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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

**2008**

**For calendar year 2008, or tax year beginning** NOV 1, 2008 **, and ending** OCT 31, 2009

G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

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

Name of foundation: DILLON FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) / Room/suite: P.O. BOX 537

City or town, state, and ZIP code: STERLING, IL 61081

**A Employer identification number** 36-6059349

**B** Telephone number (815)626-9000

**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 ▶☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 57,921,892.

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

| | | **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 | 6,844. | 6,844. | | STATEMENT 2 |
| | 4 | Dividends and interest from securities | 2,046,355. | 2,046,355. | | STATEMENT 3 |
| | 5a | Gross rents | | | | |
| | b | Net rental income or (loss) | | | | |
| | 6a | Net gain or (loss) from sale of assets not on line 10 | <31,466,362.> | | | STATEMENT 1 |
| | b | Gross sales price for all assets on line 6a 159,995,261. | | | | |
| | 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 | 48,467. | 48,467. | | STATEMENT 4 |
| | 12 | **Total.** Add lines 1 through 11 | <29,364,696.> | 2,101,666. | | |
| Operating and Administrative Expenses | 13 | Compensation of officers, directors, trustees, etc | 0. | 0. | | 0. |
| | 14 | Other employee salaries and wages | 15,511. | 0. | | 15,511. |
| | 15 | Pension plans, employee benefits | | | | |
| | 16a | Legal fees STMT 5 | 160. | 0. | | 160. |
| | b | Accounting fees STMT 6 | 39,250. | 10,150. | | 29,100. |
| | c | Other professional fees STMT 7 | 571,987. | 558,237. | | 13,750. |
| | 17 | Interest | | | | |
| | 18 | Taxes STMT 8 | 7,178. | 0. | | 1,178. |
| | 19 | Depreciation and depletion | | | | |
| | 20 | Occupancy | 13,276. | 0. | | 13,276. |
| | 21 | Travel, conferences, and meetings | | | | |
| | 22 | Printing and publications | | | | |
| | 23 | Other expenses STMT 9 | 6,415. | | | 6,415. |
| | 24 | **Total operating and administrative expenses.** Add lines 13 through 23 | 653,777. | 568,387. | | 79,390. |
| | 25 | Contributions, gifts, grants paid | 2,629,693. | | | 2,629,693. |
| | 26 | **Total expenses and disbursements** Add lines 24 and 25 | 3,283,470. | 568,387. | | 2,709,083. |
| | 27 | Subtract line 26 from line 12: | | | | |
| | a | Excess of revenue over expenses and disbursements | <32,648,166.> | | | |
| | b | **Net investment income** (if negative, enter -0-) | | 1,533,279. | | |
| | c | **Adjusted net income** (if negative, enter -0-) | | | N/A | |

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LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

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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 | End of year | |
|---|---|---|---|---|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| Assets | 1 Cash - non-interest-bearing | 648,044. | 5,780,024. | 5,780,024. |
| | 2 Savings and temporary cash investments | | | |
| | 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 STMT 11 | 0. | 5,562,811. | 5,562,811. |
| | b Investments - corporate stock | | | |
| | c Investments - corporate bonds STMT 12 | 0. | 8,096,233. | 8,096,233. |
| | 11 Investments - land, buildings, and equipment basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 12 Investments - mortgage loans | | | |
| | 13 Investments - other STMT 13 | 59,915,137. | 38,010,193. | 38,010,193. |
| | 14 Land, buildings, and equipment: basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| | 15 Other assets (describe ▶ STATEMENT 14) | 943,983. | 472,631. | 472,631. |
| | 16 **Total assets** (to be completed by all filers) | 61,507,164. | 57,921,892. | 57,921,892. |
| 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 ▶ ) | | | |
| | 23 **Total liabilities** (add lines 17 through 22) | 0. | 0. | |
| 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 | 61,507,164. | 57,921,892. | |
| | 25 Temporarily restricted | | | |
| | 26 Permanently restricted | | | |
| | **Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.** | | | |
| | 27 Capital stock, trust principal, or current funds | | | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | | | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | | | |
| | 30 **Total net assets or fund balances** | 61,507,164. | 57,921,892. | |
| | 31 **Total liabilities and net assets/fund balances** | 61,507,164. | 57,921,892. | |

## 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 | 61,507,164. |
| 2 Enter amount from Part I, line 27a | 2 | <32,648,166.> |
| 3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 10 | 3 | 29,062,894. |
| 4 Add lines 1, 2, and 3 | 4 | 57,921,892. |
| 5 Decreases not included in line 2 (itemize) ▶ | 5 | 0. |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 57,921,892. |

## 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 STATEMENTS | | | |
| 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 | 159,995,261. | | 191,461,623. | <31,466,362.> |

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 | | | | <31,466,362.> |

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 <31,466,362.>

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)) |
|---|---|---|---|
| 2007 | 4,118,396. | 81,287,538. | .050665 |
| 2006 | 4,616,484. | 92,719,595. | .049790 |
| 2005 | 4,316,209. | 86,661,092. | .049806 |
| 2004 | 4,176,541. | 84,083,384. | .049671 |
| 2003 | 4,005,502. | 80,610,452. | .049690 |

| | | | |
|---|---|---|---|
| 2 | **Total** of line 1, column (d) | 2 | .249622 |
| 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 | .049924 |
| 4 | Enter the net value of noncharitable-use assets for 2008 from Part X, line 5 | 4 | 53,699,393. |
| 5 | Multiply line 4 by line 3 | 5 | 2,680,888. |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 15,333. |
| 7 | Add lines 5 and 6 | 7 | 2,696,221. |
| 8 | Enter qualifying distributions from Part XII, line 4 | 8 | 2,709,083. |

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.<br>Date of ruling letter: ______ **(attach copy of ruling letter if necessary-see instructions)** | | | | |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b | | | 1 | 15,333. |
| 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 | 15,333. |
| 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 | 15,333. |
| 6 Credits/Payments: | | | | |
| a 2008 estimated tax payments and 2007 overpayment credited to 2008 | 6a | 24,764. | | |
| b Exempt foreign organizations - tax withheld at source | 6b | | | |
| c Tax paid with application for extension of time to file (Form 8868) | 6c | | | |
| d Backup withholding erroneously withheld | 6d | | | |
| 7 Total credits and payments. Add lines 6a through 6d | | | 7 | 24,764. |
| 8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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 | 9,431. |
| 11 Enter the amount of line 10 to be: **Credited to 2009 estimated tax** ▶ | | 9,431. **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)?<br>*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.* | 1b | | X |
| 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:<br>**(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?<br>*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?<br>*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:<br>• By language in the governing instrument, or<br>• 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?<br>*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) ▶<br>IL | | | |
| 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 2008 or the taxable year beginning in 2008 (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)*

| | | | |
|---|---|---|---|
| 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 ▶ PETER DILLON Telephone no. ▶ (815)626-9000

Located at ▶ P.O. BOX 537, STERLING, ILLINOIS ZIP+4 ▶ 61081

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 2008? | | 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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? | ☐ 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 2008 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 2008.)* | 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 2008? | | 4b | | X |

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

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)? N/A **5b**

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? N/A ☐ 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** No: X

*If you answered "Yes" to 6b, also 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 15 | | 0. | 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

**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.<br>3 | |
| **Total.** Add lines 1 through 3 ▶ | 0. |

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01-02-09

## 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 | 53,614,496. |
| b | Average of monthly cash balances | | | 1b | 902,654. |
| c | Fair market value of all other assets | | | 1c | |
| d | **Total** (add lines 1a, b, and c) | | | 1d | 54,517,150. |
| 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 | 54,517,150. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | | | 4 | 817,757. |
| 5 | **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4 | | | 5 | 53,699,393. |
| 6 | **Minimum investment return.** Enter 5% of line 5 | | | 6 | 2,684,970. |

## 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 | 2,684,970. |
| 2a | Tax on investment income for 2008 from Part VI, line 5 | 2a | 15,333. | | |
| b | Income tax for 2008. (This does not include the tax from Part VI.) | 2b | | | |
| c | Add lines 2a and 2b | | | 2c | 15,333. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | | | 3 | 2,669,637. |
| 4 | Recoveries of amounts treated as qualifying distributions | | | 4 | 0. |
| 5 | Add lines 3 and 4 | | | 5 | 2,669,637. |
| 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 | 2,669,637. |

## 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 | 2,709,083. |
| 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 | 2,709,083. |
| 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 | 15,333. |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 2,693,750. |

**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.

Form **990-PF** (2008)

## Part XIII Undistributed Income (see instructions)

| | | (a)<br>Corpus | (b)<br>Years prior to 2007 | (c)<br>2007 | (d)<br>2008 |
|---|---|---|---|---|---|
| 1 Distributable amount for 2008 from Part XI, line 7 | | | | | 2,669,637. |
| 2 Undistributed income, if any, as of the end of 2007 | | | | | |
| a Enter amount for 2007 only | | | | 0. | |
| b Total for prior years: _____, _____, _____ | | | 0. | | |
| 3 Excess distributions carryover, if any, to 2008: | | | | | |
| a From 2003 | 109,523. | | | | |
| b From 2004 | 181,818. | | | | |
| c From 2005 | 129,270. | | | | |
| d From 2006 | 159,944. | | | | |
| e From 2007 | 97,489. | | | | |
| f **Total** of lines 3a through e | | 678,044. | | | |
| 4 Qualifying distributions for 2008 from Part XII, line 4: ▶ $ 2,709,083. | | | | | |
| a Applied to 2007, 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 2008 distributable amount | | | | | 2,669,637. |
| e Remaining amount distributed out of corpus | | 39,446. | | | |
| 5 Excess distributions carryover applied to 2008 (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 | | 717,490. | | | |
| 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 2007. Subtract line 4a from line 2a. Taxable amount - see instr. | | | | 0. | |
| f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009 | | | | | 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 2003 not applied on line 5 or line 7 | | 109,523. | | | |
| 9 **Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a | | 607,967. | | | |
| 10 Analysis of line 9: | | | | | |
| a Excess from 2004 | 181,818. | | | | |
| b Excess from 2005 | 129,270. | | | | |
| c Excess from 2006 | 159,944. | | | | |
| d Excess from 2007 | 97,489. | | | | |
| e Excess from 2008 | 39,446. | | | | |

**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 2008, 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)** 2008 | **(b)** 2007 | **(c)** 2006 | **(d)** 2005 | **(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:<br>a "Assets" alternative test - enter:<br>(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:<br>(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).)

NONE

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 ▶ ☐ 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:

SEE STATEMENT 16

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<br>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* | | | | |
| SCHEDULE ATTACHED,<br>SCHEDULE ATTACHED | N/A | N/A | SCHEDULE ATTACHED | 2,629,693. |
| **Total** | | | ▶ 3a | 2,629,693. |
| 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 | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income |
|---|---|---|---|---|---|
| | (a) Business code | (b) Amount | (c) Exclusion code | (d) Amount | |
| 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 | | | 14 | 6,844. | |
| 4 Dividends and interest from securities | | | 14 | 2,046,355. | |
| 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 | | | 01 | 48,467. | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | <31,466,362.> | |
| 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) | | 0. | | <29,364,696.> | 0. |

13 **Total.** Add line 12, columns (b), (d), and (e) 13 <29,364,696.>

(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). |
|---|---|

## 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

▶ Peter W. Dillon | 2/5/10 ▶ PRESIDENT

Signature of officer or trustee | Date | Title

**Paid Preparer's Use Only**

| | | | |
|---|---|---|---|
| Preparer's signature ▶ John A VanOsdol 2/5/10 | Date | Check if self-employed ▶ ☐ | Preparer's identifying number |
| Firm's name (or yours if self-employed), address, and ZIP code ▶ LINDGREN, CALLIHAN, VAN OSDOL & CO., LTD<br>PO BOX 898<br>STERLING, IL 61081 | | EIN ▶ | |
| | | Phone no. (815)626-1277 | |

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DILLON FOUNDATION

CONTINUATION FOR 990-PF, PART IV
36-6059349 PAGE 1 OF 2

**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 | DRZ LARGE CAP | P | | |
| b | ABERDEEN ASSET MGMT | P | | |
| c | RIVER ROAD | P | | |
| d | WILLIAM BLAIR CO | P | | |
| e | VANGUARD ETF FUND | P | | |
| f | DODGE & COX | P | | |
| g | VANGUARD INDEX FUND | P | | |
| h | CORE | P | | |
| i | OPPORTUNISTIC | P | | |
| j | SCHAFER CULLEN | P | | |
| k | RENAISSANCE | P | | |
| l | DELAWARE | P | | |
| m | WENTWORTH | P | | |
| n | SAGE | P | | |
| o | CINCINNATI INVESTMENT GRADE | P | | |

| | (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 | 17,664,599. | | 18,390,121. | <725,522.> |
| b | 33,266,730. | | 38,035,586. | <4,768,856.> |
| c | 4,620,260. | | 6,320,588. | <1,700,328.> |
| d | 5,772,660. | | 5,790,351. | <17,691.> |
| e | 15,513,423. | | 15,566,009. | <52,586.> |
| f | 9,799,035. | | 9,571,736. | 227,299. |
| g | 7,981,121. | | 8,017,762. | <36,641.> |
| h | 30,374,288. | | 54,464,253. | <24,089,965.> |
| i | 5,473,829. | | 5,846,051. | <372,222.> |
| j | 4,042,472. | | 3,756,704. | 285,768. |
| k | 3,396,841. | | 3,422,300. | <25,459.> |
| l | 4,923,565. | | 5,062,608. | <139,043.> |
| m | 2,071,996. | | 2,101,807. | <29,811.> |
| n | 5,525,637. | | 5,523,868. | 1,769. |
| o | 7,530,808. | | 7,390,619. | 140,189. |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---|---|---|---|---|
| | (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 | |
| a | | | | <725,522.> |
| b | | | | <4,768,856.> |
| c | | | | <1,700,328.> |
| d | | | | <17,691.> |
| e | | | | <52,586.> |
| f | | | | 227,299. |
| g | | | | <36,641.> |
| h | | | | <24,089,965.> |
| i | | | | <372,222.> |
| j | | | | 285,768. |
| k | | | | <25,459.> |
| l | | | | <139,043.> |
| m | | | | <29,811.> |
| n | | | | 1,769. |
| o | | | | 140,189. |

| | | |
|---|---|---|
| 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 | |
| 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 | |

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DILLON FOUNDATION

CONTINUATION FOR 990-PF, PART IV
36-6059349 PAGE 2 OF 2

**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 | RIVER ROAD SMALL/MID VALUE | P | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f | | | | |
| g | | | | |
| h | | | | |
| i | | | | |
| 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 | 2,037,997. | | 2,201,260. | <163,263.> |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f | | | | |
| g | | | | |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | **(l)** Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---|---|---|---|---|
| | **(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 | |
| a | | | | <163,263.> |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f | | | | |
| g | | | | |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| | | | |
|---|---|---|---|
| **2** | Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7<br>If (loss), enter "-0-" in Part I, line 7 } | 2 | <31,466,362.> |
| **3** | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter "-0-" in Part I, line 8 | 3 | N/A |

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|---|
| DRZ LARGE CAP | | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 17,664,599. | 18,390,121. | 0. | 0. | <725,522.> |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|---|
| ABERDEEN ASSET MGMT | | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 33,266,730. | 38,035,586. | 0. | 0. | <4,768,856.> |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|---|
| RIVER ROAD | | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 4,620,260. | 6,320,588. | 0. | 0. | <1,700,328.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| WILLIAM BLAIR CO | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 5,772,660. | 5,790,351. | 0. | 0. | <17,691.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| VANGUARD ETF FUND | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 15,513,423. | 15,566,009. | 0. | 0. | <52,586.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| DODGE & COX | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 9,799,035. | 9,571,736. | 0. | 0. | 227,299. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| VANGUARD INDEX FUND | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 7,981,121. | 8,017,762. | 0. | 0. | <36,641.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| CORE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 30,374,288. | 54,464,253. | 0. | 0. | <24,089,965.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| OPPORTUNISTIC | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 5,473,829. | 5,846,051. | 0. | 0. | <372,222.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| SCHAFER CULLEN | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 4,042,472. | 3,756,704. | 0. | 0. | 285,768. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| RENAISSANCE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 3,396,841. | 3,422,300. | 0. | 0. | <25,459.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| DELAWARE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 4,923,565. | 5,062,608. | 0. | 0. | <139,043.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| WENTWORTH | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 2,071,996. | 2,101,807. | 0. | 0. | <29,811.> |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| SAGE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 5,525,637. | 5,523,868. | 0. | 0. | 1,769. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| CINCINNATI INVESTMENT GRADE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 7,530,808. | 7,390,619. | 0. | 0. | 140,189. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|---|---|---|---|
| RIVER ROAD SMALL/MID VALUE | PURCHASED | | |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|---|---|---|---|---|
| 2,037,997. | 2,201,260. | 0. | 0. | <163,263.> |

| | |
|---|---|
| CAPITAL GAINS DIVIDENDS FROM PART IV | 0. |
| TOTAL TO FORM 990-PF, PART I, LINE 6A | <31,466,362.> |

## FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

| SOURCE | AMOUNT |
|---|---|
| FIFTH THIRD BANK | 1,566. |
| MORGAN STANLEY | 4,718. |
| PMGJP & AC, LLC | 560. |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 6,844. |

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|---|---|---|---|
| ABERDEEN ASSET MGMT ACCOUNT DIVIDEND | 455,792. | 0. | 455,792. |
| CINCINNATI INVESTMENT GRADE CORP BONDS | 289,048. | 0. | 289,048. |
| CORE | 349,374. | 0. | 349,374. |
| DELAWARE INTERNATIONAL | 158,781. | 0. | 158,781. |
| DEPRINCE LARGE CAP INVESTMENT ACCOUNT DIVIDEND | 111,031. | 0. | 111,031. |
| DODGE & COX | 180,982. | 0. | 180,982. |
| FOREIGN CURRENCY STRUCTURED NOTE | 88. | 0. | 88. |
| INTEREST RATE STRUCTURED NOTE | 144. | 0. | 144. |
| OPPORTUNITISTIC BEST IDEAS | 106,051. | 0. | 106,051. |
| RENAISSANCE LG CAP GROWTH | 37,781. | 0. | 37,781. |
| RIVER ROAD ACCOUNT | 18,712. | 0. | 18,712. |
| RIVER ROAD SMALL/MID VALUE | 26,898. | 0. | 26,898. |
| S&P 500 PLUS NOTE | 504. | 0. | 504. |

| | | | |
|---|---|---|---|
| SAGE ADVISORY INVESTMENT GRADE GOV'T BONDS | 97,196. | 0. | 97,196. |
| SCHAFER CULLEN LARGE CAP | 171,044. | 0. | 171,044. |
| VANGUARD ETF | 676. | 0. | 676. |
| VANGUARD INDEX | 1. | 0. | 1. |
| WENTWORTH HAUSER INTERNATIONAL | 42,094. | 0. | 42,094. |
| WILLIAM BLAIR ACCOUNT | 158. | 0. | 158. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 2,046,355. | 0. | 2,046,355. |

## FORM 990-PF OTHER INCOME STATEMENT 4

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME |
|---|---|---|---|
| OTHER INCOME | 48,467. | 48,467. | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 48,467. | 48,467. | |

## FORM 990-PF LEGAL FEES STATEMENT 5

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| LEGAL | 160. | 0. | | 160. |
| TO FM 990-PF, PG 1, LN 16A | 160. | 0. | | 160. |

## FORM 990-PF ACCOUNTING FEES STATEMENT 6

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| ACCOUNTING | 39,250. | 10,150. | | 29,100. |
| TO FORM 990-PF, PG 1, LN 16B | 39,250. | 10,150. | | 29,100. |

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 7

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| INVESTMENT FEES | 562,212. | 548,462. | | 13,750. |
| CONSULTING FEES | 9,775. | 9,775. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 571,987. | 558,237. | | 13,750. |

FORM 990-PF TAXES STATEMENT 8

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| PAYROLL TAXES | 1,178. | 0. | | 1,178. |
| EXCISE TAX ON INVESTMENT INCOME | 6,000. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 7,178. | 0. | | 1,178. |

FORM 990-PF OTHER EXPENSES STATEMENT 9

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| POSTAGE & OFFICE SUPPLIES | 1,654. | 0. | | 1,654. |
| DUES AND SUBSCRIPTIONS | 1,537. | 0. | | 1,537. |
| MISCELLANEOUS | 2,223. | 0. | | 2,223. |
| BANK SERVICE CHARGE | 1,001. | 0. | | 1,001. |
| TO FORM 990-PF, PG 1, LN 23 | 6,415. | 0. | | 6,415. |

## FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 10

| DESCRIPTION | AMOUNT |
|---|---|
| CURRENT PERIOD UNREALIZED GAIN (LOSS) ON INVESTMENTS | 29,062,894. |
| TOTAL TO FORM 990-PF, PART III, LINE 3 | 29,062,894. |

## FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 11

| DESCRIPTION | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|---|
| SAGE ADVISORY | X | | 5,562,811. | 5,562,811. |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 5,562,811. | 5,562,811. |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS | | | | |
| TOTAL TO FORM 990-PF, PART II, LINE 10A | | | 5,562,811. | 5,562,811. |

## FORM 990-PF CORPORATE BONDS STATEMENT 12

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| CINCINNATI INVESTMENT BONDS | 8,096,233. | 8,096,233. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 8,096,233. | 8,096,233. |

## FORM 990-PF OTHER INVESTMENTS STATEMENT 13

| DESCRIPTION | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|
| DEPRINCE LARGE CAP INVESTMENT ACCOUNT | COST | 0. | 0. |
| WILLIAM BLAIR INVESTMENT ACCOUNT | COST | 0. | 0. |
| RIVER ROAD | COST | 0. | 0. |
| DODGE & COX ACCOUNT | COST | 0. | 0. |
| ABERDEEN ASSET MGMT ACCOUNT | COST | 0. | 0. |
| VANGUARD EFT ACCOUNT | COST | 0. | 0. |
| VANGUARD INDEX ACCOUNT | COST | 0. | 0. |

| | | | |
|---|---|---|---|
| TAX LIENS PURCHASED | COST | 319,438. | 319,438. |
| S&P 500 PLUS NOTE | COST | 4,039,500. | 4,039,500. |
| FOREIGN CURRENCY STRUCTURED NOTE | COST | 1,509,375. | 1,509,375. |
| SCHAFER CULLEN LARGE CAP VALUE | COST | 4,056,462. | 4,056,462. |
| INTEREST RATE STRUCTURED NOTE | COST | 1,142,500. | 1,142,500. |
| RENAISSANCE LARGE CAP GROWTH | COST | 3,591,441. | 3,591,441. |
| RIVER ROAD SMALL/MID VALUE | COST | 2,105,602. | 2,105,602. |
| DELAWARE INTERNATIONAL | COST | 5,723,842. | 5,723,842. |
| WENTWORTH HAUSER | COST | 2,897,437. | 2,897,437. |
| OPPORTUNISTIC BEST IDEAS | COST | 6,543,698. | 6,543,698. |
| AURORA HEDGE FUND | COST | 4,002,424. | 4,002,424. |
| AVENUE STRATEGIC PTNR HEDGE FUND | COST | 2,078,474. | 2,078,474. |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | | 38,010,193. | 38,010,193. |

FORM 990-PF OTHER ASSETS STATEMENT 14

| DESCRIPTION | BEGINNING OF YR BOOK VALUE | END OF YEAR BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|
| CONSTRUCTION IN PROGRESS | 943,983. | 472,631. | 472,631. |
| TO FORM 990-PF, PART II, LINE 15 | 943,983. | 472,631. | 472,631. |

## FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 15

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN-SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|---|---|---|---|
| PETER W. DILLON<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | PRESIDENT<br>12.00 | 0. | 0. | 0. |
| PATRICK DILLON<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | DIRECTOR & VICE PRESIDENT<br>0.10 | 0. | 0. | 0. |
| JAMES M. BOESEN<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | SECRETARY & TREASURER<br>0.50 | 0. | 0. | 0. |
| MARGO DILLON<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | ASSISTANT TREASURER<br>0.10 | 0. | 0. | 0. |
| GALE D. INGLEE<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | ASSISTANT SECRETARY<br>0.10 | 0. | 0. | 0. |
| MOLLY DILLON<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | DIRECTOR<br>0.10 | 0. | 0. | 0. |
| THOMAS LEXVOLD<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | DIRECTOR<br>0.10 | 0. | 0. | 0. |
| BROOK (INGLEE) MILLER<br>C/O DILLON FOUND., 2804 W. LEFEVRE<br>STERLING, IL 61081 | DIRECTOR<br>0.10 | 0. | 0. | 0. |
| TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII | | 0. | 0. | 0. |

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 16
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

