

## Performance Commentary FOURTH QUARTER 2011

For the fourth quarter of 2011, the Fund's Class R shares returned 8.64%, underperforming the S&P 500 Index return of 11.82%.

The Fund's relative underperformance was most affected by its industry exposure and specific stock selection within the consumer discretionary, energy and information technology sectors.

The following portfolio holdings helped the Fund's relative performance the most:

- **National-Oilwell Inc.**, whose shares rose nearly 33% during the quarter.
- **Safeway Inc.**, whose shares rose more than 27%, reported that third quarter earnings and sales increased due to higher fuel sales and currency benefits.
- **Energen Corp**, whose shares rose nearly 23% during the quarter.

The following portfolio holdings hurt the Fund's relative performance the most:

- **Southwestern Energy**, whose shares fell more than 14% during the period held by the Fund.
- **Oracle Corporation**, whose shares fell more than 10.5%, reported third quarter earnings and revenue shortfalls due to decreased corporate IT spending and macroeconomic uncertainty.
- **Annaly Capital Management**, a real estate investment trust, faced a challenging operating environment and liquidity concerns.

As of 12/31/11, these companies represented the following percentages of the Fund's portfolio: National-Oilwell (2.74%), Safeway (1.14%), Energen (1.36%), Southwestern Energy (1.33%), Oracle (1.82%), Annaly Capital Management (1.36%). The composition of the Fund's portfolio is subject to change. Obtain a copy of the Fund's most recent Annual or Semi-Annual Report, containing a complete description of the Fund's portfolio, by calling 1-800-498-1351 or at [www.domini.com](http://www.domini.com). This commentary should not be considered a recommendation of the financial attractiveness as an investment of any of the companies mentioned.

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

DSIL Investment Services LLC, Distributor. 01/12

## MONTHLY TOTAL RETURNS

	DSFRX	S&P 500
October	11.07%	10.93%
November	-1.33%	-0.22%
December	-0.87%	1.02%
<b>TOTAL RETURNS THROUGH 12/31/11</b>		
Latest Quarter	8.64%	11.82%
Year to Date	0.96%	2.11%
One Year	0.96%	2.11%
Three Year*	16.27%	14.11%
Five Year*†	-0.08%	-0.25%
Ten Year*†‡	2.43%	2.92%
Since Inception (6/3/91)†‡*	7.51%	8.02%

\*Average annual total returns.

†On 11/30/06, the Fund, formerly a passively managed index fund, transitioned to an active management strategy. Past performance before 11/30/06 represents the former investment strategy and is not indicative of future results. ‡The performance for Class R shares includes the performance of the Investor shares for periods prior to the offering of Class R shares (11/28/03). This performance has not been adjusted to take into account the lower expenses applicable to the Class R shares.

**Past performance is no guarantee of future results.** The Fund's returns quoted above represent past performance after all expenses. Investment return, principal value, and yield will fluctuate. Your shares, when redeemed, may be worth more or less than their original cost. Call 1-800-498-1351 or visit [www.domini.com](http://www.domini.com) for performance information current to the most recent month-end, which may be lower or higher than the performance data quoted. A 2.00% fee applies on sales/exchanges made less than 30 days after purchase/exchange, with certain exceptions.

For the period reported in its current prospectus, the Fund's gross annual operating expenses totaled 0.94% of net assets. Until 11/30/12, the Fund's Manager has contractually agreed to waive certain fees and/or reimburse certain expenses, including management fees, so that expenses paid by the Fund will not exceed, on a per annum basis, 0.90% of the daily net assets representing Class R shares, absent an earlier modification by the Fund's Board of Trustees. The Fund's total return would have been lower without this limit.

The performance information quoted above does not reflect the deduction of taxes that a shareholder would pay on distributions or the redemption of Fund shares. Total return is based on the Fund's net asset values and assumes all dividends and capital gains were reinvested. An investment in the Fund is subject to market risks such as sector concentration and style risk. You may lose money.