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Form 990-PF

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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 05-01-2009 , and ending 04-30-2010

G

Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change











| | | | |
|--|---|--|---|
| Use the IRS label. Otherwise, print or type. See Specific Instructions. | Name of foundation Liberty Fund Inc | | A Employer identification number 35-1320021 |
| | Number and street (or P O box number if mail is not delivered to street address) 8335 ALLISON POINTE TRAIL | Room/suite | B Telephone number (see page 10 of the instructions) (317) 842-0880 |
| | City or town, state, and ZIP code INDIANAPOLIS, IN 46250 | | C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | | | |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 298,288,423 | | J Accounting method <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other (specify) <u>MODIFIED CASH</u> (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) (see page 11 of the instructions)) | | (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 (attach schedule) | 1,020 | | | |
| | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B | | | | |
| | 3 Interest on savings and temporary cash investments | 94,952 | 94,952 | 94,952 | |
| | 4 Dividends and interest from securities. | 6,453,943 | 6,577,397 | 6,577,397 | |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) _____ | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | 5,135,803 | | | |
| | b Gross sales price for all assets on line 6a <u>118,629,655</u> | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | | | |
| | 8 Net short-term capital gain | | | 3,001,441 | |
| | 9 Income modifications | | | | |
| | 10a Gross sales less returns and allowances | | | | |
| Operating and Administrative Expenses | b Less Cost of goods sold | | | | |
| | c Gross profit or (loss) (attach schedule) | | | | |
| | 11 Other income (attach schedule) | 563,659 | 3,447,465 | 4,011,124 | |
| | 12 Total. Add lines 1 through 11 | 12,249,377 | 10,119,814 | 13,684,914 | |
| | 13 Compensation of officers, directors, trustees, etc | 2,571,174 | 42,930 | 42,930 | 2,528,244 |
| | 14 Other employee salaries and wages | 3,357,536 | | | 3,357,536 |
| | 15 Pension plans, employee benefits | 1,618,710 | 2,031 | 2,031 | 1,616,678 |
| | 16a Legal fees (attach schedule) | 66,562 | 6,656 | 6,656 | 59,906 |
| | b Accounting fees (attach schedule) | 64,955 | 4,547 | 6,496 | 58,460 |
| | c Other professional fees (attach schedule) | 5,789,086 | 1,260,746 | 1,260,746 | 4,528,340 |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see page 14 of the instructions) | 0 | 35,054 | 35,054 | |
| | 19 Depreciation (attach schedule) and depletion | 183,131 | 2,747 | 2,747 | |
| | 20 Occupancy | 1,728,034 | 20,463 | 20,463 | 1,707,571 |
| | 21 Travel, conferences, and meetings | 5,321,834 | 16,055 | 16,055 | 5,305,779 |
| | 22 Printing and publications | 2,799,874 | 9 | 563,668 | 2,236,207 |
| | 23 Other expenses (attach schedule) | 717,922 | 1,241,194 | 1,241,194 | 705,010 |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 24,218,818 | 2,632,432 | 3,198,040 | 22,103,731 |
| | 25 Contributions, gifts, grants paid | 0 | | | 0 |
| | 26 Total expenses and disbursements. Add lines 24 and 25 | 24,218,818 | 2,632,432 | 3,198,040 | 22,103,731 |
| | 27 Subtract line 26 from line 12 | | | | |
| | a Excess of revenue over expenses and disbursements | -11,969,441 | | | |
| | b Net investment income (if negative, enter -0-) | | 7,487,382 | | |
| c Adjusted net income (if negative, enter -0-) | | | | 10,486,874 | |

Part II

Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

| | | Beginning of year | End of year | |
|-----------------------------|---|---|---|---|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| Assets | 1Cash—non-interest-bearing | 173,223 | 145,939 | 145,939 |
| | 2Savings and temporary cash investments | 63,366,008 | 18,839,823 | 18,840,004 |
| | 3Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | |
| | 4Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | |
| | 5Grants receivable | | | |
| | 6Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) | | | |
| | 7Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | |
| | 8Inventories for sale or use | | | |
| | 9Prepaid expenses and deferred charges | 40,489 | 36,307 | 36,307 |
| | 10aInvestments—U S and state government obligations (attach schedule) | 12,606,136 |  9,618,708 | 9,536,924 |
| | bInvestments—corporate stock (attach schedule) | 161,223,610 |  198,443,667 | 229,716,039 |
| | cInvestments—corporate bonds (attach schedule). | 25,663,321 |  27,091,367 | 28,541,247 |
| | 11Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____ | | | |
| | 12Investments—mortgage loans | | | |
| | 13Investments—other (attach schedule) | 14,143,219 |  11,224,243 | 10,881,962 |
| | 14Land, buildings, and equipment basis ▶ _____4,214,038 Less accumulated depreciation (attach schedule) ▶ _____4,041,097 | 317,520 |  172,941 | 172,941 |
| Liabilities | 15Other assets (describe ▶ _____) |  152,057 |  152,056 |  417,060 |
| | 16Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) | 277,685,583 | 265,725,051 | 298,288,423 |
| | 17Accounts payable and accrued expenses | | | |
| | 18Grants payable | | | |
| | 19Deferred revenue | | | |
| Net Assets or Fund Balances | 20Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21Mortgages and other notes payable (attach schedule) | | | |
| | 22Other liabilities (describe ▶ _____) |  8,283 |  17,192 | |
| | 23Total liabilities (add lines 17 through 22) | 8,283 | 17,192 | |
| | Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | |
| | 24Unrestricted | 277,677,300 | 265,707,859 | |
| | 25Temporarily restricted | | | |
| | 26Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31. | | | |
| | 27Capital stock, trust principal, or current funds | | | |
| | 28Paid-in or capital surplus, or land, bldg , and equipment fund | | | |
| | 29Retained earnings, accumulated income, endowment, or other funds | | | |
| | 30Total net assets or fund balances (see page 17 of the instructions) | 277,677,300 | 265,707,859 | |
| | 31Total liabilities and net assets/fund balances (see page 17 of the instructions) | 277,685,583 | 265,725,051 | |

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 | 277,677,300 |
| 2 | Enter amount from Part I, line 27a | 2 | -11,969,441 |
| 3 | Other increases not included in line 2 (itemize) ▶ _____ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 265,707,859 |
| 5 | Decreases not included in line 2 (itemize) ▶ _____ | 5 | |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 | 6 | 265,707,859 |

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) |
| 1 a | PUBLICLY TRADED SECURITIES | | | |
| b | PASS THRU PARTNERSHIP INCOME | | | |
| 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 118,629,655 | | 113,493,852 | 5,135,803 |
| b 0 | | 21,615,866 | -21,615,866 |
| c | | | |
| d | | | |
| e | | | |

| | | | |
|---|--------------------------------------|---|--|
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) |
| (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 | | | 5,135,803 |
| b | | | -21,615,866 |
| c | | | |
| d | | | |
| e | | | |

| | | | | |
|---|---|---|---|-------------|
| 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 | -16,480,063 |
| 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) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 | | 3 | 3,001,441 |

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 page 18 of the instructions before making any entries | | | |
| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col (b) divided by col (c)) |
| 2008 | | | |
| 2007 | | | |
| 2006 | | | |
| 2005 | | | |
| 2004 | | | |

| | | | |
|---|--|---|--|
| 2 | Total of line 1, column (d). | 2 | |
| 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 | |
| 4 | Enter the net value of noncharitable-use assets for 2009 from Part X, line 5. | 4 | |
| 5 | Multiply line 4 by line 3. | 5 | |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b). | 6 | |
| 7 | Add lines 5 and 6. | 7 | |
| 8 | Enter qualifying distributions from Part XII, line 4. | 8 | |









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 on page 18

| Part VI | | | Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions) | | |
|---------|--|---|--|----|-----|
| 1a | | Exempt operating foundations described in section 4940(d)(2), check here <input checked="" type="checkbox"/> and enter "N/A" on line 1 | | | |
| | | Date of ruling or determination letter <u>1989-02-16</u> (attach copy of letter if necessary—see instructions) | | | |
| b | | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b | | 1 | N/A |
| 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 | |
| 3 | | Add lines 1 and 2. | | 3 | 0 |
| 4 | | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 4 | |
| 5 | | Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- | | 5 | 0 |
| 6 | | Credits/Payments | | | |
| a | | 2009 estimated tax payments and 2008 overpayment credited to 2009 | | 6a | |
| 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 | 0 |
| 8 | | Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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 | 0 |
| 10 | | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid. | | 10 | |
| 11 | | Enter the amount of line 10 to be Credited to 2010 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/> | | 11 | |

| Part VII-A | | | | Statements Regarding Activities | | |
|------------|--|---|--|---------------------------------|-----|----|
| 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? <input checked="" type="checkbox"/> | | | Yes | No |
| | | 1a | | | | No |
| b | | Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? | | | | No |
| | | If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities. | | | | |
| c | | Did the foundation file Form 1120-POL for this year?. | | 1c | | No |
| d | | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ <u>0</u> (2) On foundation managers <input checked="" type="checkbox"/> \$ <u>0</u> | | | | |
| e | | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ <u>0</u> | | | | |
| 2 | | Has the foundation engaged in any activities that have not previously been reported to the IRS? | | 2 | | No |
| | | If "Yes," attach a detailed description of the activities. | | | | |
| 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 <input checked="" type="checkbox"/> | | 3 | | No |
| 4a | | Did the foundation have unrelated business gross income of \$1,000 or more during the year?. | | 4a | | No |
| b | | If "Yes," has it filed a tax return on Form 990-T for this year?. | | 4b | | |
| 5 | | Was there a liquidation, termination, dissolution, or substantial contraction during the year? | | 5 | | No |
| | | If "Yes," attach the statement required by General Instruction T. <input checked="" type="checkbox"/> | | | | |
| 6 | | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either | | | | |
| | | • By language in the governing instrument, or | | | | |
| | | • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | | 6 | Yes | |
| 7 | | Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV | | 7 | Yes | |
| 8a | | Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> IN | | | | |
| 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 | Yes | |
| 9 | | Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV | | 9 | Yes | |
| 10 | | Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | | 10 | | No |




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 page 20 of the instructions)  | 11 | Yes | |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | No |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address  WWW.LIBERTYFUND.ORG | 13 | Yes | |
| 14 | The books are in care of  MS SANDRA J SCHALLER Telephone no  (317) 842-0880 Located at  8335 ALLISON PT TRL STE 300 INDIANAPOLIS IN ZIP+4  46250 | | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here  <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year  15 | | | |

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?. . . Organizations relying on a current notice regarding disaster assistance check here.  <input type="checkbox"/> | 1b | | No |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?. | 1c | | No |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)) | | | |
| a | At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years  20____, 20____, 20____, 20____ | | | |
| 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 page 20 of the instructions). | 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  20____, 20____, 20____, 20____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| b | If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.</i>). | 3b | | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | No |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009? | 4b | | No |

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)? (see page 22 of the instructions).