PETER W. DILLON
PO BOX 537
STERLING, IL 61081

TELEPHONE NUMBER

(815)626-9000

FORM AND CONTENT OF APPLICATIONS

IN LETTER FORM STATING PURPOSE OF GRANT AND INCLUDE COPY OF EXEMPTION LETTER

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

**DILLON FOUNDATION**
**Form 990-PF**
**36-605934**
**F/Y/E 10/31/09**

**Part XVI, Line 3a - Grants and Contributions Paid During the Year:**

| PAYEE | ADDRESS | CHECK AMOUNT | PURPOSE CODE |
|---|---|---|---|
| ABRAHAM LINCOLN PRESIDENTIAL LIBRARY | 112 NORTH SIXTH STREET, SPRINGFIELD, IL 62701 | 1,625 | A |
| ACCESS SERVICES OF NORTHERN ILLINOIS | 7399 FOREST HILLS RD, LOVES PARK, IL 61111 | 1,650 | S |
| AGAPE CARE TEAM HEALTH SERVICES | 502 E 2ND STREET, TAMPICO, IL 61283 | 500 | P |
| ALZHEIMER'S DISEASE & RELATED DISORDERS ASSOCIATION | C/O ALZHEIMER ASSOCIATION ROCK RIVER BRANCH<br>215 E FIRST ST SUITE 153, DIXON, IL 61021 | 1,375 | H |
| AMERICAN CANCER SOCIETY / NORTHERN REGION | 4312 EAST STATE ST, ROCKFORD, IL 61108 | 4,321 | G |
| AMERICAN RED CROSS / LINCOLN LAND CHAPTER | 112 W SECOND ST, ROCK FALLS, IL 61071 | 3,015 | P |
| AMERICA'S FUTURE INC | 7800 BONHOMME AVE, ST LOUIS, MO 63105 | 1,425 | B |
| ANIMAL FRIENDS RESCUE PROJECT | P O BOX 51083, PACIFIC GROVE, CA 93950 | 1,000 | D |
| ASSOCIATION OF SMALL FOUNDATIONS | 4905 DEL RAY AVE SUITE 308, BETHESDA, MD 20814 | 2,250 | T |
| AVISTA HOSPITAL FOUNDATION | 7995 E PRENTICE AVE #204, GREENWOOD VILLAGE, CO 80111 | 500 | G |
| BATAVIA UNIT SCHOOL DISTRICT #101 | 1200 W WILSON ST, BATAVIA, IL 60510 | 3,000 | B |
| BEREA COLLEGE | BEREA KY 40404 | 4,000 | B |
| BIG BROTHER-BIG SISTER OF THE SAUK VALLEY | 410 LOCUST ST SUITE #7, STERLING, IL 61081 | 4,500 | O |
| BLACKHAWK COUNCIL BOY SCOUTS OF AMERICA | P O BOX 4085, ROCKFORD, IL 61110 | 5,550 | O |
| CAPITAL RESEARCH CENTER | 1513 16TH ST NW, WASHINGTON, DC 20036-5197 | 660 | W |
| CENTRAL INDIA CHRISTIAN MISSION | 9911 EMNORA LANE, HOUSTON, TX 77080 | 2,000 | P |
| CGH HEALTH FOUNDATION | 100 E LEFEVRE, STERLING, IL 61081 | 15,000 | E |
| CHILDREN'S HOSPITAL FOUNDATION | 1245 E COLFAX AVENUE, SUITE 400, DENVER, CO 80218 | 2,750 | E |
| CHINESE CHILDREN CHARITIES | 6920 SOUTH HOLLY CIRCLE, CENTENNIAL, CO 80112 | 2,500 | P |
| CHURCH OF THE APOSTLES | 333 ST ALBANS DRIVE, RALEIGH, NC 27609 | 1,600 | X |
| CITY OF GOD | PO BOX 745, STERLING, IL 61081 | 2,000 | X |
| CITY OF STERLING | 212 THIRD AVENUE, STERLING, IL 61081 | 159,434 | S |
| CITY OF STERLING - DARE PROGRAM | 212 THIRD AVENUE, STERLING, IL 61081 | 3,000 | B |
| CITY OF STERLING - STERLING MUNICIPAL BAND | 212 THIRD AVENUE, STERLING, IL 61081 | 4,444 | A |
| COLOMA TOWNSHIP PARK DISTRICT | 508 EAST 11TH STREET, ROCK FALLS, IL 61071 | 2,500 | N |
| COMMUNITY UNIT SCHOOL DISTRICT 5 | 410 E LEFEVRE RD, STERLING, IL 61081 | 226,900 | B |
| DENVER ZOOLOGICAL FOUNDATION INC | 2300 STEELE STREET, DENVER, CO 80205 | 1,000 | A |
| DISCOVERY CENTER MUSEUM OF ROCKFORD, INC | 711 NORTH MAIN, ROCKFORD, IL 61103 | 5,500 | A |
| EAST COLOMA SCHOOL DISTRICT 12 | 1602 DIXON RD, ROCK FALLS, IL 61071 | 2,855 | B |
| FIRST PRESBYTERIAN CHURCH | 410 2ND AVENUE, STERLING, IL 61081 | 25,916 | X |
| FOOD BANK OF MONTERAY COUNTY | 815 W MARKET #5, SALINAS, CA 93901 | 2,000 | K |
| FREEDOMS FOUNDATION AT VALLEY FORGE | P O BOX 706, VALLEY FORGE, PA 19481 | 1,800 | A |
| GRACE EPISCOPAL CHURCH | 707 FIRST AVENUE, STERLING IL 61081 | 32,500 | X |
| GREATER STERLING DEVELOPMENT CORPORATION | 1741 INDUSTRIAL DRIVE, STERLING, IL 61081 | 532,040 | S |
| GUIDING EYES FOR THE BLIND | 611 GRANITE SPRINGS RD, YORKTOWN HEIGHTS, NY 10598 | 1,590 | E |
| HAPPY TAILS HUMANE SOCIETY | 16761 HICKORY HILLS RD | 750 | D |
| HOME OF HOPE OF THE ROCK RIVER VALLEY INC | 1637 PLOCK RD, DIXON, IL 61021 | 7,500 | P |
| HONOR FLIGHT OF THE QUAD CITIES | PO BOX 400, STERLING, IL 61081 | 5,500 | W |
| HOSPICE OF ROCK RIVER VALLEY | 264 IL RTE 2, DIXON, IL 61021 | 6,150 | E |
| ILLINOIS COUNCIL ON ECONOMIC EDUCATION | NORTHERN ILLINOIS UNIVERSITY, DEKALB, IL 61115 | 1,875 | B |
| ILLINOIS MATHEMATICS & SCIENCE ACADEMY | 1500 W SULLIVAN ROAD, AURORA, IL 60506-1039 | 3,750 | B |
| JOHNSON O' CONNOR RESEARCH | 347 BEACON ST, BOSTON, MA 02116-1102 | 1,140 | B |
| JOYNER ELEMENTARY SCHOOL | 2300 LOWDEN STREET, RALEIGH, NC 27608 | 650 | B |
| JUNIOR ACHIEVEMENT OF THE HEARTLAND, INC | 800 12TH AVENUE, MOLINE, IL 61265 | 4,000 | O |
| JUNIOR TACKLE FOOTBALL INC OF STERLING, IL | 3806 WOODLAWN RD, STERLING, IL 61081 | 3,931 | N |
| KEITH COUNTY DAY SCHOOL | 1 JACOBY PLACE, ROCKFORD, IL 61107 | 750 | B |
| LIVING WELL CANCER RESOURCE CENTER | 1803 W STATE STREET, GENEVA, IL 60134 | 5,125 | E |
| LUTHERAN SOCIAL SERVICES OF IL | 1901 FIRST AVENUE, STERLING, IL 61081 | 3,250 | P |
| MAKE A WISH FOUNDATION OF COLORADO INC | 7951 E MAPLEWOOD AVENUE, GREENWOOD VILLAGE, CO 801 | 1,000 | P |
| MARCH OF DIMES BIRTH DEFECTS FOUNDATION NORTHERN IL DIVISION | 5411 EAST STATE ST #8, ROCKFORD, IL 61108 | 1,740 | H |
| MAYO FOUNDATION FOR MEDICAL EDUCATION & RESEARCH | 200 FIRST ST S W, ROCHESTER, MN 55905 | 10,000 | E |
| MONTANA STATE UNIVERSITY | MUSEUM OF THE ROCKIES, INC CAPITAL CAMPAIGN<br>600 WEST KAGY BOULEVARD, BOZEMAN, MT 59717 | 7,500 | A |
| MONTMORENCY SCHOOL DISTRICT 12 | 1602 DIXON AVE, ROCK FALLS, IL 61071 | 3,208 | B |
| MUSCULAR DYSTROPHY ASSN | 2444 E KIMBERLY RD #B, DAVENPORT, IA 52807 | 2,400 | H |
| NATIONAL EATING DISORDERS ASSOCIATION | 165 WEST 46TH STREET, SUITE 1211, NEW YORK, NY 10036 | 500 | G |
| NATIONAL FIRE SAFETY COUNCIL INC | 110 WEST 5TH ST, STERLING, IL 61081 | 400 | M |
| NATIONAL JEWISH MEDICAL AND RESEARCH CENTER | 100 NORTH LASALLE SUITE 1612, CHICAGO, IL 60602 | 1,800 | E |
| NATIONAL TRUST FOR HISTORIC PRESERVATION | MIDWEST REGIONAL, 53 W JACKSON BLVD SUITE 350<br>CHICAGO, IL 60604 | 3,500 | A |
| NELSON PUBLIC ELEMENTARY SCHOOL | P O BOX 880, NELSON, IL 61071 | 1,040 | B |
| NEWMAN CENTRAL CATHOLIC HIGH SCHOOL | 1101 WEST ST MARY'S ROAD, STERLING, IL 61081 | 2,998 | B |
| NORTHWESTERN IL CENTER FOR INDEPENDENT LIVING | 229 FIRST AVE, SUITE 2, ROCK FALLS, IL 61071 | 1,625 | P |
| PACIFIC GROVE ART CENTER | 568 LIGHTHOUSE AVENUE, PACIFIC GROVE, CA 93950 | 500 | A |
| PEARL HARBOR MEMORIAL FOUNDATION | 1 ARIZONA MEMORIAL PLACE, HONOLULU, HI 96818 | 1,000 | A |
| PRESBYTERIAN CHURCH (USA) FOUNDATION | 200 EAST TWELFTH STREET, JEFFERSONVILLE, IN 47130 | 7,500 | X |
| RIVERDALE SCHOOL DISTRICT 14 | 3505 PROPHET RD, ROCK FALLS, IL 61071 | 1,558 | B |
| ROCK FALLS ELEMENTARY SCHOOL DISTRICT 13 | 602 4TH AVENUE, ROCK FALLS, IL 61071 | 9,390 | B |
| ROCK FALLS PUBLIC LIBRARY | 1007 7TH AVE, ROCKFALLS, IL 61071 | 3,650 | A |
| ROCK FALLS TOWNSHIP HIGH SCHOOL DISTRICT 301 | 101 12TH AVE , ROCK FALLS, IL 61071 | 6,140 | B |
| ROCK RIVER VALLEY SELF HELP ENTERPRISES | 2300 WEST LEFEVRE ROAD, STERLING, IL 61081 | 14,000 | F |
| ROCKFORD ART MUSEUM | 711 N MAIN ST, ROCKFORD, IL 61103 | 500 | A |
| ROCKFORD COLLEGE | 5050 EAST STATE ST , ROCKFORD, IL 61108 | 5,000 | B |
| ROCKFORD SCHOOL DISTRICT #205 | WASHINGTON GIFTED ACADEMY SCHOOL<br>1421 WEST STREET, ROCKFORD, IL 61102 | 500 | B |
| SAUK VALLEY COMMUNITY COLLEGE FOUNDATION | 173 ILLINOIS ROUTE #2, DIXON, IL 61021 | 69,724 | B |
| SAUK VALLEY FOODBANK | 1801 PLANT RD, STERLING, IL 61081 | 8,250 | K |
| SHRINERS HOSPITALS FOR CHILDREN | 2900 ROCKY POINT DRIVE, TAMPA, FL 33607-1460 | 1,250 | E |
| SISKIN CHILDREN'S INSTITUTE | ONE SISKIN PLAZA, CHATTANOOGA, TN 37403 | 2,500 | E |

**DILLON FOUNDATION**
**Form 990-PF**
**36-605934**
**F/Y/E 10/31/09**

Part XVI, Line 3a - Grants and Contributions Paid During the Year.

| PAYEE | ADDRESS | CHECK AMOUNT | PURPOSE CODE |
|---|---|---|---|
| SPECIAL OLYMPICS OF ILLINOIS | 605 E WILLOW ST, NORMAL, IL 61761 | 1,650 | N |
| STANWOOD COMMUNITY SENIOR CENTER | 7430 276TH STREET NW, STANWOOD, WA 98292-8629 | 7,500 | P |
| STERLING ATHLETIC BOOSTER CLUB | 26895 PENROSE RD, STERLING, IL 61081 | 500 | N |
| STERLING HIGH SCHOOL | 1608 FOURTH AVE , STERLING, IL 61081 | 13,773 | B |
| STERLING PARK DISTRICT | P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081 | 199,897 | N |
| STERLING PARK DISTRICT SINNISSIPPI TRAIL PROJECT | P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081 | 63,651 | N |
| STERLING PARK DISTRICT MUSEUM ASSOCATION | P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081 | 39,781 | A |
| STERLING PUBLIC LIBRARY | 102 WEST 3RD ST, STERLING IL 61081 | 17,250 | A |
| STERLING ROCK FALLS DAY CARE AGENCY, INC | 1840 W LE FEVRE, STERLING, IL 61081 | 8,500 | O |
| STERLING ROCK FALLS FAMILY YMCA (ANNUAL SUPPORT) | 2505 YMCA WAY, STERLING, IL 61081 | 185,050 | P |
| STERLING ROCK FALLS HISTORICAL SOCIETY | 1005 E 3RD, STERLING, IL 61081 | 139,236 | A |
| STERLING SCHOOLS FOUNDATION | P O BOX 1046, STERLING, IL 61081 | 153,264 | B |
| ST ANDREW CATHOLIC ELEMENTARY SCHOOL | 701 11TH AVE ROCK FALLS, IL 61071 | 2,225 | B |
| ST JUDE CHILDREN'S RESEARCH HOSPITAL | 501 ST JUDE PL, MEMPHIS, TN 38105 | 2,400 | E |
| ST MARY'S GRADE SCHOOL | 6 W SIXTH ST, STERLING, IL 61081 | 3,450 | B |
| THE ASSOCIATED COLLEGES OF ILLINOIS | 150 N WACKER DR, SUITE 11740, CHICAGO, IL 60606 | 10,000 | B |
| THE COUNCIL FOR ECONOMIC EDUCATION | 122 EAST 42ND STREET, SUITE 2600, NEW YORK, NY 10168 | 2,000 | B |
| THE CULVER EDUCATIONAL FOUNDATION | 1300 ACADEMY RD #29, CULVER, IN 46511 | 7,500 | B |
| THE DICTIONARY PROJECT | P O BOX 1845, CHARLESTON, S C 29402 | 720 | B |
| THE FOUNDATION CENTER | 79 5TH AVENUE, NEW YORK, NY 10003 | 2,375 | T |
| THE JOSEPH F GLIDDEN HOMESTEAD FOUNDATION | 2944 GREENWOOD ACRES DR, DEKALB, IL 60115 | 2,875 | A |
| THE NATIONAL ARBOR DAY FOUNDATION | GIFT PLANNING, 211 N 12TH, LINCOLN, NE 68508-1497 | 100 | C |
| THE PACIFIC GROVE PUBLIC LIBRARY | 550 CENTRAL AVENUE, PACIFIC GROVE, CA 93950 | 1,000 | A |
| THE PHILANTHROPY ROUND TABLE | 1150 17TH ST N W , SUITE 503, WASHINGTON, DC 20036 | 950 | T |
| THE ROCKFORD INSTITUTE | 934 NORTH MAIN ST, ROCKFORD, IL 61103 | 1,700 | B |
| THE SALVATION ARMY | P O BOX 366, STERLING, IL 61081 | 4,500 | P |
| THE SINNISSIPPI FOUNDATION | 325 ILLINOIS ROUTE #2, SUITE 100, DIXON, IL 61021 | 1,150 | O |
| THE UNITED STATES OLYMPIC COMMITTEE | ONE OLYMPIC PLAZA, COLORADO SPRINGS, CO 80909 | 1,850 | N |
| TIMBER LAKE PLAYHOUSE | P O BOX 29 MT CARROLL, IL 61053 | 2,750 | A |
| TWIN CITY PUBLIC ACTION TO DELIVER SHELTER, INC | 507 W 3RD ST , STERLING, IL 61081 | 4,000 | L |
| UNITED WAY OF WHITESIDE COUNTY | P O BOX 806, STERLING, IL 61081 | 90,850 | P |
| UNIVERSITY OF DUBUQUE | 200 UNIVERSITY AVENUE, DUBUQUE, IA 52001 | 7,500 | B |
| WHITESIDE AREA CAREER CENTER | 1608 FIFTH AVENUE, STERLING, IL 61081 | 37,500 | B |
| WHITESIDE COUNTY SENIOR CENTER | 1207 W 9TH ST, STERLING, IL 61081 | 12,000 | P |
| WOODLAWN ARTS ACADEMY- CAPITAL IMPROVEMENTS | 3807 WOODLAWN, STERLING, IL 61081 | 249,152 | A |
| WOODLAWN ARTS ACADEMY- OPERATING EXPENSES | 3807 WOODLAWN, STERLING, IL 61081 | 48,551 | A |
| YMCA AT UNIVERSITY OF ILLINOIS | 1001 S WRIGHT ST , CHAMPAIGN, IL 61820 | 4,800 | P |
| YWCA OF THE SAUK VALLEY | 412 FIRST AVE, STERLING, IL 61081 | 21,500 | P |
| | | 2,629,693 | |

Purpose Codes.

A-Arts,culture,humanities
B-Education/instruction and related
C-Environmental quality and protection
D-Animal related
E-Health/general and related
F-Mental health and crisis intervention
G-Disease, disorder and medical disciplines
H-Medical research
I-Public protection Crime, courts and legal services
J-Employment, jobs
K-Food, nutrition and agriculture
L-Housing and shelter
M-Public safety, disaster preparedness & relief
N-Recreation, leisure, sports, athletics
O-Youth development
P-Human service
Q-International
R-Civil rights, civil liberties
S-Community improvement, development
T-Philanthropy, voluntarism
U-Science
V-Social sciences
W-Public affairs, society benefit
X-Religion related/spiritual development
Y-Mutual membership benefit organizations

DILLON FOUNDATION
DILLON FOUNDATION-DRZ LARGE CAP
ACCOUNT NUMBER 000092843
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| EQUITIES | | | | |
| COMMON STOCK | 16,803,846.39 | 0.00 | 11,233,641.54 | 0.00 |
| TOTAL EQUITIES | 16,803,846.39 | 0.00 | 11,233,641.54 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 103,102.82 | 0.00 | 103,102.82 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 103,102.82 | 0.00 | 103,102.82 | 0.00 |
| TOTAL INVESTMENTS | 16,906,949.21 | 0.00 | 11,336,744.36 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 16,906,949.21 | 0.00 | 11,336,744.36 | 0.00 |
| ACCRUED INCOME | 20,168.69 | 0.00 | 20,168.69 | 0.00 |
| TOTAL FUND | 16,927,117.90 | 0.00 | 11,356,913.05 | 0.00 |

# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD BOOK VALUE | CURRENT PERIOD MARKET VALUE | YEAR TO DATE BOOK VALUE | YEAR TO DATE MARKET VALUE |
|---|---|---|---|---|
| REPORTING CURRENCY: US DOLLAR | | | | |
| BALANCE - BEGINNING OF PERIOD | 16,927,117.90 | 11,356,913.05 | 16,927,117.90 | 11,356,913.05 |
| DISBURSEMENTS | | | | |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 16,135,027.75 | 16,135,027.75 | 16,135,027.75 | 16,135,027.75 |
| TRANSFER TO CHECKING ACCOUNT | 124,000.00 | 124,000.00 | 124,000.00 | 124,000.00 |
| CUSTODY FEES | 13,851.16 | 13,851.16 | 13,851.16 | 13,851.16 |
| INVESTMENT MANAGEMENT FEES | 19,580.00 | 19,580.00 | 19,580.00 | 19,580.00 |
| TOTAL DISBURSEMENTS | 16,292,458.91 | 16,292,458.91 | 16,292,458.91 | 16,292,458.91 |
| NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS | (16,292,458.91) | (16,292,458.91) | (16,292,458.91) | (16,292,458.91) |
| INVESTMENT ACTIVITY | | | | |
| EARNED INCOME | 90,862.63 | 90,862.63 | 90,862.63 | 90,862.63 |
| NET REALIZED GAIN/(LOSS) | (725,521.62) | (725,521.62) | (725,521.62) | (725,521.62) |
| PERIOD UNREALIZED GAIN/(LOSS) | | 5,570,204.85 | | 5,570,204.85 |
| TOTAL INVESTMENT ACTIVITY | (634,658.99) | 4,935,545.86 | (634,658.99) | 4,935,545.86 |
| BALANCE - END OF PERIOD | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FND. WILLIAM BLAIR CO.
ACCOUNT NUMBER 000105920
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| FIXED INCOME INVESTMENTS | | | | |
| COMMINGLED FUNDS - FIXED | 5,761,211.53 | 0.00 | 4,419,213.15 | 0.00 |
| TOTAL FIXED INCOME INVESTMENTS | 5,761,211.53 | 0.00 | 4,419,213.15 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 302.83 | 0.00 | 302.83 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 302.83 | 0.00 | 302.83 | 0.00 |
| TOTAL INVESTMENTS | 5,761,514.36 | 0.00 | 4,419,515.98 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 5,761,514.36 | 0.00 | 4,419,515.98 | 0.00 |
| ACCRUED INCOME | 0.57 | 0.00 | 0.57 | 0.00 |
| TOTAL FUND | 5,761,514.93 | 0.00 | 4,419,516.55 | 0.00 |

DILLON FOUNDATION
DILLON FND. WILLIAM BLAIR CO.
ACCOUNT NUMBER 000105920
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD |  | YEAR TO DATE |  |
|---|---|---|---|---|
|  | BOOK VALUE | MARKET VALUE | BOOK VALUE | MARKET VALUE |
| **REPORTING CURRENCY: US DOLLAR** |  |  |  |  |
| **BALANCE - BEGINNING OF PERIOD** | 5,761,514.93 | 4,419,516.55 | 5,761,514.93 | 4,419,516.55 |
| **RECEIPTS** |  |  |  |  |
| **OTHER** |  |  |  |  |
| TRANSFER FROM RELATED ACCOUNTS | 7,374.60 | 7,374.60 | 7,374.60 | 7,374.60 |
| **TOTAL RECEIPTS** | 7,374.60 | 7,374.60 | 7,374.60 | 7,374.60 |
| **DISBURSEMENTS** |  |  |  |  |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 5,701,982.49 | 5,701,982.49 | 5,701,982.49 | 5,701,982.49 |
| TRANSFER TO CHECKING ACCOUNT | 42,000.00 | 42,000.00 | 42,000.00 | 42,000.00 |
| CUSTODY FEES | 7,374.64 | 7,374.64 | 7,374.64 | 7,374.64 |
| **TOTAL DISBURSEMENTS** | 5,751,357.13 | 5,751,357.13 | 5,751,357.13 | 5,751,357.13 |
| **NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS** | (5,743,982.53) | (5,743,982.53) | (5,743,982.53) | (5,743,982.53) |
| **INVESTMENT ACTIVITY** |  |  |  |  |
| EARNED INCOME | 158.10 | 158.10 | 158.10 | 158.10 |
| NET REALIZED GAIN/(LOSS) | (17,690.50) | (17,690.50) | (17,690.50) | (17,690.50) |
| PERIOD UNREALIZED GAIN/(LOSS) |  | 1,341,998.38 |  | 1,341,998.38 |
| **TOTAL INVESTMENT ACTIVITY** | (17,532.40) | 1,324,465.98 | (17,532.40) | 1,324,465.98 |
| **BALANCE - END OF PERIOD** | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION - RIVER ROAD
ACCOUNT NUMBER 000192863
ANNUAL REPORT / SETTLEMENT DATE BASIS
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THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| EQUITIES | | | | |
| COMMON STOCK | 5,811,448.33 | 0.00 | 4,361,348.81 | 0.00 |
| TOTAL EQUITIES | 5,811,448.33 | 0.00 | 4,361,348.81 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 72,250.51 | 0.00 | 72,250.51 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 72,250.51 | 0.00 | 72,250.51 | 0.00 |
| TOTAL INVESTMENTS | 5,883,698.84 | 0.00 | 4,433,599.32 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 5,883,698.84 | 0.00 | 4,433,599.32 | 0.00 |
| ACCRUED INCOME | 4,921.38 | 0.00 | 4,921.38 | 0.00 |
| TOTAL FUND | 5,888,620.22 | 0.00 | 4,438,520.70 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION - RIVER ROAD
ACCOUNT NUMBER 000192863
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# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD |  | YEAR TO DATE |  |
|---|---|---|---|---|
|  | BOOK VALUE | MARKET VALUE | BOOK VALUE | MARKET VALUE |
| **REPORTING CURRENCY: US DOLLAR** |  |  |  |  |
| **BALANCE - BEGINNING OF PERIOD** | 5,888,620.22 | 4,438,520.70 | 5,888,620.22 | 4,438,520.70 |
| **DISBURSEMENTS** |  |  |  |  |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 5,688,555.67 | 5,688,555.67 | 5,688,555.67 | 5,688,555.67 |
| TRANSFER TO CHECKING ACCOUNT | 43,000.00 | 43,000.00 | 43,000.00 | 43,000.00 |
| CUSTODY FEES | 7,591.26 | 7,591.26 | 7,591.26 | 7,591.26 |
| **TOTAL DISBURSEMENTS** | 5,739,146.93 | 5,739,146.93 | 5,739,146.93 | 5,739,146.93 |
| **NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS** | (5,739,146.93) | (5,739,146.93) | (5,739,146.93) | (5,739,146.93) |
| **INVESTMENT ACTIVITY** |  |  |  |  |
| EARNED INCOME | 13,789.87 | 13,789.87 | 13,789.87 | 13,789.87 |
| NET REALIZED GAIN/(LOSS) | (163,263.16) | (163,263.16) | (163,263.16) | (163,263.16) |
| PERIOD UNREALIZED GAIN/(LOSS) |  | 1,450,099.52 |  | 1,450,099.52 |
| **TOTAL INVESTMENT ACTIVITY** | (149,473.29) | 1,300,626.23 | (149,473.29) | 1,300,626.23 |
| **BALANCE - END OF PERIOD** | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION - DODGE & COX
ACCOUNT NUMBER 000192864
ANNUAL REPORT / SETTLEMENT DATE BASIS
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NEW YORK MELLON

# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD BOOK VALUE | CURRENT PERIOD MARKET VALUE | YEAR TO DATE BOOK VALUE | YEAR TO DATE MARKET VALUE |
|---|---|---|---|---|
| REPORTING CURRENCY: US DOLLAR | | | | |
| BALANCE - BEGINNING OF PERIOD | 9,043,669.97 | 4,579,182.29 | 9,043,669.97 | 4,579,182.29 |
| RECEIPTS | | | | |
| OTHER | | | | |
| TRANSFER FROM RELATED ACCOUNTS | 8,635.77 | 8,635.77 | 8,635.77 | 8,635.77 |
| TOTAL RECEIPTS | 8,635.77 | 8,635.77 | 8,635.77 | 8,635.77 |
| DISBURSEMENTS | | | | |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 9,409,950.04 | 9,409,950.04 | 9,409,950.04 | 9,409,950.04 |
| TRANSFER TO CHECKING ACCOUNT | 42,000.00 | 42,000.00 | 42,000.00 | 42,000.00 |
| CUSTODY FEES | 8,635.77 | 8,635.77 | 8,635.77 | 8,635.77 |
| TOTAL DISBURSEMENTS | 9,460,585.81 | 9,460,585.81 | 9,460,585.81 | 9,460,585.81 |
| NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS | (9,451,950.04) | (9,451,950.04) | (9,451,950.04) | (9,451,950.04) |
| INVESTMENT ACTIVITY | | | | |
| EARNED INCOME | 180,981.27 | 180,981.27 | 180,981.27 | 180,981.27 |
| NET REALIZED GAIN/(LOSS) | 227,298.80 | 227,298.80 | 227,298.80 | 227,298.80 |
| PERIOD UNREALIZED GAIN/(LOSS) | | 4,464,487.68 | | 4,464,487.68 |
| TOTAL INVESTMENT ACTIVITY | 408,280.07 | 4,872,767.75 | 408,280.07 | 4,872,767.75 |
| BALANCE - END OF PERIOD | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION - DODGE & COX
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# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| TOTAL OTHER ASSETS | 9,043,646.17 | 0.00 | 4,579,158.49 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 23.79 | 0.00 | 23.79 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 23.79 | 0.00 | 23.79 | 0.00 |
| TOTAL INVESTMENTS | 9,043,669.96 | 0.00 | 4,579,182.28 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 9,043,669.96 | 0.00 | 4,579,182.28 | 0.00 |
| ACCRUED INCOME | 0.01 | 0.00 | 0.01 | 0.00 |
| TOTAL FUND | 9,043,669.97 | 0.00 | 4,579,182.29 | 0.00 |

DILLON FOUNDATION
T DILLON FOUNDATION-ABERDEEN ASSET MGMT
ACCOUNT NUMBER 000092857
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| **CONVERTIBLE INVESTMENTS** | | | | |
| CONVERTIBLE BONDS | 42,000.00 | 0.00 | 44,000.00 | 0.00 |
| **TOTAL CONVERTIBLE INVESTMENTS** | **42,000.00** | **0.00** | **44,000.00** | **0.00** |
| **FIXED INCOME INVESTMENTS** | | | | |
| CORPORATE BONDS | 14,646,355.95 | 0.00 | 11,311,508.78 | 0.00 |
| STATE AND LOCAL OBLIGATIONS | 820,429 85 | 0.00 | 736,885.15 | 0.00 |
| GOVERNMENT BONDS | 6,398,230 21 | 0.00 | 6,281,656.80 | 0.00 |
| OTHER BONDS | 115,332.16 | 0.00 | 68,030.84 | 0.00 |
| **TOTAL FIXED INCOME INVESTMENTS** | **21,980,348.17** | **0.00** | **18,398,081.57** | **0.00** |
| **SHORT TERM INVESTMENTS** | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 98,704.49 | 0.00 | 98,704.49 | 0.00 |
| **TOTAL SHORT TERM INVESTMENTS** | **98,704.49** | **0.00** | **98,704.49** | **0.00** |

DILLON FOUNDATION
T DILLON FOUNDATION-ABERDEEN ASSET MGMT
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# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| TOTAL INVESTMENTS | 22,121,052.66 | 0.00 | 18,540,786.06 | 0.00 |
| PAYABLES | 36,751.86 | 0.00 | 36,751.86 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 22,157,804.52 | 0.00 | 18,577,537.92 | 0.00 |
| ACCRUED INCOME | 367.13 | 0.00 | 367.13 | 0.00 |
| TOTAL FUND | 22,158,171.65 | 0.00 | 18,577,905.05 | 0.00 |

DILLON FOUNDATION
T DILLON FOUNDATION-ABERDEEN ASSET MGMT
ACCOUNT NUMBER 000092857
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# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD<br>BOOK VALUE | CURRENT PERIOD<br>MARKET VALUE | YEAR TO DATE<br>BOOK VALUE | YEAR TO DATE<br>MARKET VALUE |
|---|---|---|---|---|
| REPORTING CURRENCY: US DOLLAR | | | | |
| BALANCE - BEGINNING OF PERIOD | 22,158,171.65 | 18,577,905.05 | 22,158,171.65 | 18,577,905.05 |
| RECEIPTS | | | | |
| MISCELLANEOUS RECEIPTS | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECEIPTS | 0.00 | 0.00 | 0.00 | 0.00 |
| DISBURSEMENTS | | | | |
| TRANSFER TO RELATED ACCOUNTS | 25,501.44 | 25,501.44 | 25,501.44 | 25,501.44 |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 17,581,878.79 | 17,581,878.79 | 17,581,878.79 | 17,581,878.79 |
| TRANSFER TO CHECKING ACCOUNT | 175,000.00 | 175,000.00 | 175,000.00 | 175,000.00 |
| CUSTODY FEES | 23,083.58 | 23,083.58 | 23,083.58 | 23,083.58 |
| INVESTMENT MANAGEMENT FEES | 39,276.68 | 39,276.68 | 39,276.68 | 39,276.68 |
| MISCELLANEOUS DISBURSEMENTS | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS | 17,844,740.49 | 17,844,740.49 | 17,844,740.49 | 17,844,740.49 |
| NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS | (17,844,740.49) | (17,844,740.49) | (17,844,740.49) | (17,844,740.49) |
| INVESTMENT ACTIVITY | | | | |
| EARNED INCOME | 455,425.28 | 455,425.28 | 455,425.28 | 455,425.28 |
| NET REALIZED GAIN/(LOSS) | (4,768,856.44) | (4,768,856.44) | (4,768,856.44) | (4,768,856.44) |
| PERIOD UNREALIZED GAIN/(LOSS) | | 3,580,266 60 | | 3,580,266.60 |
| TOTAL INVESTMENT ACTIVITY | (4,313,431.16) | (733,164.56) | (4,313,431.16) | (733,164.56) |
| BALANCE - END OF PERIOD | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
T DILLON FOUNDATION-ABERDEEN ASSET MGMT
ACCOUNT NUMBER 000092857
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THE BANK OF
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# RECONCILIATION OF CASH BALANCES

| | CREDITS | | | DEBITS | |
|---|---|---|---|---|---|
| DESCRIPTION | CURRENT PERIOD | YEAR TO DATE | DESCRIPTION | CURRENT PERIOD | YEAR TO DATE |
| REPORTING CURRENCY: US DOLLAR | | | | | |
| BEGINNING BALANCE | 36,751.86 | 36,751.86 | | | |
| CASH RECEIPTS | 0.00 | 0.00 | CASH DISBURSEMENTS | 17,844,740.49 | 17,844,740.49 |
| INCOME COLLECTED | | | | | |
| FIXED INCOME | | | | | |
| GOVERNMENT BONDS | 136,768.97 | 136,768.97 | | | |
| CORPORATE BONDS | 302,107.53 | 302,107.53 | | | |
| OTHER FIXED INCOME | 14,892.44 | 14,892.44 | | | |
| CASH & SHORT-TERM INVESTMENTS | 2,023.47 | 2,023.47 | | | |
| TOTAL INCOME | 455,792.41 | 455,792.41 | | | |
| PROCEEDS FROM SALES | | | PURCHASES | | |
| FIXED INCOME | | | FIXED INCOME | | |
| GOVERNMENT BONDS | 9,990,495.80 | 9,990,495.80 | GOVERNMENT BONDS | 2,578,475.80 | 2,578,475.80 |
| CORPORATE BONDS | 10,802,899.65 | 10,802,899.65 | CORPORATE BONDS | 1,248,358.59 | 1,248,358.59 |
| OTHER FIXED INCOME | 286,930.67 | 286,930.67 | CASH & SHORT-TERM INVESTMENTS | 12,306,728.74 | 12,306,728.74 |
| CASH & SHORT-TERM INVESTMENTS | 12,405,433.23 | 12,405,433.23 | | | |
| TOTAL PROCEEDS | 33,485,759.35 | 33,485,759.35 | TOTAL PURCHASES | 16,133,563.13 | 16,133,563.13 |
| CURRENCY RECEIVED | 0.00 | 0.00 | CURRENCY DELIVERED | 0.00 | 0.00 |
| G/L FROM CURRENCY ACTIVITY | 0.00 | 0.00 | G/L FROM CURRENCY ACTIVITY | 0.00 | 0.00 |
| TOTAL CREDITS | 33,978,303.62 | 33,978,303.62 | TOTAL DEBITS | 33,978,303.62 | 33,978,303.62 |
| | | | CASH BALANCE AT BOOK | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION-VANGUARD ETF FUND
ACCOUNT NUMBER 000192868
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| EQUITIES | | | | |
| COMMON STOCK | 15,350,009 67 | 0.00 | 11,440,964.57 | 0.00 |
| TOTAL EQUITIES | 15,350,009.67 | 0.00 | 11,440,964.57 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 152,947.80 | 0.00 | 152,947.80 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 152,947.80 | 0.00 | 152,947.80 | 0.00 |
| TOTAL INVESTMENTS | 15,502,957.47 | 0.00 | 11,593,912.37 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 15,502,957.47 | 0.00 | 11,593,912.37 | 0.00 |
| ACCRUED INCOME | 296.95 | 0.00 | 296.95 | 0.00 |
| TOTAL FUND | 15,503,254.42 | 0.00 | 11,594,209.32 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION-VANGUARD ETF FUND
ACCOUNT NUMBER 000192868
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD<br>BOOK VALUE | CURRENT PERIOD<br>MARKET VALUE | YEAR TO DATE<br>BOOK VALUE | YEAR TO DATE<br>MARKET VALUE |
|---|---|---|---|---|
| **REPORTING CURRENCY: US DOLLAR** | | | | |
| **BALANCE - BEGINNING OF PERIOD** | 15,503,254.42 | 11,594,209.32 | 15,503,254.42 | 11,594,209.32 |
| **RECEIPTS** | | | | |
| **OTHER** | | | | |
| TRANSFER FROM RELATED ACCOUNTS | 333.33 | 333.33 | 333.33 | 333.33 |
| **TOTAL RECEIPTS** | 333.33 | 333.33 | 333.33 | 333.33 |
| **DISBURSEMENTS** | | | | |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 15,327,047.66 | 15,327,047.66 | 15,327,047.66 | 15,327,047.66 |
| TRANSFER TO CHECKING ACCOUNT | 124,000.00 | 124,000.00 | 124,000.00 | 124,000.00 |
| CUSTODY FEES | 333.33 | 333.33 | 333.33 | 333.33 |
| **TOTAL DISBURSEMENTS** | 15,451,380.99 | 15,451,380.99 | 15,451,380.99 | 15,451,380.99 |
| **NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS** | (15,451,047.66) | (15,451,047.66) | (15,451,047.66) | (15,451,047.66) |
| **INVESTMENT ACTIVITY** | | | | |
| EARNED INCOME | 379.36 | 379.36 | 379.36 | 379.36 |
| NET REALIZED GAIN/(LOSS) | (52,586.12) | (52,586.12) | (52,586.12) | (52,586.12) |
| PERIOD UNREALIZED GAIN/(LOSS) | | 3,909,045.10 | | 3,909,045.10 |
| **TOTAL INVESTMENT ACTIVITY** | (52,206.76) | 3,856,838.34 | (52,206.76) | 3,856,838.34 |
| **BALANCE - END OF PERIOD** | 0.00 | 0.00 | 0.00 | 0.00 |

DILLON FOUNDATION
DILLON FOUNDATION-VANGUARD INDEX FD
ACCOUNT NUMBER 000192867
ANNUAL REPORT / SETTLEMENT DATE BASIS
NOVEMBER 01, 2008 - OCTOBER 31, 2009

THE BANK OF
NEW YORK MELLON

# COMPARATIVE INVESTMENT SUMMARY

| DESCRIPTION | BOOK VALUE PRIOR | BOOK VALUE CURRENT | MARKET VALUE PRIOR | MARKET VALUE CURRENT |
|---|---|---|---|---|
| TOTAL OTHER ASSETS | 7,989,505.35 | 0.00 | 4,948,699.37 | 0.00 |
| SHORT TERM INVESTMENTS | | | | |
| POOLED FUNDS & MUTUAL FUNDS | 190.22 | 0.00 | 190.22 | 0.00 |
| TOTAL SHORT TERM INVESTMENTS | 190.22 | 0.00 | 190.22 | 0.00 |
| TOTAL INVESTMENTS | 7,989,695.57 | 0.00 | 4,948,889.59 | 0.00 |
| PAYABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| RECEIVABLES | 0.00 | 0.00 | 0.00 | 0.00 |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| SUBTOTAL | 7,989,695.57 | 0.00 | 4,948,889.59 | 0.00 |
| ACCRUED INCOME | 0.33 | 0.00 | 0.33 | 0.00 |
| TOTAL FUND | 7,989,695.90 | 0.00 | 4,948,889.92 | 0.00 |

**DILLON FOUNDATION**
**DILLON FOUNDATION-VANGUARD INDEX FD**
**ACCOUNT NUMBER 000192867**
**ANNUAL REPORT / SETTLEMENT DATE BASIS**
**NOVEMBER 01, 2008 - OCTOBER 31, 2009**

THE BANK OF
NEW YORK MELLON

# SUMMARY OF TRANSACTIONS IN FUND

| DESCRIPTION | CURRENT PERIOD |  | YEAR TO DATE |  |
|---|---|---|---|---|
|  | BOOK VALUE | MARKET VALUE | BOOK VALUE | MARKET VALUE |
| **REPORTING CURRENCY: US DOLLAR** |  |  |  |  |
| **BALANCE - BEGINNING OF PERIOD** | 7,989,695.90 | 4,948,889.92 | 7,989,695.90 | 4,948,889.92 |
| **RECEIPTS** |  |  |  |  |
| OTHER |  |  |  |  |
| TRANSFER FROM RELATED ACCOUNTS | 375.00 | 375.00 | 375.00 | 375.00 |
| **TOTAL RECEIPTS** | 375.00 | 375.00 | 375.00 | 375.00 |
| **DISBURSEMENTS** |  |  |  |  |
| TRANSFERS SUCCESSOR TRUSTEE/CUSTODIAN | 7,898,055.23 | 7,898,055.23 | 7,898,055.23 | 7,898,055.23 |
| TRANSFER TO CHECKING ACCOUNT | 55,000.00 | 55,000.00 | 55,000.00 | 55,000.00 |
| CUSTODY FEES | 375.00 | 375.00 | 375.00 | 375.00 |
| **TOTAL DISBURSEMENTS** | 7,953,430.23 | 7,953,430.23 | 7,953,430.23 | 7,953,430.23 |
| **NET TOTAL RECEIPTS, DISBURSEMENTS & TRNSFRS** | (7,953,055.23) | (7,953,055.23) | (7,953,055.23) | (7,953,055.23) |
| **INVESTMENT ACTIVITY** |  |  |  |  |
| EARNED INCOME | 0.47 | 0.47 | 0.47 | 0.47 |
| NET REALIZED GAIN/(LOSS) | (36,641.14) | (36,641.14) | (36,641.14) | (36,641.14) |
| PERIOD UNREALIZED GAIN/(LOSS) |  | 3,040,805.98 |  | 3,040,805.98 |
| **TOTAL INVESTMENT ACTIVITY** | (36,640.67) | 3,004,165.31 | (36,640.67) | 3,004,165.31 |
| **BALANCE - END OF PERIOD** | 0.00 | 0.00 | 0.00 | 0.00 |

**Official Statement**

**Morgan Stanley Private Wealth Management**
3424 Peachtree Road N.E., Suite 1200
Atlanta, GA 30326-1127
404-949-4100

## Investment Summary
## 10-05856 : DILLON FOUNDATION *S&P 500 PLUS NOTE*

Valuation Currency: USD

**10/01/2009 to 10/31/2009**
**Period Reporting**

### *Changes in Account Value*

| | *Market Value* |
|---|---|
| **Original Market Value as of 09/30/2009 *** | **3,988,500.00** |
| Check Activity | 0.00 |
| World Elite Card Activity | 0.00 |
| Cash Deposits (Withdrawals) | 0 00 |
| Security Deposits (Withdrawals) | 0.00 |
| Interest Income (Expenses) | 0.00 |
| Dividend Income (Expenses) | 0.00 |
| Miscellaneous Activity | 0.00 |
| Value Appreciation (Depreciation) | 51,000.00 |
| **Market Value as of 10/31/2009** | **4,039,500.00** |

### *Asset Allocation*

| | *Market Value 09/30/2009* | *Market Value 10/31/2009* | *% of Portfolio* |
|---|---|---|---|
| Equities | 3,988,500 00 | 4,039,500.00 | 100.00 |
| **Total Market Value** | **3,988,500.00** | **4,039,500.00** | **100.00** |
| **Total Portfolio Market Value** | **3,988,500.00** | **4,039,500.00** | |

*The opening market value and the opening accrued interest may be different from the corresponding figures at the close of the prior reporting period due to adjustments made to security prices and/or referential data Please contact your Private Wealth Advisor for details*

*Totals in Changes in Account Value section do not include the value of unpriced securities (securities denoted with N/A) or securities for which Morgan Stanley is not the custodian*

* *Negative amounts reflect value of debit balance, or margin loan, in the account A positive amount reflects net cash and securities available for withdrawal or to collateralize additional loans in the account*

## Portfolio Valuation By Position
## 10-05856 : DILLON FOUNDATION *S&P 500 PLUS NOTE*
## 10/31/2009
## Trade Date Reporting

Valuation Currency: USD

| *Security Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| *EQUITIES* | | | | | | | | | | | |
| STRUCTURED PRODUCTS | | | | | | | | | | | |
| PLUS ON S&P 500 INDEX (SPX)<br>29 JUL 2010 BY MS | 300,000 00 | | 10 00 | 3,000,000 00 | 13 46 | 4,039,500 00 | 1,039,500 00 | | 4,039,500.00 | 100 00 | C |
| *TOTAL EQUITIES* | | | | *3,000,000.00* | | *4,039,500.00* | *1,039,500.00* | | *4,039,500.00* | *100.00* | |
| **TOTAL PORTFOLIO** | | | | 3,000,000.00 | | 4,039,500.00 | 1,039,500.00 | | 4,039,500.00 | 100.00 | |

*Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information*
*Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information*
*The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated Yield/Interest and Gain/Loss information is estimated*

## Investment Summary

## 10-06278 : DILLON FOUNDATION *FOREIGN CURRENCY NOTE*

Valuation Currency: USD

**10/01/2009 to 10/31/2009**
**Period Reporting**

### *Changes in Account Value*

| | *Market Value* |
|---|---|
| **Original Market Value as of 09/30/2009 *** | **1,498,125.00** |
| Check Activity | 0.00 |
| World Elite Card Activity | 0 00 |
| Cash Deposits (Withdrawals) | 0 00 |
| Security Deposits (Withdrawals) | 0.00 |
| Interest Income (Expenses) | 0.00 |
| Dividend Income (Expenses) | 0.00 |
| Miscellaneous Activity | 0 00 |
| Value Appreciation (Depreciation) | 11,250.00 |
| **Market Value as of 10/31/2009** | **1,509,375.00** |

### *Asset Allocation*

| | *Market Value 09/30/2009* | *Market Value 10/31/2009* | *% of Portfolio* |
|---|---|---|---|
| Fixed Income | 1,498,125 00 | 1,509,375 00 | 100.00 |
| **Total Market Value** | **1,498,125.00** | **1,509,375.00** | **100.00** |
| | | | |
| **Total Portfolio Market Value** | **1,498,125.00** | **1,509,375.00** | |

*The opening market value and the opening accrued interest may be different from the corresponding figures at the close of the prior reporting period due to adjustments made to security prices and/or referential data Please contact your Private Wealth Advisor for details*

*Totals in Changes in Account Value section do not include the value of unpriced securities (securities denoted with N/A) or securities for which Morgan Stanley is not the custodian*

* *Negative amounts reflect value of debit balance, or margin loan, in the account A positive amount reflects net cash and securities available for withdrawal or to collateralize additional loans in the account*

Valuation Currency: USD

## Portfolio Valuation By Position
## 10-06278 : DILLON FOUNDATION *FOREIGN CURRENCY NOTE*
10/31/2009
Trade Date Reporting

| *Security Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *FIXED INCOME* | | | | | | | | | | | |
| STRUCTURED NOTES | | | | | | | | | | | |
| MS CPN ON FX BASKET VS<br>0 000% DUE 09/28/2012 @ 100 00 | 1,500,000 00 | | 100 00 | 1,500,000 00 | 100 62 | 1,509,375 00 | 9,375 00 | | 1,509,375 00 | 100 00 | C |
| *TOTAL FIXED INCOME* | | | | *1,500,000.00* | | *1,509,375.00* | *9,375.00* | | *1,509,375.00* | *100.00* | |
| TOTAL PORTFOLIO | | | | 1,500,000.00 | | 1,509,375.00 | 9,375.00 | | 1,509,375.00 | 100.00 | |

*Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information.*
*Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information*
*The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated Yield/Interest and Gain/Loss information is estimated*

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

SC

INTERESTED PARTY COPY

#BWNJGWM
AT 02 013327 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD (as of 9/30/09) | $5,555,133.78 |
| NET CONTRIBUTIONS/WITHDRAWALS | (1,512,528.64) |
| PORTFOLIO INCOME & APPRECIATION | 13,856.35 |
| **TOTAL VALUE OF YOUR ACCOUNT** (as of 10/31/09) | **$4,056,461.49** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

*Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated, members SIPC.*

# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

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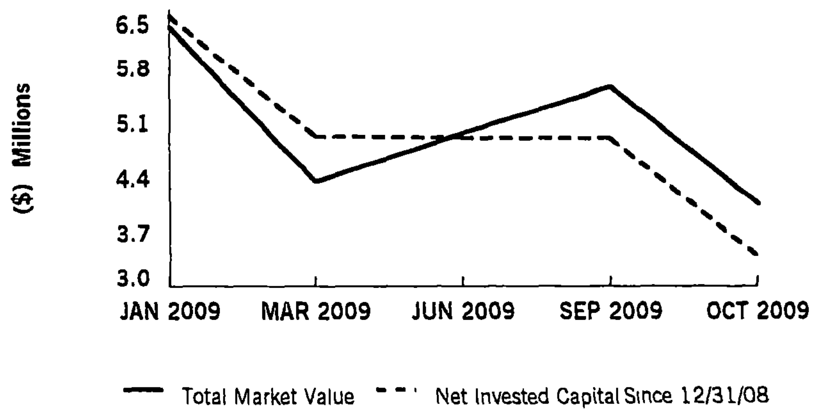
**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** SCHAFER CULLEN CAPITAL MGMT., INC.

