Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , and ending

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions

Name of foundation
ISLANDS FUND
C/O JOHN MUNN

Number and street (or P O box number if mail is not delivered to street address) — Room/suite
6523 CALIFORNIA AVENUE SW #137

City or town, state, and ZIP code
SEATTLE, WA 98136

A Employer identification number
91-1663838

B Telephone number
(206) 283-4790

C If exemption application is pending, check here ▶☐

D 1 Foreign organizations, check here ▶☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶☐

H Check type of organization: ☐ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☒ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶☐

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 92,517,023.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,593,102.	1,500,434.		STATEMENT 1
	4 Dividends and interest from securities	1,700,554.	1,558,747.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<6,145,122.>			
	b Gross sales price for all assets on line 6a 47,627.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	9,170.	9,170.		STATEMENT 3
	12 **Total.** Add lines 1 through 11	<2,842,296.>	3,068,351.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	15,000.	0.		15,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	100.	0.		0.
	b Accounting fees STMT 5	7,801.	0.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	65.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	351.	0.		0.
	22 Printing and publications				
	23 Other expenses STMT 7	295,811.	235,811.		0.
	24 **Total operating and administrative expenses** Add lines 13 through 23	319,128.	235,811.		15,000.
	25 Contributions, gifts, grants paid	5,300,000.			5,300,000.
	26 **Total expenses and disbursements** Add lines 24 and 25	5,619,128.	235,811.		5,315,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<8,461,424.>			
	b **Net investment income** (if negative, enter -0-)		2,832,540.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,952,308.	1,468,697.	1,468,697.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 10	23,502,203.	24,556,942.	37,695,841.
	c Investments - corporate bonds STMT 11	24,253,208.	17,911,354.	18,652,627.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 12	45,159,894.	44,260,375.	34,699,858.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	96,867,613.	88,197,368.	92,517,023.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 13)	0.	38,962.	
	23 **Total liabilities** (add lines 17 through 22)	0.	38,962.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	263,158.	263,158.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	96,604,455.	87,895,248.	
	30 **Total net assets or fund balances**	96,867,613.	88,158,406.	
	31 **Total liabilities and net assets/fund balances**	96,867,613.	88,197,368.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	96,867,613.
2	Enter amount from Part I, line 27a	2	<8,461,424.>
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	44,964.
4	Add lines 1, 2, and 3	4	88,451,153.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 9	5	292,747.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	88,158,406.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENT			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	47,627.			<6,145,122.>

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				<6,145,122.>

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } — 2 — <6,145,122.>

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 — 3 — N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	6,031,910.	103,198,940.	.058449
2007	5,056,994.	118,382,598.	.042717
2006	5,434,604.	111,885,125.	.048573
2005	5,293,662.	109,695,145.	.048258
2004	4,842,792.	103,720,541.	.046691

2	Total of line 1, column (d)	2	.244688
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.048938
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	85,594,253.
5	Multiply line 4 by line 3	5	4,188,812.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	28,325.
7	Add lines 5 and 6	7	4,217,137.
8	Enter qualifying distributions from Part XII, line 4	8	5,315,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	28,325.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	28,325.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	28,325.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	33,092.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	7,500.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	40,592.
8 Enter any **penalty** for underpayment of estimated tax. Check here [X] if Form 2220 is attached			8	
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	12,267.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 12,267. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		X
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WA			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ MR. JOHN MUNN Telephone no. ▶ (206) 283-4790

Located at ▶ 6523 CALIFORNIA AVENUE SW, NO. 137, SEATTLE, WA ZIP+4 ▶ 98136

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of (**1**) any purchase by the foundation or disqualified persons after May 26, 1969; (**2**) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (**3**) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

			Yes	No
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☒ Yes ☐ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b		X
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☒ No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 14		15,000.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	86,897,719.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	86,897,719.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	86,897,719.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,303,466.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	85,594,253.
6	**Minimum investment return.** Enter 5% of line 5	6	4,279,713.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	4,279,713.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	28,325.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	28,325.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	4,251,388.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	4,251,388.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	4,251,388.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	5,315,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	5,315,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	28,325.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,286,675.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				4,251,388.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008 652,376.				
f Total of lines 3a through e	652,376.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 5,315,000.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				4,251,388.
e Remaining amount distributed out of corpus	1,063,612.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,715,988.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	1,715,988.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008 652,376.				
e Excess from 2009 1,063,612.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

SARAH R. WERNER

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 15				
Total			▶ 3a	5,300,000.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments	523000	1,593,102.			
4 Dividends and interest from securities	523000	1,700,554.			
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income	523000	9,170.			
8 Gain or (loss) from sales of assets other than inventory	523000	23,669.			<6,168,791.>
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		3,326,495.		0.	<6,168,791.>
13 Total Add line 12, columns (b), (d), and (e)				13	<2,842,296.>

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
4	EARNINGS USED TO MEET TAX EXEMPT PURPOSE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee — Date 07/30/10 — Title Secretary

Paid Preparer's Use Only

Preparer's signature — Date 7/20/10 — Check if self-employed ☐ — Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code: HEDGE + DETHLEFS, P.S. 10900 NE 4TH STREET SUITE 2300 BELLEVUE, WA 98004

EIN

Phone no. (425) 637-3026

923822
02-02-10

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED MERRILL LYNCH STATEMENT - 4014			
b	SEE ATTACHED MERRILL LYNCH STATEMENT - 4308			
c	SEE ATTACHED MERRILL LYNCH STATEMENT - 4387			
d	SEE ATTACHED MERRILL LYNCH STATEMENT - 4393			
e	SEE ATTACHED MERRILL LYNCH STATEMENT - 4395			
f	SEE ATTACHED MERRILL LYNCH STATEMENT - 4014			
g	FRACTIONAL INTEREST PROCEEDS	P		
h	ING RIGHTS PROCEEDS	P		
i	CAPITAL GAINS DIVIDENDS			
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				<3,055,613.>
b				<265,191.>
c				<968,485.>
d				<473,012.>
e				<1,294,570.>
f				<135,878.>
g	68.			68.
h	23,890.			23,890.
i	23,669.			23,669.
j				
k				
l				
m				
n				
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				<3,055,613.>
b				<265,191.>
c				<968,485.>
d				<473,012.>
e				<1,294,570.>
f				<135,878.>
g				68.
h				23,890.
i				23,669.
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter "-0-" in Part I, line 7 }	2	<6,145,122.>
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
BECTON DICKINSON CO	876 0000	01/29/09	11/19/09			64,323 02	62,849 41	1,473.61
	90 0000	01/30/09	11/19/09			6,608 54	6,447 60	160 94
	18 0000	01/30/09	11/19/09			1,321.89	1,289 52	32 37
	292 0000	01/30/09	11/19/09			21,441 30	20,918 88	522 42
	54 0000	01/30/09	11/19/09			3,965 17	3,868 12	97 05
	454 0000	01/30/09	11/19/09			33,336 82	32,524 33	812 49
		Security Subtotal				**130,996.74**	**127,897 86**	**3,098.88**
WISDOMTREE TOTAL DIVID	3900 0000	01/30/09	06/01/09			136,511 70	123,318 00	13,193 70
	2100 0000	01/30/09	06/01/09			73,506 30	66,423 00	7,083.30
	1800 0000	01/30/09	06/01/09			63,005 40	56,952 00	6,053 40
	2200 0000	01/30/09	06/01/09			77,006 60	69,630 00	7,376 60
		Security Subtotal				**350,030.00**	**316,323.00**	**33,707.00**
KAYNE ANDERSON MLP	1423 0000	01/30/09	07/22/09			31,460 25	25,713 60	5,746 65
	3250 0000	01/30/09	07/23/09			72,148 15	58,727 49	13,420 66
	600 0000	01/30/09	07/23/09			13,349 66	10,841 99	2,507.67
	300 0000	01/30/09	07/23/09			6,677 83	5,420 99	1,256 84
	850 0000	01/30/09	07/23/09			18,954 51	15,359 50	3,595 01
	300 0000	01/30/09	07/23/09			6,698 83	5 421 00	1,277 83
	600 0000	01/30/09	07/23/09			13,409 66	10,842 00	2,567 66

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
KAYNE ANDERSON MLP	400 0000	01/30/09	07/24/09			8,439 78	7,228 00	1,211 78
	160 0000	01/30/09	07/24/09			3,377 51	2,891.20	486 31
	205 0000	01/30/09	07/24/09			4,337 69	3,704 35	633 34
	2535 0000	01/30/09	07/24/09			53,994 11	45,807 45	8,186 66
	1000 0000	01/30/09	07/24/09			21,309 45	18,070.00	3,239 45
	200 0000	01/30/09	07/24/09			4,263 89	3,614 00	649 89
	400 0000	01/30/09	07/24/09			8,531 78	7,227 99	1,303 79
	100 0000	01/30/09	07/24/09			2,133 95	1,807.00	326 95
	4800 0000	01/30/09	07/24/09			101,997 38	86,736 01	15,261 37
	200 0000	01/30/09	07/24/09			4,251 89	3,614 00	637 89
	4100 0000	01/30/09	07/24/09			86,712 77	74,087 01	12,625 76
	100 0000	01/30/09	07/24/09			2,115 95	1,807.00	308 95
	100 0000	01/30/09	07/24/09			2,116 95	1,807.00	309 95
	500 0000	01/30/09	07/24/09			10,589 73	9,035 00	1,554 73
	200 0000	01/30/09	07/24/09			4,237 89	3,614 00	623 89
	91 0000	02/06/09	07/27/09			1,992 84	1,729 00	263 84
	100 0000	02/06/09	07/27/09			2,189 94	1,862 00	327 94
	309.0000	02/06/09	07/27/09			6,766 94	5,762 85	1,004 09
	91.0000	02/06/09	07/27/09			1,993 75	1,697 15	296 60
	100 0000	02/06/09	07/27/09			2,190 95	1,869 00	321 95
	9 0000	02/06/09	07/27/09			197 19	168 39	28 80
	91 0000	02/06/09	07/27/09			1,995 57	1,702 61	292 96
	100 0000	02/06/09	07/27/09			2,192 95	1,879 00	313 95
	1844 0000	01/30/09	07/27/09			40,345 68	33,321 10	7,024 58
	1423 0000	01/30/09	07/27/09			31,134 44	25,713 61	5,420 83
	500 0000	02/06/09	07/27/09			10,939 71	9,520.00	1,419 71
	1000.0000	02/06/09	07/27/09			21,879 43	19,700 00	2,179 43
	100 0000	02/06/09	07/27/09			2,187 94	1,982 00	205 94
	7400 0000	02/06/09	07/27/09			161,907 86	147,630 00	14,277 86
	109 0000	02/06/09	07/27/09			2,384 86	2,071 00	313 86
		Security Subtotal				**771,409.66**	**659,984.29**	**111,425 37**
NOKIA CORP SPON ADR	752.0000	01/30/09	11/19/09			10,174 30	9,279 68	894 62
	7196 0000	01/30/09	11/19/09			97,359 40	88,795.76	8,563 64
		Security Subtotal				**107,533.70**	**98,075.44**	**9,458.26**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SAP AG SHS	1135 0000	01/30/09	11/19/09			54,444 57	41,115 26	13,329 31
	100 0000	01/30/09	11/19/09			4,797 88	3,622 49	1,175 39
		Security Subtotal				**59,242.45**	**44,737.75**	**14,504.70**
SCHLUMBERGER LTD	480 0000	01/30/09	11/19/09			30,935 59	19,924 80	11,010 79
	100 0000	01/30/09	11/19/09			6,444 91	4,152 00	2,292 91
	547 0000	01/30/09	11/19/09			35,253 70	22,716 91	12,536 79
	500 0000	01/30/09	11/19/09			32,224 59	20,764 50	11,460 09
		Security Subtotal				**104,858.79**	**67,558.21**	**37,300.58**
SMITH-NPHW PLC SPADR NEW	100.0000	01/30/09	11/24/09			4,719 96	3,585 00	1,134.96
	800 0000	01/30/09	11/24/09			37,759 76	28,688 00	9,071.76
	976 0000	01/30/09	11/24/09			46,066 92	35,028 64	11,038 28
		Security Subtotal				**88,546.64**	**67,301.64**	**21,245.00**
WYETH	383 0000	03/03/08	01/29/09			16,643 36	16,629 87	13.49
	204 0000	08/01/08	01/29/09			8,864 88	8,213 98	650.90
		Security Subtotal				**25,508.24**	**24,843.85**	**664.39**
		Short Term Capital Gains Subtotal				**1,638,126.22**	**1,406,722.04**	**231,404.18**

SHORT TERM CAPITAL LOSSES

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
BANK NEW YORK MELLON	92 0000	03/03/08	02/13/09			2,343 37	4,080 20	(1,736 83)
	167 0000	03/03/08	02/13/09			4,253 73	7,408 12	(3,154.39)
	164 0000	08/01/08	02/13/09			4,177 31	5,767 88	(1,590 57)
	243 0000	08/01/08	02/13/09			6,189 56	8,553 60	(2,364 04)
	200 0000	08/01/08	02/13/09			5,094 29	7 039 90	(1,945 61)
	1256 0000	11/14/08	02/13/09			31,992 15	37 780 48	(5,788 33)
	3243 0000	01/30/09	02/13/09			82,603 96	86,844 62	(4,240 66)
		Security Subtotal				**136,654.37**	**157,474 80**	**(20,820.43)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
DU PONT E I DE NEMOURS	49 0000	03/03/08	02/24/09			939 85	2,272 13	(1,332 28)
	200 0000	03/03/08	02/24/09			3,836 15	9,276 00	(5,439 85)
	126 0000	08/01/08	02/24/09			2,416 78	5,478 48	(3,061 70)
	236 0000	11/14/08	02/24/09			4,526 66	6,617.44	(2,090 78)
	1400 0000	01/30/09	02/24/09			26,853 13	32,872 00	(6,018 87)
	97 0000	01/30/09	02/24/09			1,860 54	2,277 37	(416 83)
		Security Subtotal				**40,433.11**	**58,793.42**	**(18,360 31)**
ISHARES DJ US TELCOMMUNI	300 0000	08/01/08	07/22/09			5,321 86	6,912 00	(1,590 14)
	500 0000	08/01/08	07/22/09			8,869 77	11,525 00	(2,655 23)
		Security Subtotal				**14,191.63**	**18,437.00**	**(4,245 37)**
ISHARES MSCI EAFE INDEX	300 0000	08/01/08	02/06/09			11,990 93	19,685 88	(7,694 95)
	100 0000	08/01/08	02/06/09			3,996 98	6,561 97	(2,564 99)
	100 0000	08/01/08	02/06/09			3,996 98	6,561 99	(2,565 01)
		Security Subtotal				**19,984 89**	**32,809.84**	**(12,824 95)**
EATON VANCE TAX DIV INC	300 0000	03/03/08	01/30/09			3,308 98	7,272 00	(3,963 02)
	300 0000	03/03/08	01/30/09			3,308 98	7,275.00	(3,966 02)
	800 0000	03/03/08	01/30/09			8,823 96	19,416 00	(10,592 04)
	400 0000	03/03/08	01/30/09			4,411 98	9,712 00	(5,300 02)
	239 0000	03/03/08	01/30/09			2,636 16	5,807 70	(3,171 54)
	61 0000	03/03/08	01/30/09			674 04	1,482.30	(808 26)
	1000 0000	03/03/08	01/30/09			11,049 94	24,310 00	(13,260 06)
	339 0000	03/03/08	01/30/09			3,745 93	8,244 48	(4,498 55)
	461 0000	03/03/08	01/30/09			5,098 63	11,211 52	(6,112 89)
	800 0000	03/03/08	01/30/09			8,847 95	19,464 00	(10,616 05)
	100 0000	03/03/08	01/30/09			1,106 99	2,433 00	(1,326 01)
	1000 0000	03/03/08	01/30/09			11,069 94	24,339 99	(13,270 05)
	200 0000	03/03/08	01/30/09			2,215 98	4,868 01	(2,652 03)
		Security Subtotal				**66,299 46**	**145,836.00**	**(79,536.54)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
PROCTER & GAMBLE CO	200 0000	03/03/08	02/13/09			10,329 98	13,206 00	(2,876 02)
	65 0000	11/14/08	02/13/09			3,357 24	4,154 80	(797 56)
	1426 0000	01/30/09	02/13/09			73,652.84	80,039 95	(6,387.11)
		Security Subtotal				**87,340.06**	**97,400.75**	**(10,060.69)**
MATERIALS SELECT SECTOR	226 0000	08/01/08	01/30/09			4,915 75	8,960 49	(4,044.74)
	846 0000	08/01/08	07/22/09			23,365 92	33,542 37	(10,176 45)
		Security Subtotal				**28,281.67**	**42,502 86**	**(14,221.19)**
STARWOOD HOTELS AND	725 0000	05/06/08	02/24/09			8,156 71	38 406 22	(30,249 51)
	100 0000	11/14/08	02/24/09			1,125 06	1,529 75	(404 69)
	962 0000	08/01/08	02/24/09			10,823 11	34,381 88	(23,558 77)
	268 0000	11/14/08	02/24/09			3,015 17	4,100 40	(1,085 23)
	700 0000	01/30/09	02/24/09			7,875 44	10,584 00	(2,708 56)
	1522 0000	01/30/09	02/24/09			17,123 47	23 027 86	(5,904 39)
	1400 0000	01/30/09	02/24/09			15,750 90	21,196 00	(5,445.10)
		Security Subtotal				**63,869.86**	**133,226 11**	**(69,356.25)**
HEALTH CARE SELECT SPDR	10920 0000	08/01/08	01/30/09			289,487 58	346 710 00	(57,222 42)
	2882 0000	08/01/08	01/30/09			76,430.21	91 503 50	(15,073.29)
	1800 0000	08/01/08	01/30/09			47,726 73	57,149 99	(9,423.26)
	1829 0000	08/01/08	07/22/09			49,089 11	58,070 75	(8,981 64)
		Security Subtotal				**462,733.63**	**553,434.24**	**(90,700.61)**
TIME WARNER CABLE INC	269 0000	10/14/08	04/01/09			6,585 07	8,453 54	(1,868 47)
	43 0000	11/14/08	04/01/09			1,052 64	1,151 37	(98.73)
		Security Subtotal				**7,637.71**	**9,604 91**	**(1,967.20)**
		Short Term Capital Losses Subtotal				927,426.39	1,249,519.93	(322,093.54)

