2,155	Neopost	<u>193,668</u>	<u>178,309</u>
	Oil & Gas – 7.41%		
14,600	Acergy	202,629	231,632
3,600	Anadarko Petroleum Corp.	221,117	224,712
3,400	Apache Corp.	268,134	350,778
19,919	Atlas Co.	258,849	293,759
29,407	BG Group PLC	447,263	532,814
49,027	BP PLC	1,269,631	1,146,132
10,500	C M S Energy Corp.	127,359	164,430
6,600	Cameron International Corp.	259,000	275,880
4,700	Cenovus Energy, Inc.	137,666	118,806
48,000	Centrica	176,627	217,888
10,350	Chesapeake Energy Corp.	298,350	267,858
25,858	Chevron Corp.	1,670,139	1,990,807
26,684	Conocophillips	1,294,377	1,362,752
2,800	Devon Energy Corp.	88,023	205,800
4,700	Encana Corp.	151,305	152,923
8,600	ENI	285,628	219,632
4,100	Ensco International, Inc.	198,492	163,754
14,499	Exxon Mobil Corp.	821,812	988,687

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
3,100	FMC Technologies, Inc.	192,527	179,304
12,088	Gamesa Corp.	170,240	204,390
20,000	Helix Energy Solutions Group, Inc.	246,628	235,000
8,000	Helmerich & Payne, Inc.	187,446	319,040
3,500	Hess Corp.	191,662	211,750
2,300	Integrus Energy Group, Inc.	83,217	96,577
4,500	Murphy Oil Corp.	265,962	243,900
24,400	Nabors Industries, Ltd.	682,754	534,116
13,600	Nicor, Inc.	549,186	572,560
8,200	Nisource, Inc.	93,012	126,116
5,100	Noble Corp.	132,094	207,570
33,700	Norsk Hydro	186,966	284,159
2,800	Occidental Petroleum Corp.	232,340	227,780
20,846	Petroleo Brasileiro	1,025,348	993,937
2,000	PG & E Corp.	77,007	89,300
5,500	Rowan Companies, Inc.	85,870	124,520
5,450	Royal Dutch Shell PLC	307,409	327,600
7,008	Saipem	217,624	242,319
2,800	Sempra Energy	129,709	156,744
10,000	St Mary Land & Exploration	300,738	342,400
9,982	Statoil	209,275	250,207
10,574	Suncor Energy, Inc.	406,697	373,368
3,500	Technip	246,630	248,068
7,800	Tesoro Corp.	76,867	105,690
3,600	Transocean, Ltd.	323,379	298,080
14,030	Valero Energy Corp.	312,458	235,003
		<u>15,109,446</u>	<u>16,138,542</u>
	Packaging & Containers – 0.05%		
3,700	Bemis Company, Inc.	<u>105,850</u>	<u>109,705</u>
	Pharmaceuticals – 3.57%		
17,600	Abbott Laboratories	812,872	950,224
21,600	Amerisourcebergen Corp.	360,870	563,112
7,500	Eli Lilly & Co.	262,498	267,825
37,317	Merck and Co., Inc.	995,585	1,363,563
18,835	Novartis	924,730	1,027,992
7,598	Novo-Nordisk	389,700	486,389
101,375	Pfizer, Inc.	2,255,652	1,844,011
4,000	Sanofi-Aventis	373,860	315,989
4,600	Shire PLC	194,938	270,020
12,350	Teva Pharmaceutical Industries	537,463	693,823
		<u>7,108,168</u>	<u>7,782,948</u>
	Pipelines – 0.29%		
10,800	Spectra Energy Corp.	277,874	221,508
19,900	Williams Co., Inc.	285,718	419,492
		<u>563,592</u>	<u>641,000</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
Real Estate – 0.40%			
186,000	Agile Property Holdings	183,705	273,457
12,000	The St. Joe Co.	341,835	346,680
85,800	Wheelock & Co., Ltd.	190,449	263,351
		<u>715,989</u>	<u>883,488</u>
Retail – 2.69%			
4,700	Big Lots, Inc.	146,499	136,206
13,550	CVS Caremark Corp.	448,613	436,446
18,752	Esprit Holdings	203,425	125,150
1,000	Fast Retailing Co., Ltd.	150,069	187,658
21,100	Halfords Group	81,765	136,055
34,000	Li & Fung	97,497	141,410
9,800	Macy's, Inc.	102,886	164,248
15,205	McDonalds Corp.	774,224	949,400
6,505	Shoppers Drug Mart Corp.	250,518	281,769
18,000	Sotheby's Holdings, Inc.	357,233	404,640
12,400	Sundrug Co.	329,699	275,052
12,300	Target Corp.	463,925	594,951
8,300	TJX Co., Inc.	227,345	303,365
6,600	Walgreen Co.	259,765	242,352
18,900	Wal-mart Stores, Inc.	965,783	1,010,205
10,000	Whole Foods Market, Inc.	161,791	274,500
2,830	Yamada Denki Co.	180,857	190,298
		<u>5,201,894</u>	<u>5,853,705</u>
Semiconductors – 2.01%			
21,300	Advanced Micro Devices, Inc.	114,381	206,184
45,077	Advanced Semiconductor Engineering, Inc.	244,433	199,691
144,899	Arm Holdings	287,007	415,333
3,400	Broadcom Corp.	88,499	106,998
6,000	Cabot Microelectronics Corp.	185,910	197,760
41,483	Intel Corp.	913,331	846,253
19,000	LSI Corp.	106,009	114,190
8,700	Marvell Technology Group, Ltd.	88,548	180,525
3,800	Novellus Systems, Inc.	65,477	88,692
12,000	Power Integrations, Inc.	354,347	436,320
10,500	Sandisk Corp.	189,297	304,395
15,355	Siliconware Precision Industries, Ltd.	118,540	107,639
32,917	Taiwan Semiconductor Manufacturing Co.	341,635	376,570
19,900	Texas Instruments, Inc.	456,791	518,594
8,000	Varian Semiconductor Equipment Associates, Inc.	258,510	287,040
		<u>3,812,715</u>	<u>4,386,184</u>