☐ 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 page 22 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here.

☒

c

If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a

Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

If "Yes" to 6b, file Form 8870.

7a

At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b

If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

5b

6b

7b

No

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 (see page 22 of the instructions).

| (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 Additional Data Table | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). 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 |
|---|---|------------------|---|---------------------------------------|
| JAMES F COTE | DIR OF INF SVCS | 150,000 | 43,885 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS,IN 46250 | 40 0 | | | |
| DAVID M HART | DIR ONLINE LIBRARY | 137,342 | 40,669 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS,IN 46250 | 40 0 | | | |
| HANS L EICHOLZ | SR LIBERTY FUND | 127,243 | 39,254 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS,IN 46250 | FELL 40 0 | | | |
| STEVEN D EALY | SR LIBERTY FUND | 126,365 | 45,796 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS,IN 46250 | FELL 40 0 | | | |
| CHRISTINE D HENDERSON | SR LIBERTY FUND | 121,104 | 37,811 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS,IN 46250 | FELL 40 0 | | | |
| Total number of other employees paid over \$50,000. | | | | 25 |

Part VIII

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

| 3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE". | | |
|---|----------------------|------------------|
| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
| APEX COVANTAGE 198 Van Buren Street HERNDON, VA 20170 | Pub, Conv, Archiving | 198,183 |
| WELLINGTON MANAGEMENT COMPANY LLP 75 STATE STREET BOSTON, MA 02109 | INVESTMENT MANAGEMNT | 142,566 |
| WALTER LEE DAVIS STUDIOS 7530 MOUNTAIN AVENUE MELROSE PARK, PA 19027 | Outside Consultant | 102,050 |
| LAUREN LANDSBURG 35 COMMONWEALTH ROAD ROCHESTER, NY 14618 | Outside Consultant | 97,170 |
| DAVID LAROCCA 145 WEST 78TH STREET APT 1B NEW YORK, NY 10024 | Outside Consultant | 91,006 |
| Total number of others receiving over \$50,000 for professional services. | | 3 |

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 LIBERTY FUND COLLOQUIA AND SYMPOSIUMS - PLEASE SEE GEA | 8,144,717 |
| 2 LIBERTY FUND PUBLISHING - PLEASE SEE GEA | 3,620,002 |
| 3 CO-SPONSORED PROGRAMS - PLEASE SEE GEA | 3,313,336 |
| 4 LIBERTY FUND WEBPAGES - PLEASE SEE GEA | 778,952 |

Part IX-B

Summary of Program-Related Investments (see page 23 of the instructions)

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
|--|--------|
| 1 NONE | |
| 2 | |
| | |
| | |
| All other program-related investments. See page 24 of the instructions. | |
| 3 | |
| | |
| | |
| Total. Add lines 1 through 3. | |

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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 | 275,822,664 |
| b | Average of monthly cash balances. | 1b | 9,440,816 |
| c | Fair market value of all other assets (see page 24 of the instructions). | 1c | 480,271 |
| d | Total (add lines 1a, b, and c). | 1d | 285,743,751 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). | 1e | |
| 2 | Acquisition indebtedness applicable to line 1 assets. | 2 | 0 |
| 3 | Subtract line 2 from line 1d. | 3 | 285,743,751 |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). | 4 | 4,286,156 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 281,457,595 |
| 6 | Minimum investment return. Enter 5% of line 5. | 6 | 14,072,880 |

Part XI

Distributable Amount (see page 25 of the 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 | |
| 2a | Tax on investment income for 2009 from Part VI, line 5. | 2a | |
| b | Income tax for 2009 (This does not include the tax from Part VI). | 2b | |
| c | Add lines 2a and 2b. | 2c | |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1. | 3 | |
| 4 | Recoveries of amounts treated as qualifying distributions. | 4 | |
| 5 | Add lines 3 and 4. | 5 | |
| 6 | Deduction from distributable amount (see page 25 of the instructions). | 6 | |
| 7 | Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. | 7 | |

Part XII

Qualifying Distributions (see page 25 of the 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 | 22,103,731 |
| 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 | 40,953 |
| 3 | Amounts set aside for specific charitable projects that satisfy the | | |
| a | Suitability test (prior IRS approval required). | 3a | 0 |
| b | Cash distribution test (attach the required schedule). | 3b | 0 |
| 4 | Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 22,144,684 |
| 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 (see page 26 of the instructions). | 5 | |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4. | 6 | 22,144,684 |
| Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years | | | |

Part XIII

Undistributed Income (see page 26 of the instructions)

| | | | | |
|----|---|----------------------------|-------------|-------------|
| | (a) Corpus | (b) Years prior to 2008 | (c) 2008 | (d) 2009 |
| 1 | Distributable amount for 2009 from Part XI, line 7 | | | |
| 2 | Undistributed income, if any, as of the end of 2008 | | | |
| a | Enter amount for 2008 only. | | | |
| b | Total for prior years 2007 , 2006 , 2005 | | | |
| 3 | Excess distributions carryover, if any, to 2009 | | | |
| a | From 2004. | | | |
| b | From 2005. | | | |
| c | From 2006. | | | |
| d | From 2007. | | | |
| e | From 2008. | | | |
| f | Total of lines 3a through e. | | | |
| 4 | Qualifying distributions for 2009 from Part XII, line 4 ➤ \$ _____ | | | |
| a | Applied to 2008, but not more than line 2a 0 | | | |
| b | Applied to undistributed income of prior years (Election required—see page 26 of the instructions) | | | |
| c | Treated as distributions out of corpus (Election required—see page 26 of the instructions). . . | | | |
| d | Applied to 2009 distributable amount. | | | |
| e | Remaining amount distributed out of corpus | | | |
| 5 | Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).) | | | |
| 6 | Enter the net total of each column as indicated below: | | | |
| a | Corpus Add lines 3f, 4c, and 4e Subtract line 5 | | | |
| b | Prior years' undistributed income Subtract line 4b from line 2b. | | | |
| 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. | | | |
| d | Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . . | | | |
| e | Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions 0 | | | |
| f | Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010 0 | | | |
| 7 | Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions). | | | |
| 8 | Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions). | | | |
| 9 | Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a | | | |
| 10 | Analysis of line 9 | | | |
| a | Excess from 2005. | | | |
| b | Excess from 2006. | | | |
| c | Excess from 2007. | | | |
| d | Excess from 2008. | | | |
| e | Excess from 2009. | | | |

Part XIVPrivate Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a

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

1989-02-16

b

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

☒ 4942(j)(3) or ☐ 4942(j)(5)

| | | | | | | |
|----|---|-------------|---------------|-------------|-------------|---------------|
| 2a | Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | Tax year | Prior 3 years | | | (e) Total |
| | | (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | |
| | | 10,486,874 | 9,019,149 | 16,483,681 | 9,074,731 | 45,064,435 |
| b | 85% of line 2a | 8,913,843 | 7,666,277 | 14,011,129 | 7,713,521 | 38,304,770 |
| c | Qualifying distributions from Part XII, line 4 for each year listed | 22,144,684 | 27,696,864 | 27,245,278 | 22,106,758 | 99,193,584 |
| 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 | 22,144,684 | 27,696,864 | 27,245,278 | 22,106,758 | 99,193,584 |
| 3 | Complete 3a, b, or c for the alternative test relied upon | | | | | |
| a | "Assets" alternative test—enter | | | | | |
| | (1) Value of all assets | 298,288,423 | 265,825,617 | 431,580,121 | 451,930,237 | 1,447,624,398 |
| | (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | 0 |
| b | "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. | 9,381,920 | 10,671,757 | 14,681,318 | 13,869,328 | 48,604,323 |
| c | "Support" alternative test—enter | | | | | |
| | (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | 0 |
| | (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). | | | | | 0 |
| | (3) Largest amount of support from an exempt organization | | | | | 0 |
| | (4) Gross investment income | | | | | 0 |

Part XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a

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

b

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

c

Any submission deadlines

d

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

Part XV

Supplementary Information (continued)

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

| Recipient | 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 |
|-------------------------------------|---|--------------------------------|----------------------------------|--------|
| Name and address (home or business) | | | | |
| a Paid during the year | | | | |
| Total | | | ▶ 3a | |
| b Approved for future payment | | | | |
| Total | | | ▶ 3b | |

| Enter gross amounts unless otherwise indicated | | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income (See page 28 of the instructions) |
|--|---|---------------------------|---------------|--------------------------------------|---------------|--|
| | | (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 | 94,952 | |
| 4 | Dividends and interest from securities. . . . | | | 14 | 6,453,943 | |
| 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. | | | | | |
| 8 | Gain or (loss) from sales of assets other than inventory | | | 18 | 5,135,803 | |
| 9 | Net income or (loss) from special events | | | | | |
| 10 | Gross profit or (loss) from sales of inventory. . | | | | | |
| 11 | Other revenue a BOOK & FILM SALES | | | | | 563,659 |
| b | _____ | | | | | |
| c | _____ | | | | | |
| d | _____ | | | | | |
| e | _____ | | | | | |
| 12 | Subtotal Add columns (b), (d), and (e). . | | | | 11,684,698 | 563,659 |
| 13 | Total. Add line 12, columns (b), (d), and (e). | | | 13 | | 12,248,357 |

[illegible]

| | | | |
|--|--------------|------------|-----------|
| 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? | | Yes | No |
| a Transfers from the reporting foundation to a noncharitable exempt organization of | | | |
| (1) Cash. | 1a(1) | | No |
| (2) Other assets. | 1a(2) | | No |
| b Other transactions | | | |
| (1) Sales of assets to a noncharitable exempt organization. | 1b(1) | | No |
| (2) Purchases of assets from a noncharitable exempt organization. | 1b(2) | | No |
| (3) Rental of facilities, equipment, or other assets. | 1b(3) | | No |
| (4) Reimbursement arrangements. | 1b(4) | | No |
| (5) Loans or loan guarantees. | 1b(5) | | No |
| (6) Performance of services or membership or fundraising solicitations. | 1b(6) | | No |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. | 1c | | No |
| 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 | | | |