NET SHORT TERM CAPITAL GAIN (LOSS) **(90,689.36)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LONG TERM CAPITAL GAINS								
SAP AG SHS	779 0000	01/25/08	11/19/09			37,367 67	35,802 84	1,564 83
	100 0000	11/14/08	11/19/09			4,796 87	3,563 00	1,233 87
	278 0000	11/14/08	11/19/09			13,335 32	9,904.64	3,430 68
		Security Subtotal				**55,499.86**	**49,270.48**	**6,229.38**
SCHLUMBERGER LTD	100 0000	11/14/08	11/19/09			6,444 91	4,921 00	1,523 91
	30 0000	11/14/08	11/19/09			1,933 47	1,476 60	456 87
	170 0000	11/14/08	11/19/09			10,956 35	8,369 10	2,587 25
	251 0000	11/14/08	11/19/09			16,176 73	12,359.24	3,817 49
		Security Subtotal				**35,511 46**	**27,125.94**	**8,385 52**
SECTOR SPDR CONSMRS STPL	3605 0000	05/17/04	07/22/09			86,373 58	81,653 25	4,720 33
	7479 0000	05/17/04	11/02/09			194,377 20	169,399 35	24,977 85
		Security Subtotal				**280,750.78**	**251,052.60**	**29,698 18**
SECTOR SPDR ENERGY	1306 0000	11/02/04	01/30/09			62,635 40	45,396.57	17,238 83
	100 0000	11/02/04	01/30/09			4,795 97	3,485.00	1,310 97
	494 0000	11/02/04	01/30/09			23,692 12	17,166 50	6,525 62
	35 0000	11/02/04	01/30/09			1,678 59	1,216.24	462 35
	100 0000	11/02/04	01/30/09			4,795 97	3,477 00	1,318 97
		Security Subtotal				**97,598.05**	**70,741.31**	**26,856.74**
SECTOR SPDR UTILITIES	391 0000	12/23/03	01/30/09			11,589 95	9,008 64	2,581 31
SMITH-NPHW PLC SPADR NEW	952 0000	10/30/08	11/24/09			44,934 10	43,473.08	1,461 02
	153 0000	11/14/08	11/24/09			7,221 55	5,801.76	1,419 79
	100 0000	11/14/08	11/24/09			4,719 96	3,795 00	924 96
	400 0000	11/14/08	11/24/09			18,879 87	15,184 00	3,695 87
	117 0000	11/14/08	11/24/09			5,522 36	4,456 53	1,065 83
		Security Subtotal				**81,277.84**	**72,710.37**	**8,567 47**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
WYETH	860 0000	01/25/08	01/29/09			37,371 51	35,784 60	1,586 91
		Long Term Capital Gains Subtotal				**599,599.45**	**515,693 94**	**83,905.51**
LONG TERM CAPITAL LOSSES								
BANK NEW YORK MELLON	536 0000	01/25/08	02/13/09			13,652.69	23,873 44	(10,220 75)
DU PONT E I DE NEMOURS	535 0000	01/25/08	02/24/09			10,261 72	23,914 50	(13,652 78)
ISHARES RUSSELL 1000	1000 0000	04/19/07	07/22/09			42,598.90	57,510 00	(14,911 10)
	10000 0000	03/07/07	07/22/09			425,989 05	548,500 00	(122,510 95)
	1000 0000	11/28/07	07/22/09			42,598 91	60,620 00	(18,021 09)
	3900 0000	12/29/05	11/19/09			188,911 14	201,357 01	(12,445.87)
	6100 0000	12/29/05	11/19/09			295,537.40	314,943 01	(19,405.61)
		Security Subtotal				**995,635.40**	**1,182,930.02**	**(187,294.62)**
ISHARES RUSSELL 1000	29739 0000	05/17/04	01/30/09			1,315,196 93	1,693,338 66	(378,141 73)
	800 0000	05/17/04	11/19/09			45,318 84	45,552 00	(233 16)
	1657 0000	05/17/04	11/19/09			93,833 50	94,349 57	(516 07)
	6293 0000	05/17/04	11/19/09			356,426 36	358,323 42	(1,897 06)
		Security Subtotal				**1,810,775.63**	**2,191,563.65**	**(380,788.02)**
ISHARES DJ US TELCOMMUNI	1738 0000	08/15/07	07/22/09			30,831 33	54,642 72	(23,811.39)
	2925 0000	05/17/04	07/22/09			51,888 17	61,893 00	(10,004 83)
		Security Subtotal				**82,719.50**	**116,535.72**	**(33,816.22)**
ISHARES MSCI EAFE INDEX	24400 0000	05/17/04	01/30/09			947,134 37	1,060,993 34	(113,858 97)
	2250 0000	12/14/04	01/30/09			87,338 20	117,780 00	(30,441 80)
	582 0000	12/31/04	01/30/09			22,591 48	31,040 00	(8,448 52)
	11702 0000	01/28/05	01/30/09			454,236.34	609,284 13	(155,047.79)
	9500 0000	12/29/05	02/06/09			379,712 87	568,572 20	(188,859 33)
		Security Subtotal				**1,891,013.26**	**2,387,669.67**	**(496,656.41)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
EATON VANCE TAX MANAGED	200 0000	08/16/06	01/30/09			2,429 98	3,946 00	(1,516 02)
	500 0000	08/16/06	01/30/09			6,079 96	9,865.00	(3,785 04)
	100 0000	08/16/06	01/30/09			1,217 99	1,973 00	(755 01)
	300 0000	08/16/06	01/30/09			3,659 97	5,919.00	(2,259 03)
	300 0000	08/16/06	01/30/09			3,668 97	5,919.00	(2,250 03)
	400.0000	08/16/06	01/30/09			4,899 97	7,892.01	(2,992 04)
	167 0000	10/31/06	01/30/09			2,045 74	3,356.70	(1,310 96)
		Security Subtotal				**24,002 58**	**38,870.71**	**(14,868 13)**
EATON VANCE TAX DIV INC	100 0000	08/16/06	01/30/09			1,108 99	2,505 00	(1,396 01)
	300 0000	08/16/06	01/30/09			3,329 98	7,515.00	(4,185 02)
	2700 0000	08/16/06	01/30/09			29,969 83	67,743.00	(37,773 17)
	700 0000	08/16/06	01/30/09			7,776 95	17,562 99	(9,786 04)
	900 0000	08/16/06	01/30/09			10,007 94	22,581 00	(12,573 06)
	1300 0000	08/16/06	01/30/09			14,338 91	32,617 01	(18,278 10)
	30 0000	10/11/06	01/30/09			330 89	773 73	(442 84)
	31 0000	11/08/06	01/30/09			341 92	805 93	(464 01)
		Security Subtotal				**67,205.41**	**152,103.66**	**(84,898 25)**
VANGUARD REIT ETF	2800 0000	08/17/07	01/30/09			86,183 51	187,807 47	(101,623 96)
	8500 0000	08/17/07	01/30/09			261,713 53	570,129 85	(308,416 32)
	4100 0000	08/17/07	01/30/09			126,320 29	275,003 81	(148,683 52)
	3000 0000	08/17/07	01/30/09			92,399 48	201,222 30	(108,822 82)
	700 0000	08/17/07	01/30/09			21,573 87	46,951 87	(25,378 00)
	400 0000	08/17/07	01/30/09			12,321 93	26,829 65	(14,507 72)
		Security Subtotal				**600,512.61**	**1,307,944.95**	**(707,432 34)**
SPDR DJ WILSHIRE INTL	600 0000	08/17/07	01/30/09			14,213 92	34,180 14	(19,966 22)
	500 0000	08/17/07	01/30/09			11,864 93	28,483 45	(16,618 52)
	3600 0000	08/17/07	01/30/09			85,463 52	205,080 84	(119,617 32)
	2500 0000	08/17/07	01/30/09			59,399 66	142,417 25	(83,017 59)
	2200 0000	08/17/07	01/30/09			52,337 70	125,327 18	(72,989 48)
	1100 0000	08/17/07	01/30/09			26,190 85	62,663.60	(36,472 75)
		Security Subtotal				**249,470 58**	**598,152.46**	**(348,681.88)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
METTLER-TOLEDO INTL INC	500 0000	07/20/05	03/06/09			23,786 81	24,545 00	(758 19)
	200 0000	01/04/06	03/06/09			9,514 72	11 148 00	(1,633 28)
	800 0000	01/04/06	03/06/09			38,058 92	44,632 00	(6,573.08)
		Security Subtotal				**71,360.45**	**80,325 00**	**(8,964.55)**
NOKIA CORP SPON ADR	265 0000	12/21/07	11/19/09			3,585 35	10,284 66	(6,699 31)
	400 0000	12/21/07	11/19/09			5,411 86	15 528 00	(10,116 14)
	48 0000	01/25/08	11/19/09			649 42	1 690 08	(1,040.66)
	649 0000	03/03/08	11/19/09			8,780 74	23,071 95	(14,291 21)
	958 0000	08/01/08	11/19/09			12,961 40	25,922 52	(12,961.12)
		Security Subtotal				**31,388.77**	**76,497 21**	**(45,108.44)**
PROCTER & GAMBLE CO	1000 0000	12/14/04	02/13/09			51,649 91	56 530 00	(4,880 09)
	4 0000	02/16/05	02/13/09			206 59	213 96	(7 37)
	5 0000	05/17/05	02/13/09			258 24	275 50	(17 26)
	5 0000	08/16/05	02/13/09			258 24	271 06	(12 82)
	6 0000	11/16/05	02/13/09			309 89	337 34	(27.45)
	4 0000	02/16/06	02/13/09			206 60	240 11	(33 51)
	6 0000	05/16/06	02/13/09			309 89	333 92	(24.03)
	5 0000	08/16/06	02/13/09			258 24	301 86	(43.62)
		Security Subtotal				**53,457.60**	**58,503.75**	**(5,046.15)**
SAP AG SHS	83 0000	03/03/08	11/19/09			3,981 40	3 992 30	(10 90)
	159 0000	03/03/08	11/19/09			7,627 03	7,649 49	(22.46)
		Security Subtotal				**11,608.43**	**11,641 79**	**(33.36)**
MATERIALS SELECT SECTOR	2348 0000	05/20/05	01/30/09			51,071 52	65,509 20	(14,437 68)
SCHLUMBERGER LTD	307 0000	01/25/08	11/19/09			19,785 88	24 111 78	(4,325.90)
	300 0000	01/25/08	11/19/09			19,334 74	23 565 00	(4,230 26)
	173 0000	03/03/08	11/19/09			11,149 70	15,144 43	(3,994 73)
		Security Subtotal				**50,270.32**	**62,821 21**	**(12,550.89)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
HEALTH CARE SELECT SPDR	1426 0000	08/15/07	01/30/09			37,803 04	48,098 98	(10,295 94)
	4217 0000	05/20/05	07/22/09			113,181 37	132,751 16	(19,569 79)
	175 0000	02/01/06	07/22/09			4,696 87	5,643 75	(946.88)
	248.0000	08/01/06	07/22/09			6,656 15	7,866 56	(1,210 41)
	1592 0000	05/17/04	11/02/09			45,020 60	48 762 96	(3,742 36)
	4508 0000	05/17/04	11/02/09			127,482 97	138,125 12	(10,642 15)
	1692 0000	05/17/04	11/02/09			47,848 70	51,842 87	(3,994 17)
		Security Subtotal				**382,689.70**	**433,091.40**	**(50,401.70)**
SECTOR SPDR CONSMRS STPL	6064 0000	11/15/07	01/30/09			137,348 82	171,611 20	(34,262 38)
	123 0000	01/25/08	01/30/09			2,785 94	3,314 85	(528 91)
	700 0000	01/25/08	01/30/09			15,861 91	18,864 99	(3,003.08)
	324 0000	08/01/06	07/22/09			7,762 84	7,986 60	(223.76)
	371 0000	07/26/06	07/22/09			8,888 93	9,134 02	(245 09)
	4720 0000	01/25/08	07/22/09			113,088 30	127,204 00	(14,115 70)
		Security Subtotal				**285,736.74**	**338,115 66**	**(52,378.92)**
CONSUMER DISCRETIONARY	2087 0000	11/02/04	01/30/09			41,468 69	68 641 43	(27,172 74)
	1667 0000	01/11/06	01/30/09			33,131 43	56,211 24	(23,079.81)
	66 0000	08/01/06	01/30/09			1,311 42	2,123 22	(811 80)
	56 0000	10/02/06	01/30/09			1,113 13	1,960 56	(847.43)
	640 0000	05/17/04	07/22/09			15,648 17	19,225 60	(3,577 43)
	1357 0000	05/17/04	07/22/09			33,179 03	40,804 99	(7,625 96)
		Security Subtotal				**125,851.87**	**188,967.04**	**(63,115.17)**
SECTOR SPDR FINANCIAL	18035 0000	05/17/04	07/22/09			219,119 62	495,962 51	(276,842 89)
SECTOR SPDR INDUSTRIAL	10859 0000	05/17/04	01/30/09			229,486 20	282 008 20	(52,522 00)
	228 0000	02/01/06	01/30/09			4,818 38	7 161 48	(2,343.10)
	208 0000	02/01/06	01/30/09			4,395 72	6,585 28	(2,189 56)
	1086 0000	11/05/07	01/30/09			22,950 73	42 006 48	(19,055 75)
	1000 0000	05/17/04	11/02/09			25,489 94	25 950 00	(460.06)
	4855 0000	05/17/04	11/02/09			123,753 68	126,084 36	(2,330 68)
		Security Subtotal				**410,894.65**	**489,795.80**	**(78,901.15)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
AMEX TECHNLGY SELCT SPDR	29600 0000	05/17/04	01/30/09			444,618 63	571,280 00	(126,661 37)
	2066 0000	05/17/04	01/30/09			31,033 18	39,853 14	(8,819 96)
	1569 0000	08/06/04	01/30/09			23,567 79	29,324 61	(5,756 82)
	394 0000	11/02/04	01/30/09			5,918 23	8,013 96	(2,095 73)
	701 0000	02/01/05	01/30/09			10,529 65	14,027 01	(3,497 36)
	1434 0000	05/20/05	01/30/09			21,539 99	28,766 03	(7,226 04)
	683 0000	08/15/07	07/22/09			13,223 15	17,075 00	(3,851 85)
		Security Subtotal				**550,430.62**	**708,339.75**	**(157,909.13)**
SECTOR SPDR UTILITIES	161 0000	10/02/06	01/30/09			4,772 33	5,504.59	(732 26)
	100 0000	11/01/06	01/30/09			2,964 18	3,605 00	(640 82)
	290 0000	11/15/07	01/30/09			8,596 12	12,052 41	(3,456 29)
		Security Subtotal				**16,332.63**	**21,162.00**	**(4,829.37)**
		Long Term Capital Losses Subtotal				**8,005,462 30**	**11,054,291.10**	**(3,048,828 80)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(2,964,923.29)**
OTHER TRANSACTIONS								
TIME WARNER INC SHS	0000	04/21/09	04/21/09			14 63	N/A	N/A
TIME WARNER CABLE INC	0000	04/27/09	04/27/09			4 73	N/A	N/A
		Other Transactions Subtotal				**19.36**		
TOTAL CAPITAL GAINS AND LOSSES						**11,170,633.72**	**14,226,227.01**	**(3,055,612.65)**
TOTAL REPORTABLE GROSS PROCEEDS						**11,170,831 14**		
DIFFERENCE						**(197.42) ***		

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)

Note Capital gains and losses in this statement are not reported to the IRS

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e g , liquidation of fractional shares and the proceeds from certain tender offers) It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e g , option premium received)

N/A - Results which cannot be calculated because of insufficient data in the Capital Gain or (Loss) Column and are not included in the realized capital gain and loss summary

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	231,404 18	(322,093 54)	83,905 51	(3,048,828 80)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL LOSSES								
ML&CO. STRIDES MON	6000.0000	03/18/08	02/04/09			116,963.09	150,000.00	(33,036.91)
		Short Term Capital Losses Subtotal				**116,963.09**	**150,000.00**	**(33,036.91)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(33,036.91)**
LONG TERM CAPITAL GAINS								
ANHEUSER BUSCH CO 9.00% 0	10000.0000§	09/28/01	12/01/09	(227.72)(A)	(2,213.33)(A)	10,000.00	10,000.00(C)	0.00
ATLANTIC RICHFIEL 5.90% 0	150000.0000§	07/02/04	04/15/09	(807.94)(A)	(14,016.00)(A)	150,000.00	150,000.00(C)	0.00
ALLSTATE CORP 7.20% 2009	45000.0000§	03/26/01	12/01/09	(369.80)(A)	(3,634.50)(A)	45,000.00	45,000.00(C)	0.00
GENL ELEC CAP CP 8.30% 09	250000.0000§	11/30/07	07/23/09	(6,418.37)(A)	(18,454.57)(A)	257,500.00	251,808.28(C)	5,691.72
GENL ELEC CAP COR 4.62% 0	30000.0000§	07/02/04	09/15/09	(127.86)(A)	(957.90)(A)	30,000.00	30,000.00(C)	0.00

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
HOME DEPOT INC 3.75% 2009	120000.0000	03/11/05	09/15/09			120,000.00	117,921.60	2,078.40
	250000.0000	06/14/05	09/15/09			249,999.99	248,470.35	1,529.64
	300000.0000	07/20/05	09/15/09			300,000.01	296,735.35	3,264.66
		Security Subtotal				**670,000.00**	**663,127.30**	**6,872.70**
INTL LEASE FIN 6.37% 2009	300000.0000§	12/24/03	03/16/09	(1,331.09)(A)	(35,625.00)(A)	300,000.00	300,000.00(C)	0.00
FORD MTR CREDIT 5.80% 200	102000.0000	09/28/01	01/12/09			102,000.00	98,598.78	3,401.22
CHASE MANHATTAN 7.12% 200	50000.0000§	03/26/01	06/15/09	(206.14)(A)	(3,873.02)(A)	50,000 00	50,000 00(C)	0.00
COCA-COLA ENTERPR 7.12% 0	30000.0000§	09/28/01	09/30/09	(234.31)(A)	(2,607.70)(A)	30,000.00	30,000.00(C)	0.00
DUKE ENERGY CORP 5.37% 09	50000.0000	03/26/01	01/02/09			50,000.00	48,091.79	1,908.21
DOW CHEMICAL 5.97%JAN15 0	47000.0000§	09/28/01	01/15/09	(8.07)(A)	(1,617.19)(A)	47,000.00	47,000.00(C)	0.00
DUPONT EI DE NEMO 6.87% 0	150000.0000§	07/02/04	10/15/09	(3,580.04)(A)	(21,775.50)(A)	150,000.00	150,000.00(C)	0.00
GILLETTE COMPANY 3.80% 09	250000.0000	06/14/05	09/15/09			249,999.99	249,907.85	92.14
	500000.0000	02/06/06	09/15/09			500,000.01	486,785.35	13,214.66
		Security Subtotal				**750,000.00**	**736,693.20**	**13,306.80**
MARSH & MCLENNAN 7.12% 0	50000.0000§	03/26/01	06/15/09	(211.19)(A)	(3,971.85)(A)	50,000.00	50,000.00(C)	0.00
MERRILL LYNCH & CO	50000.0000§	03/26/01	02/17/09	(7.42)(A)	(475.50)(A)	50,000.00	50,000.00(C)	0.00
PROCTER AND GAMBL 6.87% 0	250000.0000§	05/07/07	09/15/09	(3,439.52)(A)	(11,672.85)(A)	250,000.00	250,000.00(C)	0.00
PFIZER INC 3.30%MAR02 09	250000.0000	05/07/07	03/02/09			250,000.00	243,450.35	6,549.65
	150000.0000	11/30/07	03/02/09			150,000.00	149,967.85	32.15
		Security Subtotal				**400,000.00**	**393,418.20**	**6,581.80**
SBC COMMUN 4.12%SEP15 09	150000.0000	06/15/05	09/15/09			150,000.00	149,489.35	510.65