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
Software – 2.49%			
4,000	Adobe Systems, Inc.	167,786	147,120
31,050	Amdocs.com	735,962	885,857
21,977	Autonomy Corp.	447,663	536,247
3,600	BMC Software, Inc.	108,474	144,360
13,500	Convergys Corp.	149,029	145,125
70,840	Microsoft Corp.	1,903,923	2,159,203
4,280	Millicom International Cellular	363,732	315,736
35,700	Oracle Corp.	592,795	875,721
4,773	Sap Akiengesellschaft	<u>235,471</u>	<u>223,424</u>
		<u>4,704,835</u>	<u>5,432,793</u>
Telecommunications – 3.37%			
5,900	America Movil	223,764	277,182
5,530	American Tower Corp.	190,251	238,951
50,674	ATT, Inc.	1,404,630	1,420,392
75,220	Cisco Systems, Inc.	1,435,573	1,800,767
12,000	Commscope, Inc.	323,012	318,360
8,200	France Telecom	245,121	205,063
14,000	Interdigital, Inc.	287,392	371,840
14,000	LG Display Co, Ltd.	195,787	237,020
12,850	Logitech International	209,368	219,864
19,500	Motorola, Inc.	172,380	151,320
7,350	Nokia	147,556	94,065
80,900	Qwest Communications International, Inc.	333,981	340,589
13,246	Telefonica	385,131	370,972
38,500	Tellabs, Inc.	205,385	218,680
16,600	Virgin Media, Inc.	267,715	279,378
138,368	Vodafone Group	840,966	800,863
96	Worldcom, Inc.	<u>3,516</u>	<u>2</u>
		<u>6,871,528</u>	<u>7,345,308</u>
Transportation – 0.69%			
7,900	Burlington Northern Santa Fe Corp	384,654	779,098
3,000	CSX Corp.	98,480	145,470
6,800	Expedia, Inc.	163,880	174,964
12,000	Kansas City Southern	<u>229,220</u>	<u>399,480</u>
		<u>876,234</u>	<u>1,499,012</u>
	Total Common Stocks	<u>114,252,971</u>	<u>127,382,446</u>
<u>REAL ESTATE INVESTMENT TRUSTS: 5.05%</u>			
8,270	AMB Property Corp.	209,782	211,299
1,480	Alexandria Real Estate Equities, Inc.	88,705	95,149
14,600	Annaly Capital Management, Inc.	268,918	253,310
3,090	Apollo Commercial Real Estate	60,019	55,589