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | **$5,555,133.78** |
| Contributions | 750,000.00 | — |
| Withdrawals | (3,796,296.70) | (1,512,528.64) |
| Security Transfers | 6,424,280.00 | — |
| **Net Contributions/Withdrawals** | **$3,377,983.30** | **$(1,512,528.64)** |
| Portfolio Income | 171,043.56 | 23,511.15 |
| Net Portfolio Appreciation | 507,434.63 | (9,654.80) |
| **Total Ending Market Value** | **$4,056,461.49** | **$4,056,461.49** |

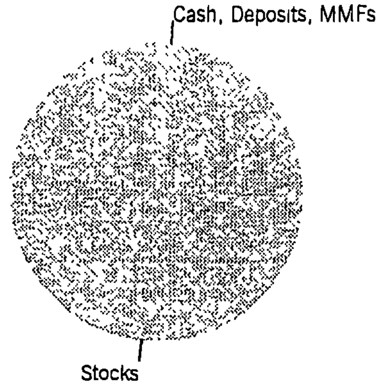
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. ^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $133,332.09 | 3.3 |
| Stocks | 3,923,129.40 | 96.7 |
| **TOTAL** | **$4,056,461.49** | **100.0%** |

*We classify assets based on certain general characteristics such as. income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.*

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# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*
*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*
*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*
*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|---|---|---|---|
| **MORGAN STANLEY BANK N.A. #** | **$133,332.09** | $60.00 | — | 0.045 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | **3.3%** | **$133,332.09** | **$60.00**<br>**$0.00** |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## STOCKS

### COMMON STOCKS

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **3M COMPANY (MMM)** | 2,050.000 | $113,569.96 | $73.57 | **$150,818.50** | $37,258.54 | $4,182.00 | 2.77 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **ALTRIA GROUP INC (MO)** | 7,300.000 | 121,979.35 | 18.11 | **132,203.00** | 10,223.65 | 9,928.00 | 7.50 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **ASTRAZENECA PLC ADS (AZN)** | 3,500.000 | 143,935.40 | 44.91 | **157,185.00** | 13,249.60 | 7,315.00 | 4.65 |
| **AT&T INC (T)** | 6,170.000 | 159,212.53 | 25.67 | **158,383.90** | (828.63) | 10,118.80 | 6.38 |
| *Next Dividend Payable 11/02/09* | | | | | | | |
| **BOEING CO (BA)** | 2,250.000 | 97,754.18 | 47.80 | **107,550.00** | 9,795.82 | 3,780.00 | 3.51 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **BP PLC ADS (BP)** | 2,850.000 | 123,812.83 | 56 62 | **161,367.00** | 37,554.17 | 9,576 00 | 5 93 |

CONTINUED

# Holdings

DILLON FOUNDATION
PO BOX 537

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **BRISTOL MYERS SQUIBB CO (BMY)** | 6,900.000 | 154,330.23 | 21.80 | **150,420.00** | (3,910.23) | 8,556.00 | 5.68 |
| *Next Dividend Payable 11/02/09* | | | | | | | |
| **CHEVRON CORP (CVX)** | 2,050.000 | 149,886.78 | 76.54 | **156,907.00** | 7,020.22 | 5,576.00 | 3.55 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **DIAGEO PLC SPON ADR NEW (DEO)** | 2,550.000 | 138,004.22 | 65.02 | **165,801.00** | 27,796.78 | 5,775.75 | 3.48 |
| **ELI LILLY & CO (LLY)** | 4,600.000 | 177,043.88 | 34.01 | **156,446.00** | (20,597.88) | 9,016.00 | 5.76 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **FPL GROUP INC (FPL)** | 2,950.000 | 144,386.86 | 49.10 | **144,845.00** | 458.14 | 5,575.50 | 3.84 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **GENERAL ELECTRIC CO (GE)** | 8,350.000 | 114,150.35 | 14.26 | **119,071.00** | 4,920.65 | 3,340.00 | 2.80 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **GENUINE PARTS CO (GPC)** | 4,200.000 | 139,440.42 | 34.99 | **146,958.00** | 7,517.58 | 6,720.00 | 4.57 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **H J HEINZ CO (HNZ)** | 3,900.000 | 144,613.17 | 40.24 | **156,936.00** | 12,322.83 | 6,552.00 | 4.17 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **HEALTH CARE REIT INC (HCN)** | 3,000.000 | 121,070.10 | 44.37 | **133,110.00** | 12,039.90 | 8,160.00 | 6.13 |
| *Next Dividend Payable 11/09* | | | | | | | |
| **HSBC HOLDINGS PLC SPON ADR NEW (HBC)** | 2,750.000 | 125,277.07 | 55.39 | **152,322.50** | 27,045.43 | 6,050.00 | 3.97 |
| **JOHNSON & JOHNSON (JNJ)** | 2,200.000 | 128,250.98 | 59.05 | **129,910.00** | 1,659.02 | 4,312.00 | 3.31 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **KIMBERLY CLARK CORP (KMB)** | 2,650.000 | 137,412.84 | 61.16 | **162,074.00** | 24,661.16 | 6,360.00 | 3.92 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **KRAFT FOODS INC CL A (KFT)** | 5,900.000 | 174,274.79 | 27.52 | **162,368.00** | (11,906.79) | 6,844.00 | 4.21 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **MICROSOFT CORP (MSFT)** | 4,850.000 | 91,482.64 | 27.73 | **134,490.50** | 43,007.86 | 2,522.00 | 1.87 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **MORGAN STANLEY (MS)** | 3,750.000 | 92,732.63 | 32.12 | **120,450.00** | 27,717.37 | 750.00 | 0.62 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| **NOKIA CP ADR (NOK)** | 11,750.000 | 153,255.25 | 12.61 | **148,167.50** | (5,087.75) | 4,617.75 | 3.11 |

CONTINUEI

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **PHILIP MORRIS INTL INC (PM)** | 2,600.000 | 104,006.76 | 47.36 | **123,136.00** | 19,129.24 | 6,032.00 | 4.89 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **TRAVELERS COMPANIES INC COM (TRV)** | 2,250.000 | 91,063.13 | 49.79 | **112,027.50** | 20,964.37 | 2,970.00 | 2.65 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **UNILEVER NV NY SH NEW (UN)** | 5,200.000 | 122,538.52 | 30.89 | **160,628.00** | 38,089.48 | 4,524.00 | 2.81 |
| **VERIZON COMMUNICATIONS (VZ)** | 5,400.000 | 165,807.54 | 29.59 | **159,786.00** | (6,021.54) | 10,260.00 | 6.42 |
| *Next Dividend Payable 11/02/09* | | | | | | | |
| **VODAFONE GP PLC ADS NEW (VOD)** | 7,200.000 | 140,185.44 | 22.19 | **159,768.00** | 19,582.56 | 8,676.00 | 5.43 |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL STOCKS | **96.7%** | **$3,569,467.85** | **$3,923,129.40** | **$353,661.55** | **$168,088.80**<br>**$0.00** | **4.28%** |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | **100.0%** | **$3,569,467.85** | **$4,056,461.49** | **$353,661.55** | **$168,148.80**<br>**$0.00** | **4.14%** |

Valuation Currency: USD

## Investment Summary
## 10-05857 : DILLON FOUNDATION *INTEREST RATE NOTE*

**10/01/2009 to 10/31/2009**
**Period Reporting**

### *Changes in Account Value*

| | *Market Value* |
|---|---|
| **Original Market Value as of 09/30/2009 *** | **1,112,500.00** |
| Check Activity | 0.00 |
| World Elite Card Activity | 0.00 |
| Cash Deposits (Withdrawals) | 0.00 |
| Security Deposits (Withdrawals) | 0.00 |
| Interest Income (Expenses) | 0.00 |
| Dividend Income (Expenses) | 0.00 |
| Miscellaneous Activity | 0.00 |
| Value Appreciation (Depreciation) | 30,000.00 |
| **Market Value as of 10/31/2009** | **1,142,500.00** |

### *Asset Allocation*

| | *Market Value 09/30/2009* | *Market Value 10/31/2009* | *% of Portfolio* |
|---|---|---|---|
| Fixed Income | 1,112,500.00 | 1,142,500.00 | 100.00 |
| **Total Market Value** | **1,112,500.00** | **1,142,500.00** | **100.00** |
| **Total Portfolio Market Value** | **1,112,500.00** | **1,142,500.00** | |

*The opening market value and the opening accrued interest may be different from the corresponding figures at the close of the prior reporting period due to adjustments made to security prices and/or referential data Please contact your Private Wealth Advisor for details*

*Totals in Changes in Account Value section do not include the value of unpriced securities (securities denoted with N/A) or securities for which Morgan Stanley is not the custodian*

* *Negative amounts reflect value of debit balance, or margin loan, in the account A positive amount reflects net cash and securities available for withdrawal or to collateralize additional loans in the account*

Morgan Stanley
Private Wealth Management

Morgan Stanley Private Wealth Management
3424 Peachtree Road N.E., Suite 1200
Atlanta, GA 30326-1127
404-949-4100

**Official Statement**

Valuation Currency: USD

## Portfolio Valuation By Position
## 10-05857 : DILLON FOUNDATION *INTEREST RATE NOTE*
## 10/31/2009
## Trade Date Reporting

| *Security Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | *FIXED INCOME* | | | | | | |
| STRUCTURED NOTES | | | | | | | | | | | |
| CMS CURVE LINKED CPN MS<br>0 000% DUE 04/16/2012 @ 100 00 | 1,000,000 00 | | 100 00 | 1,000,000 00 | 114 25 | 1,142,500 00 | 142,500 00 | | 1,142,500 00 | 100 00 | C |
| *TOTAL FIXED INCOME* | | | | *1,000,000.00* | ✓ | *1,142,500.00* | *142,500.00* | | *1,142,500.00* | *100.00* | |
| TOTAL PORTFOLIO | | | | 1,000,000.00 | | 1,142,500.00 | 142,500.00 | | 1,142,500.00 | 100.00 | |

*Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information*
*Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information*
*The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated Yield/Interest and Gain/Loss information is estimated*

## CLIENT STATEMENT | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

Renaissance

INTERESTED PARTY COPY

#BWNJGWM
AT 02 013321 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD<br>(as of 9/30/09) | $3,739,147.59 |
| NET CONTRIBUTIONS/WITHDRAWALS | (9,431.53) |
| PORTFOLIO INCOME<br>& APPRECIATION | (138,276.01) |
| **TOTAL VALUE OF YOUR ACCOUNT**<br>(as of 10/31/09) | **$3,591,440.05** |

**Your Branch**
3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

013321 1/8

MorganStanley
SmithBarney

# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

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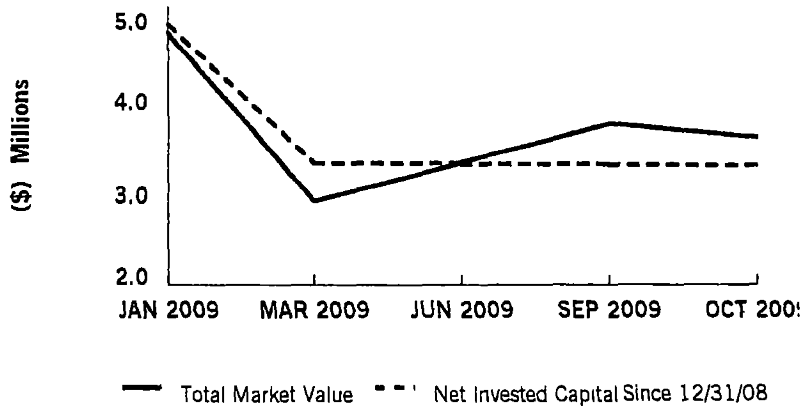
**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** RENAISSANCE GROUP LLC

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | **$3,739,147.59** |
| Contributions | — | — |
| Withdrawals | (1,532,565.67) | (9,431.53) |
| Security Transfers | 4,818,210.00 | — |
| **Net Contributions/Withdrawals** | **$3,285,644.33** | **$(9,431.53)** |
| Portfolio Income | 37,775.09 | 2,300.98 |
| Net Portfolio Appreciation | 268,020.63 | (140,576.99) |
| **Total Ending Market Value** | **$3,591,440.05** | **$3,591,440.05** |

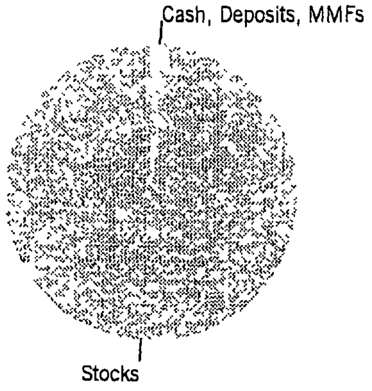
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions.* ^ *See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $78,738.42 | 2.2 |
| Stocks | 3,512,701.63 | 97.8 |
| **TOTAL** | **$3,591,440.05** | **100.0%** |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis.* ** Eligible for FDIC insurance, FDIC rules apply. Not SIPC insured.*

Renaissance.

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

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*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*

*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*

*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*

*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|---|---|---|---|
| **CASH** | **$118.47** | | | |
| **MORGAN STANLEY BANK N.A. #** | **78,619.95** | 35.00 | — | 0.045 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | **2.2%** | **$78,738.42** | **$35.00**<br>**$0.00** |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*

*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## STOCKS

### COMMON STOCKS

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **3M COMPANY (MMM)** | 909.000 | $66,583.61 | $73.57 | **$66,875.13** | $291.52 | $1,854.36 | 2.77 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **ABBOTT LABORATORIES (ABT)** | 1,004.000 | 55,358.95 | 50.57 | **50,772.28** | (4,586.67) | 1,606.40 | 3.16 |
| *Next Dividend Payable 11/15/09* | | | | | | | |
| **ACCENTURE PLC IRELAND CL A (ACN)** | 1,663.000 | 53,344.55 | 37.08 | **61,664.04** | 8,319.49 | 1,247.25 | 2.02 |
| *Next Dividend Payable 11/16/09* | | | | | | | |
| **ACTIVISION BLIZZARD INC (ATVI)** | 4,634.000 | 41,460.86 | 10.83 | **50,186.22** | 8,725.36 | — | — |
| **AEROPOSTALE INC (ARO)** | 1,736.000 | 57,729.64 | 37.53 | **65,152.08** | 7,422.44 | — | — |
| **AMGEN INC (AMGN)** | 974.000 | 53,375.98 | 53.62 | **52,225.88** | (1,150.10) | — | — |
| **APACHE CORP (APA)** | 854.000 | 66,580.23 | 94.12 | **80,378.48** | 13,798.25 | 512.40 | 0.63 |
| *Next Dividend Payable 11/23/09* | | | | | | | |
| **APOLLO GROUP INC A (APOL)** | 992.000 | 76,609.00 | 57.10 | **56,643.20** | (19,965.80) | — | — |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **APPLE INC (AAPL)** | 421.000 | 39,185.76 | 188.50 | **79,358.50** | 40,172.74 | — | — |
| **AUTOZONE INC (AZO)** | 420.000 | 59,190.58 | 135.31 | **56,830.20** | (2,360.38) | — | — |
| **BECTON DICKINSON & CO (BDX)** | 718.000 | 51,124.18 | 68.36 | **49,082.48** | (2,041.70) | 947.76 | 1.93 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **CISCO SYS INC (CSCO)** | 3,077.000 | 59,011.32 | 22.81 | **70,186.37** | 11,175.05 | — | — |
| **COACH INC (COH)** | 2,172.000 | 32,703.59 | 32.97 | **71,610.84** | 38,907.25 | 651.60 | 0.90 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **COGNIZANT TECH SOLUTIONS CL A (CTSH)** | 1,850.000 | 64,175.02 | 38.65 | **71,502.50** | 7,327.48 | — | — |
| **COLGATE PALMOLIVE CO (CL)** | 827.000 | 54,053.80 | 78.63 | **65,027.01** | 10,973.21 | 1,455.52 | 2.23 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| **CORNING INC (GLW)** | 3,961.000 | 55,432.61 | 14.61 | **57,870.21** | 2,437.60 | 792.20 | 1.36 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **DELL INC (DELL)** | 4,365.000 | 44,068.60 | 14.45 | **63,074.25** | 19,005.65 | — | — |
| **DOLLAR TREE INC (DLTR)** | 1,150.000 | 46,126.04 | 45.13 | **51,899.50** | 5,773.46 | — | — |
| **EBAY INC (EBAY)** | 2,915.000 | 65,361.59 | 22.27 | **64,917.05** | (444.54) | — | — |
| **ELI LILLY & CO (LLY)** | 1,688.000 | 64,062.64 | 34.01 | **57,408.88** | (6,653.76) | 3,308.48 | 5.76 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **EMC CORP MASS (EMC)** | 3,878.000 | 45,877.13 | 16.47 | **63,870.66** | 17,993.53 | — | — |
| **EOG RESOURCES INC (EOG)** | 817.000 | 66,147.67 | 81.66 | **66,716.22** | 568.55 | 473.86 | 0.71 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **FLOWSERVE CORP (FLS)** | 655.000 | 32,944.54 | 98.21 | **64,327.55** | 31,383.01 | 707.40 | 1.09 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **FLUOR CORP NEW (FLR)** | 1,497.000 | 62,973.25 | 44.42 | **66,496.74** | 3,523.49 | 748.50 | 1.12 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **FRANKLIN RESOURCES INC (BEN)** | 678.000 | 53,905.55 | 104.63 | **70,939.14** | 17,033.59 | 569.52 | 0.80 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **GENL DYNAMICS CORP (GD)** | 1,235.000 | 71,879.59 | 62.70 | **77,434.50** | 5,554.91 | 1,877.20 | 2.42 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| **GILEAD SCIENCE (GILD)** | 1,421.000 | 69,811.43 | 42.55 | **60,463.55** | (9,347.88) | — | — |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| GOLDMAN SACHS GRP INC (GS)<br>*Next Dividend Payable 12/09* | 385.000 | 60,954.51 | 170.17 | **65,515.45** | 4,560.94 | 539.00 | 0.82 |
| H & R BLOCK INC (HRB)<br>*Next Dividend Payable 01/10* | 3,677.000 | 74,069.84 | 18.34 | **67,436.18** | (6,633.66) | 2,206.20 | 3.27 |
| HEWITT ASSOCIATES INC (HEW) | 1,608.000 | 57,369.90 | 35.52 | **57,116.16** | (253.74) | — | — |
| HEWLETT PACKARD (HPQ)<br>*Next Dividend Payable 01/10* | 1,713.000 | 61,992.10 | 47.46 | **81,298.98** | 19,306.88 | 548.16 | 0.67 |
| INTEL CORP (INTC)<br>*Next Dividend Payable 12/09* | 3,642.000 | 56,397.46 | 19.11 | **69,598.62** | 13,201.16 | 2,039.52 | 2.93 |
| INTL BUSINESS MACHINES CORP (IBM)<br>*Next Dividend Payable 12/09* | 526.000 | 48,878.98 | 120.61 | **63,440.86** | 14,561.88 | 1,157.20 | 1.82 |
| ITT EDUCATIONAL SERVICES INC (ESI) | 602.000 | 70,453.03 | 90.35 | **54,390.70** | (16,062.33) | — | — |
| JOHNSON & JOHNSON (JNJ)<br>*Next Dividend Payable 12/09* | 1,053.000 | 61,277.40 | 59.05 | **62,179.65** | 902.25 | 2,063.88 | 3.31 |
| JOY GLOBAL INC (JOYG)<br>*Next Dividend Payable 12/09* | 1,656.000 | 66,836.16 | 50.41 | **83,478.96** | 16,642.80 | 1,159.20 | 1.38 |
| KNIGHT CAP GRP INC (NITE) | 3,062.000 | 68,876.63 | 16.85 | **51,594.70** | (17,281.93) | — | — |
| LOCKHEED MARTIN CORP (LMT)<br>*Next Dividend Payable 12/09* | 857.000 | 69,931.16 | 68.79 | **58,953.03** | (10,978.13) | 2,159.64 | 3.66 |
| MC DONALDS CORP (MCD)<br>*Next Dividend Payable 12/09* | 912.000 | 53,213.74 | 58.61 | **53,452.32** | 238.58 | 2,006.40 | 3.75 |
| MC GRAW HILL COS INC (MHP)<br>*Next Dividend Payable 12/09* | 1,900.000 | 58,630.96 | 28.78 | **54,682.00** | (3,948.96) | 1,710.00 | 3.12 |
| MCKESSON CORP (MCK)<br>*Next Dividend Payable 01/10* | 1,137.000 | 66,881.41 | 58.73 | **66,776.01** | (105.40) | 545.76 | 0.81 |
| MICROSOFT CORP (MSFT)<br>*Next Dividend Payable 12/09* | 3,043.000 | 53,797.81 | 27.73 | **84,382.39** | 30,584.58 | 1,582.36 | 1.87 |
| MURPHY OIL CORP (MUR)<br>*Next Dividend Payable 12/09* | 1,168.000 | 53,265.00 | 61.14 | **71,411.52** | 18,146.52 | 1,168.00 | 1.63 |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **OCCIDENTAL PETROLEUM CORP DE (OXY)** | 929.000 | 58,175.93 | 75.88 | **70,492.52** | 12,316.59 | 1,226.28 | 1.73 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **ORACLE CORP (ORCL)** | 2,892.000 | 50,234.04 | 21.10 | **61,021.20** | 10,787.16 | 578.40 | 0.94 |
| *Next Dividend Payable 11/04/09* | | | | | | | |
| **OWENS ILLINOIS COM NEW (OI)** | 1,841.000 | 62,141.67 | 31.88 | **58,691.08** | (3,450.59) | — | — |
| **PRICELINE.COM INC NEW (PCLN)** | 401.000 | 46,335.31 | 157.79 | **63,273.79** | 16,938.48 | — | — |
| **QUALCOMM INC (QCOM)** | 1,295.000 | 59,665.83 | 41.33 | **53,522.35** | (6,143.48) | 880.60 | 1.64 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **ROSS STORES INC (ROST)** | 1,508.000 | 58,448.57 | 44.01 | **66,367.08** | 7,918.51 | 663.52 | 0.99 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **TD AMERITRADE HOLDING CORP (AMTD)** | 3,281.000 | 61,907.55 | 19.30 | **63,323.30** | 1,415.75 | — | — |
| **TEXAS INSTRUMENTS (TXN)** | 2,790.000 | 59,440.11 | 23.45 | **65,425.50** | 5,985.39 | 1,339.20 | 2.04 |
| *Next Dividend Payable 11/16/09* | | | | | | | |
| **TRANSOCEAN LTD (RIG)** | 759.000 | 42,301.88 | 83.91 | **63,687.69** | 21,385.81 | — | — |
| **WELLPOINT INC (WLP)** | 1,255.000 | 58,582.02 | 46.76 | **58,683.80** | 101.78 | — | — |
| **WESTERN DIGITAL CORPORATION (WDC)** | 1,918.000 | 39,945.42 | 33.68 | **64,598.24** | 24,652.82 | — | — |
| **WESTERN UN CO (WU)** | 3,577.000 | 68,613.66 | 18.17 | **64,994.09** | (3,619.57) | 143.08 | 0.22 |
| *Next Dividend Payable 12/09* | | | | | | | |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL STOCKS | 97.8% | $3,157,695.79 | $3,512,701.63 | $355,005.84 | $40,468.85<br>$0.00 | 1.15% |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | 100.0% | $3,157,695.79 | $3,591,440.05 | $355,005.84 | $40,503.85<br>$0.00 | 1.13% |