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
TARGET CORP 5.37%JUN15 09	250000.0000§	06/15/05	06/15/09	(1,435.11)(A)	(12,902.85)(A)	250,000.00	250,000.00(C)	0.00
WAL-MART STORES 6.87% 200	97000.0000§	09/28/01	08/10/09	(817.92)(A)	(11,122.20)(A)	97,000.01	97,000.00(C)	0.01
PRINCIPAL LIFE INC F CLD	500000.0000	11/10/06	05/15/09			500,000.00	500,000.00	0.00
CATERPILLAR FIN SERV CLD	250000.0000	11/13/06	10/15/09			250,000.00	250,000.00	0.00
CATERPILLAR FIN SERV CRP	250000 0000	03/12/07	03/16/09			250,000.00	250,000.00	0.00
HSBC FINANCE CORP	250000.0000	03/12/07	03/16/09			250,000.00	250,000.00	0.00
HSBC FINANCE CORP	350000.0000	03/12/07	11/30/09			358,345.65	350,000.00	8,345.65
CD IMPERIAL CAPITAL BK	97000.0000	03/19/08	12/22/09			97,000.00	97,000.00	0.00
FEDERAL NATL MTGE ASSN	300000.0000§	12/23/03	01/15/09	(201.66)(A)	(22,687.50)(A)	300,000.00	300,000.00(C)	0.00
US TSY 3.375% OCT 15 200	100000.0000	03/11/05	10/15/09			100,000.00	97,606.88	2,393.12
	500000.0000	02/06/06	10/15/09			500,000.00	482,237.85	17,762.15
		Security Subtotal				**600,000.00**	**579,844.73**	**20,155.27**
US TSY 3.500% NOV 15 200	250000.0000	06/15/05	11/16/09			250,000.00	248,081.93	1,918.07
NATIONAL CITY BANK CLD	99000.0000	03/12/08	03/30/09			99,000.00	99,000.00	0.00
BANK HAPOALIM CLD	99000.0000	04/15/08	04/30/09			99,000.00	99,000.00	0.00
		Long Term Capital Gains Subtotal				**6,941,845.66**	**6,873,153.56**	**68,692.10**
LONG TERM CAPITAL LOSSES								
AMN GENL CORP 7.50% 2010	400000.0000§	04/02/04	05/15/09	(5,125.23)(A)	(62,212.42)(A)	365,494.65	416,767.58(C)	(51,272.93)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
WAL-MART STORES 6.87% 200	50000.0000§	03/26/01	08/10/09	(309.89)(A)	(4,453.74)(A)	49,999.99	50,000.00(C)	(0.01)
PRUDENTIAL FINANCIAL INC	250000.0000	11/13/06	06/16/09			242,911.15	250,000.00	(7,088.85)
HARTFORD LIFE INSURANCE	250000.0000	11/13/06	06/16/09			238,912.40	250,000.00	(11,087.60)
AMERICAN HIGH INCM TR A	57274.3810	02/27/07	05/11/09			500,000.00	731,396.44	(231,396.44)
		Long Term Capital Losses Subtotal				**1,397,318.19**	**1,698,164.02**	**(300,845.83)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(232,153.73)**
OTHER TRANSACTIONS								
TOYOTA MOTOR CREDIT CLD	350000.0000	04/04/08	04/20/09			350,000.00	350,000.00	N/C
TOYOTA MOTOR CREDIT CORP	100000.0000	05/22/08	06/22/09			100,000.00	100,000.00	N/C
		Other Transactions Subtotal				**450,000.00**	**450,000.00**	
TOTAL CAPITAL GAINS AND LOSSES						**8,906,126.94**	**9,171,317.58**	**(265,190.64)**
TOTAL REPORTABLE GROSS PROCEEDS						**8,906,126.94**		
DIFFERENCE						**0.00 ***		

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
ABB LTD SPON ADR	337 0000	02/25/09	11/24/09			6,416 46	3,858 08	2,558 38
AMERIPRISE FINL INC	951 0000	11/17/08	01/21/09			17,972 19	16,874 26	1,097 93
AMER EXPRESS COMPANY	156 0000	11/17/08	11/16/09			6,525 32	3,138 67	3,386 65
CATERPILLAR INC DEL	35 0000	11/17/08	11/16/09			2,128 65	1,312 54	816 11
CORNING INC	3015 0000	11/17/08	02/25/09			32,530 16	27,735 59	4,794 57
EMERSON ELEC CO	730 0000	11/17/08	06/25/09			24,089 67	24,056 79	32 88
	853 0000	02/25/09	06/25/09			28,148 62	23,869 24	4,279 38
		Security Subtotal				**52,238.29**	**47,926.03**	**4,312.26**
HSBC HLDG PLC SP ADR	65 0000	11/17/08	11/16/09			4,174 31	3,506.87	667 44
INTUITIVE SURGICAL INC	32 0000	11/17/08	11/16/09			8,961 05	4,163 71	4,797 34
		Short Term Capital Gains Subtotal				**130,946.43**	**108,515.75**	**22,430.68**

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL LOSSES								
CORNING INC	1041.0000	05/30/08	02/25/09			11,231 80	28,602.93	(17,371 13)
	16 0000	06/09/08	02/25/09			172.63	426.54	(253.91)
		Security Subtotal				**11,404.43**	**29,029.47**	**(17,625.04)**
NATIONAL-OILWELL VARCO	310 0000	02/07/08	01/16/09			7,424 30	18,247 47	(10,823 17)
	177 0000	05/30/08	01/16/09			4,239 03	14,603.81	(10,364 78)
	467 0000	11/17/08	01/16/09			11,184 36	12,281.40	(1,097 04)
		Security Subtotal				**22,847.69**	**45,132.68**	**(22,284.99)**
WEATHERFORD INTL LTD	818 0000	11/17/08	02/09/09			10,275 58	10,992 37	(716 79)
		Short Term Capital Losses Subtotal				**44,527.70**	**85,154.52**	**(40,626.82)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(18,196.14)**
LONG TERM CAPITAL GAINS								
ALTRIA GROUP INC	10.0000	08/10/04	11/16/09			194 02	108.94	85.08
ABB LTD SPON ADR	690 0000	11/17/08	11/24/09			13,137 53	7,734.28	5,403 25
APPLE INC	200 0000	07/19/07	11/16/09			41,505 75	28,028.77	13,476 98
CONOCOPHILLIPS	70 0000	01/10/05	11/16/09			3,785 54	2,997.40	788 14
COCA COLA COM	60 0000	01/10/05	11/16/09			3,418 74	2,479 89	938 85
EMERSON ELEC CO	49 0000	03/31/05	06/25/09			1,616 97	1,593 74	23 23
FOMENTO ECNMCO MEX SPADR	476 0000	04/15/08	12/08/09			22,255 89	21,544 34	711.55
FRANKLIN RES INC	150 0000	05/30/08	11/16/09			17,151 27	15,273.97	1,877 30

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
JPMORGAN CHASE & CO	150.0000	12/02/04	11/16/09			6,514 63	5,787 31	727 32
LAUDER ESTEE COS INC A	405.0000	11/01/04	11/16/09			19,691 36	16,835.86	2,855 50
	45.0000	07/06/05	11/16/09			2,187.93	1,749 01	438.92
		Security Subtotal				**21,879.29**	**18,584.87**	**3,294.42**
MERCK AND CO INC SHS	110 0000	01/10/05	11/16/09			3,717 91	3,455 10	262 81
MICROSOFT CORP	1000.0000	11/01/04	11/16/09			29,619 33	28,018 00	1,601 33
NESTLE S A REP RG SH ADR	150 0000	11/01/04	11/16/09			7,132 31	3,598 09	3,534 22
OCCIDENTAL PETE CORP CAL	75 0000	01/10/05	11/16/09			6,383 83	2,092.55	4,291 28
PEABODY ENERGY CORP COM	250 0000	02/15/07	11/16/09			11,480 38	9,489 56	1,990.82
PATRIOT COAL CORP	8 0000	08/17/07	10/02/09			87 66	87 29	0 37
PHILIP MORRIS INTL INC	300.0000	08/10/04	11/16/09			15,218 75	7,447 32	7,771.43
PRAXAIR INC	30 0000	03/10/05	11/16/09			2,541 83	1,436.38	1,105 45
ROYAL DUTCH SHELL PLC	63 0000	11/01/04	11/16/09			3,981 49	3,393 82	587 67
	17 0000	01/10/05	11/16/09			1,074 38	947 92	126 46
		Security Subtotal				**5,055.87**	**4,341.74**	**714.13**
TARGET CORP COM	300 0000	04/02/04	11/16/09			14,939 76	13,443 00	1,496.76
TRANSOCEAN LTD	60.0000	07/11/06	11/16/09			5,416 06	4,709 32	706 74
	91 0000	07/11/06	11/23/09			7,750 81	7,142 47	608 34
	175 0000	11/17/08	11/23/09			14,905 42	12,755 73	2,149 69
		Security Subtotal				**28,072.29**	**24,607.52**	**3,464.77**
UNITED TECHS CORP COM	200 0000	05/16/06	11/16/09			13,831 68	13,031 52	800 16

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
WALGREEN CO	250 0000	04/02/04	11/16/09			9,834 87	8,265 00	1,569 87
		Long Term Capital Gains Subtotal				**279,376.10**	**223,446.58**	**55,929.52**
LONG TERM CAPITAL LOSSES								
ABB LTD SPON ADR	250 0000	10/01/07	11/16/09			4,948 02	6,793.52	(1,845.50)
	1291 0000	10/01/07	11/24/09			24,580 52	35,081 77	(10,501.25)
		Security Subtotal				**29,528.54**	**41,875.29**	**(12,346.75)**
AMERIPRISE FINL INC	210 0000	10/28/05	01/20/09			3,973 91	7,712 48	(3,738 57)
	244 0000	10/28/05	01/21/09			4,611 15	8,961 18	(4,350.03)
		Security Subtotal				**8,585.06**	**16,673.66**	**(8,088.60)**
AMER EXPRESS COMPANY	55 0000	08/10/04	04/02/09			815 17	2,409.36	(1,594 19)
	282 0000	11/01/04	04/02/09			4,179 61	13,064.95	(8,885 34)
	256 0000	11/01/04	11/16/09			10,708 20	11,860.39	(1,152 19)
	188 0000	01/10/05	11/16/09			7,863 83	8,851.48	(987 65)
		Security Subtotal				**23,566.81**	**36,186.18**	**(12,619.37)**
BANK OF AMERICA CORP	300 0000	08/10/04	11/16/09			4,841 87	12,735 00	(7,893 13)
CATERPILLAR INC DEL	465 0000	07/11/06	11/16/09			28,280.56	33,975.09	(5,694 53)
CISCO SYSTEMS INC COM	300 0000	10/25/07	11/16/09			7,209.23	9,359 94	(2,150.71)
EMERSON ELEC CO	1495 0000	03/31/05	03/31/09			42,209 59	48,625.10	(6,415 51)
FOMENTO ECNMCO MEX SPADR	350.0000	04/15/08	11/16/09			15,453 19	15,841.41	(388 22)
ISHARES RUSSELL 1000	45000 0000	12/29/05	02/27/09			1,503,891 57	2,323,350.01	(819,458.44)
GENL DYNAMICS CORP COM	35 0000	05/07/08	11/16/09			2,393 58	3,158.40	(764 82)

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
GENERAL ELECTRIC	1786 0000	04/02/04	02/09/09			19,303 51	55,473 17	(36,169 66)
	125 0000	07/29/04	02/09/09			1,351 03	4,130 00	(2,778 97)
	506 0000	11/01/04	02/09/09			5,468 97	17,204.00	(11,735.03)
	1100.0000	11/01/04	11/16/09			17,777 74	37,400 00	(19,622 26)
		Security Subtotal				**43,901.25**	**114,207.17**	**(70,305.92)**
HALLIBURTON COMPANY	84 0000	06/06/06	11/16/09			2,683 00	3,099 03	(416 03)
	516.0000	07/11/06	11/16/09			16,481 34	19,166.66	(2,685 32)
		Security Subtotal				**19,164.34**	**22,265.69**	**(3,101.35)**
HSBC HLDG PLC SP ADR	507 0000	01/10/05	11/16/09			32,559.56	41,964 40	(9,404 84)
	128.0000	07/06/05	11/16/09			8,220 16	10,218 64	(1,998 48)
		Security Subtotal				**40,779.72**	**52,183.04**	**(11,403.32)**
INTUITIVE SURGICAL INC	66 0000	05/07/08	11/16/09			18,482 14	19,380 49	(898 35)
	2 0000	05/16/08	11/16/09			560 06	596 51	(36 45)
		Security Subtotal				**19,042.20**	**19,977.00**	**(934.80)**
INTEL CORP	600 0000	01/10/05	11/16/09			12,149 74	13,704 00	(1,554 26)
MC GRAW HILL COMPANIES	150 0000	08/10/04	11/16/09			4,762 78	5,529 00	(766 22)
MICROCHIP TECHNOLOGY INC	30 0000	01/10/07	11/16/09			810 87	1,048.26	(237 39)
NEWS CORP CL A	360 0000	08/10/04	11/16/09			4,636 71	5,477.41	(840 70)
	1598 0000	11/01/04	11/16/09			20,581.87	24,912.82	(4,330.95)
	542 0000	07/06/05	11/16/09			6,980 84	8,722.02	(1,741.18)
		Security Subtotal				**32,199.42**	**39,112.25**	**(6,912.83)**
PRUDENTIAL FINANCIAL INC	100 0000	03/27/07	11/16/09			4,930 68	9,070 62	(4,139 94)
PATRIOT COAL CORP	90.0000	02/15/07	10/02/09			986 11	1,162 38	(176 27)
	36 0000	07/19/07	10/02/09			394 45	545 35	(150 90)
		Security Subtotal				**1,380.56**	**1,707.73**	**(327.17)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SCHLUMBERGER LTD	200 0000	08/28/08	11/16/09			13,627 74	19,660 91	(6,033 17)
TEXAS INSTRUMENTS	500 0000	12/15/06	11/16/09			13,030 36	14,989.99	(1,959 63)
TRANSOCEAN LTD	110 0000	07/19/07	11/23/09			9,369 12	11,936 75	(2,567 63)
	105 0000	02/07/08	11/23/09			8,943.25	12,859.08	(3,915 83)
		Security Subtotal				**18,312.37**	**24,795.83**	**(6,483.46)**
WEATHERFORD INTL LTD	1072 0000	07/12/07	02/09/09			13,466 27	29,705.07	(16,238 80)
		Long Term Capital Losses Subtotal				**1,903,518.30**	**2,909,736.64**	**(1,006,218.34)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(950,288.82)**
OTHER TRANSACTIONS								
HSBC HOLDINGS PLC RTS	2452 0000	04/14/09	04/14/09			5 67	N/A	N/A
		Other Transactions Subtotal				**5.67**		
TOTAL CAPITAL GAINS AND LOSSES						**2,358,374.20**	**3,326,853.49**	**(968,484.96)**
TOTAL REPORTABLE GROSS PROCEEDS						**2,358,374.20**		
DIFFERENCE						**0.00** *		

Note. Capital gains and losses in this statement are not reported to the IRS

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e g , liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received)

N/A - Results which cannot be calculated because of insufficient data in the Capital Gain or (Loss) Column and are not included in the realized capital gain and loss summary

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	22,430.68	(40,626 82)	55,929 52	(1,006,218.34)