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
9,060	Boston Properties, Inc.	670,709	607,654
31,830	Brandywine Realty Trust	313,177	362,862
5,850	Camden Property Trust	223,153	247,865
4,893	Cousins Properties, Inc.	36,709	37,334
12,880	Diamondrock Hospitality Co.	105,637	109,094
3,540	Digital Realty Trust, Inc.	134,358	177,991
6,290	Douglas Emmitt, Inc.	80,191	89,633
26,450	Duke Realty Corp.	263,642	321,897
10,830	Education Realty Trust, Inc.	49,290	52,417
2,430	Entertainment Properties Trust	75,790	85,706
15,810	Equity Residential	468,646	534,062
5,020	Essex Property Trust, Inc.	365,718	419,923
2,650	Federal Realty Investment Trust	170,011	179,458
74,000	Hang Lung Properties, Ltd.	263,031	292,028
3,980	Healthcare Realty Trust	90,102	85,411
3,170	Home Properties, Inc.	115,565	151,241
25,096	Host Hotels Resorts, Inc.	271,420	292,874
10,170	Kilroy Realty Corp.	385,234	311,914
27,550	Kimco Realty Corp.	386,770	372,752
7,807	Macerich Co.	226,209	280,662
18,000	Meritage Homes Corp.	333,757	347,940
7,610	National Retail Properties, Inc.	158,808	161,484
6,630	Nationwide Health Properties	200,911	233,243
4,420	Pebblebrook Hotel Trust	88,420	97,284
29,250	Prologis	430,200	400,433
12,050	Public Storage, Inc.	882,650	981,473
3,470	Realty Income Corp.	76,729	89,908
10,360	Regency Centers Corp.	370,015	363,222
4,900	Senior Housing Property Trust	84,390	107,163
10,679	Simon Property Group, Inc.	668,992	852,173
4,200	SL Green Realty Corp.	214,680	211,008
5,590	Starwood Property Trust, Inc.	110,959	105,595
11,630	Sunstone Hotel Investment, Inc.	73,571	103,274
950	Tanger Factory Outlet Centers, Inc.	34,050	37,041
5,010	Taubman Centers, Inc.	162,396	179,909
13,440	UDR, Inc.	210,569	220,954
8,400	Ventas, Inc.	281,540	367,416
7,207	Vornado Realty Trust	504,396	504,058
	Total Real Estate Investment Trusts	<u>10,209,819</u>	<u>10,991,703</u>

FIXED INCOME: 33.52%

U.S. Government – 4.92%

700,000	Federal Home Loan Mortgage Corp.; 5.125%; 8/14/13	770,982	770,658
420,000	Federal Home Loan Mortgage Corp.; 5.375%; 6/12/17	473,329	465,675
387,767	Federal Home Loan Mortgage Corp.; 5.500%; 12/1/34	403,322	407,923
64,499	Federal Home Loan Mortgage Corp.; 7.500%; 7/25/32	67,662	72,300

