FRIENDS FIDUCIARY℠

Financial Services for Quaker Organizations since 1898

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Consolidated Fund Update

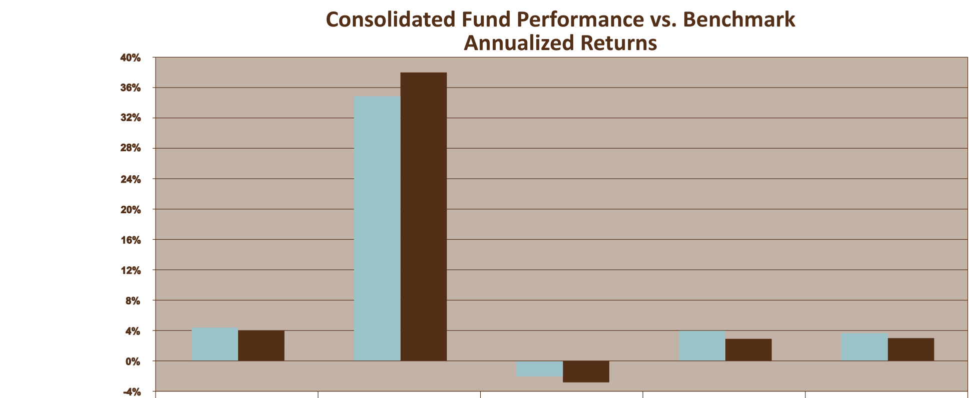
March 31 Snapshot

Consolidated Fund Unit Value	3/31/10	$39.51
Next Cash Distribution	6/20/10	$1.11

Asset Allocation	**3/31/2010**
Equities	61%
Fixed Income	34%
REITs	5%

Following an impressive nine-month rally off of March 2009 lows, equity markets entered 2010 with much optimism and positive momentum. Notwithstanding ample uncertainty about the direction of the economy, the markets continued to climb the proverbial wall of worry, but by mid-January concerns over sovereign debt and the sustainability of the nascent recovery took hold and the markets began to retrench. The pullback, however, was short-lived and by early February better than expected economic data, surprisingly strong corporate earnings and improving investor sentiment ignited a rally in equities that extended through March. By quarter's end the S&P 500 had posted its fourth consecutive quarterly gain with a 5.4% return. Small cap equity and REIT (Real Estate Investment Trusts) indexes participated in the rally as well, posting gains of 8.9% and 10.3%, respectively. International stocks edged out a modest 0.9% gain, and domestic bonds ended the quarter up 1.8%.

Building on good progress seen in 2009, the Consolidated Fund posted a 4.19% gain in the quarter compared to a gain of 3.90% for the blended benchmark.



	1st Q	1-Year	3-Years	5-Years	10-Years
Consolidated Fund	4.19%	34.79%	-1.60%	3.80%	3.42%
Blended Benchmark	3.90%	37.98%	-2.67%	2.69%	2.92%

Most of our investment managers outperformed their respective benchmarks. Of special note are results from Brandywine Global (large cap value) with a 6.17% gain versus its benchmark of 5.70%, Radnor Small Cap up 9.71% versus 8.85% for its benchmark and Boston Common (international) up 1.76% versus 0.85% for its benchmark. Our two new bond managers, Payden & Rygel and Lazard Asset Management posted returns of 1.94% and 1.10% compared to their benchmark returns of 1.78% and -0.28%, respectively. Urdang, our REIT manager, posted strong quarterly results of 10.11%, a modest 0.17% behind their benchmark.

As reported in our winter newsletter, the June 2010 income distribution will be $1.11 per unit. With March's unit value of $39.51, we offer an early estimate of $1.06 for the December 2010 income distribution. A final amount will be determined based on our end of June unit valuation.

In terms of asset allocation, the recent strength in equities coupled with several timely moves from bonds into stocks in 2009 has brought us closer to our desired long-term allocation targets. On March 31, the asset mix within the Consolidated Fund stood at 61% equities, 34% fixed income, 5% REITS compared to our targets of 62% equity/33% fixed income/5% REITS. In addition to closely monitoring the current allocations, we are exploring the risk/reward trade-offs of expanding our already diverse holdings to perhaps include commodities, emerging international markets and/or TIPs (Treasury Inflation Protected Securities). As in the past, any changes to our asset allocation model are thoroughly and extensively investigated by the Investment Committee in close cooperation with the Board of Directors.

During periods of extreme financial stress as occurred in the 2007-2009 period, it is not uncommon for even the most diversified portfolios to experience dramatic swings in value. In the face of this capital market turbulence we remain committed to our long-held beliefs in maintaining a balanced investment approach with prudent exposures to a variety of socially responsible opportunities. This philosophy has served us well in the past and will continue to do so into the future.

The Consolidated Fund maintains a socially responsible witness in its investments in harmony with Friends Testimonies.