[illegible]

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

Sign Here

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

Signature of officer or trustee _____ 2010-09-07 _____
 Date Title

| | | | | |
|--------------------------------|--|---|----------------------------|---|
| Paid Preparer's Use Only | Preparer's Signature | Date | Check if self- employed | Preparer's identifying number (see Signature on page 30 of the instructions) |
| | Firm's name (or yours if self-employed), address, and ZIP code | ERNST & YOUNG US LLP SUITE 2400 400 WEST MARKET STREET LOUISVILLE, KY 40202 | | EIN |
| | | | | Phone no (502) 585-1400 |

Additional Data

Software ID: 09000054
Software Version: 09-7.3
EIN: 35-1320021
Name: Liberty Fund Inc

Form 990PF Part VIII Line 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 |
|---|---|---|---|---------------------------------------|
| MANUEL F AYAU | Director 5 0 | 40,000 | 476 | 3,173 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| GEORGE W CAREY | Director 5 0 | 41,500 | 476 | 101 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| ROSEDA D DECKER | Director 5 0 | 38,000 | 0 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| DOUGLAS J DEN UYL | VP of Educational Progams 40 0 | 213,544 | 61,595 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| RICHARD W DUESENBERG | Director 5 0 | 40,500 | 476 | 83 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| PATRICIA A GALLAGHER | VP of Publishing 40 0 | 148,358 | 47,306 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| GIANCARLO IBARGUEN S | Director 5 0 | 41,000 | 599 | 12,798 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| JOSEPH F JOHNSTON | Director 5 0 | 41,000 | 476 | 406 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| LEONDARD P LIGGIO | Director 5 0 | 41,500 | 476 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| EDWARD B MCLEAN | Director 5 0 | 40,000 | 476 | 225 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| EMILIO J PACHECO | Exec Vice President, COO 40 0 | 242,253 | 55,703 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| T ALAN RUSSELL | Director and Chairman 40 0 | 374,705 | 457 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| SANDRA J SCHALLER | VP, Controller, Secret-Treas 40 0 | 184,443 | 49,823 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| JO ANNE W SHEPLER | Asst Sec , HR & Admin Svcs Mgr 40 0 | 79,998 | 27,161 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| DANE STARBUCK | Director 5 0 | 41,500 | 599 | 3,421 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| CHRIS L TALLEY | Dir , President & CEO 40 0 | 414,530 | 76,749 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| JENNIFER K THOMPSON | VP, DIR CO - SPONSORED PROGRAMS 40 0 | 130,000 | 39,288 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |
| RICHARD A WARE | DIRECTOR EMERITUS 5 0 | 36,000 | 0 | 0 |
| 8335 ALLISON POINTE TRAIL 300 INDIANAPOLIS, IN 46250 | | | | |

TY 2009 Accounting Fees Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---------------------------------|--------|--------------------------|------------------------|---|
| AUDIT & TAX PREPARATION FEES | 64,955 | 4,547 | 6,496 | 58,460 |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Depreciation Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Description of Property | Date Acquired | Cost or Other Basis | Prior Years' Depreciation | Computation Method | Rate / Life (# of years) | Current Year's Depreciation Expense | Net Investment Income | Adjusted Net Income | Cost of Goods Sold Not Included |
|-------------------------|---------------|---------------------|---------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------|
|-------------------------|---------------|---------------------|---------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------|

TY 2009 General Explanation Attachment

Name: Liberty Fund Inc

EIN: 35-1320021

| Identifier | Return Reference | Explanation |
|--------------------------------------|----------------------------------|--|
| Part I, Line 19 and Part II, Line 14 | | LIBERTY FUND, INC E I #35-1320021 A STATEMENT ATTACHED TO AND MADE PART OF U S PRIVATE FOUNDATION INCOME TAX RETURN FOR THE YEAR ENDED APRIL 30, 2010 PART I, LINE 19 - DEPRECIATION PART II, LINE 14 - LAND, BUILDINGS, AND EQUIPMENT LEASEHOLD IMPROVEMENTS - 1,993,358 OFFICE FURNITURE - 1,613,930 EQUIPMENT AND OTHER - 606,750 LESS ACCUMULATED DEPRECIATION - (4,041,097) NET FIXED ASSETS - 172,941 DEPRECIATION EXPENSE - 183,131 DEPRECIATION CALCULATED USING THE STRAIGHT-LINE METHOD |
| Part IX-A | summary of charitable activities | Liberty Fund Colloquia and Symposiums 114 Colloquium and symposiums were developed and conducted in the United States, Canada, Latin America, and Europe Colloquium and symposiums are to foster thought and encourage discourse on enduring issues pertaining to liberty Liberty Fund Publishing Liberty Fund published fifteen titles and conducted editorial work on other works for upcoming publications Titles selected for publishing are those that will preserve the wisdom and learning of the ages, and strengthen, in particular, the understanding and appreciation of individual liberty and responsibility Titles include classics in the fields of history, politics, philosophy, law, education, and economics Co-Sponsored Programs Liberty Fund administered Co-Sponsored Programs with thirteen other non-profit organizations with similar educational and public purposes Liberty Fund and the Co-Sponsors have joint or shared responsibilities over planning, developing, coordinating, conducting, and evaluating the conference programs held As with the Liberty Fund Colloquia and Symposiums, the Co-Sponsored Programs are to foster thought and encourage discourse on enduring issues pertaining to liberty Liberty Fund Webpages The Library of the Classics of Liberty - http://oll.libertyfund.org - is a webpage dedicated to making the classic texts which contributed to our modern understanding of the nature of limited government, individual liberty, and the free market more accessible to scholars, students and other interested individuals The Library of Economics and Liberty - www.econlib.org - is a webpage dedicated to advancing the study of economics, markets, and liberty |

TY 2009 Investments Corporate
Bonds Schedule

Name: Liberty Fund Inc
EIN: 35-1320021

| Name of Bond | End of Year Book Value | End of Year Fair Market Value |
|-------------------------------|------------------------|-------------------------------|
| AIRGAS INC | 164,802 | 171,343 |
| ALCAN INC | 210,692 | 211,578 |
| AVALONBAY CMNTYS INC | 220,052 | 238,577 |
| BANK AMER FDG CORP | 309,144 | 326,154 |
| BANK AMER FDG CORP | 99,749 | 107,866 |
| BANK ONE CORP | 50,351 | 50,881 |
| BELLSOUTH CORP | 199,512 | 213,608 |
| BOEING CAP CORP | 74,835 | 76,778 |
| BURLINGTON NO SANTA FE CORP | 152,456 | 158,813 |
| CAPITAL ONE FINL CORP | 74,768 | 79,942 |
| CITIGROUP INC | 229,710 | 245,428 |
| CONOCO FDG CO | 158,813 | 150,443 |
| CONSOL EDISON CO NY INC | 189,269 | 211,597 |
| CRH AMER INC | 251,095 | 262,373 |
| DAIMLERCHRYSLER NA HLDG | 49,925 | 51,891 |
| DARDEN RESTAURANTS INC | 269,187 | 294,967 |
| DIAGEO CAP | 199,812 | 217,406 |
| DISNEY WALT CO | 232,591 | 267,935 |
| GENERAL ELEC CAP CORP | 149,343 | 159,482 |
| GOODRICH CORP | 194,530 | 199,001 |
| HARTFORD FINL SVCS GROUP INC | 176,742 | 213,173 |
| HEINZ H J CO | 214,925 | 234,365 |
| HONEYWELL INTL INC | 274,464 | 299,764 |
| HOUSEHOLD FIN CORP | 253,127 | 243,908 |
| IBM INTL GROUP CAP LLC | 334,735 | 363,984 |
| ILLINOIS ST | 190,000 | 192,926 |
| JPMORGAN CHASE & CO | 129,588 | 138,832 |
| JPMORGAN CHASE & CO | 104,820 | 112,219 |
| KINDER MORGAN ENERGY PTNRS | 269,698 | 296,125 |
| LA PUB FACS AUTH SYS RE | 146,655 | 149,380 |
| MERRILL LYNCH & CO INC | 174,769 | 189,369 |
| METLIFE INC | 199,526 | 227,466 |
| MICROSOFT CORP | 199,804 | 205,496 |
| NATL CITY BK CLEVELAND OH | 153,000 | 234,781 |
| PRUDENTIAL FINL INC | 199,966 | 205,844 |
| ROGERS WIRELESS INC | 107,565 | 113,078 |
| SCHERING PLOUGH CORP | 75,087 | 83,934 |
| SIMON PPTY GROUP L P | 219,516 | 223,390 |
| SOUTHERN CO | 258,657 | 276,793 |
| ST JUDE MED INC | 299,547 | 310,713 |
| TIME WARNER CABLE INC | 123,006 | 124,885 |
| UNION PLANTERS CORP | 107,820 | 107,243 |
| VIACOM INC | 198,582 | 209,978 |
| VIRGINIA ELEC & PWR CO | 249,513 | 262,900 |
| VODAFONE GROUP PLC | 357,120 | 356,112 |
| WACHOVIA CORP | 229,625 | 242,383 |
| WELLPOINT INC | 273,026 | 298,394 |
| WELLS FARGO & CO | 230,076 | 241,346 |
| COLUMBIA ST BOND FUND | 12,002,719 | 12,619,501 |
| COLUMBIA BOND FUND | 3,150,000 | 3,183,981 |
| ISHARES BARCLAYS TIPS BND FND | 2,707,053 | 2,882,921 |