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
158,000	Federal National Mortgage Association; 4.000%; 6/24/16	134,426	157,507
62,729	Federal National Mortgage Association; 4.500%; 5/25/33	59,436	64,705
228,074	Federal National Mortgage Association; 4.500%; 3/1/24	234,724	235,085
305,000	Federal National Mortgage Association; 5.000%; 3/25/32	286,509	317,856
837,806	Federal National Mortgage Association; 5.000%; 6/01/33	865,296	864,590
921,832	Federal National Mortgage Association; 5.000%; 11/01/33	924,497	949,828
130,713	Federal National Mortgage Association; 5.500%; 2/01/18	135,615	139,388
776,738	Federal National Mortgage Association; 5.500%; 4/01/34	819,337	816,383
772,678	Federal National Mortgage Association; 5.500%; 4/01/34	815,296	813,878
441,866	Federal National Mortgage Association; 5.500%; 4/01/36	465,685	464,145
305,526	Federal National Mortgage Association; 5.500%; 9/1/35	318,545	320,930
6,876	Federal National Mortgage Association; 6.000%; 3/01/15	6,933	7,352
27,601	Federal National Mortgage Association; 6.000%; 7/01/17	28,623	29,580
29,622	Federal National Mortgage Association; 6.000%; 10/01/32	30,141	31,658
961	Federal National Mortgage Association; 7.500%; 10/01/11	966	986
9,938	Federal National Mortgage Association; 9.000%; 10/01/30	10,268	11,515
111,616	Government National Mortgage Association; 5.000%; 9/20/33	110,796	115,590
1,499,091	Government National Mortgage Association; 5.500%; 7/20/33	1,561,631	1,580,552
505,154	Government National Mortgage Association; 6.000%; 8/20/38	520,940	535,524
988,656	Government National Mortgage Association; 6.000%; 11/15/38	1,026,039	1,045,652
95,000	U.S. Treasury; 5.000%; 3/7/25	172,344	162,780
210,000	U.S. Treasury; 9.000%; 10/18/19	337,353	325,154
		<u>10,580,695</u>	<u>10,707,194</u>
	Corporate Bonds – 4.36%		
200,000	Aetna, Inc.; 5.750%; 6/15/11	206,990	209,742
50,000	Air Products & Chemicals, Inc.; 4.625%; 3/15/17	75,449	72,212
179,177	Ameresco; 4.81621%; 3/01/12	174,070	161,259
331,710	America West Air; 8.057%; 7/02/20	347,950	291,762
1,623,716	ASC Equipment Lease; 5.700%; 9/01/08	1,714,641	0
195,000	AT & T Wireless; 8.750%; 3/01/31	231,921	252,000
345,000	Chevron Corp.; 3.950%; 3/03/14	344,365	360,187
320,000	Cisco Systems, Inc.; 5.250%; 2/22/11	339,200	335,786
240,000	CME Group, Inc.; 5.750%; 2/15/14	246,115	262,505
205,000	Comcast Corp.; 6.500%; 1/15/17	209,850	226,947
80,000	Credit Suisse; 4.875%; 1/15/15	80,002	83,770
70,000	Deutsche Boerse; 4.750%; 3/14/18	101,060	107,359
80,000	Deutsche Boerse; 6.000%; 9/1/17	81,113	87,218
145,000	Du Pont & Co.; 6.000%; 7/15/18	154,368	158,220
80,000	Goldman Sachs Group, Inc.; 5.125%; 10/16/14	108,716	120,338
260,000	Inter-American Development Bank; 7.250%; 5/24/12	145,308	199,082
80,000	International Finance Corp.; 3.000%; 4/22/14	79,825	80,180
80,000	International Bank Recon & Development; 8.750%; 5/1/17	106,968	105,734
330,000	International Bank Recon & Development; 8.750%; 6/15/12	180,240	185,640
100,000	JP Morgan Chase & Co.; 5.250%; 5/8/13	142,876	153,877
65,000	Kraft Foods, Inc.; 6.250%; 3/20/15	93,864	102,282
1,361,430	Landmark Leasing; 6.200%; 10/01/22	1,361,710	1,332,990
129,633	Master Asset Securities; 5.500%; 7/25/33	129,430	129,207
195,000	McDonalds Corp.; 5.000%; 2/01/19	194,934	203,814
137,000	New Jersey Bell; 7.850%; 11/15/29	155,550	145,697

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
230,000	Oneamerica Finance; 7.000%; 10/15/33	228,822	173,682
290,000	Pedernales Electric Co.; 6.202%; 11/15/32	299,132	252,822
120,000	Petrobras International Finance Co.; 7.875%; 3/15/19	137,913	138,811
115,000	Procter & Gamble Co.; 4.600%; 1/15/14	122,796	122,450
330,000	Prudential Finance; 4.750%; 9/17/15	329,231	334,627
260,000	QBE Insurance Group, Ltd.; 5.647%; 7/01/23	260,000	225,963
208,619	Residential Asset; 4.710%; 11/25/33	200,241	144,562
65,000	RWE Finance; 5.000%; 2/10/15	89,447	100,722
50,000	Scottish & Southern Energy; 5.750%; 2/5/14	86,365	85,168
260,000	Svensk Exportkredit; 7.625%; 6/30/14	138,964	200,558
150,000	Temasek Financial, Ltd.; 4.500%; 9/21/15	156,266	156,405
210,000	Time Warner, Inc.; 5.500%; 11/15/11	206,861	222,953
200,000	Unitedhealth Group; 5.250%; 3/15/11	202,470	207,242
135,000	Veolia Environment; 5.250%; 6/03/13	134,711	142,775
225,000	Verizon Global; 7.250%; 12/01/10	239,348	237,776
250,000	Wal-mart Stores; 5.250%; 9/01/35	243,535	245,830
195,000	Walgreen Co.; 5.250%; 1/15/19	193,980	206,936
830,366	William Blair & Co.; 5.040%; 2/15/21	798,837	830,366
100,000	Wilmington Trust Corp.; 4.875%; 4/15/13	98,544	94,121
		11,173,978	9,491,577
	Foreign Bonds – 5.12%		
120,000	Canada; 2.375%; 9/10/14	118,758	117,916
346,000	Canada; 5.650%; 7/20/11	363,667	369,421
95,000	Commonwealth of Bahamas; 6.950%; 11/20/29	94,494	93,573
100,000	Corporacion Nacional Del Cobre; 7.500%; 1/15/19	109,240	117,241
70,000	Croatia; 6.500%; 1/5/15	103,379	105,454
120,000	Czech Republic; 5.000%; 6/11/18	149,533	183,361
460,000	European Investment Bank; 0.000%; 3/30/16	175,215	161,957
110,000	European Investment Bank; 3.625%; 4/6/16	166,218	161,635
200,000	European Investment Bank; 4.375%; 7/8/15	297,356	338,409
225,000	European Investment Bank; 4.625%; 4/15/20	330,435	345,467
6,400,000	European Investment Bank; 7.000%; 7/31/12	143,071	149,376
525,000	Federal Republic of Germany; 4.250%; 1/4/14	786,397	810,287
110,000	Federal Republic of Germany; 4.750%; 7/4/34	158,311	171,125
235,000	Federative Republic of Brazil; 1/5/16	133,551	152,766
155,000	Federative Republic of Brazil; 5.875%; 1/15/19	165,681	164,156
220,000	France; 3.500%; 4/25/15	298,814	328,208
120,000	France; 4.000%; 10/25/38	153,795	165,450
100,000	France; 4.750%; 2/21/17	140,975	149,510
300,000	Japan Finance Corp.; 4.625%; 4/21/15	318,753	317,156
220,000	Kingdom of Belgium; 4.250%; 9/28/14	307,781	337,661
215,000	Kingdom of Belgium; 4.250%; 9/3/13	222,568	227,512
220,000	Kingdom of Denmark; 3.125%; 3/17/14	307,001	322,842
835,000	Kingdom of Denmark; 4.000%; 11/15/15	149,908	168,916
110,000	Kingdom of Netherlands; 4.000%; 7/15/16	144,588	166,755
1,916,000	Kingdom of Norway; 4.500%; 5/22/19	312,954	339,983
1,280,000	Kingdom of Sweden; 3.000%; 7/12/16	161,859	179,459