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

R&R

INTERESTED PARTY COPY

#BWNJGWM
AT 04 007358 61820F 56 E**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD<br>(as of 9/30/09) | $2,193,424.07 |
| NET CONTRIBUTIONS/WITHDRAWALS | (8,258.05) |
| PORTFOLIO INCOME & APPRECIATION | (79,563.81) |
| **TOTAL VALUE OF YOUR ACCOUNT**<br>(as of 10/31/09) | **$2,105,602.21** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

**CLIENT STATEMENT** | For the Period October 1-31, 2009

# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

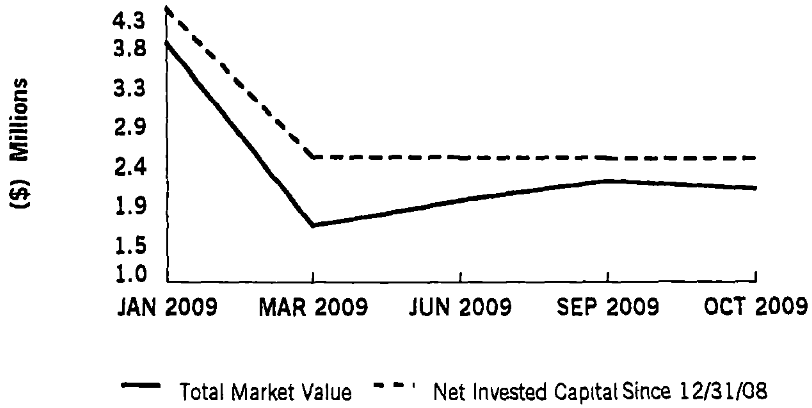
**Investment Advisory Account**
**Householding Anniversary Date:** 12/12/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** RIVER ROAD ASSET MANAGEMENT, LLC

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | **$2,193,424.07** |
| Contributions | 64,752.73 | — |
| Withdrawals | (1,786,986.59) | (8,258.05) |
| Security Transfers | 4,176,365.68 | — |
| **Net Contributions/Withdrawals** | **$2,454,131.82** | **$(8,258.05)** |
| Portfolio Income | 26,560.87 | 2,010.87 |
| Net Portfolio Appreciation | (375,090.48) | (81,574.68) |
| **Total Ending Market Value** | **$2,105,602.21** | **$2,105,602.21** |

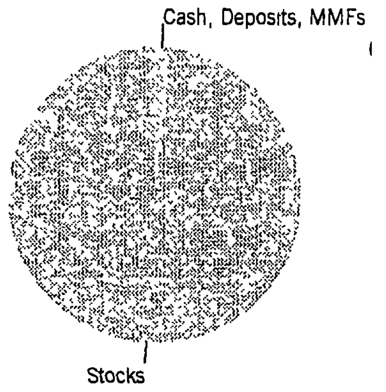
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions.* ^ *See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $38,105.95 | 1.8 |
| Stocks | 2,067,496.26 | 98.2 |
| TOTAL | $2,105,602.21 | 100.0% |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis.* ** Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.*

River Rd

# Holdings

DILLON FOUNDATION
PO BOX 537

INTERESTED PARTY COPY

*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*
*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*
*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*
*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|---|---|---|---|
| MORGAN STANLEY BANK N.A. # | $38,105.95 | $17.00 | — | 0.045 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | 1.8% | $38,105.95 | $17.00<br>$0.00 |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## STOCKS

### COMMON STOCKS

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **AIR METHODS CORP (AIRM)** | 340.000 | $7,695.10 | $30.54 | **$10,383.60** | $2,688.50 | — | — |
| **AMERCO (UHAL)** | 650.000 | 38,002.06 | 42.27 | **27,475.50** | (10,526.56) | — | — |
| **AMERICAN DAIRY INC (ADY)** | 1,160.000 | 19,804.99 | 28.94 | **33,570.40** | 13,765.41 | — | — |
| **APTARGROUP INC (ATR)**<br>*Next Dividend Payable 11/18/09* | 2,450.000 | 86,502.62 | 35.31 | **86,509.50** | 6.88 | 1,470.00 | 1.69 |
| **AVISTA CORP (AVA)**<br>*Next Dividend Payable 12/09* | 340.000 | 7,065.11 | 18.96 | **6,446.40** | (618.71) | 285.60 | 4.43 |
| **BANCORPSOUTH INC (BXS)**<br>*Next Dividend Payable 01/10* | 1,120.000 | 22,767.35 | 22.58 | **25,289.60** | 2,522.25 | 985.60 | 3.89 |
| **BANK OF HAWAII CORP (BOH)**<br>*Next Dividend Payable 12/09* | 550.000 | 21,031.33 | 44.40 | **24,420.00** | 3,388.67 | 990.00 | 4.05 |
| **BIG LOTS INC OHIO (BIG)** | 1,110.000 | 20,931.55 | 25.05 | **27,805.50** | 6,873.95 | — | — |
| **BIGBAND NETWORKS (BBND)** | 1,650.000 | 7,011.63 | 3.70 | **6,105.00** | (906.63) | — | — |

CONTINUED

# Holdings

DILLON FOUNDATION
PO BOX 537

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| BRINK'S COMPANY COM (BCO) | 1,500.000 | 45,698.76 | 23.73 | **35,595.00** | (10,103.76) | 600.00 | 1.68 |
| *Next Dividend Payable 12/09* | | | | | | | |
| BRINKS HOME SECURITY HLDG (CFL) | 1,930.000 | 53,337.49 | 30.98 | **59,791.40** | 6,453.91 | — | — |
| BRISTOW GROUP INC (BRS) | 440.000 | 17,416.20 | 29.15 | **12,826.00** | (4,590.20) | — | — |
| CAL DIVE INTERNATIONAL, INC (DVR) | 1,390.000 | 15,580.61 | 7.68 | **10,675.20** | (4,905.41) | — | — |
| CASEYS GEN STRS (CASY) | 2,500.000 | 70,182.24 | 31.53 | **78,825.00** | 8,642.76 | 850.00 | 1.07 |
| *Next Dividend Payable 11/16/09* | | | | | | | |
| CASS INFO SYS INC (CASS) | 350.000 | 10,183.19 | 29.73 | **10,405.50** | 222.31 | 196.00 | 1.88 |
| *Next Dividend Payable 12/09* | | | | | | | |
| CHINDEX INTL INC (CHDX) | 1,676.000 | 21,633.26 | 13.94 | **23,363.44** | 1,730.18 | — | — |
| CKX INC (CKXE) | 2,520.000 | 17,569.55 | 6.40 | **16,128.00** | (1,441.55) | — | — |
| COCA COLA BOTTLING CONS (COKE) | 430.000 | 25,002.41 | 44.91 | **19,311.30** | (5,691.11) | 430.00 | 2.22 |
| *Next Dividend Payable 11/09* | | | | | | | |
| COMPUTER SERVICES INC (CSVI) | 350.000 | 13,714.22 | 35.75 | **12,512.50** | (1,201.72) | 266.00 | 2.12 |
| *Next Dividend Payable 12/09* | | | | | | | |
| COPART INC (CPRT) | 430.000 | 11,190.97 | 32.17 | **13,833.10** | 2,642.13 | — | — |
| CORNELL COS INC (CRN) | 370.000 | 8,127.83 | 22.84 | **8,450.80** | 322.97 | — | — |
| CORPORATE EXEC BOARD CO (EXBD) | 680.000 | 16,434.86 | 24.01 | **16,326.80** | (108.06) | 272.00 | 1.66 |
| *Next Dividend Payable 12/09* | | | | | | | |
| CRACKER BARREL OLD CTRY STORE (CBRL) | 1,320.000 | 44,481.25 | 33.15 | **43,758.00** | (723.25) | 1,056.00 | 2.41 |
| *Next Dividend Payable 11/05/09* | | | | | | | |
| DIME COMMUNITY BANCORP INC (DCOM) | 300.000 | 3,188.19 | 10.99 | **3,297.00** | 108.81 | 168.00 | 5.09 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| DOLLAR TREE INC (DLTR) | 610.000 | 18,658.82 | 45.13 | **27,529.30** | 8,870.48 | — | — |
| DRESS BARN (DBRN) | 1,390.000 | 18,943.77 | 18.05 | **25,089.50** | 6,145.73 | — | — |
| EASTERN AMERCN NATURAL GAS TST (NGT) | 400.000 | 10,401.72 | 24.20 | **9,680.00** | (721.72) | 402.40 | 4.15 |
| *Next Dividend Payable 12/09* | | | | | | | |
| ELECTRO RENT CP (ELRC) | 1,860.000 | 25,914.40 | 10.71 | **19,920.60** | (5,993.80) | 1,116.00 | 5.60 |
| *Next Dividend Payable 01/10* | | | | | | | |
| ENCORE ACQUISITION CO (EAC) | 1,060.000 | 30,869.32 | 37.07 | **39,294.20** | 8,424.88 | — | — |
| EVOLUTION PETE CP (EPM) | 4,850.000 | 14,983.00 | 3.43 | **16,635.50** | 1,652.50 | — | — |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **FIRST CITIZ BANCSHARES A (FCNCA)** | 205.000 | 31,419.80 | 149.00 | **30,545.00** | (874.80) | 246.00 | 0.80 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **FIRST SERVICE CORP (FSRV)** | 740.000 | 20,734.83 | 17.77 | **13,149.80** | (7,585.03) | — | — |
| **FORRESTER RESEARCH INC (FORR)** | 610.000 | 14,979.71 | 25.33 | **15,451.30** | 471.59 | — | — |
| **FREDS INC A (FRED)** | 2,540.000 | 26,728.70 | 11.84 | **30,073.60** | 3,344.90 | 304.80 | 1.01 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **FRISCH RESTAURANTS (FRS)** | 940.000 | 25,566.12 | 23.45 | **22,043.00** | (3,523.12) | 488.80 | 2.21 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **FRONTIER OIL CORP (FTO)** | 1,400.000 | 20,990.09 | 13.86 | **19,404.00** | (1,586.09) | 336.00 | 1.73 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **GEO GROUP INC (GEO)** | 1,850.000 | 28,420.78 | 21.15 | **39,127.50** | 10,706.72 | — | — |
| **GYRODYNE CO AMER INC (GYRO)** | 130.000 | 7,223.88 | 42.90 | **5,577.00** | (1,646.88) | — | — |
| **HAMPSHIRE GROUP LTD (HAMP)** | 1,210.000 | 20,730.93 | 3.00 | **3,630.00** | (17,100.93) | — | — |
| **HILLENBRAND INC (HI)** | 1,560.000 | 26,422.37 | 19.98 | **31,168.80** | 4,746.43 | 1,154.40 | 3.70 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **HILLTOP HOLDINGS INC (HTH)** | 2,140.000 | 23,232.20 | 11.84 | **25,337.60** | 2,105.40 | — | — |
| **HQ SUSTBLE MARITIME INDS NEW (HQS)** | 1,650.000 | 15,050.57 | 7.57 | **12,490.50** | (2,560.07) | — | — |
| **INDUSTRIAS BACHOCO S.A DEV C.V (IBA)** | 2,160.000 | 68,975.82 | 23.10 | **49,896.00** | (19,079.82) | 1,183.68 | 2.37 |
| **INGRAM MICRO INC CLA (IM)** | 1,620.000 | 30,234.90 | 17.65 | **28,593.00** | (1,641.90) | — | — |
| **INTERDIGITAL INC (IDCC)** | 340.000 | 8,152.79 | 20.56 | **6,990.40** | (1,162.39) | — | — |
| **INTERNATIONAL SPEEDWAY CRP CLA (ISCA)** | 780.000 | 21,447.25 | 25.51 | **19,897.80** | (1,549.45) | 109.20 | 0.54 |
| *Next Dividend Payable 06/10* | | | | | | | |
| **ITURAN LOCATION AND CTRL LTD (ITRN)** | 1,720.000 | 19,977.54 | 12.42 | **21,355.82** | 1,378.28 | 292.40 | 1.36 |
| **J&J SNACK FOODS (JJSF)** | 370.000 | 13,216.63 | 39.17 | **14,492.90** | 1,276.27 | 144.30 | 0.99 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **JAKKS PACIFIC INC (JAKK)** | 1,140.000 | 26,139.07 | 14.23 | **16,222.20** | (9,916.87) | — | — |
| **JOS A BANK CLOTHIERS (JOSB)** | 350.000 | 9,214.47 | 40.98 | **14,343.00** | 5,128.53 | — | — |
| **KINDRED HEALTHCARE INC (KND)** | 920.000 | 14,852.23 | 14.70 | **13,524.00** | (1,328.23) | — | — |
| **KORN/FERRY INTL DELA (KFY)** | 1,180.000 | 19,524.57 | 15.96 | **18,832.80** | (691.77) | — | — |
| **LINCOLN EDUCATIONAL SVCS CORP (LINC)** | 1,210.000 | 23,365.62 | 19.82 | **23,982.20** | 616.58 | — | — |
| **MACGRAY CORP (TUC)** | 3,800.000 | 53,689.11 | 8.13 | **30,894.00** | (22,795.11) | — | — |

CONTINUED

## Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **MARTEK BIOSCIENCE (MATK)** | 1,150.000 | 22,279.07 | 17.96 | **20,654.00** | (1,625.07) | — | — |
| **MAX RE CAPITAL LTD (MXGL)** | 830.000 | 20,424.86 | 20.65 | **17,139.50** | (3,285.36) | 332 00 | 1.93 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **MEDALLION FINCL CORP. (TAXI)** | 3,810.000 | 41,106.85 | 7.85 | **29,908.50** | (11,198.35) | 2,895.60 | 9.68 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **MONARCH CASINO & RESORTS INC (MCRI)** | 890.000 | 9,311.21 | 6.94 | **6,176.60** | (3,134.61) | — | — |
| **NATHANS FAMOUS INC (NATH)** | 490.000 | 7,978.65 | 14.50 | **7,105.00** | (873.65) | — | — |
| **NATL BEVERAGE CORP (FIZZ)** | 1,490.000 | 15,212.93 | 10.95 | **16,315.50** | 1,102.57 | — | — |
| **NATL HLTHCARE CORP (NHC)** | 240.000 | 9,264.00 | 35.97 | **8,632.80** | (631.20) | 249.60 | 2.89 |
| *Next Dividend Payable 12/01/09* | | | | | | | |
| **NAVIGATORS GROUP INCORPORATED (NAVG)** | 680.000 | 33,084.74 | 53.07 | **36,087.60** | 3,002.86 | — | — |
| **OFFICEMAX INC (OMX)** | 2,370.000 | 21,862.81 | 11.43 | **27,089.10** | 5,226.29 | — | — |
| **OPPENHEIMER HLDGS A N/V (OPY)** | 1,000.000 | 37,117.39 | 25.50 | **25,500.00** | (11,617.39) | 440.00 | 1.72 |
| *Next Dividend Payable 11/09* | | | | | | | |
| **P H GLATFELTER (GLT)** | 2,640.000 | 38,064.28 | 10.57 | **27,904.80** | (10,159.48) | 950.40 | 3.40 |
| *Next Dividend Payable 11/02/09* | | | | | | | |
| **PAPA JOHNS INTL INC (PZZA)** | 830.000 | 19,734.48 | 22 50 | **18,675.00** | (1,059.48) | — | — |
| **PETMEDEXPRESS.COM INC (PETS)** | 1,340.000 | 19,000.73 | 15.69 | **21,024.60** | 2,023.87 | 536.00 | 2.54 |
| *Next Dividend Payable 11/09* | | | | | | | |
| **PETSMART INC (PETM)** | 1,000.000 | 22,173.87 | 23.53 | **23,530.00** | 1,356.13 | 400.00 | 1.69 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| **PIKE ELECTRIC CORP (PIKE)** | 2,460.000 | 40,079.01 | 12.55 | **30,873.00** | (9,206.01) | — | — |
| **PORTLAND GENERAL ELEC CO (POR)** | 1,290.000 | 34,257.36 | 18.59 | **23,981.10** | (10,276.26) | 1,315.80 | 5.48 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **PROVIDENT ENERGY TRUST UNIT (PVX)** | 870.000 | 5,667.51 | 6.17 | **5,367.90** | (299.61) | 601.17 | 11.19 |
| *Next Dividend Payable 11/13/09* | | | | | | | |
| **RENT-A-CTR INC. (RCII)** | 1,890.000 | 32,475.88 | 18.36 | **34,700.40** | 2,224.52 | — | — |
| **RES CARE INC (RSCR)** | 1,150.000 | 19,444.86 | 12.03 | **13,834.50** | (5,610 36) | — | — |
| **ROSETTA RESOURCES INC (ROSE)** | 1,180.000 | 11,333.52 | 13.53 | **15,965.40** | 4,631.88 | — | — |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **RUDDICK CORP (RDK)** | 2,650.000 | 85,296.05 | 26.72 | **70,808.00** | (14,488.05) | 1,272.00 | 1.79 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **SJW CORPORATION (SJW)** | 1,190.000 | 39,103.98 | 21.77 | **25,906.30** | (13,197.68) | 785.40 | 3.03 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **STERIS CORPORATION (STE)** | 960.000 | 21,604.60 | 29.26 | **28,089.60** | 6,485.00 | 422.40 | 1.50 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **STERLING CONSTRUCTION COM (STRL)** | 690.000 | 11,195.58 | 16.13 | **11,129.70** | (65.88) | — | — |
| **TELECOMMUNICATION SYS CL A (TSYS)** | 2,530.000 | 20,231.45 | 8.94 | **22,618.20** | 2,386.75 | — | — |
| **THE ENSIGN GROUP INC (ENSG)** | 450.000 | 6,773.79 | 14.78 | **6,651.00** | (122.79) | 81.00 | 1.21 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **UMB FINANCIAL CORP (UMBF)** | 880.000 | 37,939.22 | 39.77 | **34,997.60** | (2,941.62) | 651.20 | 1.86 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **UNIFIRST CP (UNF)** | 830.000 | 32,486.03 | 42.07 | **34,918.10** | 2,432.07 | 124.50 | 0.35 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **VIAD CORP NEW (VVI)** | 1,020.000 | 28,457.14 | 17.50 | **17,850.00** | (10,607.14) | 163.20 | 0.91 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **VLG SUPERMK A NEW (VLGEA)** | 1,610.000 | 37,223.52 | 30.00 | **48,300.00** | 11,076.48 | 1,481.20 | 3.06 |
| *Next Dividend Payable 01/10* | | | | | | | |
| **VOLT INFRMTN SCIENCS (VOL)** | 1,910.000 | 14,539.74 | 8.11 | **15,490.10** | 950.36 | — | — |
| **WCA WASTE CORPORATION (WCAA)** | 2,710.000 | 20,800.88 | 4.00 | **10,840.27** | (9,960.61) | — | — |
| **WEST PHARMACEUTICAL SVCS INC (WST)** | 400.000 | 13,251.12 | 39.47 | **15,788.00** | 2,536.88 | 256.00 | 1.62 |
| *Next Dividend Payable 11/04/09* | | | | | | | |
| **WHITE MOUNTAIN GRP BERMUDA (WTM)** | 73.000 | 16,177.35 | 309.41 | **22,586.93** | 6,409.58 | 73.00 | 0.32 |
| *Next Dividend Payable 03/10* | | | | | | | |
| **ZAPATA CP COM PAR $ (ZAP)** | 3,630.000 | 25,125.55 | 6.83 | **24,792.90** | (332.65) | — | — |
| **ZENITH NATIONAL INSURANCE CORP (ZNT)** | 280.000 | 6,441.58 | 28.53 | **7,988.40** | 1,546.82 | 560.00 | 7.01 |
| *Next Dividend Payable 11/13/09* | | | | | | | |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL STOCKS | **98.2%** | **$2,171,135.37** | **$2,067,496.26** | **$(103,639.11)** | **$26,937.65**<br>**$0.00** | **1.30%** |

# Holdings

DILLON FOUNDATION
PO BOX 537

INTERESTED PARTY COPY

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | 100.0% | $2,171,135.37 | $2,105,602.21 | $(103,639.11) | $26,954.65<br>$0.00 | 1.28% |

Delaware

# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

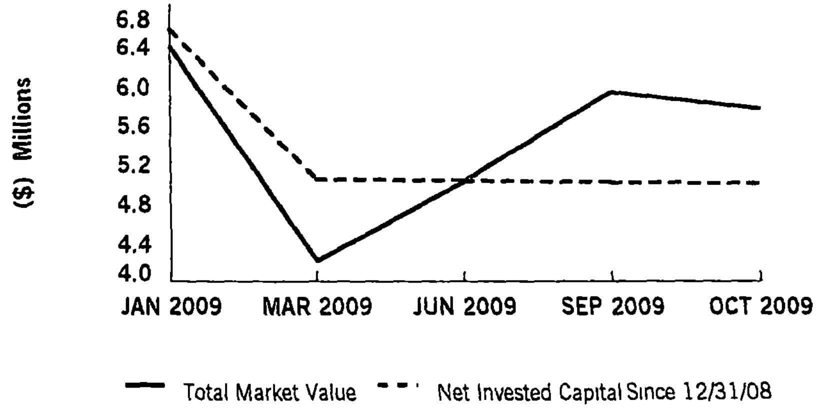
**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** DELAWARE CAPITAL MANAGEMENT

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | $5,893,990.29 |
| Contributions | — | — |
| Withdrawals | (1,551,133.28) | (15,367.34) |
| Security Transfers | 6,520,640.00 | — |
| **Net Contributions/Withdrawals** | $4,969,506.72 | $(15,367.34) |
| Portfolio Income | 158,819.71 | 12,731.39 |
| Net Portfolio Appreciation | 595,515.09 | (167,512.82) |
| **Total Ending Market Value** | $5,723,841.52 | $5,723,841.52 |

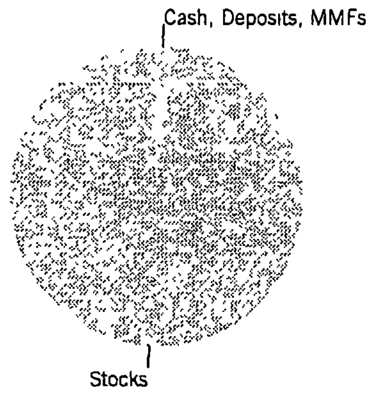
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. ^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $96,142.10 | 1.7 |
| Stocks | 5,627,699.42 | 98.3 |
| **TOTAL** | **$5,723,841.52** | **100.0%** |

*We classify assets based on certain general characteristics such as. income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance, FDIC rules apply Not SIPC insured.*

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

Delaware

INTERESTED PARTY COPY

#BWNJGWM
AT 02 013328 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD<br>(as of 9/30/09) | $5,893,990.29 |
| NET CONTRIBUTIONS/WITHDRAWALS | (15,367.34) |
| PORTFOLIO INCOME & APPRECIATION | (154,781.43) |
| **TOTAL VALUE OF YOUR ACCOUNT**<br>(as of 10/31/09) | **$5,723,841.52** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

Delware

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

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*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*
*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*
*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*
*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield |
|---|---|---|---|---|
| MORGAN STANLEY BANK N.A. # | $96,142.10 | $43.00 | — | 0.045 |

|  | Percentage of Assets % | Market Value | Estimated Annual Income<br>*Accrued Income* |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | 1.7% | $96,142.10 | $43.00<br>$0.00 |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## STOCKS

### COMMON STOCKS

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **AMCOR LIMITED ADR NEW (AMCRY)** | 3,011.000 | $43,840.16 | $20.37 | **$61,334.07** | $17,493.91 | $3,200.69 | 5.21 |
| **BANCO SANTANDER S.A. (STD)** | 8,601.000 | 68,377.09 | 16.06 | **138,132.06** | 69,754.97 | 7,207.64 | 5.21 |
| **BAYER AG SPON ADR (BAYRY)** | 1,186.000 | 65,763.70 | 69.20 | **82,071.20** | 16,307.50 | 1,628.38 | 1.98 |
| **BG GROUP PLC (BRGYY)** | 1,554.000 | 104,895.00 | 86.46 | **134,358.84** | 29,463.84 | 1,529.14 | 1.13 |
| **BNC SNT RTS SLD** | 8,601.000 | Pending Corp. Action | 0.00 | **0.00** | N/A | — | — |
| **BNP PARIBAS SP ADR REPSTG (BNPQY)**<br>*Next Dividend Payable 11/09/09* | 775.000 | 15,073.75 | 37.69 | **29,209.75** | 14,136.00 | 402.23 | 1.37 |
| **BP PLC ADS (BP)** | 3,709.000 | 157,508.99 | 56.62 | **210,003.58** | 52,494.59 | 12,462.24 | 5.93 |
| **CANON INC ADR NEW (CAJ)** | 5,338.000 | 152,654.52 | 37.66 | **201,029.08** | 48,374.56 | 5,674.29 | 2.82 |
| **CARREFOUR SA UNPSON ADR (CRERY)** | 11,709.000 | 92,034.19 | 8.51 | **99,643.59** | 7,609.40 | 2,599.40 | 2.60 |
| **DEUTSCHE TELEKOM AG 1 ORD 1ADS (DT)** | 13,355.000 | 167,605.25 | 13.54 | **180,826.70** | 13,221.45 | 13,835.78 | 7.65 |
| **FOSTERS BREWING GRP SP ADR NEW (FBRWY)** | 19,514.000 | 69,028.82 | 4.87 | **95,033.18** | 26,004.36 | 3,766.20 | 3.96 |