TY 2009 Investments Corporate
Stock Schedule

Name: Liberty Fund Inc
EIN: 35-1320021

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|--------------------------|------------------------|-------------------------------|
| ACCELRY'S INC | 31,322 | 39,494 |
| ACCENTURE PLC | 266,108 | 314,208 |
| ACE LTD | 245,807 | 265,950 |
| ACE LTD | 178,255 | 209,888 |
| ACE LTD | 316,495 | 393,606 |
| ACETO CORP | 33,325 | 35,578 |
| ADOBE SYS INC | 23,704 | 26,947 |
| AEROPOSTALE | 233,327 | 217,800 |
| AES CORP | 22,240 | 34,366 |
| AFFILIATED MGRS GROUP | 27,734 | 38,134 |
| AGILENT TECH INC | 43,964 | 58,669 |
| AGILYSYS INC | 30,622 | 35,805 |
| AGNICO EAGLE MINES LTD | 961,100 | 1,143,196 |
| AGNICO EAGLE MINES LTD | 43,939 | 47,749 |
| AGRIUM INC | 136,152 | 212,194 |
| AKAMAI TECH INC | 330,130 | 703,367 |
| ALEXION PHARM INC | 40,059 | 50,544 |
| ALLEGHENY TECH INC | 154,991 | 175,863 |
| ALLERGAN INC | 573,423 | 727,722 |
| ALLIANCE DATA SYS CORP | 112,896 | 148,769 |
| ALLIANCE FINL CORP | 28,964 | 29,970 |
| ALLIANT CORP | 72,049 | 80,370 |
| ALPHA NAT RES INC | 168,758 | 187,425 |
| AMAZON COM INC | 500,325 | 805,051 |
| AMER EAGLE OUTFTRS | 58,806 | 59,676 |
| AMER ELEC PWR INC | 317,774 | 345,230 |
| AMER EXPRESS CO | 214,612 | 244,436 |
| AMER EXPRESS CO | 345,694 | 451,238 |
| AMER FINL GROUP INC OHIO | 525,629 | 626,859 |
| AMER GREETINGS CORP | 80,074 | 87,188 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| AMER TOWER CORP | 51,319 | 59,583 |
| AMERICA MOVIL SABDECV | 365,366 | 592,483 |
| AMETEK INC NEW | 26,629 | 34,773 |
| AMGEN INC | 628,174 | 630,410 |
| AMPCO-PITTSBURGH CORP | 56,088 | 50,135 |
| AMR CORP | 29,376 | 30,841 |
| ANADARKO PETE CORP | 346,705 | 297,125 |
| ANADARKO PETE CORP | 204,765 | 261,072 |
| ANALOG DEVICES INC | 51,343 | 54,203 |
| ANALOG DEVICES INC | 161,502 | 200,531 |
| ANSYS INC | 31,481 | 34,125 |
| APAC CUSTOMER SVCS INC | 24,666 | 24,395 |
| APACHE CORP | 331,033 | 357,686 |
| APOLLO GROUP INC | 659,051 | 604,987 |
| APPLE INC | 456,004 | 899,716 |
| ARCH CAP GROUP LTD | 849,627 | 884,286 |
| ARCTIC CAT INC | 38,572 | 51,625 |
| ARIAD PHARM INC | 14,791 | 14,080 |
| ARRIS GROUP INC | 64,832 | 74,234 |
| ARROW FINL CORP | 42,903 | 47,260 |
| ASHLAND INC | 214,684 | 733,184 |
| ASPEN INS HLDGS LTD | 29,803 | 31,027 |
| ASTRAZENECA PLC | 705,536 | 751,910 |
| AT&T INC | 1,209,923 | 891,252 |
| AT&T INC | 325,789 | 318,114 |
| AT&T INC | 964,867 | 904,282 |
| ATC TECH CORP | 46,405 | 39,858 |
| ATLANTIC TELE-NETWORK INC | 18,447 | 19,313 |
| AUTODESK INC | 33,549 | 33,480 |
| ADP INC | 272,527 | 268,894 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| AVERY DENNISON CORP | 110,884 | 132,702 |
| AVNET INC | 464,472 | 399,625 |
| AVNET INC | 136,115 | 166,244 |
| AVON PRODS INC | 133,842 | 180,725 |
| AXIS CAP HLDGS LTD | 21,247 | 23,378 |
| AXIS CAP HLDGS LTD | 103,581 | 126,301 |
| AZZ INC | 34,369 | 40,620 |
| BAKER HUGHES INC | 245,018 | 303,536 |
| BANCORP INC | 24,023 | 22,619 |
| BANK AMER CORP | 588,636 | 609,786 |
| BANK AMER CORP | 323,772 | 508,155 |
| BANK OF THE OZARKS INC | 57,837 | 80,787 |
| BARNES GROUP INC | 145,153 | 147,846 |
| BARRICK GOLD CORP | 2,605,845 | 3,632,070 |
| BARRICK GOLD CORP | 232,243 | 252,590 |
| BARRY R G CORP - OHIO | 38,307 | 44,247 |
| BE AEROSPACE INC | 24,450 | 43,985 |
| BEST BUY INC | 93,660 | 88,400 |
| BGC PARTNERS INC | 49,013 | 73,563 |
| BHP BILLITON PLC | 165,618 | 164,700 |
| BIG LOTS INC | 253,186 | 409,695 |
| BIG LOTS INC | 27,267 | 36,443 |
| BIODELIVERY SC INTL INC | 17,949 | 17,350 |
| BIO-REFERENCE LABS INC | 33,532 | 46,800 |
| BOB EVANS FARMS INC | 31,646 | 35,570 |
| BORG WARNER INC | 65,551 | 76,278 |
| BOSTON PRIV FIN HLDGS INC | 27,255 | 30,927 |
| BOTTOMLINE TECH DEL INC | 22,045 | 22,620 |
| BRISTOL MYERS SQUIBB CO | 318,523 | 293,596 |
| BROOKDALE SR LIVING INC | 25,320 | 32,444 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|-------------------------|------------------------|-------------------------------|
| BRUSH ENGIN MATLS INC | 129,562 | 172,999 |
| BUCKEYE TECH INC | 42,650 | 64,952 |
| BUCYRUS INTL INC | 95,982 | 147,619 |
| BUFFALO WILD WINGS INC | 29,971 | 25,838 |
| CABLEVISION NY GROUP | 134,315 | 225,008 |
| CABOT MICROELECT CORP | 98,476 | 123,673 |
| CAL DIVE INTL INC DEL | 22,993 | 20,008 |
| CAL MAINE FOODS INC | 21,438 | 25,035 |
| CALLON PETE CO DEL | 24,481 | 21,852 |
| CAMERON INTL CORP | 259,690 | 262,409 |
| CANTEL MED CORP | 57,552 | 57,884 |
| CAPITAL ONE FINL CORP | 248,227 | 282,165 |
| CARDINAL HEALTH INC | 219,961 | 260,175 |
| CARDTRONICS INC | 65,659 | 76,670 |
| CARMIKE CINEMAS INC | 47,657 | 63,764 |
| CARNIVAL CORP | 214,208 | 328,721 |
| CARTER HLDGS INC | 28,125 | 37,053 |
| CASH AMER INTL INC | 65,999 | 74,120 |
| CATERPILLAR INC | 97,154 | 170,225 |
| CAVIUM NETWORKS INC | 30,774 | 34,154 |
| CBS CORP | 29,544 | 33,749 |
| CECO ENVIRONMENTAL CORP | 19,040 | 19,950 |
| CELANESE CORP DEL | 172,846 | 168,907 |
| CELGENE CORP | 468,640 | 651,763 |
| CELSION CORP | 17,663 | 17,595 |
| CENTENE CORP | 74,411 | 81,295 |
| CENTURY BANCORP INC MA | 14,541 | 14,513 |
| CERNER CORP | 22,408 | 31,026 |
| CF INDS HLDGS INC | 7,022 | 6,538 |
| CF INDS HLDGS INC | 45,923 | 52,963 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|----------------------------|------------------------|-------------------------------|
| CHART INDUSTRIES INC | 56,195 | 74,718 |
| CHESAPEAKE UTILS CORP | 31,911 | 30,120 |
| CHEVRON CORP | 1,521,751 | 1,457,776 |
| CHEVRON CORP | 560,878 | 618,781 |
| CHEVRON CORP | 721,322 | 887,696 |
| CHICAGO BRDG & IRON CO N V | 97,756 | 91,111 |
| CHINA N E PETE HLDGS LTD | 49,725 | 64,459 |
| CHINA SKY ONE MED INC | 30,659 | 22,672 |
| CHINA-BIOTICS INC | 33,499 | 34,749 |
| CHUBB CORP | 278,263 | 306,646 |
| CIENA CORP | 33,684 | 34,392 |
| CIGNA CORP | 20,347 | 25,776 |
| CIMAREX ENERGY CO | 314,856 | 333,592 |
| CIRCOR INTL INC | 32,410 | 44,798 |
| CISCO SYS INC | 211,486 | 250,449 |
| CITRIX SYS INC | 25,066 | 30,428 |
| CITY NATL CORP | 61,609 | 80,653 |
| CLIFFS NAT RES INC | 8,991 | 19,009 |
| CLOROX CO | 28,929 | 32,156 |
| CME GROUP INC | 621,779 | 691,467 |
| CME GROUP INC | 634,318 | 789,589 |
| COACH INC | 15,709 | 32,816 |
| COCA COLA ENTERPRISES INC | 247,072 | 341,079 |
| COGDELL SPENCER INC | 19,935 | 27,667 |
| COGNIZANT TECH SOL | 48,298 | 69,305 |
| COLUMBIA EMER MKTS FND | 4,180,447 | 5,434,141 |
| COLUMBIA INTL GROWTH | 9,154,560 | 7,836,183 |
| COMCAST CORP | 362,432 | 417,503 |
| COMFORT SYS USA INC | 27,497 | 32,384 |
| COMMERCE BANCSHARES INC | 54,190 | 57,981 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| COMMSCOPE INC | 159,983 | 183,067 |
| COMPUTER SCIENCES CORP | 630,242 | 633,919 |
| CONCHO RES INC | 42,299 | 60,229 |
| CONOCOPHILLIPS | 805,968 | 657,009 |
| CONSOLIDATED GRAPHICS INC | 53,453 | 48,616 |
| CONTINENTAL AIRLS INC | 166,022 | 212,325 |
| CONTINENTAL RES INC | 21,755 | 41,147 |
| CONVERGYS CORP | 14,878 | 17,696 |
| COOPER COS INC | 61,850 | 88,397 |
| COOPER INDS PLC | 281,247 | 294,600 |
| COOPER TIRE & RUBR CO | 23,330 | 25,464 |
| CORE LABORATORIES N V | 21,955 | 37,772 |
| CORNING INC | 128,551 | 182,875 |
| COSTCO WHSL CORP NEW | 586,150 | 701,929 |
| COVANCE INC | 241,502 | 347,068 |
| COVENTRY HEALTH CARE INC | 59,633 | 58,163 |