Friends Fiduciary Consolidated Fund

Total Return for the Period Ending March 31, 2010

Fund Results	1st Qtr	1-Year	3-Years	5-Years	7-Years	10-Years
Total Fund	4.19	34.79	-1.60	3.80	7.12	3.42
Blended Benchmark	3.90	37.98	-2.67	2.69	6.33	2.92
Blended 65/35 Index	4.11	33.43	-0.69	3.13	6.10	1.72
Large Cap Domestic Stocks	5.76	50.60	-4.45	2.62	8.14	1.02
Large Cap Benchmark	5.39	49.75	-6.16	1.22	7.05	1.07
Fixed Income	1.82	8.16	5.54	4.78	4.78	6.21
BC Aggregate Bond Index	1.78	7.70	6.14	5.44	4.81	6.29

Performance by Manager	1st Qtr	1-Year	3-Years	5-Years	7-Years	10-Years
Large Cap Domestic Stocks						
Chicago Equity Partners	4.99	45.29	-5.01	2.16	6.93	-0.64
S&P 500	5.39	49.75	-4.17	1.91	6.80	-0.66
Brandywine Global	6.17	52.84	-2.51	3.62	8.77	3.44
Russell 1000	5.70	51.57	-3.99	2.30	7.31	-0.37
Great Lakes Advisors	6.23	51.03	-5.34	1.89	8.45	
Russell 1000 Value	6.79	53.57	-7.33	1.04	7.68	
Small Cap Domestic Stocks						
Radnor Small Cap	9.71	71.94	-3.34			
Russell 2000	8.85	62.77	-3.99			
International Stocks						
Boston Common	1.76	64.29	-5.85			
MSCI EAFE	0.85	54.42	-7.02			
REITs						
Urdang	10.11	112.59	-6.75	7.25		
DJ Wilshire Real Estate	10.28	115.38	-12.04	3.14		
Fixed Income						
Payden & Rygel	1.94	7.29	5.22	4.64	4.64	6.09
BC Aggregate Bond Index	1.78	7.70	6.14	5.44	4.81	6.29
Lazard Asset Management	1.10	11.52				
BC Global Aggregate Index	-0.28	10.22				

All returns are in percent. Returns for periods exceeding one year are annualized.
No predictions are made for the future and past returns are no guarantee of future results.

Blended Benchmark
42% S&P 500, 5% Russell 2000, 15% MSCI EAFE (Europe, Australasia & Far East), 33% Barclays Capital Aggregate Bond Index, 5% DJ Wilshire Real Estate Securities Index

Blended 65/35 Index
65% S&P 500, 35% Barclays Capital Aggregate Bond Index

Large Cap Domestic Stocks Benchmark
100% S&P 500, as of April 1, 2009, formerly 50% S&P 500/50% Russell 1000 Value

Chief Investment Officer

In this Newsletter issue, we welcome FFC's new Chief Investment Officer, Richard Kent. Rich's selection was the culmination of an exhaustive national search that attracted many excellent candidates.

Rich has an outstanding background in portfolio management, research and service to institutional investors at Fidelity Bank, Wilmington Trust, and Glenmede Trust. A graduate of Woodbury Friends School (now Mullica Hill Friends) as well as of Lehigh University and St. Joseph's University (M.B.A. in Financial Management), he is a Chartered Financial Analyst with 28 years' experience in money management and special expertise in carrying out the socially responsible investing missions of nonprofit organizations.

Constituents who attended the annual meeting had the opportunity to meet Rich and to hear his thoughts on *Investing Through Recovery, Navigating Uncertain Terrain*. Beginning in this issue, Rich will be sharing his insights on the Consolidated Fund, the market and the economy each quarter on page one.

Consolidated Fund Current Holdings

By Manager and including the Income & Deposit Account
As of March 31, 2010

Manager	Asset	Investment Style	% Assets	$
Chicago Equity Partners	Stocks	Growth at a Reasonable Price	19.3%	43,300,000
Brandywine Global	Stocks	Relative Value	13.9%	31,200,000
Great Lakes Advisors	Stocks	Value	7.4%	16,500,000
Radnor Small Cap	Stocks	Small Cap Core	5.9%	13,200,000
Boston Common	Stocks	International	14.0%	31,400,000
Urdang	REITs	Real Estate Investment Trusts	5.2%	11,600,000
Payden & Rygel	Bonds	Domestic Core	25.6%	57,500,000
Lazard	Bonds	Global	7.5%	16,800,000
Income & Deposit Acct	Cash	Cash	1.2%	2,800,000
Total Fund	Balanced	Total Return	100.0%	224,300,000

Consolidated Fund

Unit Value History

Previous Quarters Ending		Beginning Unit Value	Fund Value Before Distributions	One-half Distribution Accrued	Ending Unit Value	Semi-annual Distribution
June	2009	31.48	34.93	$0.640	34.29	$1.28
Sept	2009	34.29	38.51	$0.605	37.90	—
Dec	2009	37.90	39.11	$0.605	38.50	$1.21
Mar	2010	38.50	40.07	$0.555	39.51	—

The Consolidated Fund pays out a total return distribution each June and December.
The distribution for 2010 is based on a 5.25% payout ratio and a 12-quarter rolling average.
June 2010 distribution = (5.25% X $42.26)/2 = $1.11.

In this issue...

Friends Fiduciary's sole mission is to assist Friends organizations in the stewardship of their financial resources.

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Friends Fiduciary is pleased to welcome

Collins Friends Meeting (NY)
and
Rancocas Friends School (NJ)

as new constituents in the Consolidated Fund

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