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**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
1,000,000	Kreditanstalt Fur Wiederaufbau; 18.500; 2/11/10	180,083	184,500
580,000	Kreditanstalt Fur Wiederaufbau; 7.125%; 11/15/12	95,278	93,322
1,500,000,000	Kreditanstalt Fur Wiederaufbau; 7.500%; 7/17/12	145,845	157,960
200,000	Malaysia; 7.500%; 7/15/11	218,252	217,459
100,000	Peoples Republic of China; 4.250%; 10/28/14	158,063	150,237
155,000	Province of British Columbia; 5.700%; 6/18/29	167,418	164,392
250,000	Province of Ontario; 6.250%; 6/16/15	158,014	183,287
135,000	Province of Ontario; 8.500%; 12/2/25	151,643	180,504
115,000	Province of Quebec; 3.375%; 6/20/16	167,179	163,586
80,000	Province of Quebec; 5.125%; 11/14/16	84,526	85,582
150,000	Province of Quebec; 5.125%; 11/14/16	159,060	161,430
225,000	Republic of Austria; 3.400%; 10/20/14	342,276	332,377
110,000	Republic of Austria; 3.900%; 7/15/20	147,626	158,001
150,000	Republic of Chile; 5.500%; 1/15/13	162,550	165,186
115,000	Republic of Finland; 3.125%; 9/15/14	149,217	169,327
80,000	Republic of Peru; 7.500%; 10/14/14	108,541	131,423
1,190,000	Republic of Poland; 5.250%; 10/25/17	397,225	393,187
95,000	Republic of Poland; 5.625%; 11/18/10	157,999	157,246
1,160,000	Republic of Poland; 5.750%; 9/23/22	390,640	385,328
160,000	State of Israel; 5.125%; 3/26/19	162,960	161,469
600,000	Treasury of Victoria; 6.000%; 10/17/22	481,235	510,795
90,000	United Mexican States; 6.750%; 2/6/24	137,661	138,796
3,200,000	United Mexican States; 7.750%; 12/14/17	240,626	243,516
4,400,000	United Mexican States; 8.000%; 12/7/23	329,049	325,364
		<u>10,707,268</u>	<u>11,159,870</u>
	Municipal Bonds – 19.12%		
450,000	Abag Fin Auth CA; 5.450%; 11/15/13	450,000	406,049
205,000	Ambridge PA Taxable; 11/15/16	108,591	117,811
275,000	Arkansas St Dev Fin; 5.220%; 3/01/11	275,000	285,189
415,000	Arkansas St Dev Fin; 5.280%; 3/01/13	415,000	445,117
435,000	Arkansas St Dev Fin; 5.360%; 3/01/14	435,000	468,860
135,000	Ashtabula Cnty OH; 5.200%; 5/15/14	133,826	131,860
200,000	Berkshire Hath; 5.400%; 5/15/18	205,584	208,958
115,000	Bernalillo Cnty NM; 7.250%; 12/15/23	113,850	98,125
1,470,000	Bernalillo Cnty NM; 6.250%; 12/15/23	1,462,650	1,141,543
300,000	Boone Cnty MO Spl; 5.940%; 1/01/15	304,860	311,550
115,000	Calexico CA Cmnty; 4.220%; 8/01/12	114,480	118,264
320,000	California Statewide; 5.750%; 7/01/11	318,848	318,826
300,000	Central Dakota ND; 8.000%; 2/01/12	300,000	301,308
7,750,000	Chicago IL Residual; 10/01/31	1,311,533	1,940,445
400,000	Chimney Rock Met; 5.900%; 12/01/18	400,000	340,988
220,000	Collingswood NJ; 8.250%; 7/15/10	229,220	228,642
250,000	Connecticut St Dev; 4.650%; 8/15/12	251,180	261,453
955,000	Delaware St Hsg Auth; 5.800%; 7/01/16	975,924	979,152
1,005,000	Destin Wtr Users, Inc.; 5.250%; 8/01/15	989,948	993,523
1,090,000	Downtown Dallas TX; 8/15/17	607,631	657,259
650,000	Drew Cnty AR Indl; 5.300%; 2/01/13	650,000	684,554
205,390	Edinburg TX Indl; 8.180%; 11/01/28	228,354	198,924
310,000	Florida Hsg Fin Corp.; 7.350%; 12/01/14	322,865	315,524