| CRA INTL INC | 17,426 | 15,100 |
| CRACKER BARREL OCS | 34,424 | 44,433 |
| CROWN HLDGS INC | 639,639 | 634,400 |
| CROWN HLDGS INC | 53,872 | 53,664 |
| CRYOLIFE INC | 39,230 | 33,300 |
| CSG SYS INTL INC | 29,805 | 34,080 |
| CUBIST PHARM INC | 26,581 | 31,430 |
| CUMMINS INC | 28,344 | 66,379 |
| CVS CAREMARK CORP | 220,748 | 258,440 |
| D R HORTON INC | 73,204 | 102,580 |
| DAWSON GEOPHYSICAL CO | 23,399 | 29,235 |
| DECKERS OUTDOOR CORP | 46,346 | 70,290 |
| DEERE & CO | 334,437 | 406,776 |
| DEL MONTE FOODS CO | 698,850 | 937,485 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|----------------------------|------------------------|-------------------------------|
| DELTA AIR LINES INC DEL | 18,312 | 32,024 |
| DENBURY RES INC | 26,657 | 37,630 |
| DENDREON CORP | 38,518 | 74,657 |
| DEVRY INC DEL | 29,784 | 26,765 |
| DIAGEO PLC | 250,238 | 311,264 |
| DIAM OFFSHORE DRILLING INC | 40,360 | 45,720 |
| DICKS SPORTING GOODS INC | 48,225 | 61,131 |
| DIRECTV | 261,375 | 293,544 |
| DISCOVER FINL SVCS | 27,614 | 31,245 |
| DISNEY WALT CO | 9,681 | 10,978 |
| DISNEY WALT CO | 210,529 | 257,880 |
| DIVX INC | 46,639 | 72,401 |
| DOLBY LABORATORIES INC | 27,774 | 41,232 |
| DOLLAR FINL CORP | 37,193 | 37,456 |
| DOMINION RES INC VA NEW | 376,846 | 401,280 |
| DONNELLEY R R & SONS CO | 229,916 | 232,200 |
| DORMAN PRODS INC | 21,411 | 34,223 |
| DOT HILL SYS CORP | 19,143 | 16,695 |
| DREAMWORKS ANIMATION INC | 41,652 | 45,389 |
| DRESS BARN INC | 18,597 | 22,803 |
| DRYSHIPS INC | 30,951 | 28,900 |
| DSP GROUP INC | 22,902 | 25,327 |
| DUOYUAN PRTG INC | 38,021 | 39,836 |
| DUSA PHARM INC | 18,761 | 16,920 |
| DYCOM INDS INC | 15,458 | 19,435 |
| DYNEX CAP INC | 30,147 | 30,128 |
| EASYLINK SVCS INTL CORP | 16,821 | 20,910 |
| EATON CORP | 101,555 | 178,857 |
| ECHO GLOBAL LOGISTICS INC | 27,725 | 28,329 |
| EHEALTH INC | 42,146 | 39,759 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| EL PASO ELEC CO | 57,105 | 60,563 |
| EMC CORP | 1,015,940 | 1,215,157 |
| EMCOR GROUP INC | 47,066 | 49,980 |
| EMERSON RADIO CORP | 41,972 | 39,606 |
| EMULEX CORP | 42,872 | 47,588 |
| ENCANA CORP | 232,604 | 285,923 |
| ENCORE CAP GROUP INC | 128,409 | 156,468 |
| ENDO PHARM HLDGS INC | 43,903 | 48,180 |
| ENDURANCE SPEC HLDGS LTD | 567,828 | 545,380 |
| ENERSYS | 77,774 | 86,698 |
| ENPRO INDS INC | 34,368 | 45,791 |
| ENZO BIOCHEM INC | 26,526 | 25,671 |
| EOG RES INC | 196,360 | 332,436 |
| EQUINIX INC | 18,055 | 27,477 |
| EXACTECH INC | 35,463 | 38,874 |
| EXELON CORP | 238,174 | 295,366 |
| EXPED INTL WASHINGTON INC | 449,145 | 589,929 |
| EXPRESS SCRIPTS INC | 41,567 | 64,884 |
| EXXON MOBIL CORP | 1,511,999 | 1,504,452 |
| EXXON MOBIL CORP | 832,103 | 806,463 |
| EZCORP INC | 77,484 | 99,552 |
| F5 NETWORKS INC | 70,246 | 153,283 |
| FAIR ISAAC CORP | 81,751 | 92,243 |
| FASTENAL CO | 28,249 | 42,330 |
| FEDEX CORP | 158,582 | 216,024 |
| FINANCIAL INSTNS INC | 23,558 | 27,336 |
| FINISAR CORP | 42,004 | 39,554 |
| FINISH LINE INC | 25,636 | 44,303 |
| FIRST CTZNS BS INC N C | 21,010 | 20,600 |
| FIRST SOLAR INC | 32,552 | 38,155 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|-------------------------|------------------------|-------------------------------|
| FLUOR CORP | 211,470 | 241,162 |
| FLUSHING FINL CORP | 69,221 | 87,785 |
| FMC TECH INC | 321,897 | 529,607 |
| FORD MTR CO DEL | 421,123 | 397,110 |
| FOREST LABS INC | 356,126 | 302,586 |
| FORRESTER RESH INC | 25,633 | 32,110 |
| FORRESTER RESH INC | 61,982 | 123,591 |
| FOSTER WHEELER AG | 48,207 | 58,041 |
| FPL GROUP INC | 372,064 | 317,505 |
| FREEPORT-MCMORAN C & G | 511,209 | 506,051 |
| FREEPORT-MCMORAN C & G | 101,702 | 148,646 |
| GAMESTOP CORP | 39,428 | 40,938 |
| GEN PROBE INC | 35,881 | 39,560 |
| GENCORP INC | 110,522 | 95,477 |
| GENERAL DYNAMICS CORP | 87,425 | 85,752 |
| GENERAL DYNAMICS CORP | 207,554 | 267,260 |
| GENERAL ELEC CO | 473,388 | 611,064 |
| GENERAL ELEC CO | 154,991 | 261,815 |
| GENERAL ELEC CO | 263,332 | 303,646 |
| GEOKINETICS INC | 9,263 | 8,740 |
| G-III APPAREL GROUP LTD | 48,124 | 65,780 |
| GILEAD SCIENCES INC | 700,502 | 608,516 |
| GLOBAL PMTS INC | 41,848 | 34,248 |
| GLOBAL PMTS INC | 55,225 | 47,776 |
| GOLDCORP INC | 2,585,045 | 3,484,338 |
| GOLDMAN SACHS GROUP INC | 1,015,517 | 929,280 |
| GOLDMAN SACHS GROUP INC | 215,933 | 203,861 |
| GOLDMAN SACHS GROUP INC | 91,367 | 123,420 |
| GOOGLE INC | 602,407 | 763,835 |
| GP STRATEGIES CORP | 27,911 | 35,508 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|----------------------------|------------------------|-------------------------------|
| GRAHAM CORP COM | 82,967 | 70,508 |
| GRAN TIERRA ENERGY INC | 27,826 | 28,300 |
| GRAND CANYON ED INC | 10,292 | 9,551 |
| GREEN PLAINS RENEWABLE EN | 40,229 | 38,332 |
| GREENHILL & CO INC | 93,600 | 128,232 |
| GSI TECH INC | 23,084 | 31,380 |
| GUESS INC | 40,021 | 43,164 |
| HALLIBURTON CO | 266,854 | 330,560 |
| HALLWOOD GROUP INC | 49,563 | 65,000 |
| HANESBRANDS INC | 30,499 | 45,894 |
| HARBIN ELEC INC | 34,847 | 35,008 |
| HARTFORD FINL SVC GRP INC | 157,621 | 194,276 |
| HAWAIIAN HLDGS INC | 25,805 | 25,276 |
| HEALTH GRADES INC | 29,890 | 49,070 |
| HEALTHSPRING INC | 29,274 | 29,040 |
| HEINZ H J CO | 62,418 | 78,648 |
| HELIX ENERGY SOL GROUP INC | 14,113 | 17,496 |
| HELMERICH & PAYNE INC | 17,916 | 18,279 |
| HELMERICH & PAYNE INC | 84,127 | 129,050 |
| HERBALIFE LTD | 34,286 | 51,290 |
| HEWITT ASSOCS INC | 97,853 | 134,980 |
| HEWLETT PACKARD CO | 257,114 | 353,396 |
| HEWLETT PACKARD CO | 121,385 | 130,289 |
| HEWLETT PACKARD CO | 156,592 | 207,880 |
| HHGREGG INC | 27,533 | 37,219 |
| HONDA MOTOR LTD | 114,017 | 135,160 |
| HONEYWELL INTL INC | 187,721 | 251,591 |
| HORACE MANN EDUC CORP | 54,348 | 62,989 |
| HOSPITALITY PPTYS TR | 22,042 | 26,490 |
| HRPT PPTYS TR | 57,577 | 69,776 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|------------------------------|------------------------|-------------------------------|
| HUMANA INC | 555,073 | 781,812 |
| HYPERCOM CORP | 29,766 | 28,013 |
| ICON PUB LTD CO | 40,856 | 70,591 |
| ILLINOIS TOOL WKS INC | 178,521 | 189,428 |
| ILLUMINA INC | 436,393 | 568,135 |
| INGERSOLL-RAND CO LTD | 214,737 | 226,761 |
| INGRAM MICRO INC | 1,011,084 | 998,800 |
| INNODATA ISOGEN INC | 47,799 | 29,410 |
| INNOPHOS HLDGS INC | 125,203 | 157,550 |
| INNOSPEC INC | 85,467 | 113,801 |
| INTEGRYS ENERGY GROUP INC | 222,126 | 223,245 |
| INTERACTIVE INTELLIGENCE INC | 63,754 | 77,103 |
| INTERCONTINENTAL EXCHG INC | 25,428 | 31,723 |
| INTERDIGITAL INC PA | 106,964 | 129,717 |
| INTERPUBLIC GROUP COS INC | 32,192 | 29,421 |
| INTL BUSINESS MACHS | 514,340 | 528,900 |
| INTL BUSINESS MACHS | 171,063 | 207,819 |
| INTL BUSINESS MACHS | 643,106 | 761,100 |
| INTL PAPER CO | 586,124 | 620,368 |
| INTL PAPER CO | 89,110 | 90,996 |
| INTUITIVE SURGICAL INC | 23,223 | 53,363 |
| INVENTIV HEALTH INC | 73,314 | 104,787 |
| IRIDIUM COMMUNICATIONS INC | 65,600 | 58,709 |
| ITT CORP | 22,975 | 33,231 |
| IXYS CORP | 20,204 | 22,124 |
| J CREW GROUP INC | 24,061 | 88,897 |
| J P MORGAN CHASE & CO | 715,113 | 753,666 |
| J P MORGAN CHASE & CO | 458,219 | 628,694 |
| J P MORGAN CHASE & CO | 529,139 | 698,312 |
| JABIL CIRCUIT INC | 57,201 | 60,514 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|--------------------------|------------------------|-------------------------------|
