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

OMB No 1545-0052

Form **990-PF**

2009

Department of the Treasury
Internal Revenue Service

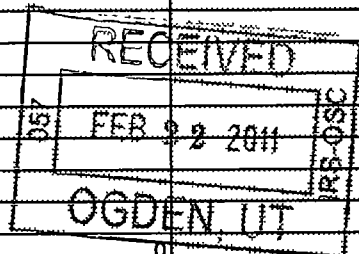
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning **10/01/09**, and ending **09/30/10**

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 JEPHSON EDUCATIONAL TRUST #2 C/O JPMORGAN SERVICES INC		A Employer identification number 13-6777236
	Number and street (or P O box number if mail is not delivered to street address) Room/suite PO BOX 6089		B Telephone number (see page 10 of the instructions) 212-464-2441
	City or town, state, and ZIP code NEWARK DE 19714		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) \$ 10,727,510		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	259,823	259,823		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-201,160			
b	Gross sales price for all assets on line 6a 1,604,959				
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 & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 1	8,790			
12	Total. Add lines 1 through 11	67,453	259,823	0	
13	Compensation of officers, directors, trustees, etc	119,275	39,360		79,915
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) STMT 2	2,544	2,544		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 3	120			120
24	Total operating and administrative expenses. Add lines 13 through 23	121,939	41,904		80,035
25	Contributions, gifts, grants paid	406,000			406,000
26	Total expenses and disbursements. Add lines 24 and 25	527,939	41,904	0	486,035
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-460,486			
b	Net investment income (if negative, enter -0-)		217,919		
c	Adjusted net income (if negative, enter -0-)			0	



ENVELOPE DATE FEB 16 2011

SCANNED MAR 01 2011 Operating and Administrative Expenses

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	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	547,311	86,867	86,867
	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 (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (att. schedule) ▶ 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 (attach schedule)			
	b	Investments—corporate stock (attach schedule) SEE STMT 4	5,167,648	4,944,687	5,545,704
	c	Investments—corporate bonds (attach schedule) SEE STMT 5	4,122,705	4,278,104	4,514,638
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch.) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) SEE STATEMENT 6	458,880	526,400	580,301
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch.) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item 1)	10,296,544	9,836,058	10,727,510	
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 (attach schedule)			
	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 ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> 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	10,296,544	9,836,058		
30	Total net assets or fund balances (see page 17 of the instructions)	10,296,544	9,836,058		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	10,296,544	9,836,058		

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	10,296,544
2	Enter amount from Part I, line 27a	2	-460,486
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	9,836,058
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	9,836,058

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED	P		
b	SEE ATTACHED	P		
c	LTCG DISTRIBUTIONS			
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	204,003	198,574	5,429	
b	1,400,891	1,607,545	-206,654	
c	65		65	
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				5,429
b				-206,654
c				65
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	-201,160	
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	5,429	

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	546,131	9,287,853	0.058801
2007	520,041	11,118,521	0.046772
2006	490,923	11,772,031	0.041702
2005	643,358	11,043,974	0.058254
2004	521,693	11,048,206	0.047220
2	Total of line 1, column (d)	2	0.252749
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	0.050550
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	10,330,768
5	Multiply line 4 by line 3	5	522,220
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,179
7	Add lines 5 and 6	7	524,399
8	Enter qualifying distributions from Part XII, line 4 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	8	486,035

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 type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	4,358
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	4,358
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	4,358
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,856
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	2,856
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	1,502
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 type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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		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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ JPMORGAN SERVICES INC PO BOX 6089 Located at ▶ NEWARK, DE	Telephone no ▶ 302-634-2931 ZIP+4 ▶ 19714		
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	▶ <input type="checkbox"/>

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	X
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? N/A	1c	
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) 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 ▶ 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

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)? 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** Yes No **X**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
JPMORGANCHASE BANK 345 PARK AVE NEW YORK NY 10154	TRUSTEE 22.00	88,159	0	0
ROBERT D. TAISEY, ESQ 195 BROADWAY NEW YORK NY 10007	CO-TRUSTEE 5.00	15,558	0	0
JOHN F PARKIN 122 HILLCROFT WAY NEWTON PA 18940	CO-TRUSTEE 5.00	15,558	0	0