CONTINUED

# Holdings

DILLON FOUNDATION
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## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| GLAXOSMITHKLINE PLC ADS (GSK) | 6,172.000 | 214,335.04 | 41.16 | **254,039.52** | 39,704.48 | 11,449.06 | 4.50 |
| HONG KONG ELECTRIC HLDG SP ADR (HGKGY) | 15,299.000 | 91,335.03 | 5.26 | **80,472.74** | (10,862.29) | 3,610.56 | 4.48 |
| IBERDROLA SA SPON ADR (IBDRY) | 4,566.000 | 146,840.58 | 36.04 | **164,558.64** | 17,718.06 | 6,670.93 | 4.05 |
| ING GROEP NV ADR (ING) | 7,858.000 | 64,945.58 | 12.90 | **101,368.20** | 36,422.62 | — | — |
| KAO CORP SPONS ADR (KCRPY) | 781 000 | 208,917.50 | 220.02 | **171,835.62** | (37,081.88) | 4,241.61 | 2.46 |
| NATL AUST BK LTD SPNS ADR (NABZY) | 8,083.000 | 99,744.22 | 26.20 | **211,774.60** | 112,030 38 | 9,691.52 | 4.57 |
| NATL GRID TRANSCO PLC ADS (NGG) | 1,519.000 | 69,786.20 | 49.61 | **75,357.59** | 5,571.39 | 4,087.63 | 5.42 |
| NIPPON TELEGRAPH&TELEPHONE ADS (NTT) | 6,902.000 | 164,575.43 | 20 54 | **141,767.08** | (22,808.35) | 3,685.67 | 2.59 |
| NOVARTIS AG ADR (NVS) | 5,008.000 | 206,844.92 | 51.95 | **260,165.60** | 53,320.68 | 7,281.63 | 2.79 |
| REED ELSEVIER NV-SPONS ADR (ENL) | 4,641.000 | 105,786.95 | 23.17 | **107,531.97** | 1,745.02 | 4,395.03 | 4.08 |
| ROYAL DUTCH SHELL PLC (RDS'A)<br>*Next Dividend Payable 12/09* | 3,064.000 | 156,770 79 | 59.41 | **182,032.24** | 25,261.45 | 8,750.78 | 4.80 |
| RWE AG SPONSORED ADR (RWEOY) | 2,469.000 | 196,532.40 | 87.70 | **216,531.30** | 19,998.90 | 10,584.60 | 4.88 |
| SASOL LTD SPON ADR (SSL) | 2,472.000 | 67,828.71 | 37.39 | **92,428.08** | 24,599.37 | 2,682.12 | 2.90 |
| SEVEN & I HLDGS CO LTD ADR (SVNDY) | 2,181.000 | 98,714.79 | 44.19 | **96,378.39** | (2,336.40) | 1,186.46 | 1.23 |
| SIEMENS AKTIENGESELLSCHAFT (SI) | 1,022.000 | 59,829.92 | 90.02 | **92,000.44** | 32,170.52 | 1,565.70 | 1.70 |
| SINGAPORE TELECOM LTD ADR NEW (SGAPY) | 5,747.000 | 104,308.05 | 20.85 | **119,824.95** | 15,516.90 | 4,643.58 | 3.87 |
| SOCIETE GENERALE SP ADR (SCGLY) | 11,144.000 | 93,430.76 | 14.05 | **156,573.20** | 63,142.44 | 3,198.33 | 2.04 |
| STORA ENSO SP ADR SER R (SEOAY) | 6,836.000 | 42,930.08 | 7.54 | **51,543.44** | 8,613.36 | 1,845.72 | 3.58 |
| TAIWAN SMCNDCTR MFG CO LTD ADR (TSM) | 12,114.000 | 92,602.44 | 9.54 | **115,567.56** | 22,965.12 | 4,409.50 | 3.81 |
| TAKEDA PHARMACEUTICAL CO LTD (TKPHY) | 6,716.000 | 158,833.40 | 19.80 | **132,976.80** | (25,856.60) | 5,742.18 | 4.31 |
| TELECOM CP NZ LTD ADS (NZT) | 5,854.000 | 39,373.42 | 8.96 | **52,451.84** | 13,078.42 | 3,418.74 | 6.51 |
| TELEFONICA SA ADR (TEF) | 2,705.000 | 147,408.98 | 83.93 | **227,030.65** | 79,621.67 | 8,512.64 | 3.74 |
| TELSTRA CP LTD GDR (TLSYY) | 8,685.000 | 106,462.44 | 14.60 | **126,801.00** | 20,338.56 | 9,206.10 | 7.26 |
| TOKI MARINE HOLDING INS ADR (TKOMY) | 6,039.000 | 170,299.80 | 25.56 | **154,356.84** | (15,942.96) | 2,560.54 | 1.65 |
| TOTAL FINA ELF SA (TOT) | 4,029.000 | 206,072.87 | 60.07 | **242,022.03** | 35,949.16 | 10,930.68 | 4.51 |
| TOYOTA MOTOR CP ADR NEW (TM) | 1,775.000 | 116,540.82 | 78.89 | **140,029.75** | 23,488.93 | 3,422.20 | 2 44 |
| UNILEVER PLC (NEW) ADS (UL) | 10,310.000 | 232,560.61 | 29.83 | **307,547.30** | 74,986.69 | 9,691.40 | 3.15 |
| UPM KYMMENE CORP ADR (UPMKY) | 5,618.000 | 53,988.98 | 11.93 | **67,022.74** | 13,033.76 | 2,123.60 | 3.16 |

CONTINUE

# Holdings

**DILLON FOUNDATION**
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## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| UTD OVERSEAS BK LTD SPON ADR (UOVEY) | 3,257.000 | 52,177.14 | 24.45 | 79,633.65 | 27,456.51 | 2,696.80 | 3.38 |
| VODAFONE GP PLC ADS NEW (VOD) | 5,219.000 | 112,671.28 | 22.19 | 115,809.61 | 3,138.33 | 6,288.90 | 5.43 |
| ZURICH FINANCIAL SVC (ZFSVY) | 2,560.000 | 61,861.15 | 22.90 | 58,624.00 | (3,237.15) | 2,024.96 | 3.45 |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL STOCKS | 98.3% | $4,681,091.75 | $5,627,699.42 | $946,607.67 | $212,905.16<br>$0.00 | 3.78% |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | 100.0% | $4,681,091.75 | $5,723,841.52 | $946,607.67 | $212,948.16<br>$0.00 | 3.72% |

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

Wentworth

INTERESTED PARTY COPY

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AT 02 013329 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD<br>(as of 9/30/09) | $2,908,888.36 |
| NET CONTRIBUTIONS/WITHDRAWALS | (7,346.19) |
| PORTFOLIO INCOME<br>& APPRECIATION | (4,106.18) |
| **TOTAL VALUE OF YOUR ACCOUNT**<br>(as of 10/31/09) | **$2,897,435.99** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

MorganStanley
SmithBarney

**CLIENT STATEMENT** | For the Period October 1-31, 2009

# Account Summary

**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** WENTWORTH HAUSER & VIOLICH

**DILLON FOUNDATION**
**PO BOX 537**

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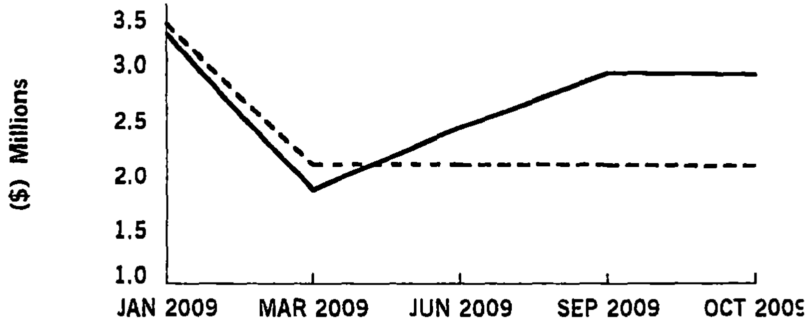
## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | **$2,908,888.36** |
| Contributions | — | — |
| Withdrawals | (1,273,319.21) | (7,346.19) |
| Security Transfers | 3,339,840.00 | — |
| **Net Contributions/Withdrawals** | **$2,066,520.79** | **$(7,346.19)** |
| Portfolio Income | 42,100.04 | 4,150.50 |
| Net Portfolio Appreciation | 788,815.16 | (8,256.68) |
| **Total Ending Market Value** | **$2,897,435.99** | **$2,897,435.99** |

## CHANGE IN VALUE OVER TIME

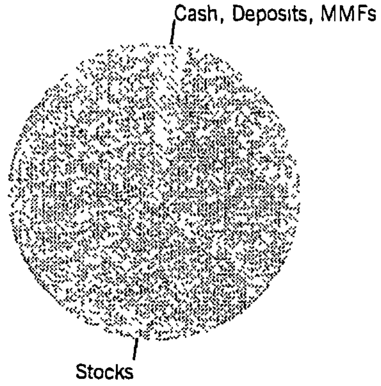
This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



— Total Market Value - - Net Invested Capital Since 12/31/08

*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions.* ^ *See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $112,589.65 | 3.9 |
| Stocks | 2,784,846.34 | 96.1 |
| **TOTAL** | **$2,897,435.99** | **100.0%** |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis.* * *Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.*

Wentworth

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in th market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*
*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimate and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*
*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*
*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yielc |
|---|---|---|---|---|
| MORGAN STANLEY BANK N.A. # | $112,589.65 | $51.00 | — | 0.04 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | 3.9% | $112,589.65 | $51.00<br>$0.00 |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## STOCKS

### COMMON STOCKS

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield |
|---|---|---|---|---|---|---|---|
| **AXA ADS (AXA)** | 1,915.000 | $33,229.85 | $24.80 | **$47,492.00** | $14,262.15 | $875.16 | 1.8 |
| **BAE SYS PLC SPON ADR (BAESY)** | 1,430.000 | 33,075.90 | 20.64 | **29,515.20** | (3,560.70) | 1,372.80 | 4.6 |
| *Next Dividend Payable 12/07/09* | | | | | | | |
| **BASF SE SP ADR (BASFY)** | 1,355.000 | 41,869.50 | 53.60 | **72,628.00** | 30,758.50 | 2,562.31 | 3.5 |
| **BHP BILLITON LTD (BHP)** | 2,340.000 | 94,114.80 | 65.58 | **153,457.20** | 59,342.40 | 3,837.60 | 2.5 |
| **BRITISH AMER TOB SPON ADR (BTI)** | 825.000 | 44,913.16 | 64.23 | **52,989.75** | 8,076.59 | 2,254.73 | 4.2 |
| **BROOKFIELD ASSET MGNT CL A LTD (BAM)** | 1,485.000 | 25,110.90 | 20.90 | **31,036.50** | 5,925.60 | 772.20 | 2.4 |
| *Next Dividend Payable 11/30/09* | | | | | | | |
| **CADBURY PLC SPONSORED ADR (CBY)** | 1,185.000 | 38,684.56 | 50.64 | **60,008.40** | 21,323.84 | 1,254.92 | 2.0 |

CONTINUE

## Holdings

DILLON FOUNDATION
PO BOX 537

INTERESTED PARTY COPY

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **CANADIAN NATL RAILWAY CO (CNI)**<br>*Next Dividend Payable 12/09* | 1,175.000 | 42,634.64 | 48.24 | **56,682.00** | 14,047.36 | 1,130.35 | 1.99 |
| **CANADIAN NATURAL RESOURCES LTD (CNQ)**<br>*Next Dividend Payable 01/10* | 765.000 | 28,384.48 | 64.67 | **49,472.55** | 21,088.07 | 296.82 | 0.59 |
| **CDN PACIFIC RY LTD NEW (CP)**<br>*Next Dividend Payable 01/10* | 1,245.000 | 39,241.90 | 43.11 | **53,671.95** | 14,430.05 | 1,155.36 | 2.15 |
| **COOPER INDUSTRIES PLC CL A (CBE)** | 2,140.000 | 60,831.00 | 38.69 | **82,796.60** | 21,965.60 | 2,140.00 | 2.58 |
| **CORE LABORATORIES N V (CLB)**<br>*Next Dividend Payable 11/23/09* | 310.000 | 22,022.40 | 104.30 | **32,333.00** | 10,310.60 | 124.00 | 0.38 |
| **DIAGEO PLC SPON ADR NEW (DEO)** | 925.000 | 49,462.06 | 65.02 | **60,143.50** | 10,681.44 | 2,095.13 | 3.48 |
| **ENSIGN ENERGY SERVICES ORD (ESVIF)**<br>*Next Dividend Payable 01/10* | 1,030.000 | 9,231.79 | 14.30 | **14,732.09** | 5,500.30 | 322.39 | 2.18 |
| **INGERSOLL-RAND PLC SHS (IR)**<br>*Next Dividend Payable 12/09* | 3,425.000 | 59,038.78 | 31.59 | **108,195.75** | 49,156.97 | 959.00 | 0.88 |
| **MANULIFE FINANCIAL CORP (MFC)**<br>*Next Dividend Payable 12/09* | 1,905.000 | 32,953.45 | 18.59 | **35,413.95** | 2,460.50 | 918.21 | 2.59 |
| **NABORS INDUSTRIES LTD NEW (NBR)** | 8,975.000 | 106,269.39 | 20.83 | **186,949.25** | 80,679.86 | — | — |
| **NESTLE SPON ADR REP REG SHR (NSRGY)** | 1,680.000 | 59,640.00 | 46.52 | **78,153.60** | 18,513.60 | 1,350.72 | 1.72 |
| **NOBLE CORP NEW (NE)**<br>*Next Dividend Payable 11/09* | 4,610.000 | 125,228.35 | 40.74 | **187,811.40** | 62,583.05 | — | — |
| **NOVARTIS AG ADR (NVS)** | 930.000 | 38,436.06 | 51.95 | **48,313.50** | 9,877.44 | 1,352.22 | 2.79 |
| **PARTNERRE HLDGS (PRE)**<br>*Next Dividend Payable 12/09* | 510.000 | 33,644.70 | 76.48 | **39,004.80** | 5,360.10 | 958.80 | 2.45 |
| **POTASH CP OF SASKATCHEWAN INC (POT)**<br>*Next Dividend Payable 11/09/09* | 1,040.000 | 80,951.73 | 92.78 | **96,491.20** | 15,539.47 | 416.00 | 0.43 |
| **RIO TINTO PLC SPON ADR (RTP)** | 915.000 | 81,425.85 | 178.03 | **162,897.45** | 81,471.60 | 4,977.60 | 3.05 |
| **RWE AG SPONSORED ADR (RWEOY)** | 260.000 | 20,930.00 | 87.70 | **22,802.00** | 1,872.00 | 1,114.62 | 4.88 |
| **SCHLUMBERGER LTD (SLB)**<br>*Next Dividend Payable 01/10* | 2,285.000 | 98,436.89 | 62.20 | **142,127.00** | 43,690.11 | 1,919.40 | 1.35 |

CONTINUED

**DILLON FOUNDATION**
**PO BOX 537**

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# Holdings

## STOCKS

### COMMON STOCKS (CONTINUED)

| Security Description | Quantity | Total Cost | Share Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income | Dividend Yield % |
|---|---|---|---|---|---|---|---|
| **SUNCOR ENERGY INC NEW COM (SU)** | 4,150.000 | 84,436.73 | 33.02 | **137,033.00** | 52,596.27 | 1,518.90 | 1.10 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **TALISMAN ENERGY INC (TLM)** | 1,820.000 | 17,827.26 | 16.97 | **30,885.40** | 13,058.14 | 382.20 | 1.23 |
| *Next Dividend Payable 12/09* | | | | | | | |
| **TENARIS S.A. (TS)** | 4,200.000 | 86,763.60 | 35.62 | **149,604.00** | 62,840.40 | 3,612.00 | 2.41 |
| **TRANSOCEAN LTD (RIG)** | 1,935.000 | 106,906.23 | 83.91 | **162,365.85** | 55,459.62 | — | — |
| **UBS AG NEW (UBS)** | 4,260.000 | 51,331.30 | 16.59 | **70,673.40** | 19,342.10 | — | — |
| **UNILEVER NV NY SH NEW (UN)** | 2,190.000 | 50,915.75 | 30.89 | **67,649.10** | 16,733.35 | 1,905.30 | 2.81 |
| **VALE S.A (VALE)** | 4,280.000 | 61,888.37 | 25.49 | **109,097.20** | 47,208.83 | 963.00 | 0.88 |
| *Next Dividend Payable 11/06/09* | | | | | | | |
| **WEATHERFORD INTERNATIONAL LTD (WFT)** | 8,275.000 | 96,238.25 | 17.53 | **145,060.75** | 48,822.50 | — | — |
| **YARA INTL ASA SPONS ADR (YARIY)** | 220.000 | 5,284.40 | 33.45 | **7,359.00** | 2,074.60 | 124.96 | 1.69 |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL STOCKS | **96.1%** | **$1,861,354.03** | **$2,784,846.34** | **$923,492.31** | **$42,666.70**<br>**$0.00** | **1.53%** |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | **100.0%** | **$1,861,354.03** | **$2,897,435.99** | **$923,492.31** | **$42,717.70**<br>**$0.00** | **1.47%** |

Valuation Currency: USD

## Investment Summary
## 10-WAABU : DILLON FOUNDATION *OPPORTUNISTIC PORTFOLIO*

10/01/2009 to 10/31/2009
Period Reporting

### *Changes in Account Value*

| | *Market Value* |
|---|---|
| **Original Market Value as of 09/30/2009** * | **6,467,572.62** |
| Adjustments to Prior Period Activity | 4,726.68 |
| **Adjusted Market Value as of 09/30/2009** | **6,472,299.30** |
| Check Activity | 0.00 |
| World Elite Card Activity | 0.00 |
| Cash Deposits (Withdrawals) | 0.00 |
| Security Deposits (Withdrawals) | 0.00 |
| Interest Income (Expenses) | 71.00 |
| Dividend Income (Expenses) | 5,305.45 |
| Miscellaneous Activity | 0.02 |
| Value Appreciation (Depreciation) | 70,748.54 |
| **Market Value as of 10/31/2009** | **6,543,697.63** |

### *Asset Allocation*

| | *Adjusted Market Value 09/30/2009* | *Market Value 10/31/2009* | *% of Portfolio* |
|---|---|---|---|
| *Cash Alternatives* | *271,550.30* | *273,637.09* | |
| *Cash held in Cash Account* | *9,557.10* | *0.00* | |
| Total Cash and Cash Alternatives | 281,107.40 | 273,637.09 | 4.18 |
| Fixed Income | 1,917,034.20 | 1,939,356.59 | 29.64 |
| Equities | 1,620,472.00 | 1,569,243.00 | 23.98 |
| Alternative Investments | 2,653,685.70 | 2,761,460.95 | 42.20 |
| **Total Market Value** | **6,472,299.30** | **6,543,697.63** | **100.00** |
| | | | |
| **Total Portfolio Market Value** | **6,472,299.30** | **6,543,697.63** | |

*The opening market value and the opening accrued interest may be different from the corresponding figures at the close of the prior reporting period due to adjustments made to security prices and/or referential data Please contact your Private Wealth Advisor for details*

*Totals in Changes in Account Value section do not include the value of unpriced securities (securities denoted with N/A) or securities for which Morgan Stanley is not the custodian.*

* *Negative amounts reflect value of debit balance, or margin loan, in the account A positive amount reflects net cash and securities available for withdrawal or to collateralize additional loans in the account*

**Official Statement**

**Morgan Stanley Private Wealth Management**
3424 Peachtree Road N E., Suite 1200
Atlanta, GA 30326-1127
404-949-4100

**Valuation Currency:** USD

## Portfolio Valuation By Position
## 10-WAABU : DILLON FOUNDATION *OPPORTUNISTIC PORTFOLIO*
**10/31/2009**
**Trade Date Reporting**

| *Security Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *CASH AND CASH ALTERNATIVES* | | | | | | | | | | | |
| **BANK DEPOSITS*** | | | | | | | | | | | |
| MORGAN STANLEY BANK | 245.062.44 | 0.31 | | 245,062.44 | | 245,062 44 | | 4 16 | 245,066.60 | 3 75 | |
| MORGAN STANLEY TRUST | 28,570 00 | 0 31 | | 28,570.00 | | 28,570 00 | | 0.49 | 28,570 49 | 0 44 | |
| **TOTAL BANK DEPOSITS** | | | | 273,632 44 | | 273,632 44 | | 4.65 | 273,637 09 | 4 18 | |
| ***TOTAL CASH AND CASH ALTERNATIVES*** | | | | *273,632.44* | | *273,632.44* | | *4.65* | *273,637.09* | *4.18* | |
| *ALTERNATIVE INVESTMENTS* | | | | | | | | | | | |
| **COMMODITY ETFS** | | | | | | | | | | | |
| POWERSHS DB AGRICULTURE F | 46,100 00 | | 24 89 | 1,147,571 20 | 25 57 | 1,178,777 00 | 31,205.80 | | 1,178,777 00 | 18.01 | C |
| SPDR GOLD TRUST | 5,195 00 | | 90 19 | 468,538 05 | 102 53 | 532,643 35 | 64,105.30 | | 532,643.35 | 8 14 | C |
| UNITED STATES OIL FUND LP -ETF | 26,705 00 | | 25 45 | 679,760 66 | 39.32 | 1,050,040.60 | 370,279 94 | | 1,050,040.60 | 16 05 | C |
| **TOTAL COMMODITY ETFS** | | | | 2,295,869 91 | | 2,761,460 95 | 465,591 04 | | 2,761,460.95 | 42.20 | |
| ***TOTAL ALTERNATIVE INVESTMENTS*** | | | | *2,295,869.91* | | *2,761,460.95* | *465,591.04* | | *2,761,460.95* | *42.20* | |

*Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information.*
*Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information.*
*The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated. Yield/Interest and Gain/Loss information is estimated*
**Bank deposits are at Morgan Stanley Bank, N A and Morgan Stanley Trust, FSB (Members FDIC), affiliates of Morgan Stanley & Co Incorporated Bank deposits are eligible for FDIC insurance up to applicable limits Not SIPC insured*

**Official Statement**

**Morgan Stanley Private Wealth Management**
3424 Peachtree Road N.E., Suite 1200
Atlanta, GA 30326-1127
404-949-4100

**Valuation Currency: USD**

## Portfolio Valuation By Position
## 10-WAABU : DILLON FOUNDATION *OPPORTUNISTIC PORTFOLIO*
10/31/2009
Trade Date Reporting

| *Security Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | *FIXED INCOME* | | | | | | |
| **FIXED INCOME ETFS** | | | | | | | | | | | |
| ISHARES BARCLAYS TIPS BOND FUND<br>3 253% DUE @ 0 00 | 12,200 00 | 3 25 | 98 18 | 1,197,838 70 | 104 01 | 1,268,922 00 | 71,083 30 | | 1,268,922.00 | 19 39 | C |
| **FIXED INCOME MUTUAL FUNDS** | | | | | | | | | | | |
| TCW GALILEO TOTAL RETURN<br>BOND FUND - "I" SHARE | 65,664.50 | 0 49 | 9 97 | 654,726.68 | 10.21 | 670,434.59 | 15,707 91 | | 670,434.59 | 10.25 | C |
| *TOTAL FIXED INCOME* | | | | *1,852,565.38* | | *1,939,356.59* | *86,791.21* | | *1,939,356.59* | *29.64* | |
| | | | | | *EQUITIES* | | | | | | |
| **EQUITY MUTUAL FUNDS** | | | | | | | | | | | |
| BLACKROCK INTL GROWTH INCOME FD | 21,000 00 | 1 82 | 9 26 | 194,384 40 | 10 92 | 229,320 00 | 34,935 60 | | 229,320.00 | 3 50 | C |
| EATON VANCE TAX MANAGED<br>DIVERSIFIED EQUITY INCOME FUND | 17,500.00 | 1 85 | 11 10 | 194,276 25 | 12 47 | 218,225 00 | 23,948 75 | | 218,225.00 | 3 33 | C |
| **TOTAL EQUITY MUTUAL FUNDS** | | | | 388,660 65 | | 447,545 00 | 58,884 35 | | 447,545.00 | 6.84 | |