| JANUS CAP GROUP INC | 41,590 | 40,452 |
| JARDEN CORP | 271,485 | 304,176 |
| JDA SOFTWARE GROUP INC | 19,701 | 24,565 |
| JMP GROUP INC | 40,254 | 35,991 |
| JO-ANN STORES INC | 43,408 | 57,356 |
| JOES JEANS INC | 15,340 | 29,028 |
| JOHNSON & JOHNSON | 359,917 | 385,800 |
| JOHNSON & JOHNSON | 425,201 | 456,530 |
| JONES LANG LASALLE INC | 40,355 | 55,216 |
| JOS A BANK CLOTHIERS INC | 44,196 | 66,946 |
| JOY GLOBAL INC | 441,642 | 511,200 |
| KANSAS CITY SERN | 78,453 | 152,549 |
| KAPSTONE PPR & PKG CORP | 29,785 | 47,730 |
| KAYDON CORP | 123,515 | 149,493 |
| KBR INC | 179,190 | 200,928 |
| KBW INC | 117,440 | 133,008 |
| KENDLE INTL INC | 110,718 | 115,023 |
| KEYCORP NEW | 32,069 | 31,408 |
| KEYNOTE SYS INC | 28,532 | 28,548 |
| KIMBERLY CLARK CORP | 229,099 | 214,410 |
| KING PHARM INC | 25,463 | 20,825 |
| KINROSS GOLD CORP | 992,500 | 1,119,230 |
| KMG CHEMICALS INC | 58,200 | 66,384 |
| KNOLOGY INC | 63,173 | 77,467 |
| KRATOS DEFENSE & SEC | 30,333 | 29,213 |
| L-3 COMM HLDGS INC | 145,099 | 194,438 |
| LAB CORP AMER HLDGS | 87,469 | 94,913 |
| LAM RESEARCH CORP | 183,180 | 261,159 |
| LAMAR ADVERTISING CO | 38,314 | 65,954 |
| LANDSTAR SYS INC | 41,647 | 50,499 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| LAS VEGAS SANDS CORP | 23,368 | 33,387 |
| LASERCARD CORP | 66,283 | 69,987 |
| LAWSON SOFTWARE INC | 31,325 | 38,800 |
| LEGG MASON INC | 79,002 | 112,341 |
| LHC GROUP INC | 52,640 | 54,560 |
| LIFE PARTNERS HLDGS INC | 62,222 | 70,455 |
| LIFE TECH CORP | 309,027 | 452,701 |
| LIFETIME BRANDS INC | 11,907 | 26,881 |
| LILLY ELI & CO | 668,955 | 500,071 |
| LIMITED BRANDS INC | 32,815 | 30,847 |
| LIMITED BRANDS INC | 78,290 | 131,320 |
| LIZ CLAIBORNE INC | 123,607 | 139,569 |
| LOCAL COM CORP | 23,785 | 34,207 |
| LOCKHEED MARTIN CORP | 327,922 | 297,115 |
| LOCKHEED MARTIN CORP | 313,953 | 331,071 |
| LOWES COS INC | 287,500 | 391,911 |
| LOWES COS INC | 252,871 | 311,880 |
| LUBRIZOL CORP | 611,936 | 722,720 |
| LULULEMON ATHLETICA INC | 503,731 | 438,687 |
| M & F WORLDWIDE CORP | 75,178 | 61,320 |
| MACYS INC | 431,784 | 689,040 |
| MAIDEN HLDGS LTD | 57,321 | 54,677 |
| MAINSOURCE FINL GROUP INC | 39,429 | 40,653 |
| MANHATTAN ASSOCS INC | 97,450 | 133,986 |
| MANPOWER INC | 176,511 | 176,322 |
| MARATHON OIL CORP | 494,558 | 421,165 |
| MARSH & MCLENNAN COS INC | 171,200 | 171,962 |
| MARSHALL & ILSLEY CORP | 33,903 | 30,176 |
| MARTIN MARIETTA MATLS INC | 43,271 | 47,940 |
| MARVELL TECH GROUP LTD | 58,274 | 58,117 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| MASSEY ENERGY CORP | 40,119 | 28,205 |
| MASTERCARD INC | 565,740 | 741,640 |
| MCDERMOTT INTL INC | 31,647 | 48,598 |
| MCDONALDS CORP | 127,732 | 159,533 |
| MCGRAW HILL COS INC | 38,619 | 49,400 |
| MCKESSON CORP | 906,747 | 1,023,998 |
| MEADOWBROOK INS GROUP INC | 86,493 | 96,775 |
| MEDCO HLTH SOL INC | 633,023 | 790,117 |
| MEDIACOM COMM CORP | 43,989 | 48,326 |
| MEDICIS PHARM CORP | 41,400 | 40,608 |
| MEDIFAST INC | 40,741 | 41,496 |
| MEDNAX INC | 31,002 | 37,030 |
| MEDTRONIC INC | 434,118 | 388,841 |
| MEMC ELECTR MATLS INC | 30,730 | 25,642 |
| MERCHANTS BANCSHARES | 23,619 | 23,290 |
| MERCK & CO INC | 103,797 | 149,411 |
| MERCK & CO INC | 486,752 | 560,955 |
| METLIFE INC | 316,313 | 524,170 |
| METRO BANCORP INC PA | 45,261 | 42,746 |
| METROPOLITAN HLTH NTRK | 44,162 | 43,106 |
| MICRON TECH INC | 60,017 | 66,628 |
| MICROS SYS INC | 8,067 | 10,851 |
| MICROSOFT CORP | 322,568 | 360,313 |
| MICROSTRATEGY INC | 43,174 | 38,300 |
| MICRUS ENDOVASCULAR CORP | 54,057 | 51,204 |
| MID-AMER APT CMNTYS INC | 33,044 | 38,689 |
| MIPS TECH INC | 29,716 | 37,675 |
| MONRO MUFFLER BRAKE INC | 45,253 | 53,910 |
| MONSANTO CO | 109,736 | 86,581 |
| MONSTER WORLDWIDE INC | 144,604 | 149,271 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| MOODYS CORP | 28,185 | 25,734 |
| MORGAN STANLEY | 303,159 | 326,376 |
| MURPHY OIL CORP | 206,306 | 222,555 |
| MWI VETERINARY SUPPLY INC | 22,622 | 27,268 |
| MYRIAD GENETICS INC | 28,126 | 28,560 |
| NATL BANKSHARES INC VA | 27,385 | 27,090 |
| NATL OILWELL VARCO INC | 878,577 | 929,033 |
| NATL OILWELL VARCO INC | 24,615 | 24,833 |
| NATURAL GAS SVCS GRP INC | 22,200 | 22,413 |
| NATUS MEDICAL INC COM | 42,289 | 51,972 |
| NAVISTAR INTL CORP NEW | 86,786 | 113,986 |
| NBTY INC | 322,983 | 290,862 |
| NEOGEN CORP | 55,960 | 67,167 |
| NETAPP INC | 35,869 | 38,900 |
| NETFLIX.COM INC | 43,661 | 76,648 |
| NETFLIX.COM INC | 19,414 | 43,714 |
| NETLOGIC MICROSYSTEMS INC | 39,898 | 43,264 |
| NETSCOUT SYS INC | 35,796 | 41,382 |
| NEW YORK MTG TR INC | 20,479 | 20,352 |
| NEWELL RUBBERMAID INC | 92,458 | 89,976 |
| NEWMONT MNG CORP | 776,365 | 987,008 |
| NEWS CORP | 151,300 | 226,821 |
| NII HLDGS INC | 26,874 | 37,289 |
| NIKE INC | 164,449 | 188,029 |
| NOBLE CORP | 696,157 | 679,228 |
| NORDSTROM INC | 156,288 | 251,369 |
| NOVO-NORDISK A S | 482,408 | 597,524 |
| NU SKIN ENTERPRISES INC | 26,759 | 33,818 |
| NVE CORP | 53,683 | 65,111 |
| NYMAGIC INC | 45,839 | 57,720 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|-----------------------------|------------------------|-------------------------------|
| O REILLY AUTOMOTIVE INC | 663,132 | 835,433 |
| OCCAM NETWORKS INC DEL | 18,573 | 27,710 |
| OCCIDENTAL PETE CORP DEL | 480,924 | 594,022 |
| OCCIDENTAL PETE CORP DEL | 429,794 | 556,785 |
| OCCIDENTAL PETE CORP DEL | 198,993 | 221,650 |
| ODYSSEY HEALTHCARE INC | 71,440 | 95,818 |
| OIL DRI CORP AMER | 27,909 | 29,725 |
| OIL STS INTL INC | 288,662 | 297,590 |
| OLD DOMINION FGHT LINE INC | 32,146 | 42,948 |
| OM GROUP INC | 86,632 | 142,506 |
| OMNOVA SOL INC | 32,378 | 38,250 |
| ONCOGENEX PHARM INC | 26,907 | 27,500 |
| ONEOK INC NEW | 157,120 | 184,275 |
| ONYX PHARM INC | 32,357 | 27,802 |
| OPLINK COMMUNICATIONS INC | 23,064 | 23,421 |
| OPPENHEIMER HLDGS INC | 53,968 | 47,966 |
| OSI SYSTEMS INC | 27,071 | 33,852 |
| OSIRIS THERAPEUTICS INC | 19,543 | 19,796 |
| OVERSTOCK.COM INC | 32,446 | 29,600 |
| OWENS ILL INC | 30,819 | 33,668 |
| OWENS ILL INC | 166,918 | 237,448 |
| P F CHANGS CHINA BISTRO INC | 66,689 | 85,238 |
| PAETEC HLDG CORP | 55,322 | 69,650 |
| PALL CORP | 21,647 | 36,378 |
| PAR PHARM COS INC | 35,872 | 37,996 |
| PARAGON SHIPPING INC | 36,694 | 37,206 |
| PARKER DRILLING CO | 35,505 | 41,033 |
| PARTNERRE LTD BERMUDA | 22,234 | 23,274 |
| PATTERSON COS INC | 31,966 | 45,927 |
| PEABODY ENERGY CORP | 567,041 | 569,984 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| PENNEY J C CO INC | 176,256 | 165,977 |
| PENTAIR INC | 220,368 | 318,208 |
| PEPSICO INC | 386,064 | 410,886 |
| PERRIGO CO | 17,246 | 41,820 |
| PFIZER INC | 484,868 | 491,568 |
| PFIZER INC | 256,107 | 284,240 |
| PFIZER INC | 568,039 | 583,528 |
| PFSWEB INC | 29,828 | 28,025 |
| PG&E CORP | 405,931 | 466,251 |
| PG&E CORP | 293,396 | 324,120 |
| PHILIP MORRIS INTL INC | 256,028 | 293,155 |
| PHILIP MORRIS INTL INC | 309,674 | 377,916 |
| PLANTRONICS INC NEW | 80,206 | 104,514 |
| PNC FINL SVCS GROUP INC | 495,251 | 611,611 |
| PNC FINL SVCS GROUP INC | 263,365 | 450,710 |
| PNC FINL SVCS GROUP INC | 219,115 | 322,608 |
| POLYONE CORP | 18,521 | 29,406 |
| POTASH CORP SASK INC | 162,506 | 187,298 |
| POWELL INDS INC | 53,661 | 55,407 |