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
NONE				

Total number of other employees paid over \$50,000

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
NONE		

Total number of others receiving over \$50,000 for professional services ▶

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 (see page 24 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 N/A	
2	
3 All other program-related investments See page 24 of the instructions	

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	10,098,100
b	Average of monthly cash balances	1b	389,989
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	10,488,089
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	10,488,089
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	157,321
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	10,330,768
6	Minimum investment return. Enter 5% of line 5	6	516,538

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	516,538
2a	Tax on investment income for 2009 from Part VI, line 5	2a	4,358
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	4,358
3	Distributable amount before adjustments Subtract line 2c from line 1	3	512,180
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	512,180
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	512,180

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	486,035
b	Program-related investments—total from Part IX-B	1b	
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	486,035
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	486,035

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				512,180
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			423,923	
b Total for prior years 20____, 20____, 20____				
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 ▶ \$ 486,035				
a Applied to 2008, but not more than line 2a			423,923	
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				62,112
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				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				450,068
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 XIV Private 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 ▶

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 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))
N/A

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
N/A

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
N/A

b The form in which applications should be submitted and information and materials they should include
N/A

c Any submission deadlines
N/A

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED				406,000
Total			▶ 3a	406,000
b Approved for future payment N/A				
Total			▶ 3b	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
FEDERAL REFUND	\$ 8,790	\$	\$
TOTAL	<u>\$ 8,790</u>	<u>\$ 0</u>	<u>\$ 0</u>

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAX WITHHELD	\$ 2,544	\$ 2,544	\$	\$
TOTAL	<u>\$ 2,544</u>	<u>\$ 2,544</u>	<u>\$ 0</u>	<u>\$ 0</u>

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
NYAG FILING FEE	120			120
ADVERTISING NEW YORK LAW JOUR	120			
TOTAL	<u>\$ 240</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 120</u>

13-6777236

Federal Statements

FYE: 9/30/2010

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
SEE ATTACHED	\$ 5,167,648	\$ 4,944,687		\$ 5,545,704
TOTAL	<u>\$ 5,167,648</u>	<u>\$ 4,944,687</u>		<u>\$ 5,545,704</u>

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
SEE ATTACHED	\$ 4,122,705	\$ 4,278,104		\$ 4,514,638
TOTAL	<u>\$ 4,122,705</u>	<u>\$ 4,278,104</u>		<u>\$ 4,514,638</u>

Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
OTHER ASSETS	\$ 458,880	\$ 526,400		\$ 580,301
TOTAL	<u>\$ 458,880</u>	<u>\$ 526,400</u>		<u>\$ 580,301</u>