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2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
ADVANCE AMER CASH	615.0000	05/29/09	11/10/09			3,636.83	2,759.56	877.27
	325.0000	05/29/09	11/11/09			1,987.78	1,458.30	529.48
	1185.0000	05/29/09	11/12/09			7,128.77	5,317.22	1,811.55
	1175.0000	05/29/09	11/13/09			6,932.32	5,272.35	1,659.97
		Security Subtotal				**19,685.70**	**14,807.43**	**4,878.27**
AMERICAN WTR WKS CO INC	2350 0000	06/09/09	09/01/09			46,781 42	42,599.63	4,181.79
BELDEN INC	915.0000	11/28/08	09/30/09			21,131.20	15,551.06	5,580.14
	135.0000	11/28/08	10/01/09			3,104.41	2,294.43	809.98
		Security Subtotal				**24,235.61**	**17,845.49**	**6,390.12**
BUCYRUS INTL INC NEW	400 0000	11/06/08	09/01/09			11,832 53	9,486.20	2,346.33
	450.0000	11/11/08	09/01/09			13,311.60	11,166.39	2,145.21
	400.0000	11/18/08	09/01/09			11,832.53	9,188.76	2,643.77
	900.0000	11/20/08	09/01/09			26,623.22	13,966.92	12,656.30
		Security Subtotal				**63,599.88**	**43,808.27**	**19,791.61**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
COOPER COS INC COM NEW	750.0000	11/20/08	09/02/09			19,824.01	8,195.48	11,628.53
	600.0000	12/05/08	09/02/09			15,859 21	8,403.78	7,455 43
	370.0000	12/15/08	09/02/09			9,779.84	4,534.76	5,245.08
	110.0000	12/16/08	09/02/09			2,907.53	1,455.98	1,451.55
	670.0000	12/16/08	09/03/09			17,418.14	8,868.26	8,549.88
		Security Subtotal				**65,788.73**	**31,458.26**	**34,330.47**
CARBO CERAMICS INC	600.0000	04/06/09	08/11/09			25,658.46	18,630.72	7,027.74
	55.0000	04/15/09	08/11/09			2,352.03	1,626.91	725.12
	595.0000	04/15/09	08/12/09			25,392 93	17,600.29	7,792.64
		Security Subtotal				**53,403.42**	**37,857.92**	**15,545.50**
CLIFFS NATURAL RESOURCES	400.0000	10/27/08	05/27/09			10,091.58	9,776.80	314.78
	400 0000	10/28/08	05/27/09			10,091.58	9,747.92	343.66
	50.0000	10/28/08	06/11/09			1,459.55	1,218.49	241.06
	450.0000	11/11/08	06/11/09			13,136.02	10,033.06	3,102.96
	650.0000	11/12/08	07/07/09			14,396.42	11,931.99	2,464.43
		Security Subtotal				**49,175.15**	**42,708.26**	**6,466.89**
DIEBOLD INC	350.0000	10/30/08	09/03/09			10,587.78	9,719.85	867.93
	350.0000	11/19/08	09/03/09			10,587.78	9,645.30	942.48
	350.0000	11/20/08	09/03/09			10,587.79	9,256.98	1,330 81
	350.0000	11/25/08	09/03/09			10,587.80	9,113.13	1,474 67
		Security Subtotal				**42,351.15**	**37,735.26**	**4,615.89**
FRANKLIN STR PPTYS CORP	705.0000	02/18/09	10/06/09			8,886.15	7,837.69	1,048.46
	945.0000	02/18/09	10/07/09			11,902 81	10,505.86	1,396.95
	235.0000	03/02/09	10/07/09			2,959.96	2,536.68	423.28
	1165.0000	03/02/09	10/08/09			15,016.34	12,575.48	2,440.86
		Security Subtotal				**38,765.26**	**33,455.71**	**5,309.55**
INTL FLAVORS&FRAGRNC	615.0000	06/09/09	09/02/09			21,442.03	20,098.32	1,343.71
	635.0000	06/09/09	09/04/09			22,050.76	20,751.93	1,298.83
		Security Subtotal				**43,492.79**	**40,850.25**	**2,642.54**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
OLIN CORP $1 NEW	650.0000	11/21/08	08/28/09			10,970.41	8,408.99	2,561.42
	600.0000	11/25/08	08/28/09			10,126.53	8,952.12	1,174.41
	700.0000	12/02/08	08/28/09			11,814.30	10,281.88	1,532.42
		Security Subtotal				**32,911.24**	**27,642.99**	**5,268.25**
PS BUSINESS PARKS INC	340.0000	06/23/09	09/16/09			17,458 69	15,501.48	1,957.21
	295.0000	06/23/09	09/17/09			15,226.34	13,449.82	1,776.52
	30.0000	06/25/09	09/17/09			1,548.45	1,419.86	128.59
	120.0000	06/25/09	09/18/09			6,047 10	5,679 48	367.62
	50 0000	06/26/09	09/18/09			2,519.63	2,385.82	133.81
		Security Subtotal				**42,800.21**	**38,436.46**	**4,363.75**
PERKINELMER INC COM	700.0000	01/27/09	09/01/09			12,588.26	9,852.36	2,735.90
	605 0000	02/09/09	09/01/09			10,879 86	8,491.90	2,387.96
	145.0000	02/09/09	09/02/09			2,544.87	2,035.25	509.62
	650.0000	02/18/09	09/02/09			11,408 04	8,633.17	2,774.87
	500.0000	02/20/09	09/02/09			8,775.43	6,727.10	2,048.33
		Security Subtotal				**46,196.46**	**35,739.78**	**10,456.68**
RAYMOND JAMES FINL INC	1415 0000	07/14/09	09/01/09			30,793.85	25,321.14	5,472.71
	800.0000	07/15/09	09/01/09			17,409.96	14,567.36	2,842.60
		Security Subtotal				**48,203.81**	**39,888.50**	**8,315.31**
RUDDICK CORP	300.0000	11/13/08	09/01/09			8,031.15	7,961.01	70.14
	300.0000	11/26/08	09/01/09			8,031.16	7,992.87	38.29
		Security Subtotal				**16,062.31**	**15,953.88**	**108.43**
SONOCO PRODUCTS CO	385 0000	02/24/09	09/09/09			10,066.95	7,294.90	2,772.05
	65.0000	02/25/09	09/09/09			1,699.61	1,223.09	476.52
	450.0000	03/02/09	09/09/09			11,766.56	8,674.52	3,092.04
	405.0000	03/05/09	09/09/09			10,589 92	7,310.16	3,279 76
	45.0000	03/05/09	09/10/09			1,177.12	812.25	364.87
	350.0000	03/09/09	09/10/09			9,155.38	6,166.09	2,989.29
		Security Subtotal				**44,455.54**	**31,481.01**	**12,974.53**

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SOUTHERN UNION CO NEW	1235.0000	08/13/09	09/16/09			25,989.29	23,552.81	2,436.48
	1115.0000	08/13/09	09/17/09			23,695.48	21,264.28	2,431.20
		Security Subtotal				**49,684.77**	**44,817.09**	**4,867.68**
STERIS CORP	400.0000	03/25/09	09/11/09			11,288.06	8,978.88	2,309.18
	155.0000	03/30/09	09/11/09			4,374.13	3,513.55	860.58
	295 0000	03/30/09	09/14/09			8,315.74	6,687.10	1,628.64
	350.0000	04/07/09	09/14/09			9,866 14	8,421.70	1,444.44
	140 0000	04/14/09	09/14/09			3,946 45	3,437.43	509.02
	150 0000	04/15/09	09/14/09			4,228 36	3,705.32	523.04
		Security Subtotal				**42,018.88**	**34,743.98**	**7,274.90**
STURM RUGER&CO INC	940.0000	08/21/09	10/19/09			12,090.52	11,691.24	399.28
	380.0000	08/21/09	10/22/09			5,013.16	4,726.26	286 90
	330.0000	08/24/09	10/22/09			4,353 55	4,218.16	135.39
	220.0000	08/24/09	10/23/09			2,854.37	2,812.11	42.26
		Security Subtotal				**24,311.60**	**23,447.77**	**863.83**
TERRA INDUSTRIES INC COM	1200.0000	10/08/08	09/01/09			36,767.29	24,180.24	12,587.05
	775.0000	10/10/08	09/01/09			23,745.55	15,424.59	8,320.96
		Security Subtotal				**60,512.84**	**39,604.83**	**20,908.01**
UNIFIRST CORP	450.0000	06/09/09	10/26/09			20,371.28	16,298.10	4,073.18
	360.0000	06/10/09	10/26/09			16,297.03	13,141.76	3,155.27
	300.0000	06/12/09	10/26/09			13,580.87	11,321.31	2,259.56
		Security Subtotal				**50,249.18**	**40,761.17**	**9,488.01**
		Short Term Capital Gains Subtotal				**904,685.95**	**715,643.94**	**189,042.01**
SHORT TERM CAPITAL LOSSES								
AARON'S INC SHS	1140.0000	08/04/09	09/09/09			30,187.10	32,416.81	(2,229.71)
	410.0000	08/04/09	09/11/09			10,593.83	11,658.68	(1,064.85)
		Security Subtotal				**40,780.93**	**44,075.49**	**(3,294.56)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
BELDEN INC	400.0000	10/03/08	09/28/09			9,425.43	11,329.20	(1,903.77)
	25 0000	10/08/08	09/28/09			589.10	610.68	(21.58)
	525.0000	10/08/08	09/30/09			12,242.94	12,824.28	(581.34)
	130.0000	10/16/08	09/30/09			3,031.59	3,124.83	(93.24)
	270.0000	10/16/08	09/30/09			6,235.43	6,490.05	(254.62)
		Security Subtotal				**31,524.49**	**34,379.04**	**(2,854.55)**
BROWN SHOE CO INC COM	1505.0000	03/31/08	02/24/09			5,696.39	22,739.35	(17,042.96)
	895.0000	04/01/08	02/24/09			3,387.56	14,112.81	(10,725.25)
	700.0000	04/09/08	02/24/09			2,649.49	11,592 21	(8,942.72)
		Security Subtotal				**11,733.44**	**48,444.37**	**(36,710.93)**
BUCKLE INC	380.0000	08/07/09	09/09/09			10,418 30	10,553.81	(135.51)
	1320.0000	08/07/09	09/10/09			36,215.50	36,660.63	(445.13)
		Security Subtotal				**46,633.80**	**47,214.44**	**(580.64)**
CBL & ASSOC PPTYS INC	1200.0000	07/30/08	01/26/09			5,067.95	24,306.48	(19,238.53)
CAL MAINE FDS INC COM NW	980.0000	07/20/09	09/23/09			27,534.06	28,731.73	(1,197.67)
	60.0000	07/20/09	09/24/09			1,666.86	1,759.09	(92.23)
	350.0000	07/21/09	09/24/09			9,723.38	10,665.69	(942.31)
		Security Subtotal				**38,924.30**	**41,156.51**	**(2,232.21)**
CALLAWAY GOLF CO DEL COM	1200.0000	06/10/08	05/06/09			9,284.39	14,986.32	(5,701.93)
	385.0000	06/13/08	05/06/09			2,978.75	4,752.09	(1,773.34)
	815.0000	06/13/08	05/07/09			6,102.31	10,059.63	(3,957.32)
	1300.0000	06/18/08	05/07/09			9,733.76	15,677.35	(5,943.59)
	825.0000	06/26/08	05/07/09			6,177 20	9,861.64	(3,684.44)
		Security Subtotal				**34,276.41**	**55,337.03**	**(21,060.62)**
CHICAGO BRDG &IRON CO NV	1100.0000	09/11/08	02/26/09			6,029 94	27,236.33	(21,206 39)
	900.0000	09/15/08	02/26/09			4,933.59	21,388.05	(16,454.46)
		Security Subtotal				**10,963.53**	**48,624.38**	**(37,660.85)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CHEMED CORP	105.0000	05/13/09	06/26/09			4,032.26	4,297.83	(265.57)
	210.0000	05/14/09	06/26/09			8,064.55	8,673.67	(609.12)
		Security Subtotal				**12,096.81**	**12,971.50**	**(874.69)**
CLIFFS NATURAL RESOURCES	100.0000	11/11/08	07/07/09			2,214.83	2,229.58	(14.75)
FIRST INDL REALTY TR INC	800 0000	07/30/08	01/16/09			5,331.35	20,388 40	(15,057.05)
FRONTIER OIL CORP	650.0000	02/10/09	09/01/09			8,084.55	10,869.76	(2,785.21)
	600.0000	02/11/09	09/01/09			7,462.66	9,880.86	(2,418.20)
	600.0000	02/17/09	09/01/09			7,462.67	9,105.00	(1,642.33)
	450.0000	02/18/09	09/01/09			5,597.01	6,701.40	(1,104.39)
		Security Subtotal				**28,606.89**	**36,557.02**	**(7,950.13)**
OLIN CORP $1 NEW	150.0000	12/16/08	08/28/09			2,531 64	2,694.99	(163.35)
RUDDICK CORP	400.0000	11/10/08	09/01/09			10,708 20	10,860.04	(151.84)
	350.0000	11/19/08	09/01/09			9,369.68	9,497.08	(127.40)
		Security Subtotal				**20,077.88**	**20,357.12**	**(279.24)**
STEELCASE INC 'A'	50 0000	08/28/08	04/23/09			212.75	558.97	(346.22)
	1250 0000	08/28/08	04/29/09			5,645.72	13,974.38	(8,328.66)
	630.0000	09/22/08	04/29/09			2,845.45	6,685.62	(3,840 17)
	870.0000	09/23/08	04/29/09			3,929.43	9,046.43	(5,117.00)
	100.0000	10/08/08	04/29/09			451.66	869.29	(417.63)
	900.0000	10/08/08	05/04/09			4,168.78	7,823.61	(3,654.83)
	850.0000	10/14/08	05/04/09			3,937.19	7,759.91	(3,822.72)
		Security Subtotal				**21,190.98**	**46,718.21**	**(25,527.23)**
STURM RUGER&CO INC	385 0000	08/25/09	10/23/09			4,995.17	5,173.05	(177.88)
	725 0000	08/25/09	10/26/09			9,413 66	9,741.46	(327.80)
	75.0000	08/25/09	10/27/09			954.24	1,007.74	(53.50)
	300.0000	08/26/09	10/27/09			3,816 98	4,047.33	(230.35)
		Security Subtotal				**19,180.05**	**19,969.58**	**(789.53)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
TITANIUM METALS CORP NEW	700.0000	03/26/08	02/20/09			4,626.83	10,775.17	(6,148.34)
	200.0000	03/26/08	02/26/09			1,210.19	3,078.62	(1,868.43)
	1000.0000	03/28/08	02/26/09			6,050.96	15,108.60	(9,057.64)
	890.0000	04/01/08	02/26/09			5,385.36	13,727.09	(8,341.73)
	600.0000	04/04/08	02/26/09			3,630.58	10,230.90	(6,600.32)
		Security Subtotal				**20,903.92**	**52,920.38**	**(32,016.46)**
UDR INC	650.0000	11/07/08	04/27/09			6,645.29	10,117.51	(3,472.22)
	200.0000	11/19/08	04/27/09			2,044.71	2,390.58	(345.87)
	750.0000	11/19/08	04/30/09			7,594.60	8,964.68	(1,370 08)
	700.0000	12/09/08	04/30/09			7,088.30	9,136.26	(2,047.96)
	300.0000	12/17/08	04/30/09			3,037.84	4,574.34	(1,536.50)
	129.0000	02/03/09	04/30/09			1,306 28	1,511.04	(204.76)
		Security Subtotal				**27,717.02**	**36,694.41**	**(8,977.39)**
		Short Term Capital Losses Subtotal				**379,756.22**	**595,038.93**	**(215,282.71)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(26,240.70)**
LONG TERM CAPITAL GAINS								
ACUITY BRANDS INC	165 0000	03/02/04	09/03/09			5,277.30	3,386.47	1,890.83
	350.0000	04/01/04	09/03/09			11,194 28	6,945 80	4,248 48
	600.0000	04/12/05	09/03/09			19,190.22	12,827.26	6,362.96
		Security Subtotal				**35,661.80**	**23,159.53**	**12,502.27**
BERRY PETE SF CALIF CL A	10.0000	01/02/04	09/02/09			218 13	102.06	116.07
	930.0000	02/04/04	09/02/09			20,286 39	8,763.39	11,523 00
	220.0000	03/02/04	09/02/09			4,798.94	2,695.00	2,103.94
	300 0000	04/01/04	09/03/09			6,514 57	4,126.50	2,388.07
		Security Subtotal				**31,818.03**	**15,686.95**	**16,131.08**

Merrill Lynch

Account No. 56S-04393

Taxpayer No. 91-1663838

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CORN PRODS INTL INC	280.0000	03/02/04	09/02/09			8,150.00	5,334.01	2,815.99
	300.0000	04/01/04	09/02/09			8,732 14	6,040.50	2,691.64
	605.0000	04/12/05	09/02/09			17,609.83	12,801.79	4,808.04
	295.0000	04/12/05	09/03/09			8,571.41	6,242.21	2,329.20
		Security Subtotal				**43,063.38**	**30,418.51**	**12,644.87**
CLECO CORP NEW LOUISIANA	240.0000	01/02/04	09/21/09			6,006.06	4,341.60	1,664 46
	190.0000	01/02/04	09/22/09			4,723.90	3,437.11	1,286.79
	440.0000	02/04/04	09/22/09			10,939 57	7,968 40	2,971.17
	180.0000	03/02/04	09/22/09			4,475 28	3,456.00	1,019.28
	220.0000	03/02/04	09/23/09			5,482.19	4,224.00	1,258.19
	400.0000	04/01/04	09/23/09			9,967.62	7,604.00	2,363.62
	275.0000	04/12/05	09/23/09			6,852.74	5,744.14	1,108.60
	325.0000	04/12/05	09/24/09			8,091.12	6,788.54	1,302.58
		Security Subtotal				**56,538.48**	**43,563.79**	**12,974.69**
CASEYS GEN STORES INC	600.0000	02/29/08	09/04/09			16,945 96	15,200.64	1,745.32
	500.0000	03/07/08	09/04/09			14,121 63	11,124.20	2,997.43
	10.0000	03/11/08	09/04/09			282 44	221.97	60.47
	1190.0000	03/11/08	09/08/09			33,524.52	26,415.51	7,109.01
		Security Subtotal				**64,874.55**	**52,962.32**	**11,912.23**
INFINITY PPTY & CASUALTY	100 0000	08/24/05	10/29/09			3,966.23	3,168.76	797.47
	35.0000	08/29/05	10/29/09			1,388.19	1,113.70	274.49
	155.0000	08/29/05	10/30/09			5,999.85	4,932.10	1,067.75
	80.0000	08/30/05	10/30/09			3,096.71	2,548.39	548.32
	130.0000	08/30/05	11/02/09			5,037.70	4,141.16	896.54
	165.0000	09/12/05	11/02/09			6,394 02	5,750.67	643.35
	155.0000	09/12/05	11/03/09			6,049.61	5,402.15	647.46
	80 0000	09/12/05	11/04/09			3,125.47	2,788.22	337.25
	65.0000	09/16/05	11/04/09			2,539.45	2,290.60	248.85
	80.0000	09/19/05	11/04/09			3,125.49	2,846.80	278.69
	35.0000	09/19/05	11/05/09			1,378.65	1,245.48	133.17
	120.0000	09/20/05	11/05/09			4,726.81	4,251.00	475.81
		Security Subtotal				**46,828.18**	**40,479.03**	**6,349.15**