| POWER INTEGRATIONS INC | 93,381 | 131,063 |
| POWER-ONE INC | 58,571 | 80,172 |
| PRAXAIR INC | 592,612 | 574,914 |
| PRECISION CASTPARTS CORP | 44,941 | 87,143 |
| PRICE T ROWE GROUP INC | 530,106 | 846,471 |
| PRICELINE COM INC | 344,738 | 604,287 |
| PROCTER & GAMBLE CO | 147,038 | 183,186 |
| PROCTER & GAMBLE CO | 228,777 | 261,072 |
| PROSPERITY BANCSHARES INC | 270,829 | 247,086 |
| PROVIDENCE SVC CORP | 22,237 | 23,254 |
| PRUDENTIAL FINL INC | 193,644 | 328,351 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|-----------------------------|------------------------|-------------------------------|
| QIAGEN N V | 434,194 | 543,030 |
| QUALCOMM INC | 892,204 | 836,223 |
| QUALCOMM INC | 214,667 | 212,740 |
| QUANEX BLDG PRODS CORP | 86,675 | 110,998 |
| QUEST SOFTWARE INC | 46,515 | 47,385 |
| QUESTAR CORP | 22,403 | 33,325 |
| RADIOSHACK CORP | 99,645 | 92,557 |
| RAYTHEON CO | 824,337 | 839,376 |
| RED HAT INC | 66,257 | 66,222 |
| REHABCARE GROUP INC | 23,213 | 21,390 |
| REINSURANCE GRP AMER INC | 16,412 | 18,071 |
| RELIANCE STEEL & ALUM CO | 320,442 | 388,040 |
| RESEARCH IN MOTION LTD | 658,698 | 754,116 |
| ROPER INDS INC NEW | 33,282 | 43,507 |
| ROSS STORES INC | 299,649 | 408,800 |
| ROVI CORP | 25,742 | 35,043 |
| RPM INTL INC | 58,395 | 62,928 |
| RYLAND GROUP INC | 132,602 | 142,375 |
| SABA SOFTWARE INC | 29,895 | 35,700 |
| SALESFORCE COM INC | 463,095 | 573,349 |
| SANDISK CORP | 29,364 | 46,294 |
| SANFILIPPO JOHN B & SON INC | 35,497 | 33,818 |
| SANTARUS, INC | 45,483 | 30,504 |
| SBA COMMUNICATIONS CORP | 52,165 | 66,156 |
| SCHIFF NUTRITION INTL INC | 34,625 | 31,196 |
| SCICLONE PHARM INC | 19,259 | 22,836 |
| SCIENT LEARNING CORP COM | 37,652 | 35,420 |
| SEABRIGHT INS HLDGS INC | 21,970 | 20,672 |
| SEACHANGE INTL INC | 19,489 | 27,489 |
| SEMPRA ENERGY | 210,147 | 189,589 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|--------------------------|------------------------|-------------------------------|
| SENIOR HSG PPTYS TR | 432,693 | 468,708 |
| SENRX INC | 25,311 | 30,504 |
| SHARPS COMPLIANCE CORP | 19,166 | 13,360 |
| SHAW GROUP INC | 89,629 | 113,156 |
| SIEMENS A G | 166,700 | 253,864 |
| SILICON LABORATORIES INC | 27,141 | 30,751 |
| SIMPSON MFG CO INC | 141,285 | 151,765 |
| SKYSTAR BIO-PHARM CO | 20,090 | 20,963 |
| SMITHFIELD FOODS INC | 131,928 | 170,534 |
| SMUCKER J M CO | 146,598 | 176,065 |
| SONICWALL INC | 66,187 | 86,105 |
| SONOCO PRODS CO | 214,417 | 251,788 |
| SONOSITE INC | 35,308 | 51,956 |
| SOTHEBYS HLDGS INC | 64,804 | 131,128 |
| SSIDE BANCSHARES INC | 28,531 | 31,723 |
| SOVRAN SELF STORAGE INC | 38,625 | 40,579 |
| SPARTAN STORES INC | 55,195 | 60,360 |
| SPARTON CORP | 29,831 | 27,448 |
| SPDR GOLD TR | 3,138,755 | 4,031,832 |
| SPDR GOLD TR | 2,009,310 | 2,556,493 |
| SPORT SUPPLY GRP INC DEL | 22,915 | 26,820 |
| ST JUDE MED INC | 642,962 | 728,433 |
| ST MARY LD & EXPL CO | 115,661 | 156,775 |
| STANCORP FINL GROUP INC | 85,000 | 94,416 |
| STAPLES INC | 498,385 | 568,784 |
| STAPLES INC | 304,895 | 305,988 |
| STARWOOD HTL & RES | 23,947 | 49,441 |
| STERICYCLE INC | 39,609 | 45,471 |
| STERLING CONSTR INC | 69,452 | 66,500 |
| SUFFOLK BANCORP | 47,184 | 51,233 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|----------------------------|------------------------|-------------------------------|
| SYBASE INC | 47,400 | 48,542 |
| SYKES ENTERPRISES INC | 70,497 | 60,420 |
| SYNOPSYS INC | 46,584 | 50,985 |
| SYNTROLEUM CORP | 16,473 | 18,080 |
| T-3 ENERGY SVCS INC | 79,242 | 89,250 |
| TARGET CORP | 88,385 | 92,926 |
| TD AMERITRADE HLDG CORP | 27,547 | 30,940 |
| TECH DATA CORP | 81,001 | 75,075 |
| TELECOMMUNICATION SYS INC | 27,637 | 21,767 |
| TELEPHONE & DATA SYS INC | 54,609 | 57,189 |
| TEMPUR-PEDIC INTL INC | 55,606 | 62,581 |
| TESSCO TECH INC | 14,902 | 25,440 |
| TEXAS INSTRS INC | 229,311 | 254,898 |
| TGC INDS INC COM | 20,797 | 20,600 |
| THERMO FISHER SCIENT CORP | 259,977 | 368,662 |
| THOR INDS INC | 45,544 | 112,379 |
| TIBCO SOFTWARE INC | 46,546 | 54,522 |
| TIFFANY & CO NEW | 42,313 | 49,886 |
| TIME WARNER INC | 117,819 | 173,108 |
| TIX CORP | 26,972 | 34,992 |
| TJX COS INC NEW | 495,935 | 662,662 |
| TJX COS INC NEW | 49,094 | 73,356 |
| TOMPKINSTRUSTCO INC | 39,935 | 44,682 |
| TOTAL S A | 383,885 | 353,470 |
| TOWN SPORTS INTL HLDGS INC | 27,812 | 25,259 |
| TRANSATLANTIC HLDGS INC | 20,547 | 19,892 |
| TRAVELERS COS INC | 923,955 | 979,282 |
| TRINA SOLAR LTD | 55,386 | 55,388 |
| TRW AUTO HLDGS CORP | 241,537 | 380,078 |
| TUESDAY MORNING CORP | 43,256 | 41,980 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|--------------------------|------------------------|-------------------------------|
| U S PHYSICAL THERAPY INC | 20,112 | 22,802 |
| UBS AG | 223,689 | 214,338 |
| UNIFIRST CORP MASS | 26,684 | 25,657 |
| UNILEVER N V | 210,139 | 239,054 |
| UN FINL BANCORP INC MD | 38,677 | 41,940 |
| UN PARCEL SVC INC | 146,315 | 146,923 |
| UN PARCEL SVC INC | 344,576 | 421,754 |
| UN STS STL CORP | 225,745 | 279,531 |
| UN TECH CORP | 336,843 | 540,914 |
| UNHEALTH GROUP INC | 120,101 | 133,364 |
| UNITRIN INC | 43,822 | 45,045 |
| UNIVERSAL INS HLDGS | 18,364 | 16,160 |
| URBAN OUTFITTERS INC | 43,874 | 62,087 |
| URS CORP NEW | 410,585 | 518,635 |
| US BANCORP DEL | 328,578 | 546,242 |
| USA MOBILITY INC | 15,895 | 21,623 |
| UST EXCELSIOR VENT PTNR | 1,218,000 | 1,354,900 |
| U-STORE-IT TR | 20,196 | 23,705 |
| VASCULAR SOL INC | 35,117 | 39,600 |
| VCA ANTECH INC | 35,945 | 41,295 |
| VEECO INSTRS INC DEL | 31,078 | 43,418 |
| VERIZON COMM INC | 990,195 | 713,830 |
| VIACOM INC | 155,952 | 219,046 |
| VIROPHARMA INC | 27,827 | 45,792 |
| VIRTUS FOREIGN OPP | 5,491,333 | 5,850,950 |
| VITACOST COM INC | 64,060 | 49,212 |
| WADDELL & REED FINL INC | 314,010 | 363,776 |
| WADDELL & REED FINL INC | 66,289 | 95,695 |
| WALGREEN CO | 1,009,239 | 991,230 |
| WAL-MART STORES INC | 377,811 | 396,936 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|---------------------------|------------------------|-------------------------------|
| WALTER ENERGY INC | 22,605 | 34,102 |
| WARNACO GROUP INC | 52,455 | 57,408 |
| WASTE MGMT INC DEL | 187,083 | 208,080 |
| WATSON PHARM INC | 331,717 | 396,085 |
| WATSON PHARM INC | 32,125 | 31,815 |
| WELLCARE GROUP INC | 19,871 | 15,460 |
| WELLS FARGO & CO | 713,763 | 913,836 |
| WELLS FARGO & CO | 486,320 | 729,413 |
| WELLS FARGO & CO | 564,723 | 943,635 |
| WELL TECH INC | 19,003 | 18,576 |
| WERN DIGITAL CORP | 681,082 | 823,855 |
| WERN DIGITAL CORP | 28,719 | 28,064 |
| WERN UNION CO | 86,361 | 82,819 |
| WET SEAL INC | 34,146 | 47,064 |
| WHIRLPOOL CORP | 374,877 | 457,254 |
| WHX CORP | 31,940 | 31,488 |
| WILLBROS GROUP INC DEL | 28,962 | 22,276 |
| WILLIAMS SONOMA INC | 80,704 | 110,621 |
| WINTRUST FINL CORP | 95,902 | 132,564 |
| WMS INDS INC | 25,152 | 33,814 |
| WORLD ACCEP CORP DEL | 27,180 | 22,932 |
| WRIGHT EXPRESS CORP | 64,968 | 69,639 |
| WTC-CTF DAS ABS RETURN | 17,990,951 | 17,666,682 |
| WTC-CTF DIV INFL HEDGES | 4,986,093 | 6,506,438 |
| WTC-CTF OPP INV | 23,402,124 | 31,227,909 |
| WTC-CTF TRSY INFL PRT SEC | 11,292,373 | 11,773,961 |
| WYNN RESORTS LTD | 18,301 | 34,061 |
| XCEL ENERGY INC | 25,159 | 28,036 |
| XCEL ENERGY INC | 126,532 | 128,325 |
| YADKIN VY FINL CORP | 20,575 | 17,633 |