JEPHSON EDUCATIONAL TRUST #2

EIN 13-6777236

SCHEDULE OF GRANTS PAID FOR FISCAL YEAR ENDED 9/30/2010

DATE PAID	AMOUNT	RECIPIENT	RELATIONSHIP	STATUS	PURPOSE
5/20/2010	\$ 15,000.00	PAID ALICE LLOYD COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 15,000.00	PAID AMERICAN COMPOSERS ORCHESTRA	NONE	PUBLIC	GENERAL
5/20/2010	\$ 7,500.00	PAID THE BACH CHOIR OF BETHLEHEM	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID BELLEVUE UNIVERSITY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID BELMONT UNIVERSITY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID BLUE ROCK SCHOOL	NONE	PUBLIC	GENERAL
5/20/2010	\$ 35,000.00	PAID THE BOSTON CONSERVATORY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID CAMPHILL SPECIAL SCHOOL	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID CARNEGIE HALL FOUNDATION	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID CAZENOVIA COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 7,500.00	PAID CHAMPLAIN COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID CLARKE SCHOOL FOR THE DEAF	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID CUMBERLAND COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID THE CURTIS INSTITUTE OF MUSIC	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID DE LA SALLE ACADEMY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID ELMHURST COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID COLGATE UNIVERSITY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 2,500.00	PAID JBI INTERNATIONAL, INC	NONE	PUBLIC	GENERAL
5/20/2010	\$ 12,000.00	PAID LONG TRAIL SCHOOL, INC.	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID MANHATTAN SCHOOL OF MUSIC	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID METROPOLITAN MUSEUM OF ART	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID GRATZ COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID MIDLAND ADULT SERVICES, INC.	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID MUSEUM OF MODERN ART	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID NAUMBURG ORCHESTRAL CONCERTS, I	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID MANNES COLLEGE THE NEW SCHOOL F	NONE	PUBLIC	GENERAL
5/20/2010	\$ 25,000.00	PAID METROPOLITAN OPERA ASSOCIATION,	NONE	PUBLIC	GENERAL
5/20/2010	\$ 20,000.00	PAID NEW YORK PHILHARMONIC	NONE	PUBLIC	GENERAL
5/20/2010	\$ 8,000.00	PAID THE NEW YORK PUBLIC LIBRARY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID NEW YORK YOUTH SYMPHONY, INC.	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID NORTH CAROLINA SCHOOL OF THE AR	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID THE SEEING EYE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID ST LUKE'S CHAMBER ENSEMBLE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 10,000.00	PAID THIRD STREET MUSIC SCHOOL SETTL	NONE	PUBLIC	GENERAL
5/20/2010	\$ 20,000.00	PAID CORNELL LAW SCHOOL	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID PEABODY INSTITUTE OF THE JOHNS	NONE	PUBLIC	GENERAL
5/20/2010	\$ 5,000.00	PAID PREP FOR PREP	NONE	PUBLIC	GENERAL
5/20/2010	\$ 15,000.00	PAID RECORDING FOR THE BLIND & DYSLE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 6,000.00	PAID ROCHESTER INSTITUTE OF TECHNOLO	NONE	PUBLIC	GENERAL
5/20/2010	\$ 2,500.00	PAID THE ROCKEFELLER UNIVERSITY	NONE	PUBLIC	GENERAL
5/20/2010	\$ 25,000.00	PAID ELMIRA COLLEGE	NONE	PUBLIC	GENERAL
5/20/2010	\$ 25,000.00	PAID KEUKA COLLEGE	NONE	PUBLIC	GENERAL
TOTAL	\$ 406,000.00				

