

Performance Commentary THIRD QUARTER 2011

For the third quarter of 2011, the Fund returned 3.11%, outperforming the Barclays Capital Intermediate Aggregate (BCIA) Index return of 2.30%.

Late in the second quarter, we began selling corporate debt of financial companies and buying debt of industrial companies. The fund entered the third quarter with its lowest exposure to corporate bonds in several years, in anticipation of wider spreads in the credit sector expected to occur in the second half of 2011. However, later in the third quarter, we added some high quality corporate paper as opportunities arose. We maintained the fund's exposure to residential mortgage-backed securities during the quarter providing an opportunity to earn less-volatile incremental income.

The Fund's performance in the third quarter benefited from its large underweight of the financial sector, which dramatically underperformed during the quarter, as well as security selection within residential mortgage-backed securities, which emphasized securities with less prepayment volatility and greater stability, rather than loans that can be easily refinanced or restructured. In addition, the Fund was appropriately positioned in anticipation of an interest rate environment in which the difference between short-term and long-term rates shrink further. The combination of these strategies led to the Fund's strong performance during the quarter.

The Fund's relative performance was hurt the most by its exclusion of Treasuries. The Fund excludes Treasuries because a substantial proportion of revenues raised through these bonds finance military weapons and the maintenance of the U.S. nuclear weapons arsenal. The Fund holds U.S. government agency bonds that help to finance affordable housing, education and other public goods, instead of Treasuries.

A Commitment to Communities

The Fund seeks to make investments with positive impacts on communities. As of June 30, the Fund held certificates of deposit with 15 community development financial institutions, serving communities across the country.

MONTHLY TOTAL RETURNS

	DSBFX	BCIA*
July	1.26%	1.23%
August	1.65%	1.06%
September	0.17%	0.00%
TOTAL RETURNS THROUGH 9/30/11		
Latest Quarter	3.11%	2.30%
Year to Date	5.25%	5.02%
One Year	3.83%	4.22%
Three Year [†]	6.81%	7.12%
Five Year [†]	5.68%	6.16%
Ten Year [†]	4.58%	5.30%
Since Inception (6/1/00) [†]	5.56%	6.24%

[†]Average annual total returns

*Barclays Capital Intermediate Aggregate Index

Past performance is no guarantee of future results. The Fund's returns quoted above represent past performance after all expenses. Investment return, principal value, and yield will fluctuate. Your shares, when redeemed, may be worth more or less than their original cost. Call 1-800-762-6814 or visit www.domini.com for performance information current to the most recent month-end, which may be lower or higher than the performance data quoted. A 2.00% fee applies on sales/exchanges made less than 30 days after purchase/exchange, with certain exceptions.

For the period reported in its current prospectus, the Fund's gross annual operating expenses totaled 1.33% of net assets. Until 11/30/11, the Fund's Manager has contractually agreed to waive certain fees and/or reimburse certain expenses, including management fees, so that expenses paid by the Fund will not exceed, on a per annum basis, 0.95% of its average daily net assets, absent an earlier modification by the Board of Trustees, which oversees the Funds. The Fund's total return would have been lower without this limit.

The Fund is not insured and is subject to market risks, including interest rate and credit risks. During periods of rising interest rates, bond funds can lose value. The 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 performance information quoted above does not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of Fund shares. Total return is based on the Fund's net asset values and assumes all dividends and capital gains were reinvested.

This material must be preceded or accompanied by a current prospectus. Please read it carefully before investing.

DSIL Investment Services LLC, Distributor. 10/11