

Performance Commentary FOURTH QUARTER 2009

For the fourth quarter of 2009, the Fund returned -0.06%, underperforming the Barclays Capital Intermediate Aggregate (BCIA) Index return of 0.52%.

The Fund's relative performance was helped the most by its avoidance of Treasuries.

The Fund's relative performance was hurt the most by its security selection among corporate bonds, government agency securities, and commercial mortgage-backed securities.

A LIPPER LEADER

The Domini Social Bond is a Lipper Leader in three categories — Preservation, Tax Efficiency, and Expense — placing the fund in the top 20% of its peers for each category.

	Total Return ¹	Tax Efficiency ²	Preservation ³	Expense ⁴
Overall & 3 Year Rating (No. of funds in peer group)	4 126	5 126	5 4127	5 38
5 Year Rating (No. of funds in peer group)	3 103	5 103	5 3625	5 34

All Lipper ratings reflect historical performance as of 12/31/09: **1.** Total Return rating reflects funds' historical total return performance relative to peers; **2.** Tax Efficiency (US) rating reflects funds' historical success in postponing taxable distributions relative to peers. Tax Efficiency (US) offers no benefit to investors in tax-sheltered accounts such as retirement plans. **3.** Preservation rating reflects funds' historical loss avoidance relative to other funds within the same asset class; Preservation ratings are relative, rather than absolute, measures, and funds named Lipper Leaders for Preservation may still experience losses periodically. **4.** Expense rating reflects funds' expense minimization relative to peers with similar load structures.

A "5" rating is Lipper's top rating, representing "Lipper Leader" status. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Total Return, Consistent Return, Preservation, Tax Efficiency, and Expense metrics over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperweb.com. Lipper Leader Copyright 2009.

MONTHLY RETURNS

	DSBFX	BCIA*
October	0.33 %	0.63 %
November	1.20 %	1.28 %
December	-1.57 %	-1.37 %

TOTAL RETURNS THROUGH 12/31/09

	DSBFX	BCIA*
Latest Quarter	-0.06 %	0.52 %
One Year	5.77 %	6.46 %
Three Year [†]	5.82 %	6.11 %
Five Year [†]	4.47 %	4.97 %
Since Inception (6/1/00) [†]	5.53 %	6.20 %

[†]Average annual total returns

*Barclays Capital Intermediate Aggregate Index

Past performance is no guarantee of future results. The Domini Social Bond Fund is not insured and is subject to market risks, interest rate risks, and credit risks. The Fund's returns quoted above represent past performance after all expenses. Investment return, principal value, and yield will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. You may lose money. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month-end, call 1-800-762-6814 or visit www.domini.com.

For the period reported in its current prospectus, the Fund's gross annual operating expenses totaled 1.37% of net assets. Until November 30, 2010, Domini has contractually agreed to waive fees and reimburse expenses to limit the Fund's expenses, on a per annum basis, to 0.95% of its net assets representing Investor shares, absent an earlier modification by the Board of Trustees, which oversees the Fund. The Advisor waived certain fees payable by the Fund during the periods reported above and the Fund's average total returns would have been lower had these not been waived. Each Domini Fund charges a 2.00% redemption fee on sales or exchanges of shares made less than 30 days after the settlement of purchase or acquisition through exchange, with certain exceptions. See the Fund's current prospectus for further information.

COMMUNITY IMPACT OF THE FUND'S PORTFOLIO

The Domini Social Bond Fund is designed to use the power of fixed-income investing to revitalize struggling communities.

The Fund seeks investments that do the following:

- increase access to capital for those historically underserved by mainstream financial services providers
- create public goods for those most in need
- use financial innovation in the service of the economically disadvantaged

All holdings are evaluated using Domini's Global Investment Standards.

The Fund's core investments are in mortgage-backed securities and direct obligations of certain U.S. government agencies and government-sponsored entities. As of December 31, the Fund had 30% of its investments in direct obligations of U.S. government agencies and government-sponsored entities, including Fannie Mae, Freddie Mac, and state or local authorities; and 41% in securitized debt, including mortgage-backed securities issued by the Government National Mortgage Association (Ginnie Mae), Fannie Mae, and Freddie Mac, commercial mortgage securities, collateralized mortgage obligations, and asset-backed securities issued by the U.S. Small Business Administration.

Ginnie Mae is a wholly owned government corporation that guarantees privately issued securities backed by pools of mortgages insured by the Federal Housing Administration, the Department of Veterans Affairs, and the Department of Agriculture under the Rural Housing Service Program. Although the U.S. government has provided financial support to Fannie Mae and Freddie Mac, there can be no assurance that it will support these or other government-sponsored enterprises in the future. (Ginnie Maes are guaranteed by the full faith and credit of the U.S. Treasury as to the timely payment of principal and interest. Freddie Maes and Fannie Maes are backed by their respective issuer only, and are not guaranteed or insured by the U.S. government or the U.S. Treasury.)

FUND HOLDING: LATINO COMMUNITY CREDIT UNION

As of December 31, the Fund held investments in federally insured certificates of deposit issued by 21 community development banks and credit unions that help rebuild communities across the United States, including Latino Community Credit Union of Durham, North Carolina.

Latino Community Credit Union was founded in 2000, in response to a wave of robberies and muggings of Latino immigrants who had no safe place to keep their money.

As of 2009, the credit union had 52,000 members and assets of \$90 million. More than 10,000 people have taken part in the credit union's financial literacy programs, and the credit union has won the Dora Maxwell Award for Social Responsibility, the Wachovia NEXT Award, the Credit Union Excellence in Consumer Lending Award, the Louise A. Herring Award for Philosophy in Action, and the Herb Wegner Memorial Award for Outstanding Organization.

As of December 31, 2009, Latino Community Credit Union represented 0.3% of the Fund's portfolio. The composition of the Fund's portfolio is subject to change. During periods of rising interest rates, bond funds can lose value. The Domini Social Bond Fund currently holds a large percentage of its portfolio in mortgage-backed securities. During periods of falling interest rates, mortgage-backed securities may prepay the principal due, which may lower the Fund's return by causing it to reinvest at lower interest rates. Some of the Fund's community development investments may be unrated and carry greater credit risks than its other investments.

The Barclays Capital Intermediate Aggregate Index is an unmanaged index of intermediate-duration fixed-income securities. You cannot invest directly in an index. The composition of the Fund's portfolio is subject to change. Obtain a copy of the Fund's most recent Annual or Semi-Annual Report, containing a complete description of the Fund's portfolio, by calling 1-800-762-6814 or at www.domini.com.

This commentary should not be considered a recommendation of the financial attractiveness as an investment of any of the companies mentioned.

This material must be preceded or accompanied by the Fund's current prospectus. Please read it carefully before investing.

DSIL Investment Services LLC, Distributor. 01/10

DOMINI SOCIAL BOND FUND®

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