TRUST YEAR ENDING 09/30/2010

TAX PREPARER JR6
 TRUST ADMINISTRATOR MAG
 INVESTMENT OFFICER- CNA

LEGEND F - FEDERAL S - STATE I - INHERITED
 E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
90000 0000 BARCLAYS BREN S&P GSCI AG 5/27/11 - 06739JCB7						
SOLD		08/11/2010	94050 00			
ACQ 90000 0000		05/18/2009	94050.00	88650 00	5400 00	LT15
0000 CARDINAL HLTH INC - 14149Y108 - MINOR = 31000						
SOLD		10/26/2009	2213 76			
ACQ 0000			2213 76	0 00	2213 76	LT15
CHANGED 12/15/09 AW4						
100000.0000 CREDIT SUISSE BREN SPX 10/08/09 - 22546EDZ4						
SOLD		10/08/2009	92304 00			
ACQ 100000 0000		09/19/2008	92304 00	99000 00	-6696 00	LT15
50000 0000 CREDIT SUISSE BREN SPX 4/28/10 - 22546EHE7						
SOLD		04/28/2010	62105 00			
ACQ 50000.0000		04/16/2009	62105 00	49500 00	12605 00	LT15
6914 8940 DODGE & INTERNATIONAL STOCK FUND - 256206103 - MINOR = 08010						
SOLD		06/22/2010	208000 00			
ACQ 3806.4080		05/06/2009	114496.75	92952 48	21544 27	LT15
3108 4860		10/09/2009	93503 25	100000.00	-6496 75	ST
0000 ENRON CORP - 293561106 - MINOR = 31001						
SOLD		03/24/2010	1988 43			
ACQ 0000			1988 43	0 00	1988.43	LT15
6589 1470 IVY GLOBAL NATURAL RESOURCE-I - 465899508 - MINOR = 65						
SOLD		06/22/2010	110500 00			
ACQ 6589.1470		07/01/2009	110500 00	98573.64	11926 36	ST
15699 6710 JPMORGAN INTREPID INTERNATIONAL FUND - 4812A2215 - MINOR = 08010						
SOLD		05/17/2010	226860 25			
ACQ 12145.7490		08/29/2007	175506 08	300000 00	-124493 92	LT15
3553 9220		12/06/2007	51354 17	94925 26	-43571 09	LT15
13452 9150 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030						
SOLD		10/09/2009	150000 00			
ACQ 13452 9150		11/22/2004	150000.00	149710 49	289 51	LT15
12734 5840 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030						
SOLD		03/25/2010	142500 00			
ACQ 12734 5840		11/22/2004	142500 00	141716.56	783 44	LT15
8731 6180 JPMORGAN SHORT DURATION BOND FUND - 4812C1330 - MINOR = 08030						
SOLD		03/25/2010	95000 00			
ACQ 8731 6180		09/05/2008	95000 00	92817 10	2182 90	LT15
6138 7350 MANNING & NAPIER FUND INC - 563821602 - MINOR = 65						
SOLD		10/09/2009	100000 00			
ACQ 6138 7350		05/05/2008	100000 00	114671 57	-14671.57	LT15
5417 1180 MATTHEWS INTERNATIONAL FUNDS - 577130107 - MINOR = 08010						
SOLD		10/09/2009	100000 00			
ACQ 5417.1180		06/02/2006	100000 00	109371 61	-9371.61	LT15
50000 0000 MORGAN STANLEY ARN SPX 8/10/10 - 617446P78						
SOLD		08/10/2010	42869 95			
ACQ 50000 0000		07/27/2007	42869 95	49230 00	-6360 05	LT15
3888.6970 THIRD AVENUE FUND INC - 884116104 - MINOR = 08010						
SOLD		09/07/2010	176469 07			
ACQ 3888 6970		05/05/2008	176469 07	225000 00	-48530 93	LT15
0000 TIME WARNER INC - 887317105 - MINOR = 31000						
SOLD		04/12/2010	33 10			
ACQ 0000			33 10	0 00	33 10	LT15
TOTALS			1604893 56	1806118 71		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	5429 61	0 00	-206654 76	0 00	0 00	0.00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	65 20			0 00
	5429 61	0 00	-206589 56	0 00	0 00	0 00
STATE						
SUBTOTAL FROM ABOVE	5429 61	0 00	-206654 76	0 00	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	65 20			0 00
	5429 61	0 00	-206589 56	0 00	0 00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

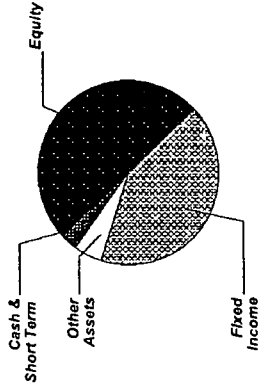
FEDERAL	0 00	0 00
NEW YORK	N/A	N/A

Account Summary

PRINCIPAL

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	5,094,717 03	5,545,703 75	450,986 72	71,542 97	52%
Cash & Short Term	147,778 14	55,247 21	(92,530 93)	27 62	1%
Fixed Income	4,492,336 95	4,514,637 85	22,300 90	172,646 05	42%
Other Assets	456,684 44	580,301 04	123,616 60	10,895 95	5%
Market Value	\$10,191,516.56	\$10,695,889.85	\$504,373.29	\$255,112.59	100%

Asset Allocation



INCOME

Cash Position	Beginning Market Value	Ending Market Value	Change In Value
Cash Balance	24,220 35	31,619 68	7,399 33
Accruals	10,639 75	10,582 46	(57 29)
Market Value	\$34,860.10	\$42,202.14	\$7,342.04

J.P.Morgan

JEPHSON ED. TR#2 ACCT P62441004
For the Period 9/1/10 to 9/30/10

Account Summary CONTINUED

	PRINCIPAL		INCOME	
	Current Period Value	Year-to-Date Value	Current Period Value	Year-to-Date Value
Portfolio Activity				
Beginning Market Value	10,191,516.56	10,233,776.27	24,220.35	50,853.41
Additions		8,790.00		
Withdrawals & Fees		(248,881.36)	(9,967.22)	(276,512.67)
Net Additions/Withdrawals	\$0.00	(\$240,091.36)	(\$9,967.22)	(\$276,512.67)
Income			17,366.55	257,278.94
Change in Investment Value	504,373.29	702,204.94	\$31,619.68	\$31,619.68
Ending Market Value	\$10,695,889.85	\$10,695,889.85	10,582.46	10,582.46
Accruals	--	--	\$42,202.14	\$42,202.14
Market Value with Accruals	--	--		