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
1,270,000	Gardena CA Ctfs; 5.980%; 7/01/16	1,292,631	1,192,060
185,000	Guttenberg NJ; 5.830%; 4/01/17	182,725	184,499
850,000	Highland Hosp Roches; 5.450%; 8/01/10	833,340	852,448
985,000	Hot Sprngs Arkansas; 5.750%; 11/01/14	979,908	985,552
500,000	Independence Hill IN; 7.000%; 1/15/26	509,030	456,495
875,000	Jefferson Cnty CO SC; 5.250%; 12/15/16	875,000	893,261
375,000	Jefferson Cnty KY; 5.750%; 9/20/15	380,063	382,099
340,000	Manatee Cnty FL Hsg; 6.520%; 9/01/38	350,220	346,297
80,000	Mansfield TX; 7.100%; 8/15/10	90,367	80,416
240,000	Marshall WI Sch; 5.370%; 3/01/14	239,136	248,870
1,350,000	Matagorda TX Hosp; 4.450%; 8/15/27	1,204,875	1,283,067
2,400,000	Memphis TN Health; 5.600%; 6/15/38	2,400,000	2,488,368
180,000	Middleton WI Cmnty; 6.550%; 10/01/18	187,938	182,354
100,000	Missouri St Dev Fin; 5.796%; 4/01/17	100,000	102,642
520,000	Missouri St Dev Fin; 7.170%; 3/01/21	527,000	517,015
260,000	Missouri St Hsg Dev; 3.480%; 9/01/23	253,043	247,816
165,000	Missouri St Hsg Dev; 5.510%; 9/01/10	166,975	169,112
1,830,000	Monroe Cnty NY Indl; 5.700%; 10/15/21	1,811,700	1,801,104
330,000	Montgomery Cnty MD; 5.500%; 1/01/38	327,113	337,989
185,000	Muskogee County OK; 7.000%; 1/01/10	196,526	185,000
185,000	Muskogee County OK; 7.000%; 1/01/12	190,670	183,668
185,000	Muskogee County OK; 7.250%; 1/01/14	189,266	182,397
185,000	Muskogee County OK; 7.250%; 1/01/20	184,991	179,705
185,000	Muskogee County OK; 7.250%; 1/01/22	184,991	179,045
85,000	Muskogee County OK; 7.250%; 1/01/24	84,996	82,004
320,000	Nebraska Invt; 5.500%; 9/01/17	320,000	328,720
280,000	Nebraska Invt Fin; 7/10/14	171,133	219,064
260,000	Nevada Hsg Div; 3.830%; 10/01/13	248,136	257,390
715,000	Nevada Hsg Div; 5.410%; 10/01/14	715,000	745,988
1,050,000	New Jersey Econ Dev; 5.250%; 2/15/30	1,038,153	973,308
220,000	New Mexico Mtg Fin; 5.100%; 7/01/39	220,000	212,892
1,375,000	New Mexico Mtg Fin; 5.820%; 7/01/30	1,383,823	1,381,160
490,000	Ohio Hsg Fin Agy Mtg; 5.570%; 9/01/38	491,223	498,340
400,000	Ohio Hsg Fin Agy Mtg; 5.800%; 9/01/22	400,000	389,096
130,000	Ohio St Economic Dev; 4.500%; 3/01/10	129,460	130,736
500,000	Ohio St Economic Dev; 5.350%; 12/01/12	500,000	501,365
680,000	Oregon Sch Brds Assn; 6/30/21	298,064	321,042
1,725,000	Pennsylvania St; 2.569%; 4/01/47	1,725,000	1,725,000
400,000	Peoria Cnty IL Sch; 1/01/11	308,852	384,168
50,000	Philadelphia PA Auth; 5.890%; 4/15/11	53,323	47,940
150,000	Pittsburgh PA Urban; 5.420%; 5/01/15	150,000	146,957
800,000	Poplar Hill VA Cmnty; 5.500%; 9/01/34	800,000	59,328
190,000	Port Whitman WA Cnty; 6.250%; 12/01/25	190,494	164,329
1,920,000	Retama TX Dev Corp.; 8.750%; 12/15/18	2,563,200	2,651,942
800,000	Rialto CA Redev Agy; 5.150%; 9/01/35	760,992	566,248
425,000	Robinson Twp PA Mun; 8.550%; 5/15/18	503,838	490,297
425,000	Rockland Cnty NY In; 6.220%; 12/01/27	425,000	350,719
65,000	San Francisco CA; 9.750%; 6/01/13	87,773	80,650
430,000	Savannah GA Hosp; 6.625%; 7/01/18	460,285	450,094
300,000	Shelbyville IN Cent; 5.125%; 1/05/12	296,202	312,750