ISLANDS FUND

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LINCOLN ELEC HLDGS INC	5.0000	02/04/04	05/27/09			205 05	116.45	88.60
	240.0000	03/02/04	05/27/09			9,842 74	6,288.00	3,554.74
	155.0000	04/01/04	05/27/09			6,356.78	4,383.40	1,973.38
	45.0000	04/01/04	06/11/09			1,910 03	1,272 60	637.43
	205.0000	04/12/05	06/11/09			8,701.27	6,064.98	2,636.29
	495.0000	04/12/05	07/07/09			16,839.22	14,644.73	2,194.49
		Security Subtotal				**43,855.09**	**32,770.16**	**11,084.93**
LENNOX INTL INC	205 0000	03/17/04	09/09/09			7,211.73	3,893 49	3,318.24
	110 0000	03/19/04	09/09/09			3,869.71	2,090.00	1,779.71
	430.0000	03/22/04	09/09/09			15,127 05	8,127.34	6,999.71
	110.0000	04/01/04	09/09/09			3,869.72	2,039.39	1,830.33
	340.0000	04/01/04	09/10/09			11,877.04	6,303.61	5,573.43
	500 0000	04/12/05	09/10/09			17,466 26	10,300.00	7,166.26
		Security Subtotal				**59,421.51**	**32,753.83**	**26,667.68**
METHANEX CORP COM	470.0000	01/02/04	09/11/09			9,054.50	5,278.10	3,776.40
	645.0000	02/04/04	09/11/09			12,425.86	7,107.51	5,318.35
	100.0000	02/04/04	09/14/09			1,913.53	1,101.94	811.59
	650.0000	03/02/04	09/14/09			12,437.94	7,604.35	4,833.59
	800.0000	04/01/04	09/14/09			15,308.25	9,157.20	6,151.05
		Security Subtotal				**51,140.08**	**30,249.10**	**20,890.98**
NATIONWIDE HLTH PPTYS	365.0000	02/04/04	09/01/09			11,249.37	7,985.11	3,264.26
	250.0000	04/01/04	09/01/09			7,705.05	5,620.00	2,085.05
	700.0000	04/12/05	09/01/09			21,574 16	14,269.99	7,304.17
	450.0000	03/02/04	09/01/09			13,869.09	9,631.98	4,237.11
		Security Subtotal				**54,397.67**	**37,507.08**	**16,890.59**
PEPSIAMERICAS INC	700.0000	01/31/08	04/28/09			17,305 16	17,123.68	181.48
	400 0000	02/06/08	08/26/09			11,304.22	10,207.20	1,097.02
	400.0000	02/08/08	08/26/09			11,304.23	10,313.80	990.43
		Security Subtotal				**39,913.61**	**37,644.68**	**2,268.93**

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
PENN VIRGINIA CORP	340.0000	02/04/04	06/11/09			6,764.02	4,619.76	2,144.26
	10 0000	03/02/04	06/11/09			198 95	146.47	52.48
		Security Subtotal				**6,962.97**	**4,766.23**	**2,196.74**
REGAL BELOIT CORP WIS	70.0000	02/04/04	08/12/09			3,318.73	1,381.10	1,937.63
	300.0000	04/12/05	08/12/09			14,223.15	8,223.00	6,000.15
	360.0000	03/02/04	08/12/09			17,067.77	7,610.40	9,457.37
	450.0000	04/01/04	08/12/09			21,334.72	9,067.50	12,267.22
		Security Subtotal				**55,944.37**	**26,282.00**	**29,662.37**
ROYAL GOLD INC COM	600.0000	04/11/07	09/02/09			24,970.87	17,615.34	7,355.53
	400.0000	04/24/07	09/02/09			16,647.25	11,740.16	4,907.09
	500.0000	05/01/07	09/02/09			20,809.06	14,485.80	6,323.26
	600.0000	05/11/07	09/02/09			24,970.89	16,925.28	8,045.61
		Security Subtotal				**87,398.07**	**60,766.58**	**26,631.49**
RPM INTERNATIONAL INC	1645.0000	06/16/04	09/08/09			27,307.77	24,731.59	2,576.18
	355.0000	06/17/04	09/08/09			5,893 16	5,317.76	575.40
		Security Subtotal				**33,200.93**	**30,049.35**	**3,151.58**
ST MARY LD & EXPL CO	290.0000	02/04/04	06/11/09			6,370 70	4,084.65	2,286.05
	10.0000	03/02/04	06/11/09			219.68	164 79	54 89
	320 0000	03/02/04	07/07/09			5,921 79	5,273.61	648.18
	500.0000	04/01/04	07/07/09			9,252.81	8,287.50	965.31
		Security Subtotal				**21,764.98**	**17,810.55**	**3,954.43**
SILGAN HLDGS INÇ COM	500.0000	01/08/08	09/14/09			24,834.01	24,646.40	187.61
J M SMUCKER CO	100.0000	04/17/06	09/01/09			5,127.02	3,910.14	1,216.88
	300.0000	04/21/06	09/01/09			15,381 08	11,789.94	3,591.14
	310.0000	05/01/06	09/01/09			15,893 79	12,298.32	3,595.47
	310.0000	05/16/06	09/01/09			15,893.79	12,713.53	3,180.26
		Security Subtotal				**52,295.68**	**40,711.93**	**11,583.75**

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SOWEST GAS CORP	365.0000	04/11/05	10/06/09			9,352.69	8,978.67	374.02
	110.0000	04/12/05	10/06/09			2,818 63	2,693.70	124 93
	25.0000	04/12/05	10/07/09			642.94	612.21	30.73
	400.0000	04/18/05	10/07/09			10,287.04	9,819.92	467.12
	45.0000	04/22/05	10/07/09			1,157.30	1,122.75	34.55
	15.0000	04/22/05	10/09/09			390.41	374.26	16.15
	440.0000	04/22/05	10/12/09			11,415 24	10,978 04	437.20
		Security Subtotal				**36,064.25**	**34,579.55**	**1,484.70**
TIDEWATER INC COM NEW	10.0000	02/04/04	09/01/09			424 32	318.31	106.01
	230.0000	03/02/04	09/01/09			9,759.36	7,769.40	1,989.96
	450.0000	04/01/04	09/01/09			19,094.40	12,366.00	6,728.40
	20.0000	04/12/05	09/01/09			848 64	760.80	87.84
	180.0000	04/12/05	09/02/09			7,516 60	6,847.20	669.40
		Security Subtotal				**37,643.32**	**28,061.71**	**9,581.61**
WEST PHARMACTL SVCS INC	50 0000	04/12/04	09/16/09			2,022.04	964.65	1,057.39
	290.0000	04/12/04	09/21/09			11,680.54	5,594.99	6,085.55
	195.0000	04/29/04	09/21/09			7,854.17	3,772.86	4,081.31
	65.0000	04/29/04	09/21/09			2,603.92	1,257.62	1,346.30
	220.0000	05/04/04	09/21/09			8,813.28	4,257.40	4,555.88
	315.0000	04/12/05	09/21/09			12,619 02	7,548.56	5,070.46
	185.0000	04/12/05	09/22/09			7,405.04	4,433.29	2,971.75
		Security Subtotal				**52,998.01**	**27,829.37**	**25,168.64**
WGL HOLDINGS INC (NYSE)	325.0000	01/02/04	09/14/09			10,605.45	9,067.50	1,537.95
	260.0000	02/04/04	09/14/09			8,484.36	7,384.00	1,100.36
	290.0000	03/02/04	09/14/09			9,463 32	8,511.50	951.82
	200.0000	04/01/04	09/14/09			6,526.43	6,046.00	480.43
	500.0000	04/12/05	09/14/09			16,316.09	15,365.95	950.14
		Security Subtotal				**51,395.65**	**46,374.95**	**5,020.70**
		Long Term Capital Gains Subtotal				**988,014.62**	**719,073.60**	**268,941.02**

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LONG TERM CAPITAL LOSSES								
AVX CORP NEW	1135.0000	02/04/08	10/30/09			13,024.35	14,982.45	(1,958.10)
	965.0000	02/04/08	11/02/09			10,848.53	12,738.39	(1,889.86)
	195.0000	02/07/08	11/02/09			2,192.20	2,540.08	(347.88)
	230.0000	02/07/08	11/03/09			2,557.67	2,996.00	(438.33)
	480 0000	02/07/08	11/04/09			5,378 49	6,252.54	(874.05)
	300.0000	02/08/08	11/04/09			3,361.57	3,874.20	(512.63)
	720.0000	02/08/08	11/05/09			8,268 48	9,298 08	(1,029.60)
		Security Subtotal				**45,631.29**	**52,681.74**	**(7,050.45)**
AGL RESOURCES INC COM	290.0000	05/12/08	09/08/09			9,737.39	10,506.41	(769.02)
	210.0000	05/12/08	09/09/09			7,090.40	7,608.09	(517.69)
	400.0000	05/14/08	09/09/09			13,505.53	14,559 88	(1,054.35)
	300.0000	05/14/08	09/09/09			10,129.15	10,906.05	(776.90)
	400.0000	05/19/08	09/09/09			13,505.54	14,320.40	(814.86)
		Security Subtotal				**53,968.01**	**57,900.83**	**(3,932.82)**
APPLIED INDUSTRL TECH	780.0000	04/16/07	10/06/09			14,934.42	20,759.93	(5,825.51)
	420.0000	04/17/07	10/06/09			8,041.61	11,391.62	(3,350.01)
	795.0000	04/20/07	10/06/09			15,221.64	22,005.44	(6,783.80)
	205.0000	04/20/07	10/07/09			3,880.82	5,674.36	(1,793.54)
		Security Subtotal				**42,078.49**	**59,831.35**	**(17,752.86)**
ALBANY INTL CRP NEW CL A	50.0000	02/24/04	03/20/09			404.88	1,560.86	(1,155.98)
	125.0000	02/25/04	03/20/09			1,012 22	3,924.38	(2,912.16)
	120.0000	03/02/04	03/20/09			971.73	3,881.48	(2,909.75)
	55.0000	03/03/04	03/20/09			445.38	1,772.49	(1,327.11)
	70.0000	03/05/04	03/25/09			573.65	2,288.86	(1,715.21)
	110.0000	03/08/04	03/25/09			901.45	3,608.00	(2,706.55)
	450.0000	04/01/04	03/25/09			3,687.77	12,262.50	(8,574.73)
	600.0000	04/12/05	03/25/09			4,917.04	18,547.98	(13,630.94)
		Security Subtotal				**12,914.12**	**47,846.55**	**(34,932.43)**

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
AMERICAN EQUITY INVT	420.0000	12/15/05	10/14/09			2,914.22	5,320 26	(2,406 04)
	690 0000	12/15/05	10/19/09			5,510.12	8,740.43	(3,230 31)
	1200.0000	12/15/05	10/20/09			9,363.95	15,200.76	(5,836.81)
	115.0000	12/15/05	10/21/09			889.52	1,456.75	(567.23)
	865.0000	04/12/06	10/21/09			6,690.78	10,863.79	(4,173.01)
	1035.0000	04/12/06	10/22/09			7,757 54	12,998.88	(5,241.34)
		Security Subtotal				**33,126.13**	**54,580.87**	**(21,454.74)**
ADVANCE AMER CASH	500 0000	09/22/05	10/29/09			2,557 28	6,088.21	(3,530 93)
	615 0000	09/28/05	10/29/09			3,145 46	8,216.83	(5,071.37)
	185.0000	09/28/05	10/30/09			905 40	2,471.73	(1,566.33)
	835.0000	09/29/05	10/30/09			4,086.55	11,058.48	(6,971.93)
	265.0000	09/29/05	11/02/09			1,364.15	3,509.59	(2,145.44)
	415.0000	10/05/05	11/02/09			2,136 32	5,512.90	(3,376.58)
	485.0000	10/06/05	11/02/09			2,496.67	6,440.90	(3,944.23)
	75.0000	09/26/07	11/02/09			386.09	778.19	(392.10)
	1575.0000	09/26/07	11/03/09			8,542.74	16,342.04	(7,799.30)
	550.0000	09/26/07	11/11/09			3,363.93	5,706.75	(2,342.82)
		Security Subtotal				**28,984.59**	**66,125.62**	**(37,141.03)**
ARKANSAS BEST CORP	150.0000	02/11/04	02/10/09			3,753.26	4,354.75	(601.49)
	95.0000	02/11/04	03/25/09			1,916 79	2,758.02	(841.23)
	130 0000	02/17/04	03/25/09			2,622 98	3,806 50	(1,183.52)
	75.0000	02/18/04	03/25/09			1,513.26	2,173.90	(660.64)
	45.0000	02/18/04	03/27/09			956.24	1,304.35	(348.11)
	350.0000	03/02/04	03/27/09			7,437.45	9,661.44	(2,223.99)
	55.0000	04/01/04	03/27/09			1,168.75	1,477.29	(308.54)
	245.0000	04/01/04	04/03/09			4,898 77	6,580.71	(1,681.94)
	200.0000	04/12/05	04/03/09			3,999.00	6,990.00	(2,991.00)
		Security Subtotal				**28,266.50**	**39,106.96**	**(10,840.46)**
BROWN SHOE CO INC COM	50 0000	01/02/04	01/22/09			286 42	846.92	(560.50)
	185.0000	01/02/04	02/24/09			700.22	3,133.63	(2,433.41)
		Security Subtotal				**986.64**	**3,980.55**	**(2,993.91)**

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CBL & ASSOC PPTYS INC	190.0000	05/28/03	01/26/09			802.42	4,190.45	(3,388.03)
	300.0000	01/02/04	01/26/09			1,266.98	8,422 50	(7,155.52)
	260.0000	02/04/04	01/26/09			1,098.05	7,345.00	(6,246.95)
	290.0000	03/02/04	01/26/09			1,224.74	8,392.60	(7,167.86)
	200.0000	04/01/04	01/26/09			844.65	6,186.00	(5,341.35)
	200.0000	04/12/05	01/26/09			844.65	7,213.00	(6,368.35)
		Security Subtotal				**6,081.49**	**41,749.55**	**(35,668.06)**
CARPENTER TECHNOLOGY	100.0000	05/16/08	06/11/09			2,468 31	6,084.11	(3,615.80)
	400.0000	05/16/08	07/07/09			7,190 65	24,336.44	(17,145.79)
	500.0000	05/20/08	07/07/09			8,988.32	30,250.70	(21,262.38)
		Security Subtotal				**18,647.28**	**60,671.25**	**(42,023.97)**
CIMAREX ENERGY CO	800.0000	05/16/07	09/01/09			30,449 69	31,186.48	(736.79)
	200.0000	05/25/07	09/01/09			7,612.42	8,129.18	(516.76)
	400.0000	06/01/07	09/01/09			15,224.86	16,901.84	(1,676.98)
		Security Subtotal				**53,286.97**	**56,217.50**	**(2,930.53)**
CRANE CO DELAWARE	55.0000	02/04/04	09/08/09			1,289.13	1,645.05	(355.92)
	65.0000	03/02/04	09/08/09			1,523.53	2,077.39	(553.86)
	170.0000	03/02/04	09/09/09			4,017.79	5,433.21	(1,415.42)
	200.0000	04/01/04	09/09/09			4,726 81	6,714.00	(1,987.19)
	800.0000	04/12/05	09/09/09			18,907 28	21,912.00	(3,004.72)
		Security Subtotal				**30,464.54**	**37,781.65**	**(7,317.11)**
CULLEN FRST BKRS PV$0.01	540.0000	05/23/07	09/02/09			25,781.09	28,985.68	(3,204.59)
	60.0000	05/23/07	09/03/09			2,861.75	3,220.64	(358.89)
	405.0000	05/29/07	09/03/09			19,316.83	21,718.21	(2,401 38)
	95.0000	05/30/07	09/03/09			4,531.11	5,062.65	(531.54)
		Security Subtotal				**52,490.78**	**58,987.18**	**(6,496.40)**
DELPHI FINANCIAL GRP A	217.0000	02/04/04	09/04/09			4,852.68	5,438.64	(585.96)
	68.0000	03/02/04	09/04/09			1,520.66	1,791.12	(270.46)
	232.0000	03/02/04	09/08/09			5,198.79	6,110.88	(912.09)
	225.0000	04/01/04	09/08/09			5,041 94	6,373.50	(1,331.56)