J.P.Morgan

JEPHSON ED. TR#2 ACCT. P62441004
For the Period 9/1/10 to 9/30/10

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	17,361 38	256,841 14
Interest Income	5 17	437 80
Taxable Income	\$17,366.55	\$257,278.94

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions		65 20
ST Realized Gain/Loss		5,429 61
LT Realized Gain/Loss	(48,530 93)	(206,654 76)
Realized Gain/Loss	(\$48,530.93)	(\$201,159.95)

	To-Date Value
Unrealized Gain/Loss	\$891,452.45

Cost Summary	Cost
Equity	4,944,686 99
Cash & Short Term	55,247 21
Fixed Income	4,278,103 20
Other Assets	526,400 00
Total	\$9,804,437 40

J.P.Morgan

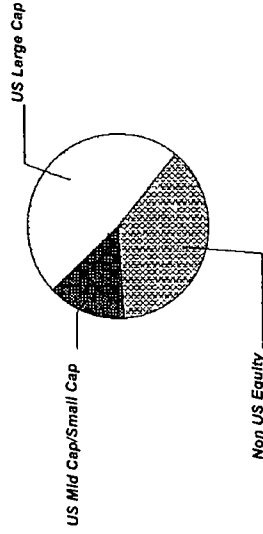
JEPHSON ED. TR#2 ACCT P62441004
For the Period 9/1/10 to 9/30/10

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap	2,440,015 55	2,647,997 81	207,982 26	25%
US Mid Cap/Small Cap	726,430 14	774,602 90	48,172 76	7%
Non US Equity	1,928,271 34	2,123,103 04	194,831 70	20%
Total Value	\$5,094,717.03	\$5,545,703.75	\$450,986.72	52%

Market Value/Cost	Current Period Value
Market Value	5,545,703 75
Tax Cost	4,944,686 99
Unrealized Gain/Loss	601,016 76
Estimated Annual Income	71,542 97
Yield	1 29%

Asset Categories



Equity Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
EATON VANCE SPL INVT TR	13,931 889	16 64	231,826 63	180,000 00	51,826 63	3,037 15	1 31 %
VALUE FD CL I							
277905-64-2 EILV X							

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
FMI FDS INC LARGE CAP FD 302933-20-5 FMIH X	35,491,906	14.46	513,212.96	462,500.00	50,712.96	6,069.11	1.18%
HARTFORD CAPITAL APPRECIATION FUND							
416649-30-9 ITHI X	3,674,969	30.88	113,483.04	90,000.00	23,483.04	1,576.56	1.39%
IVY LARGE CAP GROWTH FUND - I							
466001-20-3 YGI X	19,065,653	11.93	227,453.24	203,000.00	24,453.24	1,334.59	0.59%
JPMORGAN INTREPID AMERICA FUND							
SELECT SHARE CLASS FUND 1206 4812A2-10-8 JPIA X	12,194,143	20.67	252,052.94	307,662.65	(55,609.71)	7,060.40	2.80%
MANNING & NAPIER FUND INC							
EQUITY SERIES 563821-60-2 EXEY X	20,627,860	17.23	355,418.03	385,328.42	(29,910.39)	330.04	0.09%
SPDR S&P 500 ETF TRUST							
78462F-10-3 SPY	6,776,000	114.13	773,344.88	750,616.79	22,728.09	14,934.30	1.93%
THORNBURG VALUE FUND							
FD CL I 885215-63-2 TVIF X	5,854,801	30.95	181,206.09	175,000.00	6,206.09	1,727.16	0.95%
Total US Large Cap	117,617,221		\$2,647,997.81	\$2,554,107.86	\$93,889.95	\$36,069.31	1.36%
US Mid Cap/Small Cap							
ISHARES RUSSELL MIDCAP INDEX FUND 464287-49-9 IWR	3,405,000	90.37	307,709.85	238,270.47	69,439.38	4,828.29	1.57%