See accompanying notes

**THE CONSOLIDATED FUND OF
FRIENDS FIDUCIARY CORPORATION**

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Value</u>
140,000	South Dakota Econ; 5.250%; 4/01/11	137,424	142,334
170,000	South Dakota Econ; 5.500%; 4/01/13	167,637	172,649
90,000	Stanislaus Cnty CA; 7.150%; 8/15/13	95,688	95,539
125,000	Stanton CA Redev Agy; 5.200%; 12/01/35	113,313	89,810
235,000	Steamboat Springs Co.; 6.550%; 12/01/32	249,648	207,237
500,000	Summit Cnty OH Port; 6.000%; 5/15/14	500,000	482,260
800,000	Summit Cnty OH Port; 6.375%; 11/15/26	800,000	661,592
50,000	Tennessee St Ref Ser; 4.820%; 3/01/29	50,115	50,345
155,000	University Tex Univ Revs; 6.276%; 8/15/41	158,567	156,793
500,000	Utah Cnty UT Mun; 6.000%; 11/01/19	513,000	463,470
25,000	Utah St Brd Regents; 5.000%; 11/01/11	25,398	25,252
1,065,000	Wyandotte Cnty KS; 6.150%; 12/01/17	<u>1,078,614</u>	<u>1,012,879</u>
		<u>42,476,203</u>	<u>41,646,890</u>
	Total Fixed Income	<u>74,938,144</u>	<u>73,005,531</u>
	<u>CASH & CASH EQUIVALENTS: 2.94%</u>		
	First Amer Prime Oblig Fd Cl Z	<u>6,398,101</u>	<u>6,398,101</u>
	Total Cash and Cash Equivalents	<u>6,398,101</u>	<u>6,398,101</u>
	TOTAL INVESTMENTS	<u>\$205,799,035</u>	<u>\$217,777,781</u>

See accompanying notes

THE CONSOLIDATED FUND OF FRIENDS FIDUCIARY CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

(1) ORGANIZATION

The Consolidated Fund (the "**Fund**") is a co-mingled investment fund sponsored by Friends Fiduciary Corporation ("**Fiduciary**"). Fiduciary is a Quaker non-profit corporation which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Fiduciary's mission is to provide investment, planned giving and trusteeship services for Friends meetings, schools and other non-profit, tax-exempt organizations (collectively referred to as "**Constituent Organizations**"). The Fund's investment objective is to provide long-term total return by investing its assets in a balanced portfolio of common stocks, financial trusts such as real estate investment trusts and fixed income investments.

Constituent Organizations can purchase or redeem Fund dollars on a daily basis.

(2) SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

Investments

Investments in securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price.

Fair Value Measurements

The Fund adopted the provisions of SFAS No. 157, "*Fair Value Measurements*" ("**SFAS No. 157**"), effective January 1, 2008. Under SFAS No. 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Fund's own assumptions.