*Yield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information*
*Cost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information*
*The totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated Yield/Interest and Gain/Loss information is estimated.*
**Bank deposits are at Morgan Stanley Bank, N A and Morgan Stanley Trust, FSB (Members FDIC), affiliates of Morgan Stanley & Co Incorporated. Bank deposits are eligible for FDIC insurance up to applicable limits Not SIPC insured.*

Security Mark
at Right

**Official Statement**

**Morgan Stanley Private Wealth Management**
3424 Peachtree Road N.E , Suite 1200
Atlanta, GA 30326-1127
404-949-4100

**Valuation Currency:** USD

## Portfolio Valuation By Position
## 10-WAABU : DILLON FOUNDATION *OPPORTUNISTIC PORTFOLIO*
## 10/31/2009
## Trade Date Reporting

| *ecurity Description* | *Shares or Face Value* | *Div or YTM@pur* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Interest* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **XCHANGE TRADED FUNDS** | | | | | | | | | | | |
| IRST TRUST ISE REVERE NATURAL G<br>AS | 43,700 00 | 0 09 | 14 84 | 648,722 13 | 16 04 | 700,948 00 | 52,225.87 | | 700.948.00 | 10 71 | C |
| **EVERAGED EQUITY ETFS** | | | | | | | | | | | |
| S DB US BEARISH | 15,000 00 | | 25 77 | 386,601 00 | 28 05 | 420,750 00 | 34,149 00 | | 420,750.00 | 6 43 | C |
| *OTAL EQUITIES* | | | | *1,423,983.78* | | *1.569,243.00* | *145,259.22* | | *1,569,243.00* | *23.98* | |
| **OTAL PORTFOLIO** | | | | **5,846,051.51** | | **6,543,692.98** | **697,641.47** | **4.65** | **6,543,697.63** | **100.00** | |

*ield to Maturity at Purchase is represented for fixed income instruments only and represents stated annual coupon or OID on debt at the time of purchase and is obtained from publicly available information*
*ost Basis and acquisition dates for securities delivered into your account after your purchase were provided by you or a third party and we make no representation as to the accuracy of such information.*
*he totals in the portfolio valuation by position section do not include the value of unpriced securities (securities with prices denoted with N/A) and any assets not held by Morgan Stanley & Co Incorporated. Yield/Interest and Gain/Loss information is estimated.*
*Bank deposits are at Morgan Stanley Bank, N A. and Morgan Stanley Trust, FSB (Members FDIC), affiliates of Morgan Stanley & Co Incorporated. Bank deposits are eligible for FDIC insurance up to applicable limits Not SIPC insured.*

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# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

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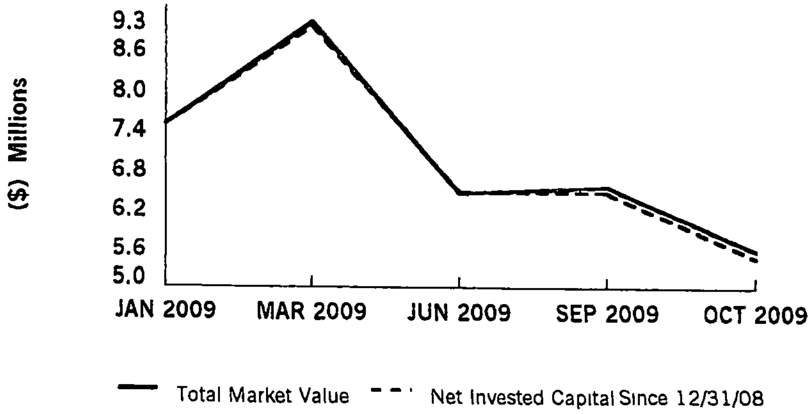
**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** SAGE ADVISORY SERVICES LTD CO

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | $6,555,745.42 |
| Contributions | 9,000,000.00 | — |
| Withdrawals | (3,546,479.27) | (1,007,318.30) |
| Security Transfers | — | — |
| **Net Contributions/Withdrawals** | $5,453,520.73 | $(1,007,318.30) |
| Portfolio Income | 97,194.95 | 2,017.97 |
| Net Portfolio Appreciation | 12,095.05 | 12,365.64 |
| **Total Ending Market Value** | $5,562,810.73 | $5,562,810.73 |

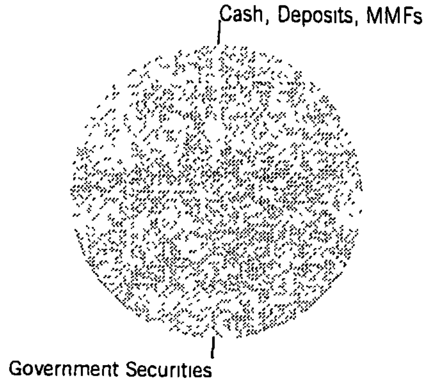
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions.* *^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $21,405.69 | 0.4 |
| Government Securities | 5,541,405.04 | 99.6 |
| TOTAL | $5,562,810.73 | 100.0% |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis.* ** Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.*

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

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INTERESTED PARTY COPY

#BWNJGWM
AT 02 013330 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD<br>(as of 9/30/09) | $6,555,745.42 |
| NET CONTRIBUTIONS/WITHDRAWALS | (1,007,318.30) |
| PORTFOLIO INCOME<br>& APPRECIATION | 14,383.61 |
| **TOTAL VALUE OF YOUR ACCOUNT**<br>(as of 10/31/09) | **$5,562,810.73** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

*Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated, members SIPC.*

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# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

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*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*
*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*
*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*
*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|---|---|---|---|
| **MORGAN STANLEY BANK N.A. #** | **$21,405.69** | $10.00 | — | 0.045 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | **0.4%** | **$21,405.69** | **$10.00**<br>**$0.00** |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## GOVERNMENT SECURITIES

### TREASURY SECURITIES

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **UNITED STATES TREASURY NOTE** | 165,000.000 | $166,341.18 | | | | $2,887.50 | 1.73 |
| CUSIP 912828HU7 | | $166,341.18 | $100.65 | **$166,069.20** | $(271.98) | $245.91 | |
| *Coupon Rate 1.750%; Matures 03/31/10; Int. Semi-Annually Mar/Sep 30; Moody AAA S&P AAA, Issued 03/31/08* | | | | | | | |
| **UNITED STATES TREASURY NOTE** | 375,000.000 | 376,803.02 | | | | 4,218.75 | 1.11 |
| CUSIP 912828LF5 | | 376,693.04 | 100.73 | **377,737.50** | 1,044.46 | 1,410.07 | |
| *Coupon Rate 1.125%; Matures 06/30/11; Int. Semi-Annually Jun/Dec 31; Yield to Maturity .683%; Moody AAA S&P AAA, Issued 06/30/09* | | | | | | | |
| **UNITED STATES TREASURY NOTE** | 825,000.000 | 824,097.66 | | | | 18,562.50 | 2.24 |
| CUSIP 912828KV1 | | 824,097.66 | 100.43 | **828,547.50** | 4,449.84 | 7,759.73 | |
| *Coupon Rate 2.250%; Matures 05/31/14; Int. Semi-Annually May/Nov 30; Yield to Maturity 2.151%; Moody AAA S&P AAA; Issued 05/31/09* | | | | | | | |

CONTINUED

# Holdings

DILLON FOUNDATION
PO BOX 537

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## GOVERNMENT SECURITIES

### TREASURY SECURITIES (CONTINUED)

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **UNITED STATES TREASURY NOTE** | 300,000.000 | 344,567.61 | | | | 14,250.00 | 4.27 |
| CUSIP 912828HA1 | | 341,090.09 | 111.16 | **333,492.00** | (7,598.09) | 2,981 65 | |
| *Coupon Rate 4.750%; Matures 08/15/17; Int. Semi-Annually Feb/Aug 15; Yield to Maturity 3.124%, Moody AAA S&P AAA; Issued 08/15/07* | | | | | | | |
| **UNITED STATES TREASURY NOTE** | 110,000.000 | 108,608.25 | | | | 3,025.00 | 2.89 |
| CUSIP 912828KD1 | | 108,608 25 | 95.03 | **104,534.10** | (4,074.15) | 632.94 | |
| *Coupon Rate 2.750%, Matures 02/15/19; Int. Semi-Annually Feb/Aug 15, Yield to Maturity 3.377%; Moody AAA S&P AAA, Issued 02/15/09* | | | | | | | |
| **TOTAL TREASURY SECURITIES** | | **$1,820,417.72** | | | | **$42,943.75** | **2.37%** |
| | | **$1,816,830.22** | | **$1,810,380.30** | **$(6,449.92)** | **$13,030.30** | |

### FEDERAL AGENCIES

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **FED HOME LN BK** | 135,000.000 | $135,361.49 | | | | $2,295.00 | 1.69 |
| CUSIP 3133XSRZ3 | | $135,343.56 | $100.22 | **$135,295.65** | $(47.91) | $764.99 | |
| *Coupon Rate 1.700%; Matures 12/30/10, Int. Semi-Annually Jun/Dec 30; Yield to Maturity 1.509%, Moody AAA S&P AAA, Issued 12/30/08* | | | | | | | |
| **FED HOME LN BK** | 70,000.000 | 70,000.00 | | | | 1,400.00 | 1.97 |
| CUSIP 3133XT5N2 | | 70,000.00 | 101.41 | **70,984.20** | 984.20 | 252.77 | |
| *Coupon Rate 2.000%, Matures 08/26/11, Int. Semi-Annually Feb/Aug 26, Yield to Maturity 1.216%, Moody AAA S&P AAA, Issued 02/26/09* | | | | | | | |
| **FHR 3214 BG** | 225,000.000 | 97,803.99 | | | | 3,300.01 | 5.24 |
| CUSIP 31397BEC1 | | 63,199.16 | 102.52 | **62,942.21** | (256.95) | 274.99 | |
| *Coupon Rate 5.375%; Matures 09/15/11; Interest Paid Monthly Oct 15, Yield to Maturity 3.963%, Factor .27286959, Issued 09/01/06; Amortized Quantity 61,395* | | | | | | | |
| **FED HOME LN MTG CORP** | 1,650,000.000 | 1,671,704.10 | | | | 35,062.50 | 2.09 |
| CUSIP 3137EACE7 | | 1,670,581.52 | 101.66 | **1,677,324.00** | 6,742.48 | 8,278.64 | |
| *Coupon Rate 2.125%; Matures 09/21/12; Int. Semi-Annually Mar/Sep 21, Yield to Maturity 1.537%, First Coupon 03/21/10; Moody AAA S&P AAA, Issued 08/06/09* | | | | | | | |
| **FED NATL MTG ASSN** | 750,000.000 | 751,386.76 | | | | 20,625.00 | 2.70 |
| CUSIP 31398AVD1 | | 751,215.66 | 101.72 | **762,892.50** | 11,676.84 | 4,927.08 | |
| *Coupon Rate 2.750%; Matures 02/05/14; Int. Semi-Annually Feb/Aug 05; Yield to Maturity 2.323%, Moody AAA S&P AAA; Issued 02/05/09* | | | | | | | |
| **FED HOME LN BK** | 600,000.000 | 647,389.20 | | | | 30,000.00 | 4.57 |
| CUSIP 3133XMQ87 | | 644,133.30 | 109.31 | **655,878.00** | 11,744.70 | 13,666.66 | |
| *Coupon Rate 5.000%; Matures 11/17/17, Int. Semi-Annually May/Nov 17, Yield to Maturity 3.653%; Moody AAA S&P AAA, Issued 10/19/07* | | | | | | | |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

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## GOVERNMENT SECURITIES

### FEDERAL AGENCIES (CONTINUED)

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **FNR 2005-47 PA**<br>CUSIP 31394D2N9 | 475,000.000 | 101,843.21<br>19,372.92 | 100.17 | **19,172.38** | (200.54) | 1,052.68<br>87.72 | 5.49 |
| *Coupon Rate 5.500%, Matures 09/25/24, Interest Paid Monthly Oct 25, Yield to Maturity 5.482%, Factor .04029401; Issued 05/01/05, Amortized Quantity 19,139* | | | | | | | |
| **FEDERAL NATIONAL MTG ASSN POOL 913253**<br>CUSIP 31411RTJ7 | 432,000.000 | 363,207.35<br>336,783.28 | 106.88 | **346,535.80** | 9,752.52 | 18,970.09<br>1,580.83 | 5.47 |
| *Coupon Rate 5.851%; Matures 03/01/37; Interest Paid Monthly Mar 01; Yield to Maturity 5.367%; Floater; Factor .75050871; Issued 03/01/07, Amortized Quantity 324,219* | | | | | | | |
| **TOTAL FEDERAL AGENCIES** | | **$3,838,696.10**<br>**$3,690,629.40** | | **$3,731,024.74** | **$40,395.34** | **$112,705.28**<br>**$29,833.68** | **3.02%** |

| | Percentage of Assets % | Orig. Total Cost<br>Adj. Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL GOVERNMENT SECURITIES | **99.6%** | **$5,659,113.82**<br>**$5,507,459.62** | **$5,541,405.04** | **$33,945.42** | **$155,649.03**<br>**$42,863.98** | **2.81%** |

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | **100.0%** | **$5,507,459.62** | **$5,562,810.73** | **$33,945.42** | **$155,659.03**<br>**$42,863.98** | **2.80%** |

**CLIENT STATEMENT** | For the Period October 1-31, 2009

MorganStanley
SmithBarney

**DILLON FOUNDATION**
**PO BOX 537**

Cin

INTERESTED PARTY COPY

#BWNJGWM
AT 02 013322 61808H 60 A**3DGT

JOHN A VAN OSDOL
LINDGREN, CALLIHAN, VAN OSDOL & CO.
PO BOX 898
403 EAST THIRD STREET
STERLING IL 61081-3701

| | |
|---|---|
| TOTAL VALUE LAST PERIOD (as of 9/30/09) | $10,553,332.99 |
| NET CONTRIBUTIONS/WITHDRAWALS | (2,511,005.66) |
| PORTFOLIO INCOME & APPRECIATION | 53,905.47 |
| **TOTAL VALUE OF YOUR ACCOUNT** (as of 10/31/09) | **$8,096,232.80** |

**Your Branch**

3424 PEACHTREE RD NE
ATLANTA, GA 30326
Telephone: 404-949-4100
Alt. Phone: 404-556-8866
Fax: 404-812-8360

**Your Financial Advisor Team**
PULLIAM/PARKER
404-949-4100

**For the Account of:**
DILLON FOUNDATION
PO BOX 537
STERLING IL 61081-0537

*Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated; members SIPC.*

**CLIENT STATEMENT** | For the Period October 1-31, 2009

# Account Summary

**DILLON FOUNDATION**
**PO BOX 537**

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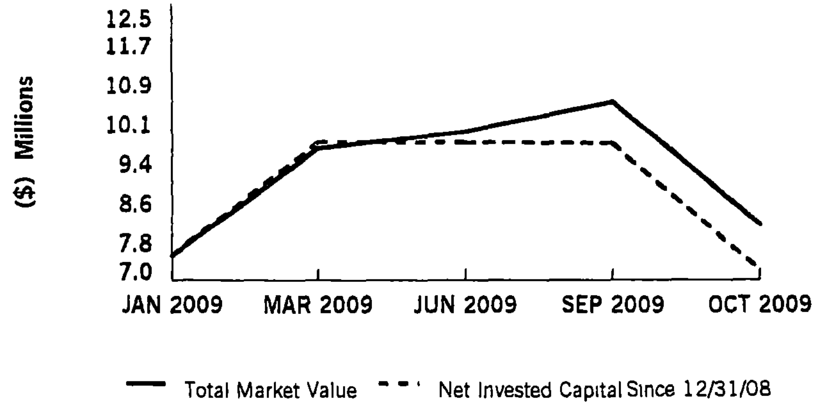
**Investment Advisory Account**
**Householding Anniversary Date:** 12/16/08
**Investment Objectives ^:** Capital Appreciation, Income
**Current Manager:** CINCINNATI ASSET MANAGEMENT, INC.

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-10/31/09) | This Period (10/1/09-10/31/09) |
|---|---|---|
| **Total Beginning Market Value** | — | **$10,553,332.99** |
| Contributions | 9,750,000.00 | — |
| Withdrawals | (2,554,521.60) | (2,511,005.66) |
| Security Transfers | — | — |
| **Net Contributions/Withdrawals** | **$7,195,478.40** | **$(2,511,005.66)** |
| Portfolio Income | 289,048.38 | 66,951.68 |
| Net Portfolio Appreciation | 611,706.02 | (13,046.21) |
| **Total Ending Market Value** | **$8,096,232.80** | **$8,096,232.80** |

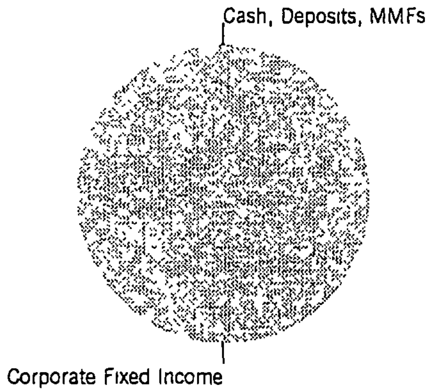
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions.* *^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS



| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $8,711.30 | 0.1 |
| Corporate Fixed Income | 8,087,521.50 | 99.9 |
| **TOTAL** | **$8,096,232.80** | **100.0%** |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis.* ** Eligible for FDIC insurance, FDIC rules apply. Not SIPC insured.*

MorganStanley
SmithBarney

Cincinnati

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

*The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.*

*Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.*

*If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.*

*Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

## CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|---|---|---|---|
| MORGAN STANLEY BANK N.A. # | $8,711.30 | $4.00 | — | 0.045 |

| | Percentage of Assets % | Market Value | Estimated Annual Income<br>Accrued Income |
|---|---|---|---|
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | 0.1% | $8,711.30 | $4.00<br>$0.00 |

*# Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.*
*Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.*

## CORPORATE FIXED INCOME

### CORPORATE BONDS

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>Accrued Income | Yield % |
|---|---|---|---|---|---|---|---|
| **MERRILL LYNCH & CO** | 350,000.000 | $305,956.00 | | | | $17,500.00 | 4.92 |
| CUSIP 59018YUW9 | | $305,956.00 | $101.58 | **$355,533.50** | $49,577.50 | $5,152.77 | |
| *Coupon Rate 5.000%, Matures 01/15/15, Int. Semi-Annually Jan/Jul 15, Yield to Maturity 4.653%, Moody A2 S&P A; Issued 11/22/04* | | | | | | | |
| **VERIZON COMMUNIATIONS** | 250,000.000 | 246,005.00 | | | | 13,750.00 | 5.19 |
| CUSIP 92343VAG9 | | 246,005.00 | 105.96 | **264,912.50** | 18,907.50 | 1,145.83 | |
| *Coupon Rate 5.500%; Matures 04/01/17; Int. Semi-Annually Apr/Oct 01, Yield to Maturity 4.543%, Moody A3 S&P A, Issued 04/03/07* | | | | | | | |
| **WACHOVIA CORP** | 300,000.000 | 267,261.00 | | | | 17,250.00 | 5 51 |
| CUSIP 929903DT6 | | 267,261.00 | 104.28 | **312,855.00** | 45,594.00 | 6,516.66 | |
| *Coupon Rate 5.750%, Matures 06/15/17; Int. Semi-Annually Jun/Dec 15, Yield to Maturity 5.064%, Moody A1 S&P AA-, Issued 06/08/07* | | | | | | | |
| **IBM CORP** | 350,000.000 | 382,942.00 | | | | 19,950.00 | 5.16 |
| CUSIP 459200GJ4 | | 382,128.26 | 110.43 | **386,494.50** | 4,366.24 | 2,604.58 | |
| *Coupon Rate 5.700%; Matures 09/14/17, Int. Semi-Annually Mar/Sep 14, Yield to Maturity 4.134%; Moody A1 S&P A+; Issued 09/14/07* | | | | | | | |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## CORPORATE FIXED INCOME

### CORPORATE BONDS (CONTINUED)

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **GENERAL ELEC CAP CORP** | 350,000.000 | 313,575.50 | | | | 19,687.50 | 5.44 |
| CUSIP 36962G3H5 | | 313,575.50 | 103.31 | **361,599.00** | 48,023.50 | 2,515.62 | |
| *Coupon Rate 5.625%; Matures 09/15/17, Int. Semi-Annually Mar/Sep 15, Yield to Maturity 5.107%, Moody AA2 S&P AA+; Issued 09/24/07* | | | | | | | |
| **BEAR STEARNS CO INC** | 350,000.000 | 341,155.50 | | | | 22,400.00 | 5.85 |
| CUSIP 073902PR3 | | 341,155.50 | 109.30 | **382,553.50** | 41,398.00 | 1,804.44 | |
| *Coupon Rate 6.400%; Matures 10/02/17; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 4.964%, Moody AA3 S&P A+; Issued 10/02/07* | | | | | | | |
| **NUCOR CORP** | 350,000.000 | 358,830.50 | | | | 20,125.00 | 5.26 |
| CUSIP 670346AG0 | | 358,400.23 | 109.16 | **382,056.50** | 23,656.27 | 8,385.41 | |
| *Coupon Rate 5.750%; Matures 12/01/17, Int. Semi-Annually Jun/Dec 01, Yield to Maturity 4.391%, Moody A1 S&P A; Issued 12/03/07* | | | | | | | |
| **BANK NEW YORK INC** | 350,000.000 | 344,599.50 | | | | 19,250.00 | 5.26 |
| CUSIP 064057BD3 | | 344,599.50 | 104.47 | **365,645.00** | 21,045.50 | 8,020.83 | |
| *Coupon Rate 5.500%, Matures 12/01/17; Int. Semi-Annually Jun/Dec 01, Yield to Maturity 4.825%; Moody AA3 S&P A+, Issued 11/13/02* | | | | | | | |
| **MORGAN STANLEY** | 350,000.000 | 364,031.50 | | | | 20,825.00 | 5.78 |
| CUSIP 61744YAD0 | | 363,962.30 | 102.83 | **359,905.00** | (4,057.30) | 7,115.20 | |
| *Coupon Rate 5.950%, Matures 12/28/17, Int. Semi-Annually Jun/Dec 28; Yield to Maturity 5.513%; Moody A2 S&P A, Issued 12/28/07* | | | | | | | |
| **CATERPILLAR FINL SERV CORP** | 350,000.000 | 336,998.50 | | | | 19,075.00 | 5.20 |
| CUSIP 14912L3U3 | | 336,970.02 | 104.75 | **366,611.00** | 29,640.98 | 847.77 | |
| *Coupon Rate 5.450%; Matures 04/15/18, Int. Semi-Annually Apr/Oct 15, Yield to Maturity 4.761%; Moody A2 S&P A, Issued 03/27/08* | | | | | | | |
| **CONS EDISON CO OF NY** | 350,000.000 | 369,652.50 | | | | 20,475.00 | 5.40 |
| CUSIP 209111ET6 | | 369,022.01 | 108.33 | **379,141.00** | 10,118.99 | 1,706.24 | |
| *Coupon Rate 5.850%; Matures 04/01/18; Int. Semi-Annually Apr/Oct 01; Yield to Maturity 4.643%, Moody A3 S&P A-; Issued 04/04/08* | | | | | | | |
| **BRISTOL-MYER SQUIBB** | 350,000.000 | 363,891.22 | | | | 19,075.00 | 5.01 |
| CUSIP 110122AR9 | | 363,256.29 | 108.78 | **380,716.00** | 17,459.71 | 9,537.50 | |
| *Coupon Rate 5.450%, Matures 05/01/18; Int. Semi-Annually May/Nov 01, Yield to Maturity 4.211%, Moody A2 S&P A+; Issued 05/01/08* | | | | | | | |
| **APACHE CORP** | 350,000.000 | 377,625.50 | | | | 24,150.00 | 5.83 |
| CUSIP 037411AV7 | | 376,384.12 | 118.26 | **413,910.00** | 37,525.88 | 3,085.83 | |
| *Coupon Rate 6.900%, Matures 09/15/18; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 4.392%, Moody A3 S&P A-, Issued 10/01/08* | | | | | | | |
| **ALABAMA POWER CO** | 350,000.000 | 356,408.50 | | | | 17,937.50 | 4.87 |
| CUSIP 010392EK0 | | 356,053.61 | 105.14 | **367,997.00** | 11,943.39 | 3,786.80 | |
| *Coupon Rate 5.125%; Matures 02/15/19; Int. Semi-Annually Feb/Aug 15, Yield to Maturity 4.442%; Moody A2 S&P A, Issued 02/17/04* | | | | | | | |