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Mid Cap/Small Cap							
ISHARES RUSSELL 2000 INDEX FUND 464287-65-5 IWM	1,740,000	67.50	117,450.00	92,017.64	25,432.36	1,374.60	1.17%
JPMORGAN MID CAP VALUE FUND SELECT SHARE CLASS (FUND 1100)	4,079,245	21.03	85,786.52	88,764.38	(2,977.86)	693.47	0.81%
339183-10-5 JMVS X							
JPMORGAN TR I HIGHBRIDGE STATISTICAL MARKET NEUTRAL FUND SELECT SHARES FUND # 1011 4812A2-43-9 HSKS X	17,232,453	15.30	263,656.53	276,139.23	(12,482.70)	568.67	0.22%
Total US Mid Cap/Small Cap	26,456,698		\$774,602.90	\$695,191.72	\$79,411.18	\$7,465.03	0.96%
Non US Equity							
ARTIO INTERNATIONAL EQUITY II - I 04315J-83-7 JETI X	29,701,148	11.94	354,631.71	500,000.00	(145,368.29)	17,196.96	4.85%
ARTISAN INTL VALUE FUND - INV 04314H-88-1 ARTK X	10,079,929	24.74	249,377.44	227,000.00	22,377.44	4,273.88	1.71%
DODGE & COX INTERNATIONAL STOCK 256206-10-3 DODF X	186,221	33.54	6,245.85	4,547.52	1,698.33	81.19	1.30%
IVY GLOBAL NATURAL RESOURCE-I 465899-50-8 IGNI X	95,345	18.13	1,728.60	1,426.36	302.24	4.19	0.24%

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
Non US Equity							
JPMORGAN ASIA EQUITY FUND SELECT SHARE CLASS FUND 1134 4812A0-70-6 JPAS X	11,656,049	35.56	414,489.10	320,098.09	94,391.01	1,340.44	0.32%
MATTHEWS PACIFIC TIGER FD 577130-10-7 MAPT X	20,258,470	23.07	467,362.90	280,628.39	186,734.51	2,957.73	0.63%
NUVEEN NWQ VALUE OPPORTUNITIES FUND 67064Y-63-6 NVOR X	18,896,920	33.30	629,267.44	361,687.05	267,580.39	2,154.24	0.34%
Total Non US Equity	90,874,082		\$2,123,103.04	\$1,695,387.41	\$427,715.63	\$28,008.63	1.32%

J.P.Morgan

JEPHSON ED. TR#2 ACCT P62441004
For the Period 9/1/10 to 9/30/10

Cash & Short Term Summary*

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	147,778.14	55,247.21	(92,530.93)	1%

Asset Categories



Cash & Short Term

*Includes Principal balances only

Market Value/Cost

	Current Period Value
Market Value	55,247.21
Tax Cost	55,247.21
Estimated Annual Income	27.62
Accrued Interest	4.54
Yield	0.05%

Note ¹ This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

Cash & Short Term Detail

Cash	Quantity	Price	Market Value	Tax Cost		Unrealized Gain/Loss	Estimated Annual Income	Yield
				Adjusted	Original			
US DOLLAR PRINCIPAL	55,247.21	1.00	55,247.21	55,247.21	55,247.21	27.62	0.05% ¹	4.54

Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Fixed Income - Taxable	4,492,336.95	4,514,637.85	22,300.90	42%

Asset Categories



Market Value/Cost	Current Period Value
Market Value	4,514,637.85
Tax Cost	4,278,103.20
Unrealized Gain/Loss	236,534.65
Estimated Annual Income	172,646.05
Accrued Interest	10,577.92
Yield	3.82%

SUMMARY BY MATURITY

Fixed Income	Market Value	% of Bond Portfolio
Less than 5 years ¹	4,514,637.85	100%

SUMMARY BY TYPE

Fixed Income	Market Value	% of Bond Portfolio
Mutual Funds	4,514,637.85	100%

¹ The years indicate the number of years until the bond is scheduled to mature based on the statement end date. Some bonds may be called, or paid in full, before their stated maturity.