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
DELPHI FINANCIAL GRP A	483.0000	04/12/05	09/08/09			10,823.37	13,048.23	(2,224.86)
	118.0000	04/12/05	09/09/09			2,656 37	3,187 77	(531.40)
	800.0000	07/30/08	09/09/09			18,009.29	19,870 32	(1,861.03)
		Security Subtotal				**48,103.10**	**55,820.46**	**(7,717.36)**
ETHAN ALLEN INTERIORS	500.0000	04/04/07	05/04/09			6,795.72	17,579.00	(10,783.28)
	300.0000	04/09/07	05/04/09			4,077.43	10,577.46	(6,500 03)
	400.0000	04/11/07	05/04/09			5,436 58	14,099.64	(8,663.06)
	65.0000	04/16/07	05/04/09			883 45	2,367.54	(1,484.09)
	335.0000	04/16/07	05/05/09			4,522.78	12,201 94	(7,679.16)
		Security Subtotal				**21,715.96**	**56,825.58**	**(35,109.62)**
FIRST INDL REALTY TR INC	85.0000	05/28/03	01/16/09			566.45	2,620.56	(2,054.11)
	250 0000	01/02/04	01/16/09			1,666 04	8,340.00	(6,673.96)
	190.0000	02/04/04	01/16/09			1,266 19	6,967 30	(5,701.11)
	210.0000	03/02/04	01/16/09			1,399.47	8,019.90	(6,620.43)
	150.0000	04/01/04	01/16/09			999.62	5,925.00	(4,925.38)
	400.0000	04/12/05	01/16/09			2,665.66	14,940.00	(12,274.34)
		Security Subtotal				**8,563.43**	**46,812.76**	**(38,249.33)**
FULTON FINL CORP PA	850.0000	06/29/07	05/05/09			5,404.07	12,241.70	(6,837.63)
	450.0000	07/02/07	05/05/09			2,860 98	6,517 62	(3,656.64)
	900.0000	07/10/07	05/05/09			5,721.96	12,875.67	(7,153.71)
	340.0000	07/17/07	05/05/09			2,161.63	4,987.70	(2,826.07)
	460.0000	07/18/07	05/05/09			2,924.56	6,577.63	(3,653.07)
	1150.0000	07/20/07	05/05/09			7,311.40	15,889.90	(8,578.50)
	250.0000	07/23/07	05/05/09			1,589.44	3,469.00	(1,879.56)
		Security Subtotal				**27,974.04**	**62,559.22**	**(34,585.18)**
GENERAL MARITIME CORP	2010 0000	12/15/06	08/12/09			16,520 77	54,707 40	(38,186 63)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
GRANITE CONST INC DEL	400.0000	07/03/08	09/02/09			12,259 80	12,724.92	(465.12)
	330.0000	07/11/08	09/02/09			10,114.34	10,835.35	(721.01)
	70.0000	07/11/08	09/03/09			2,121.30	2,298.41	(177.11)
	400 0000	07/15/08	09/03/09			12,121.77	13,490.88	(1,369.11)
	335.0000	07/21/08	09/03/09			10,151.99	11,763.96	(1,611.97)
		Security Subtotal				**46,769.20**	**51,113.52**	**(4,344.32)**
HRPT PPTYS T COM BEN INT	295.0000	05/28/03	09/02/09			1,848.24	2,773.01	(924.77)
	850.0000	01/02/04	09/02/09			5,325 45	8,627.50	(3,302.05)
	685.0000	02/04/04	09/02/09			4,291 69	7,322.65	(3,030.96)
	690.0000	03/02/04	09/02/09			4,323 01	7,755.60	(3,432.59)
	650.0000	04/01/04	09/02/09			4,072.40	7,377.50	(3,305.10)
	900.0000	04/12/05	09/02/09			5,638.72	10,746.00	(5,107.28)
	1700.0000	09/26/07	09/02/09			10,650 92	16,728.00	(6,077 08)
		Security Subtotal				**36,150.43**	**61,330.26**	**(25,179.83)**
INTL SPEEDWAY CORP CL A	400.0000	08/20/08	09/25/09			10,931.51	15,101.92	(4,170.41)
	155.0000	08/26/08	09/25/09			4,235.97	5,889.70	(1,653.73)
	155.0000	08/26/08	10/01/09			4,234.35	5,889.70	(1,655.35)
	90.0000	08/26/08	10/02/09			2,440.52	3,419.84	(979.32)
	200.0000	09/05/08	10/02/09			5,423.37	8,155.08	(2,731.71)
	290.0000	09/16/08	10/02/09			7,863.91	11,696.77	(3,832 86)
		Security Subtotal				**35,129.63**	**50,153.01**	**(15,023.38)**
INNOPHOS HLDGS INC.	230.0000	08/29/08	10/22/09			4,845.99	8,641.16	(3,795.17)
	170.0000	08/29/08	10/23/09			3,603 77	6,386.96	(2,783.19)
	210.0000	09/02/08	10/23/09			4,451.72	7,038.16	(2,586.44)
	220 0000	09/02/08	10/26/09			4,644.60	7,373.33	(2,728.73)
	205.0000	09/04/08	10/26/09			4,327 93	6,974.53	(2,646.60)
	175.0000	09/04/08	10/27/09			3,595.17	5,953.86	(2,358.69)
	120.0000	09/04/08	10/28/09			2,366.67	4,082.66	(1,715.99)
	300.0000	09/05/08	10/28/09			5,916.69	10,067.55	(4,150.86)
		Security Subtotal				**33,752.54**	**56,518.21**	**(22,765.67)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
INVACARE CORP	1045.0000	12/15/06	10/06/09			22,232.94	25,214 59	(2,981.65)
	290.0000	12/15/06	10/07/09			6,229 64	6,997.35	(767 71)
	470.0000	12/15/06	10/08/09			10,252.73	11,340.53	(1,087.80)
	405.0000	12/15/06	10/09/09			8,993.64	9,772.18	(778.54)
	90.0000	12/15/06	10/12/09			2,016.63	2,171.59	(154.96)
		Security Subtotal				**49,725.58**	**55,496.24**	**(5,770.66)**
KENNAMETAL INC	390.0000	04/12/05	05/27/09			7,286 01	8,650.32	(1,364.31)
	110.0000	04/13/05	05/27/09			2,055.04	2,515.77	(460.73)
	650.0000	04/13/05	06/11/09			13,632.81	14,865.92	(1,233 11)
	50.0000	04/13/05	07/07/09			924.25	1,143.54	(219.29)
	1000.0000	04/19/05	07/07/09			18,485.13	22,350.05	(3,864.92)
		Security Subtotal				**42,383.24**	**49,525.60**	**(7,142.36)**
LUFKIN INDS INC	300.0000	01/04/07	08/12/09			14,387.14	17,206.08	(2,818 94)
	200.0000	01/09/07	08/12/09			9,591 43	11,496.88	(1,905.45)
	200.0000	01/10/07	08/12/09			9,591.43	11,398.56	(1,807.13)
	55.0000	01/29/07	08/12/09			2,637 65	3,187.08	(549.43)
	40.0000	01/29/07	08/13/09			1,873.48	2,317.89	(444.41)
	105.0000	02/15/07	08/13/09			4,917.89	6,045.13	(1,127.24)
		Security Subtotal				**42,999.02**	**51,651.62**	**(8,652.60)**
MUELLER INDUSTRIES INC	300 0000	12/07/04	08/11/09			7,370.39	9,018.40	(1,648.01)
	45.0000	12/21/04	08/11/09			1,105.56	1,438.65	(333.09)
	355.0000	12/21/04	08/12/09			8,743 28	11,349.43	(2,606.15)
	700.0000	04/12/05	08/12/09			17,240.28	18,823.00	(1,582.72)
		Security Subtotal				**34,459.51**	**40,629.48**	**(6,169.97)**
OGE ENERGY CORP PV $0.01	500.0000	10/16/07	09/01/09			15,728.74	16,997.90	(1,269.16)
	300.0000	10/22/07	09/01/09			9,437.25	10,311 66	(874.41)
	100 0000	10/22/07	09/02/09			3,084 67	3,437 22	(352.55)
	300.0000	10/24/07	09/02/09			9,254.01	10,288.92	(1,034.91)
	400.0000	11/07/07	09/02/09			12,338.68	14,372.84	(2,034.16)
		Security Subtotal				**49,843.35**	**55,408.54**	**(5,565.19)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
PEPSIAMERICAS INC	100.0000	02/04/08	04/28/09			2,472 17	2,570.79	(98.62)
	300.0000	02/04/08	04/30/09			7,418.68	7,712.37	(293.69)
	100.0000	02/06/08	04/30/09			2,472.90	2,551.80	(78.90)
		Security Subtotal				**12,363.75**	**12,834.96**	**(471.21)**
PENN VIRGINIA CORP	510.0000	03/02/04	07/07/09			6,989.88	7,470.23	(480.35)
	400.0000	04/01/04	07/07/09			5,482.26	6,055.00	(572.74)
	200.0000	04/12/05	07/07/09			2,741.13	4,756.00	(2,014.87)
		Security Subtotal				**15,213.27**	**18,281.23**	**(3,067.96)**
RLI CORP ILLINOIS COM	300.0000	07/25/07	10/19/09			16,463.02	17,529.75	(1,066.73)
	55 0000	07/27/07	10/19/09			3,018.23	3,181.71	(163.48)
	145.0000	07/27/07	10/20/09			7,700.03	8,388.15	(688.12)
	200.0000	08/01/07	10/20/09			10,620.74	11,687.82	(1,067.08)
	300.0000	08/03/07	10/20/09			15,931.13	17,330.28	(1,399.15)
		Security Subtotal				**53,733.15**	**58,117.71**	**(4,384.56)**
RPM INTERNATIONAL INC	800.0000	04/12/05	09/08/09			13,280.39	13,845.52	(565.13)
SOVRAN SELF STORAGE INC	300 0000	06/04/08	09/28/09			9,582.14	13,139.37	(3,557.23)
	400.0000	06/11/08	09/28/09			12,776 19	17,265.32	(4,489.13)
	300 0000	06/23/08	09/30/09			8,984 73	12,838.02	(3,853.29)
	275.0000	06/30/08	09/30/09			8,236 01	11,631.24	(3,395.23)
		Security Subtotal				**39,579.07**	**54,873.95**	**(15,294.88)**
ST MARY LD & EXPL CO	200.0000	04/12/05	07/07/09			3,701.13	4,952.00	(1,250.87)
SILGAN HLDGS INC COM	65.0000	01/04/08	09/11/09			3,185.44	3,231.24	(45.80)
	535.0000	01/04/08	09/14/09			26,572.39	26,595.66	(23.27)
		Security Subtotal				**29,757.83**	**29,826.90**	**(69.07)**
SKYWEST INC COM	1100.0000	02/13/06	09/15/09			19,283.05	31,949.17	(12,666.12)
	430.0000	02/14/06	09/15/09			7,537.93	12,685.98	(5,148.05)
	470.0000	02/14/06	09/16/09			8,438.77	13,866.09	(5,427.32)
		Security Subtotal				**35,259.75**	**58,501.24**	**(23,241.49)**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SOWEST GAS CORP	80.0000	09/26/07	10/09/09			2,082.19	2,318.71	(236 52)
	520 0000	09/26/07	10/13/09			13,410.66	15,071.69	(1,661.03)
		Security Subtotal				**15,492.85**	**17,390.40**	**(1,897.55)**
SUSQUEHANNA BANCSHRS INC	315.0000	01/02/04	04/23/09			2,628.60	7,880.99	(5,252.39)
	235.0000	02/04/04	04/23/09			1,961.03	5,947.61	(3,986.58)
	80.0000	02/04/04	04/30/09			667 32	2,024.73	(1,357.41)
	310.0000	03/02/04	04/30/09			2,585.89	8,207.19	(5,621.30)
	300.0000	04/01/04	04/30/09			2,502.47	7,746.00	(5,243.53)
	800.0000	04/12/05	04/30/09			6,673.27	19,170.48	(12,497.21)
	800.0000	09/26/07	04/30/09			6,673.27	16,141.36	(9,468.09)
		Security Subtotal				**23,691.85**	**67,118.36**	**(43,426.51)**
TECHNITROL INCORP	550.0000	01/16/07	01/08/09			2,027 45	13,940.09	(11,912.64)
	700.0000	01/29/07	01/08/09			2,580 40	15,137.64	(12,557.24)
	125.0000	01/29/07	01/08/09			460.79	2,703.76	(2,242.97)
	400.0000	01/25/07	01/08/09			1,474.51	10,513.92	(9,039.41)
	575.0000	01/26/07	01/08/09			2,119.61	12,489.86	(10,370.25)
		Security Subtotal				**8,662.76**	**54,785.27**	**(46,122.51)**
TSAKOS ENRGY NAVGTN LTD	475.0000	06/08/07	09/28/09			7,625.69	14,905.42	(7,279.73)
	125.0000	06/08/07	09/29/09			2,004.87	3,922 49	(1,917 62)
	215 0000	06/13/07	09/29/09			3,448.38	6,945.44	(3,497 06)
	180 0000	06/13/07	10/01/09			2,756.78	5,814.79	(3,058.01)
	5.0000	06/13/07	10/02/09			74.64	161.53	(86.89)
	200.0000	06/18/07	10/02/09			2,985.70	7,062.58	(4,076.88)
	580.0000	08/17/07	10/02/09			8,658.54	18,993.40	(10,334.86)
	20 0000	08/17/07	10/05/09			302.19	654.95	(352.76)
		Security Subtotal				**27,856.79**	**58,460.60**	**(30,603.81)**
VECTREN CORP INDIANA COM	220 0000	01/02/04	09/14/09			5,187 18	5,423 01	(235.83)
	340.0000	02/04/04	09/14/09			8,016 55	8,316.40	(299.85)
	310.0000	03/02/04	09/14/09			7,309.20	7,942.20	(633.00)
	110.0000	04/01/04	09/14/09			2,593 60	2,738 99	(145.39)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
VECTREN CORP INDIANA COM	240.0000	04/01/04	09/15/09			5,678 58	5,976.01	(297.43)
	495.0000	04/12/05	09/15/09			11,712 10	13,315.50	(1,603 40)
	105.0000	04/12/05	09/16/09			2,486.50	2,824.50	(338.00)
		Security Subtotal				**42,983.71**	**46,536.61**	**(3,552.90)**
WASHINGTON FEDL INC	281.0000	01/02/04	05/04/09			3,776.54	6,470.76	(2,694.22)
	335.0000	02/04/04	05/04/09			4,502.28	7,893.40	(3,391.12)
	385.0000	03/02/04	05/04/09			5,174.26	9,075.50	(3,901.24)
	386 0000	04/01/04	05/04/09			5,187 70	8,876.84	(3,689.14)
	700.0000	04/12/05	05/04/09			9,407 77	16,100.00	(6,692 23)
		Security Subtotal				**28,048.55**	**48,416.50**	**(20,367.95)**
ZENITH NATIONAL INS	300.0000	11/28/07	06/11/09			6,929.37	12,256.50	(5,327.13)
	50.0000	12/03/07	06/11/09			1,154.90	2,086 64	(931.74)
	300.0000	12/13/07	07/07/09			6,527.15	12,325 65	(5,798.50)
	350.0000	12/03/07	07/07/09			7,614.99	14,606.48	(6,991.49)
	310.0000	12/07/07	07/07/09			6,744.71	13,308.80	(6,564.09)
		Security Subtotal				**28,971.12**	**54,584.07**	**(25,612.95)**
WESTAR ENERGY INC	390.0000	06/12/07	09/02/09			7,958.05	9,735.57	(1,777.52)
	810.0000	06/12/07	09/03/09			16,436.90	20,220 03	(3,783.13)
	1100.0000	06/13/07	09/03/09			22,321 73	27,547.63	(5,225 90)
		Security Subtotal				**46,716.68**	**57,503.23**	**(10,786.55)**
		Long Term Capital Losses Subtotal				**1,326,329.28**	**2,042,042.05**	**(715,712.77)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(446,771.75)**
TOTAL CAPITAL GAINS AND LOSSES						**3,598,786.07**	**4,071,798.52**	**(473,012.45)**
TOTAL REPORTABLE GROSS PROCEEDS						**3,598,786.07**		
DIFFERENCE						**0.00 ***		

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)

Note. Capital gains and losses in this statement are not reported to the IRS.
* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	189,042.01	(215,282.71)	268,941.02	(715,712.77)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
AXA -SPONS ADR	801.0000	11/18/08	05/06/09			13,648.69	13,472.82	175.87
ARM HLDGS PLC SPD ADR	7709.0000	03/12/09	12/11/09			62,281.71	31,549.08	30,732.63
	1756.0000	03/16/09	12/11/09			14,186.89	7,881.98	6,304.91
	2809.0000	03/16/09	12/14/09			23,150.35	12,608.48	10,541.87
		Security Subtotal				**99,618.95**	**52,039.54**	**47,579.41**
ALLIANZ SE SPD ADR	8287.0000	05/13/09	08/18/09			87,001.32	79,822.04	7,179.28
ASML HLDG N.V. NEW YORK	187.0000	11/18/08	03/16/09			3,037.61	2,730.20	307.41
BNP PARIBAS SPONSORD ADR	5106.0000	11/09/09	11/09/09			4,926.93	4,926.93	0.00
CANON INC ADR REP5SH	414.0000	11/18/08	01/13/09			13,378.34	12,032.99	1,345.35
CNOOC LTD ADR	563.0000	12/11/08	05/26/09			68,548.66	54,956.91	13,591.75
CHINA LIFE INS CO SP ADR	457.0000	05/26/09	12/22/09			32,601.86	24,171.78	8,430.08

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CRH PLC ADR	6758.0000	03/31/09	03/31/09			11,315.89	11,315.89	0.00
	534.0000	11/18/08	09/04/09			12,864.80	10,430.26	2,434.54
		Security Subtotal				**24,180.69**	**21,746.15**	**2,434.54**
DBS GROUP HLDGS SPN ADR	1007.0000	03/27/09	05/13/09			31,487.48	23,242.76	8,244.72
	2209.0000	03/27/09	06/26/09			71,154.26	50,986.38	20,167.88
		Security Subtotal				**102,641.74**	**74,229.14**	**28,412.60**
DAIWA SECS GROUP INC ADR	883.0000	11/18/08	04/16/09			45,937.52	40,838.31	5,099.21
	1040.0000	10/28/09	12/10/09			55,108.59	53,796.60	1,311.99
		Security Subtotal				**101,046.11**	**94,634.91**	**6,411.20**
DAIICHI SNKYO COUSPN ADR	2634.0000	04/16/09	08/25/09			55,140.32	47,219.19	7,921.13
	2122.0000	05/22/09	08/25/09			44,422.08	37,753.99	6,668.09
		Security Subtotal				**99,562.40**	**84,973.18**	**14,589.22**
DANONE-SPONS ADR	6581.0000	06/23/09	06/23/09			4,008.51	4,008.51	0.00
E.ON AG ADR	165.0000	06/30/09	07/27/09			6,054.32	5,977.81	76.51
	588.0000	06/30/09	07/28/09			21,719.57	21,302.77	416.80
		Security Subtotal				**27,773.89**	**27,280.58**	**493.31**
OAO GAZPROM SPON ADR	238.0000	11/18/08	03/25/09			3,814.25	3,446.24	368.01
GRUPO AERO DELSPON ADR	184.0000	11/18/08	01/14/09			3,466.01	3,329.88	136.13
HSBC HLDG PLC SP ADR	609.0000	04/08/09	11/30/09			35,940.48	19,657.72	16,282.76
	561.0000	04/08/09	12/22/09			31,551.46	18,108.35	13,443.11
		Security Subtotal				**67,491.94**	**37,766.07**	**29,725.87**
HDFC BANK LTD ADR	655.0000	11/26/08	10/09/09			76,663.48	37,217.88	39,445.60
INFOSYS TECH LTD ADR	1049.0000	01/28/09	08/20/09			42,653.33	29,645.37	13,007.96
	495.0000	02/06/09	08/20/09			20,127.18	13,700.16	6,427.02
		Security Subtotal				**62,780.51**	**43,345.53**	**19,434.98**

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
INTESA SANPAOLO SPON ADR	380.0000	11/18/08	04/16/09			6,884.47	6,365.00	519.47
ITAU UNIBANCO BANCO HOLD	817.0000	11/18/08	10/28/09			15,981.74	7,542.83	8,438.91
	3848.0000	04/16/09	12/21/09			83,733.02	45,436.92	38,296.10
		Security Subtotal				**99,714.76**	**52,979.75**	**46,735.01**
KOMATSU NEW NEW SPNSDADR	118.0000	11/18/08	01/15/09			5,990.80	5,487 00	503 80
KINGFISHER PLC SP ADR	9743.0000	08/21/08	05/11/09			50,753.88	45,213.37	5,540.51
	1976.0000	11/18/08	05/11/09			10,293.52	6,204.24	4,089.28
		Security Subtotal				**61,047.40**	**51,417.61**	**9,629.79**
ROYAL KPN N V SP ADR	2203.0000	05/04/09	08/27/09			33,994.71	27,137.65	6,857.06
RIO TINTO PLC SPNSRD ADR	303.0000	12/11/08	03/17/09			33,181.58	27,482.37	5,699.21
	853.0000	12/11/08	03/19/09			99,466.75	77,367.87	22,098.88
		Security Subtotal				**132,648.33**	**104,850.24**	**27,798.09**
RICOH CO LTD NEW ADR	615.0000	01/14/09	06/03/09			42,699.40	39,893.88	2,805.52
SAP AG SHS	674.0000	03/19/09	09/17/09			33,745.72	25,584.03	8,161.69
	110.0000	11/18/08	09/17/09			5,507.45	3,627.80	1,879.65
	1113.0000	11/03/08	09/17/09			55,725.46	39,901.50	15,823.96
		Security Subtotal				**94,978.63**	**69,113.33**	**25,865.30**
SUN HG KAI PPTY SPSD ADR	5340.0000	08/27/09	12/01/09			78,587.29	77,326.94	1,260.35
SHINHAN FINL GRP SP ADR	1483.0000	03/16/09	03/16/09			1,246.48	1,246.48	0.00
	144.0000	11/18/08	04/09/09			6,516.90	5,903.93	612.97
		Security Subtotal				**7,763.38**	**7,150.41**	**612.97**
STATOILHYDRO ASA	921.0000	11/18/08	04/15/09			16,180.18	14,633.77	1,546.41