Investment Transactions

Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are determined using the specific identification method.

THE CONSOLIDATED FUND OF FRIENDS FIDUCIARY CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

Income Recognition

Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date. Expenses are recorded as incurred.

Distributions to Constituent Organizations

The Fund makes semi-annual distributions to its Constituent Organizations. The amount of each distribution is determined by Fiduciary's Board of Directors. The distributions for 2009 and 2008 were each calculated at the annual rate of 5.50% of the Fund's average unit value as measured quarterly over the three years preceding the date of the distributions.

Use of Estimates

In preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain items in the 2008 financial statements have been reclassified in order to conform to the 2009 presentation.

(3) FAIR VALUE MEASUREMENTS

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with SFAS No. 157. See Note 2 for a discussion of the Fund's policies.

The following table presents information about the Fund's assets measured at fair value as of December 31, 2009:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Balance as of December 31, 2009</u>
Assets				
Investments in securities at fair value	<u>\$144,717,152</u>	<u>\$73,060,629</u>	<u>\$ -</u>	<u>\$217,777,781</u>

(4) LOAN RECEIVABLE

The Fund has two loans receivable from a Constituent Organization which is fully collateralized by the Constituent Organization's unit holding in the Fund. Interest is payable semi-annually at the prime rate. At December 31, 2009 and 2008, the principal outstanding was \$600,000 and \$400,000, respectively.

THE CONSOLIDATED FUND OF FRIENDS FIDUCIARY CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

(5) INVESTMENT ADVISORY FEES

The Fund's investments are currently managed by seven registered investment advisors: Boston Common Asset Management, LLC, Brandywine Asset Management, Chicago Equity Partners, Columbia Management, Great Lakes Advisors, Inc., Lazard Asset Management LLC, Payden & Rygel, United States Trust Company and Urdang Investment Management, Inc. Pursuant to separate investment advisory agreements with each advisor the Fund pays quarterly investment advisory fees. Such fees are calculated at annual rates that range from 0.25% to 0.76% of the market value of its managed assets.

(6) RELATED PARTY TRANSACTIONS

During the years ended December 31, 2009 and 2008, respectively, the Fund paid Fiduciary \$335,556 and \$327,869 for administrative services provided to the Fund and \$247,801 and \$184,851 as reimbursement for other expenses directly related to the operations of the Fund.

The Fund executes certain security transactions with brokerage firms with which members of the Board of Directors of Fiduciary are affiliated. The Fund paid stock trading commissions to these brokerage firms of \$207,392 for 2009 and \$165,721 for 2008. In addition, the Fund paid \$51,800 in 2009 and \$44,500 in 2008 to a company of which a member of the Board of Directors of Fiduciary is an owner and officer for the preparation of investment performance reports.

During the years ended December 31, 2009 and 2008, respectively, the Fund paid legal fees of \$11,457 and \$76,588 to a law firm which is affiliated with one of the members of Fiduciary's Board of Directors.

(7) FINANCIAL HIGHLIGHTS

Operating performance for a unit outstanding for the years ended December 31, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Net unit value, beginning of year (c)	<u>\$34.19</u>	<u>\$49.21</u>
Net investment income (a)	1.03	1.21
Net realized and unrealized gain (loss) (b)	<u>5.78</u>	<u>(13.59)</u>
Total from operations	<u>6.81</u>	<u>(12.38)</u>
Distributions	<u>(2.49)</u>	<u>(2.64)</u>
Net unit value, end of year	<u>\$38.51</u>	<u>\$34.19</u>
Total return	<u>19.93</u> %	<u>(25.17)</u> %

The ratios of expenses to average net assets and net investment income to average net assets for the years ended December 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Expenses	.82%	.71%
Net investment income	2.83%	2.93%

THE CONSOLIDATED FUND OF FRIENDS FIDUCIARY CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

The net investment income and net realized and unrealized gains per unit were calculated by dividing the amounts of net investment income and net realized and unrealized gains for the years ended December 31, 2009 and 2008, as reflected in the accompanying statements of changes in net assets, by the **average** number of units outstanding during the respective years.

The total return was calculated by dividing the sum of the net investment income per unit **(a)** plus the net realized and unrealized gains per unit **(b)** for the years ended December 31, 2009 and 2008 by the net unit value, as of the beginning of the respective years **(c)**.

The ratios of expenses and net investment income to average net assets were calculated by dividing the amounts of expenses and net investment income for the years ended December 31, 2009 and 2008 by the **average** amount of net assets during the respective years.

(8) SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 19, 2010, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2009 that required recognition or disclosure in the financial statements.