J.P.Morgan

JEPHSON ED. TR#2 ACCT P62441004
For the Period 9/1/10 to 9/30/10

Fixed Income Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
JPMORGAN STRATEGIC INCOME OPPORTUNITIES FUND 3844							
30-Day Annualized Yield 3.34%							
4812A4-35-1	18,626.510	11.72	218,302.70	215,000.00	3,302.70	8,884.84 596.05	4.07%
JPMORGAN CORE BOND FUND SELECT SHARE CLASS							
FUND 3720	134,937.881	11.67	1,574,725.07	1,501,043.47	73,681.60	64,905.12 4,857.76	4.12%
30-Day Annualized Yield 3.24%							
4812C0-38-1							
JPMORGAN HIGH YIELD BOND FUND SELECT CLASS							
FUND 3580	57,657.751	8.04	463,568.32	440,000.00	23,568.32	41,225.29 2,940.55	8.89%
30-Day Annualized Yield 7.26%							
4812C0-80-3							
JPMORGAN SHORT DURATION BOND FUND SELECT CLASS							
FUND 3133	145,570.804	11.04	1,607,101.68	1,547,417.64	59,684.04	34,936.99 2,183.56	2.17%
30-Day Annualized Yield 1.14%							
4812C1-33-0							
VANGUARD FIXED INCOME SECS F INTR TRM CP PT (FUND 71)							
922031-88-5	29,691.211	10.39	308,491.68	250,000.00	58,491.68	14,222.09	4.61%

J.P.Morgan

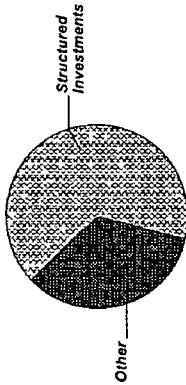
JEPHSON ED. TR#2 ACCT P62441004
For the Period 9/1/10 to 9/30/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
ISHARES BARCLAYS TIPS BOND FUND 464287-17-6	3,140,000	109.06	342,448.40	324,642.09	17,806.31	8,471.72	2.47%
Total US Fixed Income - Taxable	389,624.157		\$4,514,637.85	\$4,278,103.20	\$236,534.65	\$172,646.05 \$10,577.92	3.82%

Other Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Structured Investments	355,575 20	385,380 30	29,805 10	3%
Other	101,109 24	194,920 74	93,811 50	2%
Total Value	\$456,684.44	\$580,301.04	\$123,616.60	5%

Asset Categories



Market Value/Cost	Current Period Value
Estimated Value	580,301.04
Tax Cost	526,400.00
Estimated Gain/Loss	53,901.04
Estimated Annual Income	10,895.95
Yield	1.88%

Other Assets Detail

Structured Investments	Quantity	Price	Estimated Value	Cost Adjusted Original	Estimated Gain/Loss	Accruals
BARC SPX BREN 10/27/10 (10%BUFF -2XLEV-8 21%CAP-16 42%MXPYMT) INITIAL LEVEL-SPX 10/09/09 1071 49 06739J-YQ-0	100,000 000	111 65	111,650 00	99,000 00	12,650 00	

	Quantity	Price	Estimated Value	Cost Adjusted Original	Estimated Gain/Loss	Accruals
Structured Investments						
DEUTSCHE BK ARN SPX 10/13/11 (90/100/100-10%BUFFER-11 1%PYMT) INITIAL LEVEL-SPX 9/26/08 1213 27 2515A0-SS-3	75,000,000	104.05	78,037.50	73,500.00	4,537.50	
GS SPX BREN 06/10/11 (10%BUFF -2XLEV-7 96%CAP-15 92%MXPYMT) INITIAL LEVEL-SPX 05/21/10 1087 69 38143U-JP-7	60,000,000	105.74	63,442.80	59,400.00	4,042.80	
HSBC MKT PLUS SPX 10/15/10 (70% CONTIN BARRIER-3 5%PMT-) INITIAL LEVEL-SPX 04/15/09 856 56 4042K0-WN-1	100,000,000	132.25	132,250.00	99,000.00	33,250.00	
Total Structured Investments	335,000,000		\$385,380.30	\$330,900.00	\$54,480.30	
Other						
EATON VANCE MUT FDS TR GLOBAL MACRO - I 277923-72-8 EIGM X	18,851,135	10.34	194,920.74	195,500.00	(579.26)	