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
TOKIO MARINE HOLDINGS	2547.0000	02/27/09	05/21/09			72,473.01	56,895.40	15,577.61
	1529.0000	03/18/09	05/21/09			43,506.58	36,761.14	6,745.44
		Security Subtotal				**115,979.59**	**93,656.54**	**22,323.05**
TAIWAN S MANUFCTRING ADR	2684.0000	12/09/08	03/19/09			23,693.94	19,861.33	3,832.61
	2686.0000	12/09/08	06/02/09			29,712.84	19,876.13	9,836.71
		Security Subtotal				**53,406.78**	**39,737.46**	**13,669.32**
TULLOW OIL PLC ADR	476.0000	07/28/09	10/27/09			96,687.77	79,184.98	17,502.79
TELEFONICA SA SPAIN ADR	166.0000	11/18/08	05/04/09			9,720.55	9,321.56	398.99
		Short Term Capital Gains Subtotal				**1,752,475.93**	**1,354,387.40**	**398,088.53**
SHORT TERM CAPITAL LOSSES								
ING GROEP ADS RTS	8812.0000	12/01/09	12/23/09			20,693.81	23,889.33	(3,195.52)
ASML HLDG N.V. NEW YORK	2027.0000	06/27/08	03/16/09			32,926.39	49,191.64	(16,265.25)
	2347.0000	12/18/08	03/16/09			38,124.46	40,812.92	(2,688.46)
		Security Subtotal				**71,050.85**	**90,004.56**	**(18,953.71)**
BHP BILLITON PLC SP ADR	1817.0000	03/03/08	01/13/09			66,733.67	117,825.72	(51,092.05)
BARCLAYS PLC ADR	6664.0000	02/06/08	01/23/09			19,938.56	240,874.95	(220,936.39)
	581.0000	11/18/08	01/23/09			1,738.35	5,106.99	(3,368.64)
		Security Subtotal				**21,676.91**	**245,981.94**	**(224,305.03)**
CAP GEMINI SP ADR	2371.0000	12/23/08	05/06/09			43,119.79	44,821.86	(1,702.07)
CANON INC ADR REP5SH	793.0000	01/29/08	01/13/09			25,625.65	35,464.07	(9,838.42)
	407.0000	01/30/08	01/13/09			13,152.13	17,135.92	(3,983.79)
	1458.0000	03/12/08	01/13/09			47,115.01	66,930.51	(19,815.50)
		Security Subtotal				**85,892.79**	**119,530.50**	**(33,637.71)**

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Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
DAIWA SECS GROUP INC ADR	2470.0000	04/16/08	04/16/09			128,500.17	212,572.89	(84,072.72)
	547.0000	06/02/08	04/16/09			28,457.32	56,825.86	(28,368.54)
	380.0000	10/29/09	12/10/09			20,135.84	20,265.74	(129.90)
		Security Subtotal				**177,093.33**	**289,664.49**	**(112,571.16)**
DAIICHI SNKYO COUSPN ADR	1864.0000	02/02/09	07/10/09			32,958.21	43,429.33	(10,471.12)
	388.0000	02/02/09	08/25/09			8,122.41	9,040.02	(917.61)
	1864.0000	02/02/09	08/25/09			39,021.09	43,429.33	(4,408.24)
		Security Subtotal				**80,101.71**	**95,898.68**	**(15,796.97)**
OAO GAZPROM SPON ADR	672.0000	05/23/08	03/25/09			10,769.61	40,869.76	(30,100.15)
GRUPO AERO DELSPON ADR	1595.0000	08/21/08	01/14/09			30,045.00	46,247.66	(16,202.66)
INTESA SANPAOLO SPON ADR	1867.0000	08/22/08	04/16/09			33,824.50	57,640.08	(23,815.58)
	1579.0000	11/26/08	04/16/09			28,606.81	29,262.19	(655.38)
		Security Subtotal				**62,431.31**	**86,902.27**	**(24,470.96)**
ITAU UNIBANCO BANCO MULT	1508.0000	07/25/08	07/02/09			24,030.42	33,563.21	(9,532.79)
GAM HOLDING LTD ADRS	9068.0000	01/23/09	11/13/09			22,403.72	52,111.98	(29,708.26)
	4182.0000	04/16/09	11/13/09			10,332.21	27,258.69	(16,926.48)
		Security Subtotal				**32,735.93**	**79,370.67**	**(46,634.74)**
KOMATSU NEW NEW SPNSDADR	1138.0000	03/03/08	01/15/09			57,775.58	114,031.82	(56,256.24)
NOVARTIS ADR	507.0000	11/18/08	03/11/09			17,326.28	24,669.50	(7,343.22)
NOKIA CORP SPON ADR	1101.0000	06/20/08	02/10/09			13,985.48	26,132.24	(12,146.76)
	1803.0000	06/25/08	02/10/09			22,902.66	47,205.61	(24,302.95)
	295.0000	11/18/08	02/10/09			3,747.25	3,843.85	(96.60)
		Security Subtotal				**40,635.39**	**77,181.70**	**(36,546.31)**
ROCHE HLDG LTD SPN ADR	795.0000	03/03/08	01/30/09			27,738.82	38,875.46	(11,136.64)

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHINHAN FINL GRP SP ADR	101.0000	10/09/09	12/23/09			7,548.58	8,475.01	(926.43)
	208.0000	10/12/09	12/23/09			15,545.61	17,064.83	(1,519.22)
	168.0000	10/12/09	12/24/09			12,611.41	13,783.14	(1,171.73)
	235.0000	10/12/09	12/28/09			18,014.71	19,279.99	(1,265.28)
	274.0000	10/12/09	12/29/09			20,611.56	22,479.65	(1,868.09)
		Security Subtotal				**74,331.87**	**81,082.62**	**(6,750.75)**
UNILEVER NV NY REG SHS	2479.0000	08/07/08	01/30/09			54,737.49	69,345.31	(14,607.82)
	245.0000	11/18/08	01/30/09			5,409.72	5,730.55	(320.83)
		Security Subtotal				**60,147.21**	**75,075.86**	**(14,928.65)**
WPP PLC ADR	2223.0000	03/03/08	01/13/09			64,006.70	130,918.47	(66,911.77)
		Short Term Capital Losses Subtotal				**1,068,336.98**	**1,856,406.08**	**(788,069.10)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(389,980.57)**
LONG TERM CAPITAL GAINS								
ITAU UNIBANCO BANCO HOLD	12.0000	11/18/08	12/21/09			261.12	110.79	150.33
KINGFISHER PLC SP ADR	3600.0000	01/07/08	05/11/09			18,753 35	17,845.20	908.15
PETRLEO BRAS VTG SPD ADR	801.0000	10/23/07	06/03/09			34,038.82	33,069.40	969.42
	547.0000	10/23/07	06/29/09			22,647.73	22,582.98	64.75
		Security Subtotal				**56,686.55**	**55,652.38**	**1,034.17**
ROGERS COMMUNICATIONS B	275 0000	11/18/08	12/18/09			7,866.15	7,386.23	479.92
STATOILHYDRO ASA	599.0000	11/03/04	01/23/09			10,406.78	8,774.34	1,632.44
	453.0000	11/03/04	01/23/09			7,870.24	6,635.67	1,234.57
	736.0000	11/04/04	01/23/09			12,786.98	10,856.00	1,930.98
	1062.0000	11/04/04	04/15/09			18,657.26	15,664.50	2,992.76

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
STATOILHYDRO ASA		**Security Subtotal**				**49,721.26**	**41,930.51**	**7,790.75**
		Long Term Capital Gains Subtotal				**133,288.43**	**122,925.11**	**10,363.32**
LONG TERM CAPITAL LOSSES								
AXA -SPONS ADR	7667.0000	03/03/08	05/06/09			130,642.32	256,689.63	(126,047.31)
AKZO NOBEL N V SPNSD ADR	1510.0000	03/03/08	08/19/09			81,869.18	111,437.99	(29,568.81)
	502.0000	03/03/08	08/27/09			28,123.92	37,047.60	(8,923.68)
		Security Subtotal				**109,993.10**	**148,485.59**	**(38,492.49)**
AMERICA MOVIL SAB DE CV	895.0000	03/03/08	06/02/09			33,994.89	53,959.45	(19,964.56)
	414.0000	03/03/08	08/18/09			18,648.65	24,960.02	(6,311.37)
		Security Subtotal				**52,643.54**	**78,919.47**	**(26,275.93)**
BHP BILLITON PLC SP ADR	1433.0000	03/03/08	06/09/09			70,522.27	92,924.75	(22,402.48)
	520.0000	03/03/08	07/02/09			23,139.51	33,720.07	(10,580.56)
	643.0000	03/03/08	08/26/09			33,546.95	41,696.17	(8,149.22)
		Security Subtotal				**127,208.73**	**168,340.99**	**(41,132.26)**
BAYER AG SP ADR	593.0000	03/03/08	10/13/09			41,408.12	45,186.60	(3,778.48)
BNP PARIBAS SPONSORD ADR	865.0000	03/03/08	07/10/09			27,630.85	38,622.25	(10,991.40)
CANON INC ADR REP5SH	707.0000	08/26/05	01/13/09			22,846.57	24,440.00	(1,593.43)
CRH PLC ADR	990.0000	03/03/08	08/26/09			25,136.74	34,660.12	(9,523.38)
	2145.0000	03/03/08	09/03/09			50,239.10	75,096.93	(24,857.83)
	3089.0000	03/03/08	09/04/09			74,418.27	108,146.59	(33,728.32)
		Security Subtotal				**149,794.11**	**217,903.64**	**(68,109.53)**
GRUPO TELEVISA SA ADR	1711.0000	03/03/08	06/09/09			29,584.47	37,758.85	(8,174.38)

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Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
OAO GAZPROM SPON ADR	1076.0000	12/13/07	03/25/09			17,244.19	61,537.52	(44,293.33)
	500.0000	01/08/08	03/25/09			8,013.10	29,553.95	(21,540.85)
		Security Subtotal				**25,257.29**	**91,091.47**	**(65,834.18)**
GDF SUEZ ADR	847.0000	03/03/08	07/28/09			32,433.33	49,405.94	(16,972.61)
INTESA SANPAOLO SPON ADR	2355.0000	03/03/08	04/16/09			42,665 61	94,317.75	(51,652.14)
ITAU UNIBANCO BANCO MULT	2587.0000	03/03/08	06/26/09			41,588.57	61,194.33	(19,605.76)
	1225.0000	04/09/08	06/26/09			19,693.08	27,655.71	(7,962.63)
	657.0000	04/17/08	06/26/09			10,561.93	15,442.02	(4,880.09)
	246.0000	04/17/08	07/02/09			3,920.08	5,781.95	(1,861.87)
	598.0000	07/25/08	10/28/09			11,697.77	12,107.69	(409.92)
		Security Subtotal				**87,461.43**	**122,181.70**	**(34,720.27)**
KINGFISHER PLC SP ADR	1335.0000	01/31/07	05/11/09			6,954.36	12,763.28	(5,808.92)
	5910.0000	02/02/07	05/11/09			30,786.76	59,623.04	(28,836.28)
		Security Subtotal				**37,741.12**	**72,386.32**	**(34,645.20)**
MITSUBISHI CP SPNSRD ADR	1306.0000	03/03/08	03/24/09			35,209.04	78,751.79	(43,542.75)
NOVARTIS ADR	1154.0000	11/04/04	01/30/09			47,706.78	57,469.20	(9,762.42)
	300.0000	02/15/05	01/30/09			12,402 11	14,541.60	(2,139.49)
	1000.0000	08/26/05	01/30/09			41,340.36	48,174.60	(6,834.24)
	897.0000	02/26/07	01/30/09			37,082.32	51,413.97	(14,331.65)
	1094.0000	02/26/07	03/11/09			37,386.46	62,705.57	(25,319.11)
		Security Subtotal				**175,918.03**	**234,304.94**	**(58,386.91)**
PETRLEO BRAS VTG SPD ADR	124.0000	03/03/08	06/29/09			5,134.04	7,280.65	(2,146.61)
	607.0000	03/03/08	07/27/09			25,697.65	35,640 01	(9,942.36)
		Security Subtotal				**30,831.69**	**42,920.66**	**(12,088.97)**
ROGERS COMMUNICATIONS B	2494.0000	03/03/08	12/18/09			71,338.78	99,161.94	(27,823.16)
SIEMENS AG ADR	464.0000	03/03/08	10/13/09			45,319.80	59,122.64	(13,802.84)

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Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHINHAN FINL GRP SP ADR	1339.0000	03/03/08	04/09/09			60,598.09	141,381.51	(80,783.42)
STATOILHYDRO ASA	883.0000	02/26/07	04/15/09			15,512.58	23,724.27	(8,211.69)
	238.0000	02/27/07	04/15/09			4,181.19	6,313.24	(2,132.05)
	209.0000	04/13/07	04/15/09			3,671.72	5,890.96	(2,219.24)
	891.0000	04/16/07	04/15/09			15,653.13	25,212.54	(9,559.41)
	3004.0000	03/03/08	04/15/09			52,774.42	92,407.85	(39,633.43)
	1455.0000	03/05/08	04/15/09			25,561.52	45,008.82	(19,447.30)
		Security Subtotal				**117,354.56**	**198,557.68**	**(81,203.12)**
TOTAL S.A. SP ADR	503.0000	11/04/04	07/10/09			25,236.26	26,591.07	(1,354.81)
	300.0000	05/25/06	07/10/09			15,051.45	19,673.94	(4,622.49)
	614.0000	06/14/06	07/10/09			30,805.32	36,102.46	(5,297.14)
		Security Subtotal				**71,093.03**	**82,367.47**	**(11,274.44)**
TELEFONICA SA SPAIN ADR	1609.0000	03/03/08	05/04/09			94,219.00	138,036.11	(43,817.11)
VODAFONE GROUP PLC NEW	1567.0000	12/14/06	06/02/09			30,706.77	44,517.68	(13,810.91)
		Long Term Capital Losses Subtotal				**1,649,899.38**	**2,564,852.62**	**(914,953.24)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(904,589.92)**

OTHER TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
ITAU UNIBANCO BANCO MULT	.0000	04/24/09	04/24/09			1.56	N/A	N/A
	4796.0000	09/11/09	09/11/09			10.46	N/A	N/A
		Security Subtotal				**12.02**		
TAIWAN S MANUFCTRING ADR	.0000	08/20/09	08/20/09			1.78	N/A	N/A
TNT N V ADR	5792.0000	05/15/09	05/15/09			15.34	N/A	N/A
		Other Transactions Subtotal				**29.14**		

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
TOTAL CAPITAL GAINS AND LOSSES						**4,604,029.86**	**5,898,571.21**	**(1,294,570.49)**
TOTAL REPORTABLE GROSS PROCEEDS						**4,604,029.86**		
DIFFERENCE						**0.00 ***		

Note. Capital gains and losses in this statement are not reported to the IRS.
* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).
N/A - Results which cannot be calculated because of insufficient data in the Capital Gain or (Loss) Column and are not included in the realized capital gain and loss summary.

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	398,088.53	(788,069.10)	10,363.32	(914,953.24)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CITIGROUP INC	6211.0000	03/13/08	08/04/09			20,038.65	20,721.88	(683.23)
	5492.0000	04/08/08	08/04/09			17,718.93	21,420.00	(3,701.07)
		Security Subtotal				**37,757.58**	**42,141.88**	**(4,384.30)**
LOEWS CORP	551.0000	08/12/05	07/08/09			14,054.98	15,670.85	(1,615.87)
	155.0000	07/01/08	07/08/09			3,953.77	7,300.76	(3,346.99)
		Security Subtotal				**18,008.75**	**22,971.61**	**(4,962.86)**
MASTERCARD INC	95.0000	10/11/07	03/18/09			14,963.50	16,024.87	(1,061.37)
	195.0000	10/11/07	07/07/09			31,694.51	32,893.17	(1,198.66)
		Security Subtotal				**46,658.01**	**48,918.04**	**(2,260.03)**
NOKIA CORP SPON ADR	900.0000	06/15/07	08/12/09			11,887.16	26,167.06	(14,279.90)
PRICE T ROWE GROUP INC	370.0000	04/10/08	07/09/09			13,879.97	19,736.68	(5,856.71)
QUALCOMM INC	520.0000	06/20/08	07/09/09			22,421.30	25,296.38	(2,875.08)
	400.0000	06/20/08	08/31/09			18,919.55	19,458.77	(539.22)
		Security Subtotal				**41,340.85**	**44,755.15**	**(3,414.30)**
SEAHAWK DRILLING INC	37.0000	07/29/08	09/01/09			872.99	1,416.35	(543.36)
		Long Term Capital Losses Subtotal				**408,657.40**	**529,937.84**	**(121,280.44)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(94,176.80)**

OTHER TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
CITIGROUP INC	.0000	08/03/09	08/03/09			2.49	N/A	N/A
MERCK AND CO INC SHS	.0000	11/18/09	11/18/09			2.22	N/A	N/A

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
COACH INC	795.0000	04/10/08	10/22/09			27,094.65	24,734.91	2,359.74
MERCK & CO INC	85.0000	10/28/08	11/18/09			7,320.20	0.00	7,320.20
NIKE INC CL B	410.0000	10/27/06	06/05/09			23,794.76	19,080.23	4,714.53
SCHERING PLOUGH CORP	30 0000	10/28/08	11/03/09			7,238.45	3,764.93	3,473.52
		Long Term Capital Gains Subtotal				**163,765.39**	**136,661.75**	**27,103.64**
LONG TERM CAPITAL LOSSES								
ANIXTER INTL INC 1.00% 13	38000 0000	03/31/08	10/07/09			34,219.38	43,810.20	(9,590.82)
EMC CORP 1.75%DEC01 11	39000.0000§	03/27/07	02/03/09	(52.72)(A)	(959.43)(A)	38,007.84	40,467.15(C)	(2,459.31)
SESI LLC	18000.0000§	07/29/08	10/09/09	(168.32)(A)	(258.32)(A)	16,357.50	21,362.69(C)	(5,005.19)
TRANSOCEAN INC 1.62% 2037	25000.0000§	12/06/07	02/06/09	(2.60)(A)	(27.16)(A)	22,403.15	25,660.33(C)	(3,257.18)
	23000.0000§	12/06/07	05/28/09	(8.87)(A)	(31.48)(A)	21,591.25	23,601.03(C)	(2,009.78)
	12000.0000§	02/29/08	05/28/09	(19.82)(A)	(59.32)(A)	11,265.00	13,290.80(C)	(2,025.80)
		Security Subtotal				**55,259.40**	**62,552.16**	**(7,292.76)**
ADOBE SYS DEL PV$ 0.001	1255.0000	01/25/08	03/13/09			23,149.47	43,762.60	(20,613.13)
AMER INTL GROUP INC.	315.0000	05/14/08	11/05/09			3,748.40	24,828.30	(21,079.90)
AON CORP COM	655.0000	06/08/07	02/23/09			25,872.02	27,073.70	(1,201.68)
	390.0000	06/08/07	03/13/09			14,854.11	16,120.23	(1,266.12)
		Security Subtotal				**40,726.13**	**43,193.93**	**(2,467.80)**
BOEING COMPANY	525.0000	02/29/08	10/22/09			26,783.97	43,854.04	(17,070.07)