| Name of Stock | End of Year Book Value | End of Year Fair Market Value |
|----------------------|------------------------|-------------------------------|
| ZIONS BANCORPORATION | 111,468 | 201,627 |
| ZORAN CORP | 18,955 | 17,063 |
| ZYMOGENETICS INC | 27,825 | 29,700 |

**TY 2009 Investments Government
Obligations Schedule****Name:** Liberty Fund Inc**EIN:** 35-1320021**US Government Securities - End of
Year Book Value:**

9,618,708

**US Government Securities - End of
Year Fair Market Value:**

9,536,924

**State & Local Government
Securities - End of Year Book
Value:****State & Local Government
Securities - End of Year Fair
Market Value:**

TY 2009 Investments - Land Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Category/ Item | Cost/Other Basis | Accumulated Depreciation | Book Value | End of Year Fair Market Value |
|----------------|------------------|-----------------------------|---------------|----------------------------------|
|----------------|------------------|-----------------------------|---------------|----------------------------------|

TY 2009 Investments - Other Schedule

Name: Liberty Fund Inc
EIN: 35-1320021

| Category / Item | Listed at Cost or FMV | Book Value | End of Year Fair Market Value |
|--------------------------------|-----------------------|------------|-------------------------------|
| ADJ RATE MTG TR | | 489,920 | 236,998 |
| BEAR STEARNS COML MTG SECS TR | | 84,797 | 95,731 |
| BEAR STEARNS COML MTG SECS TR | | 160,875 | 165,973 |
| BEAR STEARNS COMM MTG SECS | | 125,682 | 126,333 |
| CD 2007-CD4 COML MTG TR | | 271,338 | 269,341 |
| CWALT SER 2004-22CB CL 1A1 DTD | | 160,465 | 163,235 |
| CAPITAL AUTO RECEIVABLES ASSET | | 32,524 | 32,794 |
| CAPITAL AUTO RECEIVABLES ASSET | | 125,900 | 131,434 |
| CAPITAL ONE EXECUTION TR | | 271,283 | 279,315 |
| CITIFINANCIAL AUTO ISSUANCE TR | | 199,982 | 200,854 |
| COMMERCIAL MTG TR 2007-GG9 | | 186,391 | 200,724 |
| E TRADE RV & MRN TR SER 2004-1 | | 54,553 | 57,895 |
| FED HOME LN MTG CORP | | 57,501 | 58,372 |
| FED NATL MTG ASSN | | 435 | 300 |
| FED NATL MTG ASSN | | 154,161 | 169,020 |
| FED NATL MTG ASSN | | 229,928 | 245,058 |
| FED HOME LN MTG CORP | | 477,078 | 507,628 |
| FED HOME LN MTG CORP | | 99,127 | 109,328 |
| FED HOME LN MTG CORP | | 118,001 | 123,979 |
| FED NATL MTG ASSN | | 71,787 | 77,760 |
| FED NATL MTG ASSN | | 111,467 | 115,420 |
| FIRST HORIZON MTG PASSTHRU TR | | 124,027 | 112,459 |
| FORD CR AUTO OWNER TR 2009-B | | 219,918 | 223,679 |
| GMACM MTG LN TR SER 2005-AR3 C | | 40,087 | 40,139 |
| GOVT NATL MTG ASSN | | 8,247 | 16,473 |
| GOVT NATL MTG ASSN | | 296,435 | 295,865 |
| GOVT NATL MTG ASSN | | 4,926 | 13,725 |
| GOVT NATL MTG ASSN | | 143,080 | 153,397 |
| HONDA AUTO RECEIVABLES 2009-3 | | 274,953 | 279,686 |
| LB-UBS COML MTG TR | | 148,731 | 151,546 |

| Category / Item | Listed at Cost or FMV | Book Value | End of Year Fair Market Value |
|--------------------------------|-----------------------|------------|-------------------------------|
| LBUBS SER 2005-C2 CLASS A2 | | 106,710 | 106,178 |
| LEHMAN XS TR | | 299,953 | 209,748 |
| MASTR ASSET SECURITIZATION TR | | 222,059 | 227,398 |
| MERCEDES BENZ AUTO RECVBLS | | 199,962 | 200,058 |
| MORGAN STANLEY MTG LN TR | | 199,461 | 116,222 |
| RESIDENTIAL ASSET MTG PRODS IN | | 182,949 | 182,698 |
| RESIDENTIAL FDG MTG SECS II IN | | 32,651 | 29,055 |
| STRUCTURED ASSET SECS CORP | | 63,500 | 50,223 |
| STRUCTURED ASSET SECS CORP | | 120,930 | 100,627 |
| VOLKSWAGEN CR AUTO MASTER TR | | 206,281 | 208,956 |
| WAMU MTG P-T CTFS SER | | 135,902 | 117,302 |
| WORLD OMNI AUTO LEASE SECS | | 344,968 | 347,287 |
| FANNIE MAE DTD 02/05/2009 | | 686,840 | 691,031 |
| FANNIE MAE DTD 3/28/2003 | | 730,856 | 727,313 |
| FANNIE MAE DTD 08/15/2008 | | 707,069 | 699,894 |
| FANNIE MAE DTD 10/18/2007 | | 493,092 | 486,563 |
| FANNIE MAE DTD 06/08/2007 | | 506,160 | 502,313 |
| FHLB DTD 11/01/2006 | | 486,537 | 477,284 |
| FREDDIE MAC DTD 7/16/2004 | | 754,764 | 747,351 |

TY 2009 Land, Etc. Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Category / Item | Cost / Other Basis | Accumulated Depreciation | Book Value | End of Year Fair Market Value |
|--------------------|-----------------------|-----------------------------|---------------|----------------------------------|
|--------------------|-----------------------|-----------------------------|---------------|----------------------------------|

TY 2009 Legal Fees Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------------|--------|--------------------------|------------------------|---|
| LEGAL CONSULTING FEES | 66,562 | 6,656 | 6,656 | 59,906 |

TY 2009 Other Assets Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Description | Beginning of Year - Book Value | End of Year - Book Value | End of Year - Fair Market Value |
|----------------|-----------------------------------|-----------------------------|------------------------------------|
| ART COLLECTION | 152,057 | 152,056 | 417,060 |

TY 2009 Other Expenses Schedule**Name:** Liberty Fund Inc**EIN:** 35-1320021

| Description | Revenue and Expenses per Books | Net Invest ment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|--------------------------------|-----------------------------------|---------------------------|---------------------|--|
| EDUCATIONAL MATERIALS | 122,155 | 12,215 | 12,215 | 109,940 |
| INSURANCE | 121,133 | 152 | 152 | 120,981 |
| MISCELLANEOUS | 41,811 | 53 | 53 | 41,758 |
| EQUIPMENT LEASING | 32,353 | 485 | 485 | 31,868 |
| ADMINISTRATIVE EXPENSES | 400,470 | 7 | 7 | 400,463 |
| PASS THRU P'SHIP PORTFOLIO DED | 0 | 1,228,282 | 1,228,282 | 0 |

TY 2009 Other Income Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Description | Revenue And Expenses Per Books | Net Invest ment Income | Adjusted Net Income |
|---------------------------------|-----------------------------------|---------------------------|---------------------|
| Book & Film Sales | 563,659 | | 563,659 |
| PASS THROUGH PARTNERSHIP INCOME | 0 | 3,447,465 | 3,447,465 |

TY 2009 Other Liabilities Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Description | Beginning of Year - Book Value | End of Year - Book Value |
|-------------------|--------------------------------|--------------------------|
| OTHER LIABILITIES | 8,283 | 17,192 |

TY 2009 Other Professional Fees Schedule**Name:** Liberty Fund Inc**EIN:** 35-1320021

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-------------------------------|---------------|----------------------------------|--------------------------------|--|
| INVESTMENT MANAGEMENT FEES | 1,260,543 | 1,260,543 | 1,260,543 | 0 |
| CONFERENCE FEES | 3,563,535 | | | 3,563,535 |
| RESIDENT SCHOLARS | 219,833 | | | 219,833 |
| WEBSITE DEVELOPMENT FEES | 241,665 | | | 241,665 |
| OTHER PROFESSIONAL FEES | 503,510 | 203 | 203 | 503,307 |

TY 2009 Taxes Schedule

Name: Liberty Fund Inc

EIN: 35-1320021

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|--------------------|--------|--------------------------|------------------------|---|
| FOREIGN TAXES PAID | 0 | 35,054 | 35,054 | |

TY 2009
TransfersFrmControlledEntities

Name: Liberty Fund Inc
EIN: 35-1320021

| Name | US / Foreign Address | EIN | Description | Amount |
|--|---|------------|--------------------|--------|
| Pierre F and Enid Goodrich Foundation | 8335 Allison Pointe Trail Suite 30 Indianapolis, IN 46250 | 35-6056960 | Operating Expenses | 99,150 |
| Total | | | | 99,150 |