CONTINUED

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

## CORPORATE FIXED INCOME

### CORPORATE BONDS (CONTINUED)

| Security Description | Face Value | Orig. Total Cost<br>Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|---|
| **CONOCOPHILLIPS** | 350,000.000 | 353,720.50 | | | | 20,125.00 | 5.25 |
| CUSIP 20825CAR5 | | 353,547.03 | 109.44 | **383,033.00** | 29,485.97 | 5,031.25 | |
| *Coupon Rate 5.750%; Matures 02/01/19; Int. Semi-Annually Feb/Aug 01, Yield to Maturity 4.491%; Moody A1 S&P A, Issued 02/03/09* | | | | | | | |
| **AT&T INC** | 350,000.000 | 348,781.50 | | | | 20,300.00 | 5.41 |
| CUSIP 00206RAR3 | | 348,732.98 | 107.08 | **374,797.50** | 26,064.52 | 4,285.55 | |
| *Coupon Rate 5.800%; Matures 02/15/19; Int. Semi-Annually Feb/Aug 15; Yield to Maturity 4.843%; Moody A2 S&P A; Issued 02/03/09* | | | | | | | |
| **BOEING CO** | 350,000.000 | 354,874.50 | | | | 21,000.00 | 5.40 |
| CUSIP 097023AW5 | | 354,723.60 | 110.95 | **388,321.50** | 33,597.90 | 2,683.33 | |
| *Coupon Rate 6.000%; Matures 03/15/19; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 4.551%; Moody A2 S&P A, Issued 03/13/09* | | | | | | | |
| **DANAHER CORP** | 350,000.000 | 351,539.00 | | | | 18,900.00 | 4.99 |
| CUSIP 235851AH5 | | 351,449.81 | 108.05 | **378,182.00** | 26,732.19 | 3,150.00 | |
| *Coupon Rate 5.400%; Matures 03/01/19, Int. Semi-Annually Mar/Sep 01; Yield to Maturity 4.341%; Moody A2 S&P A+; Issued 03/05/09* | | | | | | | |
| **DUPONT EI NEMOUR** | 350,000.000 | 343,850.50 | | | | 20,125.00 | 5.21 |
| CUSIP 263534BW8 | | 343,850.50 | 110.34 | **386,204.00** | 42,353 50 | 2,571.52 | |
| *Coupon Rate 5.750%; Matures 03/15/19; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 4.391%; Moody A2 S&P A; Issued 02/20/09* | | | | | | | |
| **EMERSON ELECTRIC CO** | 350,000.000 | 352,488.50 | | | | 17,500.00 | 4.71 |
| CUSIP 291011BA1 | | 352,384.27 | 106.02 | **371,080.50** | 18,696.23 | 777.77 | |
| *Coupon Rate 5.000%, Matures 04/15/19; Int. Semi-Annually Apr/Oct 15; Yield to Maturity 4.221%; Moody A2 S&P A, Issued 04/17/09* | | | | | | | |
| **BECTON DICKINSON** | 350,000.000 | 351,148.00 | | | | 17,500.00 | 4.79 |
| CUSIP 075887AU3 | | 351,106.47 | 104.31 | **365,092.00** | 13,985.53 | 8,069.44 | |
| *Coupon Rate 5.000%; Matures 05/15/19; Int. Semi-Annually May/Nov 15; Yield to Maturity 4.440%; First Coupon 11/15/09, Moody A2 S&P AA-, Issued 05/15/09* | | | | | | | |
| **PRAXAIR INC** | 350,000.000 | 348,271.00 | | | | 15,750.00 | 4.36 |
| CUSIP 74005PAU8 | | 348,271.00 | 103 11 | **360,881.50** | 12,610.50 | 3,412.50 | |
| *Coupon Rate 4.500%; Matures 08/15/19, Int. Semi-Annually Feb/Aug 15, Yield to Maturity 4.110%, First Coupon 02/15/10; Moody A2 S&P A, Issued 08/13/09* | | | | | | | |

| | Percentage of Assets % | Orig. Total Cost<br>Adj. Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL CORPORATE FIXED INCOME | 99.9% | $7,533,606.22<br>$7,528,795.00 | $8,087,521.50 | $558,726.50 | $422,650.00<br>$92,206.84 | 5.23% |

# Holdings

**DILLON FOUNDATION**
**PO BOX 537**

INTERESTED PARTY COPY

| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income<br>*Accrued Income* | Yield % |
|---|---|---|---|---|---|---|
| TOTAL ENDING MARKET VALUE | 100.0% | $7,528,795.00 | $8,096,232.80 | $558,726.50 | $422,654.00<br>$92,206.84 | 5.22% |

Morgan Stanley
Private Wealth Management

**Supplemental Report**

3424 Peachtree Road N E , Suite 1200
Atlanta, GA 30326-1127
404-949-4100

**Portfolio Valuation By Position**
**10-05858 : DILLON FOUNDATION *AURORA***
**10/31/2009**
**Trade Date Reporting**

**Valuation Currency:** USD
**Sort Order.** Asset Type
Security Type

| *Shares or Face Value* | *Security Description* | *Div or YTM@purch* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Income* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | *ALTERNATIVE INVESTMENTS* | | | | | | | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | |
| 351,062 454 | AURORA OFFSHORE FUND LTD II | | 9 97 | 3,500,000 00 | 11 40 | 4,002,423 94 | 502,423 94 | | 4,002,423 94 | 100 00 | C |
| | *ALTERNATIVE INVESTMENTS* | | | 3,500,000 00 | | 4,002,423 94 | 502,423 94 | 0 00 | 4,002,423 94 | 100 00 | |
| | TOTAL PORTFOLIO | | | **3,500,000.00** | | **4,002,423.94** | **502,423.94** | **0.00** | **4,002,423.94** | **100.00** | |

## Supplemental Report

### Time Weighted Performance
### 10-05858 : DILLON FOUNDATION *AURORA*
### 01/27/2009 to 10/31/2009
### Trade Date Reporting

Valuation Currency. USD
Breakdown: TOTAL
Fees: Net

| *Valuation Date* | *Market Value* | *Contributions & Withdrawals* | *Market Based Change in Value* | | *Portfolio % Growth* | | *Index 1* | | | *Index 2* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | *Period* | *Cumulative* | *Period* | *Cum* | *Level* | *Period* | *Cum* | *Level* | *Period* | *Cum* |
| 01/27/2009 | 0 00 | | | | | | 1,689 31 | | | | | |
| 01/31/2009 | 1,000,000 00 | 1,000,000 00 | | | | | 1,689 31 | | | | | |
| 02/28/2009 | 990,582 99 | | (9,417 01) | (9,417 01) | (0 94) | (0 94) | 1,683 06 | (0 37) | (0 37) | | | |
| 03/31/2009 | 3,495,768 17 | 2,500,000 00 | 5,185 18 | (4,231 83) | 0 52 | (0 42) | 1,683.39 | 0 02 | (0 35) | | | |
| 04/30/2009 | 3,584,772 92 | | 89,004 75 | 84,772 92 | 2 55 | 2 11 | 1,701 24 | 1 06 | 0 71 | | | |
| 05/31/2009 | 3,758,768 83 | | 173,995 91 | 258,768 83 | 4 85 | 7 07 | 1,757 89 | 3 33 | 4 06 | | | |
| 06/30/2009 | 3,780,197 30 | | 21,428 47 | 280,197 30 | 0 57 | 7 68 | 1,764 57 | 0 38 | 4 46 | | | |
| 07/31/2009 | 3,851,004 04 | | 70,806 74 | 351,004 04 | 1 87 | 9 70 | 1,791 39 | 1 52 | 6 04 | | | |
| 08/31/2009 | 3,931,657 65 | | 80,653 61 | 431,657 65 | 2 09 | 11.99 | 1,811 27 | 1 11 | 7 22 | | | |
| 09/30/2009 | 4,014,176 87 | | 82,519 22 | 514,176 87 | 2 10 | 14 34 | 1,842 79 | 1.74 | 9 09 | | | |
| 10/31/2009 | 4,002,423 94 | | (11,752 93) | 502,423 94 | (0 29) | 14 01 | 1,840 58 | (0 12) | 8 95 | | | |

*Index 1 HFRI FUND OF FUNDS INDEX TR*

Morgan Stanley
Private Wealth Management

## Supplemental Report

3424 Peachtree Road N.E., Suite 1200
Atlanta, GA 30326-1127
404-949-4100

### Portfolio Valuation By Position
### 194011750 : DILLON FOUNDATION *AVENUE*
### 10/31/2009
### Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

| *Shares or Face Value* | *Security Description* | *Div or YTM@purch* | *Book Price* | *Book Cost* | *Market Price* | *Market Value* | *Unrealized Gain (Loss)* | *Accrued Income* | *Total Market Value* | *% of Portfolio* | *Acct Type* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *ALTERNATIVE INVESTMENTS* | | | | | | | | | | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | |
| 221 224 | AVE STRAT PTNRS LTD | | 7,910 53 | 1,750,000 00 | 9,395 34 | 2,078,474 66 | 328,474 66 | | 2,078,474 66 | 100 00 | C |
| | *ALTERNATIVE INVESTMENTS* | | | 1,750,000 00 | | 2,078,474 66 | 328,474 66 | 0 00 | 2,078,474 66 | 100 00 | |
| | TOTAL PORTFOLIO | | | **1,750,000.00** | | **2,078,474.66** | **328,474.66** | **0.00** | **2,078,474.66** | **100.00** | |

## Time Weighted Performance
## 194011750 : DILLON FOUNDATION *AVENUE*
## 01/26/2009 to 10/31/2009
## Trade Date Reporting

**Valuation Currency:** USD
**Breakdown:** TOTAL
**Fees:** Net

| *Valuation Date* | *Market Value* | *Contributions & Withdrawals* | *Market Based Change in Value* | | *Portfolio % Growth* | | *Index 1* | | | *Index 2* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | *Period* | *Cumulative* | *Period* | *Cum* | *Level* | *Period* | *Cum* | *Level* | *Period* | *Cum* |
| 01/26/2009 | 1,000,000 00 | | | | | | | | | | | |
| 01/31/2009 | 1,000,000 00 | | | | | | | | | | | |
| 02/28/2009 | 998,706 35 | | (1,293 65) | (1,293 65) | (0 13) | (0 13) | | | | | | |
| 03/31/2009 | 1,747,024 67 | 757,500 00 | (9,181 68) | (10,475 33) | (0 85) | (0 97) | | | | | | |
| 04/30/2009 | 1,785,905 96 | | 38,881 29 | 28,405 96 | 2 23 | 1 23 | | | | | | |
| 05/31/2009 | 1,857,932 06 | | 72,026 10 | 100,432 06 | 4 03 | 5 31 | | | | | | |
| 06/30/2009 | 1,916,945 78 | | 59,013 72 | 159,445 78 | 3 18 | 8 66 | | | | | | |
| 07/31/2009 | 1,966,594 68 | | 49,648 90 | 209,094 68 | 2 59 | 11 47 | | | | | | |
| 08/31/2009 | 2,003,285 09 | | 36,690 41 | 245,785 09 | 1 87 | 13 55 | | | | | | |
| 09/30/2009 | 2,064,641.56 | | 61,356 47 | 307,141 56 | 3 06 | 17 03 | | | | | | |
| 10/31/2009 | 2,078,474 65 | | 13,833.09 | 320,974 65 | 0 67 | 17 81 | | | | | | |

# Private Wealth Management

## Supplemental Report

3455 Peachtree Road N E , Suite 800
Atlanta, GA 30326-6788
404-949-4100

### Realized Gains & Losses
### 10-05849 : DILLON FOUNDATION *CORE*
### 01/01/2009 to 01/31/2009
### Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

| | | | | | | Gain (Loss) | |
|---|---|---|---|---|---|---|---|
| Shares or Face Value | Security Description | Purchase Date | Sale Date | Cost | Proceeds | Short Term | Long Term |
| | BANK OF AMERICA CORPCOM STK | 03/14/2008 | 01/02/2009 | 4 22 | 4 22 | | |
| 1,000 000 | AIR PRODS & CHEMS INC COM | 12/18/2008 | 01/22/2009 | 49,479 00 | 51,438 71 | 1,959 71 | |
| 15,600 000 | ALCOA INC COM | 10/10/2007 | 01/22/2009 | 452,607 00 | 129,221 87 | | (323 385 13) |
| 18,100 000 | AMERICAN EAGLE OUTFITTERS INC | 10/17/2008 | 01/22/2009 | 184,041 00 | 168 207 78 | (15,833 22) | |
| 9,900 000 | ANALOG DEVICES INC COM | 11/12/2008 | 01/22/2009 | 186 155 00 | 186,417 93 | 262 93 | |
| 14,100 000 | ANNALY CAPITAL MGMT INC | 10/07/2008 | 01/22/2009 | 186,159 00 | 208,354 53 | 22,195 53 | |
| 5 800 000 | ARCHER DANIELS MIDLAND CO COM | 10/16/2008 | 01/22/2009 | 106,171 00 | 155,724 48 | 49,553 48 | |
| 8,906 000 | ASHLAND INC COM | 06/14/2007 | 01/22/2009 | 353,722 00 | 82,834 24 | | (270,887 76) |
| 4,300 000 | AVERY DENNISON CORP CA COM STK | 06/16/2004 | 01/22/2009 | 230,378 00 | 122,221 22 | | (108,156 78) |
| 8,600 000 | BANK NEW YORK MELLON CORP | 09/19/2008 | 01/22/2009 | 279,631 00 | 194,648 72 | (84,982 28) | |
| 8,100 000 | BANK OF AMERICA CORPCOM STK | 09/08/2008 | 01/22/2009 | 246,868 00 | 47,951 73 | (198,916 27) | |
| 6 360 000 | BANK OF AMERICA CORPCOM STK | 03/14/2008 | 01/22/2009 | 265,591 78 | 37,650 99 | (227,940 79) | |
| 2 600 000 | BLACK & DECKER CORP | 01/26/2007 | 01/22/2009 | 213,690 00 | 96,824 49 | | (116,865 51) |
| 2,200 000 | BP PLC ADRC SPONS ADR | 02/11/2008 | 01/22/2009 | 136,248 00 | 90,877 53 | (45,370 47) | |
| 14,100 000 | BRINKER INTL INC USD 10 COM | 02/21/2008 | 01/22/2009 | 244,262 00 | 155,357 16 | (88,904 84) | |
| 6 600 000 | BRISTOL MYERS SQUIBBCO USD 10 | 03/07/2007 | 01/22/2009 | 179,508 00 | 146,608 27 | | (32,899 73) |
| 7,400 000 | CABOT CORP COM | 12/08/2008 | 01/22/2009 | 132,659 00 | 104,010 11 | (28,648 89) | |
| 18 600 000 | CBS CORP NEW CL B COM STK | 03/26/2008 | 01/22/2009 | 379,103 00 | 119,411 33 | (259,691 67) | |
| 1,600 000 | CHEVRON CORPORATION | 08/14/2008 | 01/22/2009 | 136,717 00 | 110,868 33 | (25,848 67) | |
| 15,500 000 | CITIGROUP INC COM STK | 04/01/2008 | 01/22/2009 | 312,676 00 | 48,669 72 | (264,006 28) | |
| 4,700 000 | COMERICA INC COM | 09/16/2008 | 01/22/2009 | 131,559 00 | 71,068 77 | (60,490 23) | |
| 5,300 000 | CONAGRA FOODS INC COM | 12/08/2008 | 01/22/2009 | 75,347 00 | 90,099 49 | 14,752 49 | |
| 4,300 000 | CONOCOPHILLIPS | 02/13/2006 | 01/22/2009 | 296,282 00 | 205,066 71 | | (91,215 29) |
| 202,754 647 | DODGE & COX INTL STOCK FUND | 10/02/2007 | 01/22/2009 | 9,438,809 14 | 3,888,834 13 | | (5,549,975 01) |
| 9,500 000 | DONNELLEY R R & SONS CO COM | 01/12/2006 | 01/22/2009 | 267,180 00 | 96,247 76 | | (170,932 24) |
| 7,300 000 | DOW CHEMICAL CORP COM STK | 07/16/2008 | 01/22/2009 | 214,816 00 | 104,166 76 | (110,649 24) | |
| 23 200 000 | FIFTH THIRD BANCORP | 07/17/2008 | 01/22/2009 | 317 115 00 | 63,799 64 | (253,315 36) | |
| 800 000 | FIRST AMERICAN CORP COM | 09/10/2008 | 01/22/2009 | 23,325 00 | 17,799 90 | (5,525 10) | |
| 11,900 000 | FRONTIER COMMUNICATIONS CO | 08/07/2007 | 01/22/2009 | 155,014 00 | 95 693 31 | | (59,320 69) |

## Realized Gains & Losses
## 10-05849 : DILLON FOUNDATION *CORE*
## 01/01/2009 to 01/31/2009
## Trade Date Reporting

**Valuation Currency:** USD
**Sort Order:** Closing Date

| Shares or Face Value | Security Description | Purchase Date | Sale Date | Cost | Proceeds | Gain (Loss) Short Term | Gain (Loss) Long Term |
|---|---|---|---|---|---|---|---|
| 8 200 000 | GARMIN LTD | 08/06/2008 | 01/22/2009 | 279,355 00 | 140,310 23 | (139,044 77) | |
| 9,400 000 | GENERAL ELEC CO COM STK USD | 09/12/2005 | 01/22/2009 | 264,145 00 | 124,267 30 | | (139,877 70) |
| 5,600 000 | HOME DEPOT INC COM | 12/01/2006 | 01/22/2009 | 207,823 00 | 121,868 19 | | (85,954 81) |
| 4,700 000 | ILLINOIS TOOL WKS INC COM | 02/29/2008 | 01/22/2009 | 223,333 00 | 156,913 32 | (66,419 68) | |
| 22,100 000 | JABIL CIRCUIT INC | 10/22/2008 | 01/22/2009 | 170,060 00 | 132,924.12 | (37,135 88) | |
| 11,100 000 | JEFFERIES GROUP INC | 02/21/2008 | 01/22/2009 | 189,478 00 | 129,036 77 | (60,441 23) | |
| 24,200 000 | KEYCORP NY COM STK | 03/20/2008 | 01/22/2009 | 426,880 00 | 171,136 60 | (255,743 40) | |
| 18,600 000 | LIMITED BRANDS INC COM | 05/27/2005 | 01/22/2009 | 299,694 00 | 159,681 96 | | (140,012 04) |
| 2,700 000 | LORILLARD INC | 08/22/2008 | 01/22/2009 | 194,313 00 | 167,264 06 | (27,048 94) | |
| 4,200 000 | LUBRIZOL CORP COM | 07/15/2008 | 01/22/2009 | 169,135 00 | 145,090 28 | (24,044 72) | |
| 15 300 000 | MACYS INC | 04/24/2008 | 01/22/2009 | 341,820 00 | 146,467 60 | (195,352 40) | |
| 9 700 000 | MARATHON OIL CORP COM | 01/07/2005 | 01/22/2009 | 377,648 00 | 276,255 42 | | (101,392 58) |
| 11,500 000 | MARSHALL & IISLEY CORP | 09/10/2008 | 01/22/2009 | 200,914 00 | 67,738 07 | (133,175 93) | |
| 10 800 000 | MASCO CORP COM | 01/31/2007 | 01/22/2009 | 286,967 00 | 98,387 44 | | (188,579 56) |
| 11,500 000 | MAXIM INTEGRATED PRODS INC | 08/03/2007 | 01/22/2009 | 344,201 00 | 137,462 18 | | (206,738 82) |
| 2,900 000 | MCGRAW HILL COMPANIE S INC USD1 COM | 05/14/2008 | 01/22/2009 | 122,720 00 | 59,440 67 | (63,279 33) | |
| 5,000 000 | MERCURY GEN CORP NEW COM | 08/15/2006 | 01/22/2009 | 253,867 00 | 203,231 86 | | (50,635 14) |
| 12,800 000 | MORGAN STANLEY & CO COM | 03/13/2008 | 01/22/2009 | 455,427 00 | 222,909 47 | (232,517 53) | |
| 29,900 000 | MOTOROLA INC COM | 03/10/2008 | 01/22/2009 | 289,632 00 | 130,363 26 | (159,268 74) | |
| 9,900 000 | NEWELL RUBBERMAID INC COM | 02/26/2008 | 01/22/2009 | 202,835 00 | 84 645 51 | (118,189 49) | |
| 5,000 000 | NORTHROP GRUMMAN CORP (FORMERLYNORTHROP CORP) | 06/25/2008 | 01/22/2009 | 327,112 00 | 238,890 66 | (88,221 34) | |
| 3,400 000 | OCCIDENTAL PETE CORP | 02/07/2007 | 01/22/2009 | 159,451 00 | 181,874 84 | | 22,423 84 |
| 15,300 000 | OFFICEMAX INC | 09/20/2007 | 01/22/2009 | 404,710 00 | 87,627 19 | | (317,082 81) |
| 9,000 000 | PENNEY(J C) CO INC USD 50 COM STK | 05/30/2008 | 01/22/2009 | 328,494 00 | 161,120 69 | (167,373 31) | |
| 6,300 000 | PITNEY BOWES INC COM | 09/04/2008 | 01/22/2009 | 200,462 00 | 140,748 14 | (59,713 86) | |
| 2 100 000 | PPG INDS INC COM | 03/06/2007 | 01/22/2009 | 141 193 00 | 81,822 05 | | (59,370 95) |
| 8,500 000 | PROTECTIVE LIFE CORP COM | 01/09/2007 | 01/22/2009 | 347,548 00 | 78,865 95 | | (268,682 05) |

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## Realized Gains & Losses
## 10-05849 : DILLON FOUNDATION *CORE*
## 01/01/2009 to 01/31/2009
## Trade Date Reporting

**Valuation Currency:** USD
**Sort Order:** Closing Date

| Shares or Face Value | Security Description | Purchase Date | Sale Date | Cost | Proceeds | Gain (Loss) Short Term | Gain (Loss) Long Term |
|---|---|---|---|---|---|---|---|
| 13 800 000 | REGIONS FINANCIAL CORP NEW | 09/15/2008 | 01/22/2009 | 151,633 00 | 57 823 05 | (93,809 95) | |
| 7,200 000 | ROCKWELL AUTOMATION SHS | 02/13/2008 | 01/22/2009 | 371,664 00 | 201,822 06 | (169,841 94) | |
| 9 000 000 | RPM INC OHIO COM | 11/26/2008 | 01/22/2009 | 108,322 00 | 112,519 16 | 4,197 16 | |
| 20 000 000 | SEAGATE TECHNOLOGY | 07/17/2008 | 01/22/2009 | 228,255 00 | 64,201 64 | (164,053 36) | |
| 7 900 000 | STARWOOD HOTELS & RESORTS | 02/20/2008 | 01/22/2009 | 316,721 00 | 128,527 54 | (188,193 46) | |
| 4,100 000 | SUNOCO INC | 12/28/2006 | 01/22/2009 | 212,794 00 | 162,029 04 | | (50,764 96) |
| 8 400 000 | SUNTRUST BKS INC COM | 07/22/2008 | 01/22/2009 | 337,020 00 | 114,771 07 | (222,248 93) | |
| 2,900 000 | THE HERSHEY CO | 04/24/2006 | 01/22/2009 | 149,036 00 | 101,356 46 | | (47,679 54) |
| 2 400 000 | TOYOTA MTR CORP COM STK | 09/26/2008 | 01/22/2009 | 197,735 00 | 148,809 24 | (48,925 76) | |
| 5 700 000 | VALSPAR CORP | 03/28/2005 | 01/22/2009 | 131,410 00 | 102,276 23 | | (29,133 77) |
| 263 559 000 | VANGUARD GROWTH VIPERS | 03/14/2008 | 01/22/2009 | 15 173,381 54 | 9,893,580 47 | (5,279,801 07) | |
| 35,503 628 | VANGUARD INST DEV MKTS ID-IS | 12/31/2008 | 01/22/2009 | 261,661 74 | 228,998 40 | (32,663 34) | |
| 632 033 185 | VANGUARD INST DEV MKTS ID-IS | 01/31/2008 | 01/22/2009 | 7,897,864 21 | 4,076,614 04 | (3,821,250 17) | |
| 16 000 000 | WILLIAMS SONOMA INC COM | 02/26/2008 | 01/22/2009 | 320,109 00 | 120,020 12 | (200,088 88) | |
| 7,700 000 | WILMINGTON TR CORP COM | 11/06/2006 | 01/22/2009 | 278,501 00 | 118,293 66 | | (160,207 34) |
| 7,100 000 | ZIONS BANCORP COM | 07/30/2008 | 01/22/2009 | 221,918 00 | 99,413 64 | (122,504 36) | |
| 507 377 779 | WILLIAM BLAIR SM-MID CAP G-I | 05/16/2005 | 01/23/2009 | 5,701,893 76 | 3,906,808 90 | | (1 795,084 86) |
| | **TOTAL PORTFOLIO** | | | **54,464,253.39** | **30,374,288.38** | **(13,747,553.78)** | **(10,342,411.23)** |