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
STRYKER CORP	390.0000	02/17/09	10/07/09			17,242.70	16,440.26	802.44
		Short Term Capital Gains Subtotal				**228,088.72**	**196,926.27**	**31,162.45**
SHORT TERM CAPITAL LOSSES								
ACTUANT CORP 2.00%NOV15 2	33000.0000·	02/18/09	06/23/09	961.46(A)	961.46(A)	30,607.50	33,136.46(C)	(2,528.96)(G)
EMC CORP 1.75%DEC01 11	19000.0000·	09/29/08	02/03/09	15.01(A)	52.98(A)	18,516.64	18,571.14(C)	(54.50)
	1000.0000·	10/03/08	02/03/09	0.53(A)	1.78(A)	974.56	984.83(C)	(10.27)
		Security Subtotal				**19,491.20**	**19,555.97**	**(64.77)**
MEDTRONIC INC	38000.0000§	09/17/08	02/04/09	(54.06)(A)	(189.05)(A)	33,507.63	40,069.67(C)	(6,562.04)
NABORS INDS INC 0.94% 201	43000.0000§	04/17/08	01/28/09	(52.36)(A)	(468.07)(A)	37,275.63	44,337.07(C)	(7,061.44)
DELL INC	1700.0000	08/28/08	07/20/09			21,876.39	43,123.22	(21,246.83)
JANUS CAPITAL GROUP INC	1775.0000	09/10/08	05/27/09			16,882.65	41,271.41	(24,388.76)
LAUDER ESTEE COS INC A	390.0000	09/16/08	02/23/09			9,394.61	20,405.58	(11,010.97)
		Short Term Capital Losses Subtotal				**169,035.61**	**241,899.38**	**(72,863.77)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(41,701.32)**
LONG TERM CAPITAL GAINS								
GILIEAD SCIENCES 0.62% 1	25000.0000§	03/27/07	07/09/09	(285.02)(A)	(1,249.37)(A)	31,108.75	26,953.76(C)	4,154.99
MOLSON COORS BREW 2.50% 1	43000.0000§	07/31/07	02/02/09	(20.93)(A)	(317.80)(A)	46,546.08	44,002.73(C)	2,543.35
SYBASE, INC. 1.75%FEB22 2	15000.0000§	01/25/08	06/05/09	(95.50)(A)	(298.70)(A)	20,662.50	18,125.19(C)	2,537.31

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
AMGEN INC	19000.0000•	10/10/08	06/08/09	397.10(A)	587.02(A)	16,862.50	15,717.11(C)	1,145.39
COMMSCOPE INC	18000.0000§	05/22/09	10/14/09	(21.49)(A)	(21.49)(A)	22,409.98	18,338.51(C)	4,071.47
DST SYSTEMS INC SRS A	34000.0000•	11/12/08	04/01/09	592.26(A)	860.52(A)	33,107.50	32,111.42(C)	996.08(G)
MEDTRONIC INC	20000.0000•	10/16/08	02/04/09	77.92(A)	221.77(A)	17,635.61	16,951.03(C)	684.58
PIONEER NATURAL R 2.87% 3	48000.0000•	10/17/08	04/20/09	615.08(A)	983.14(A)	38,184.00	32,235.94(C)	5,948.06(G)
INGERSOLL-RAND CO 4.50% 1	15000.0000§	04/02/09	06/22/09	(157.94)(A)	(157.94)(A)	20,519.66	16,979.56(C)	3,540.10
MYLAN INC	19.0000	02/23/09	07/01/09			16,109.88	16,078.14	31.74
PRECISION CASTPARTS	260.0000	03/23/09	05/22/09			20,682.30	15,966.18	4,716.12
SCHERING PLOUGH CORP	5.0000	11/07/08	11/03/09			1,206.40	708.12	498.28
	100.0000	11/14/08	11/03/09			24,128.19	15,400.00	8,728.19
		Security Subtotal				**25,334.59**	**16,108.12**	**9,226.47**

ISLANDS FUND

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SEAHAWK DRILLING INC	560.0000	09/15/09	09/15/09			9.09	N/A	N/A
		Other Transactions Subtotal				**13.80**		
TOTAL CAPITAL GAINS AND LOSSES						**969,560.92**	**1,105,425.24**	**(135,878.12)**
TOTAL REPORTABLE GROSS PROCEEDS						**969,560.92**		
DIFFERENCE						**0.00 ***		

Note: Capital gains and losses in this statement are not reported to the IRS.

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

N/A - Results which cannot be calculated because of insufficient data in the Capital Gain or (Loss) Column and are not included in the realized capital gain and loss summary.

§ - Bonds purchased at a premium show amortization.

• - Bonds purchased at a discount show accretion.

(A) - Year-to-Date and Life-to-Date amortization/accretion figures are net adjustments and may include original issue discount, and/or premium or market discount adjustments, if applicable. These figures assume that the client has made all elections to amortize bond premium and accrete market discount on a current basis A negative figure indicates a net reduction in cost basis due to such factors as premium amortization.

(C) - The cost basis reflects adjustments for amortized and/or accreted amounts.

(G) - Contingent Payment Debt Instrument (CPDI) Gain recognized on the sale, exchange, or retirement of a CPDI is treated as ordinary interest income. Loss is treated as ordinary loss to the extent of the holder's total OID inclusions (including any positive adjustments) with respect to the instrument exceed the total net negative adjustments. Any additional loss is treated as capital loss. Accordingly, gains and ordinary losses should be backed out of Schedule D, Form 1040 and shown on Schedule B, Form 1040. The adjusted basis shown is generally original cost increased by accrued OID and decreased by the amount of any projected payment previously made on the debt instrument. Where the instrument was purchased in the secondary market at a price greater than the adjusted issue price, the adjusted basis is also reduced by the allocable portion of the difference between purchase price and adjusted issue price. The differential is reflected in the "Amortization/Accretion" columns, but is not included as a negative adjustment in the "Additional Information on Contingent Payment Debt Instruments" section of the Tax Reporting Statement. Thus, you may need to make an additional adjustment on your return for this amount. If you held an instrument purchased at original issuance until maturity, and the instrument provided for a single projected payment at maturity, the adjusted basis shown is equal to the amount realized at maturity (gain/loss is shown as $0.00) and any gain/loss that would have resulted had the basis not been set to the amount realized, is reflected as a net positive or negative adjustment in the "Additional Information on Contingent Payment Debt Instruments" section of the Tax Reporting Statement. Please contact your tax advisor for more information.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MERRILL LYNCH A/C 04014	1,057.
MERRILL LYNCH A/C 04308	1,557,197.
MERRILL LYNCH A/C 04387	2,320.
MERRILL LYNCH A/C 04393	1,356.
MERRILL LYNCH A/C 04395	897.
MERRILL LYNCH A/C 04396	11,233.
MERRILL LYNCH A/C 04396 (OID)	19,042.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,593,102.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FOREIGN TAX PAID ON DIVIDENDS	<39,203.>	0.	<39,203.>
MERRILL LYNCH A/C 04014	749,537.	21,030.	728,507.
MERRILL LYNCH A/C 04308	339,056.	0.	339,056.
MERRILL LYNCH A/C 04387	190,845.	0.	190,845.
MERRILL LYNCH A/C 04393	128,751.	2,639.	126,112.
MERRILL LYNCH A/C 04395	321,105.	0.	321,105.
MERRILL LYNCH A/C 04396	34,132.	0.	34,132.
TOTAL TO FM 990-PF, PART I, LN 4	1,724,223.	23,669.	1,700,554.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	1,152.	1,152.	
CLASS ACTION SETTLEMENTS	8,018.	8,018.	
TOTAL TO FORM 990-PF, PART I, LINE 11	9,170.	9,170.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	100.	0.		0.
TO FM 990-PF, PG 1, LN 16A	100.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	7,801.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	7,801.	0.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	65.	0.		0.
TO FORM 990-PF, PG 1, LN 18	65.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	235,700.	235,700.		0.
MANAGEMENT FEES	60,000.	0.		0.
MISC. EXPENSES	111.	111.		0.
TO FORM 990-PF, PG 1, LN 23	295,811.	235,811.		0.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
IRS TAX REFUND	43,096.
SHINHAM PROCEEDS TAXABLE IN 2010	1,868.
TOTAL TO FORM 990-PF, PART III, LINE 3	44,964.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 9

DESCRIPTION	AMOUNT
AMORTIZATION/ACCRETION OF BOND PORTFOLIO	129,934.
ORIGINAL ISSUE DISCOUNT	19,042.
MISCELLANEOUS ADJUSTMENTS (REINVESTMENTS)	20,200.
2008 CONTRIBUTION AND EXPENSE CHECKS CLEARED IN 2009	110,321.
ACCRUED INTEREST INCOME NOT RECEIVED	13,244.
ROUNDING	6.
TOTAL TO FORM 990-PF, PART III, LINE 5	292,747.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITY SECURITIES	24,556,942.	37,695,841.
TOTAL TO FORM 990-PF, PART II, LINE 10B	24,556,942.	37,695,841.

FORM 990-PF CORPORATE BONDS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	17,911,354.	18,652,627.
TOTAL TO FORM 990-PF, PART II, LINE 10C	17,911,354.	18,652,627.

FORM 990-PF OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	COST	37,510,721.	27,309,776.
GOVERNMENT BONDS	COST	4,096,115.	4,139,972.
CD'S AND EQUIVALENT	COST	1,172,000.	1,177,227.
GOLD TRUSTS	COST	1,481,539.	1,770,615.
ACCRUED INTEREST RECEIVABLE	FMV	0.	302,268.
TOTAL TO FORM 990-PF, PART II, LINE 13		44,260,375.	34,699,858.

FORM 990-PF OTHER LIABILITIES STATEMENT 13

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
OUTSTANDING GRANT CHECKS	0.	35,000.
OUTSTANDING EXPENSE CHECKS	0.	3,962.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	38,962.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SARAH R. WERNER 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
RICK S. WERNER 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
GEORGE G. GULICK 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
E. LEEDS GULICK 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
JAMES FLAGGERT 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	15,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		15,000.	0.	0.

FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT 15

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ALOHA FOUNDATION 2968 LAKE MOREY ROAD FAIRLEE, VT 05045	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	420,000.
ASPEN CENTER FOR ENVIORNMENTAL STUDIES 100 PUPPY SMITH ST. ASPEN, CO 81611	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
BELLEVUE SCHOOLS FOUNDATION 12111 NE 1ST STREET BELLEVUE, WA 98005	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
BERTSCHI SCHOOL 2227 10TH AVENUE EAST SEATTLE, WA 98102	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.
BIG BROTHERS/BIG SISTERS OF CENTRAL OREGON 62895 HAMBLY ROAD BEND, OR 97701	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
BIG BROTHERS/SISTERS OF KING COUNTY 1600 SOUTH GRAHAM ST SEATTLE, WA 98108	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	40,000.
BOYS AND GIRLS CLUBS OF BELLEVUE 209 100TH AVENUE NE BELLEVUE, WA 98004	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	50,000.
BRIDLE TRAILS PARK FOUNDATION 6619 132ND AVENUE NE #265 KIRKLAND, WA 98033	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	30,000.

CHILL FOUNDATION 9606 SANTA MONICA BLVD THIRD FLOOR BEVERLY HILLS, CA 90210	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	35,000.
CONSERVATION INTERNATIONAL 2011 CRYSTAL DRIVE SUITE 500 ARLINGTON, VA 22202	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	60,000.
ECOTRUST CANADA 1238 HOMER ST SUITE 200 VANCOUVER, BRITISH COLUMBIA, CANADA V6B2	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	72,000.
ECOTRUST 721 NW NINTH SUITE 200 PORTLAND, OR 97209	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	77,000.
ENVIORNMENTAL RESOURCE CENTER 471 WASHINGTON AVENUE N KETCHUM, ID 83340	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.
EXPLOYER WEST MIDDLE SCHOOL 10015 28TH AVENUE SW SEATTLE, WA 98146	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	20,000.
FRIENDS OF NW AVALANCHE CENTER 15600 NE 8TH STREET #B1-711 BELLEVUE, WA 98008	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	5,000.
FUTURE GENERATIONS HC 73 BOX 100 FRANKLIN, WV 26807	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	550,000.
HIDDEN VILLA 26870 MOODY ROAD LOS ALTOS HILLS, CA 94022	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	30,000.
ISLANDWOOD 4450 BLAKELY AVENUE NE BAINBRIDGE ISLAND, WA 98110	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	35,000.

LAKE WASHINGTON ENVIRONMENT & ADVENTURE SCHOOL 8040 NE 132ND KIRKLAND, WA 98034	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	20,000.
LAKESIDE SCHOOL 14050 1ST AVENUE NE SEATTLE, WA 98125-3099	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.
LITTLE BIT THERAPEUTIC RIDING CENTER 19802 NE 148TH STREET WOODINVILLE, WA 98077	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	30,000.
MUSEUM OF FLIGHT 9404 EAST MARGINAL WAY S. SEATTLE, WA 98108-4097	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
MUSEUM OF N.W. ART 121 SOUTH FIRST STREET LA CONNER, WA 98257	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	30,000.
NEXSTAGE THEATER P.O. BOX 3092 SUN VALLEY, ID 83353	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
NORTH CASCADES INSTITUTE 810 STATE ROUTE 20 SEDRO WOLLEY, WA 98284	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	60,000.
NUEVA SCHOOL 6565 SKYLINE BLVD. HILLSBOROUGH, CA 94010	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	105,000.
O'DEA HIGH SCHOOL 802 TERRY AVE. SEATTLE, WA 98104	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	15,000.
OPEN WINDOW SCHOOL 6128 168TH PL. SE BELLEVUE, WA 98006	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.

OUTDOORS FOR ALL FOUNDATION 2 NICKERSON STREET SUITE 101 SEATTLE, WA 98109-1652	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	80,000.
OVERLAKE SCHOOL 20301 NE 108TH STREET REDMOND, WA 98053	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
PACIFIC SCIENCE CENTER 200 2ND AVENUE N SEATTLE, WA 98109-1652	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	70,000.
PERIGRINE FUND 5668 W. FLYING HAWK LN. BOISE, ID 83709	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.
PLANNED PARENTHOOD OF WESTERN WASHINGTON 2001 E. MADISON ST. SEATTLE, WA 98122	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	50,000.
PLANT AMNESTY 7400 SAND POINT WAY NE SEATTLE, WA 98115-0377	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
POWERFUL VOICES 1620 18TH AVENUE SUITE 100 SEATTLE, WA 98122	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	30,000.
SEATTLE ACADEMY 1201 E. UNION STREET SEATTLE, WA 98122	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	360,000.
SEATTLE ACQUARIUM 1483 ALASKAN WAY SEATTLE, WA 98101	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
SEATTLE ARBORETUM FOUNDATION 2300 ARBORETUM DRIVE E SEATTLE, WA 98122	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.

SEATTLE REPERTORY THEATER 155 MERCER STREET SEATTLE, WA 98109	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	40,000.
SEATTLE URBAN ACADEMY (CRISTA) 3800 S. OTHELLO STREET SEATTLE, WA 98118	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	50,000.
SEATTLE YOUTH GARDEN WORKS 5700 6TH AVENUE S. #207 SEATTLE, WA 98108	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	35,000.
SECRET HARBOR SCHOOL 1809 COMMERCIAL AVENUE ANACORTES, WA 98221	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
SOS OUTREACH P.O. BOX 2020 AVON, CO 81620	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	5,000.
SPECIAL OLYMPICS WASHINGTON 2150 N. 107TH STREET SUITE 220 SEATTLE, WA 98133-9009	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
SPECTRUM DANCE THEATER 800 LAKE WASHINGTON BLVD. SEATTLE, WA 98122	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	15,000.
STUDENT CONSERVATION ASSOCIATION 689 RIVER ROAD CHARLESTOWN, NH 03603-0550	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
TEXAS WOMEN'S UNIVERSITY P.O. BOX 425618 DENTON, TX 76204-5618	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
THE NATURE CONSERVANCY (CO) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.

THE NATURE CONSERVANCY (MT) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	200,000.
THE NATURE CONSERVANCY (WA) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	200,000.
THE ROCK SCHOOL 1101 SOUTH BROAD STREET PHILADELPHIA, PA 19147	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	10,000.
THE SAN JUAN PRESERVATION TRUST P.O. BOX 327 LOPEZ ISLAND, WA 98261	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	660,000.
THE SEATTLE FOUNDATION 1200 FIFTH AVENUE SUITE 1300 SEATTLE, WA 98101-3151	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	466,000.
THE SIERRA CLUB FOUNDATION 85 SECOND STREET SUITE 750 SAN FRANCISCO, CA 94105	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	15,000.
THE THACHER SCHOOL 5025 THACHER ROAD OJAI, CA 93023	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	25,000.
TRAILBLAZER CAMPS 45 EAST 20TH STREET 9TH FLOOR NEW YORK, NY 10003	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	50,000.
TREEHOUSE FUND 2100 - 24TH AVENUE S. SUITE 200 SEATTLE, WA 98144	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
UCSC PREDATORY BIRD RESEARCH 100 SHAFFER ROAD SANTA CRUZ, CA 95060	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	15,000.

VEHICLE RESEARCH INSTITUTE 501 HIGH STREET BELLINGHAM, WA 98225	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	5,000.
WASHINGTON BUSINESS WEEK 33305 1ST WAY S. SUITE B-212 FEDERAL WAY, WA 98003	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	100,000.
WASHINGTON TRAILS ASSOCIATION 2019 THIRD AVENUE SUITE 100 SEATTLE, WA 98121	N/A TO MEET TAX EXEMPT PURPOSE	501(C)(3)	50,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			5,300,000.