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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2009

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

12/01, 2009, and ending

11/30, 2010

G Check all that apply

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

RAETHER 1985 CHARITABLE TRUST

A Employer identification number

13-6855420

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

C/O KOHLBERG KRAVIS ROBERTS & CO.

9 WEST 57TH STREET

4200

City or town, state, and ZIP code

NEW YORK, NY 10019

B Telephone number (see page 10 of the instructions)

() -

C If exemption application is
pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the
85% test, check here and attach
computation ☐E If private foundation status was terminated
under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end

J Accounting method ☒ Cash ☐ Accrual

of year (from Part II, col (c), line

☐ Other (specify)

16) \$ 34,693,686.

(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)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments	32,486.	257,216.	0.	
4 Dividends and interest from securities	651,759.	326,258.	0.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	1,195,641.			
b Gross sales price for all assets on line 6a 8,538,411.				
7 Capital gain net income (from Part IV, line 2)		8,297,851.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	-276,352.	-41,969.	0.	ATCH 1
12 Total Add lines 1 through 11	1,603,534.	8,839,356.	0.	
13 Compensation of officers, directors, trustees, etc	38,314.	0.	0.	0.
14 Other employee salaries and wages				
15 Pension plans employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) ATCH 2	121,000.	5,500.	0.	115,500.
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) * *	182,623.	1,981.	0.	0.
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 4	1,025.	212,809.	0.	1,025.
24 Total operating and administrative expenses. Add lines 13 through 23	342,962.	220,290.	0.	116,525.
25 Contributions, gifts, grants paid	7,318,001.			7,318,001.
26 Total expenses and disbursements Add lines 24 and 25	7,660,963.	220,290.	0.	7,434,526.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-6,057,429.			
b Net investment income (if negative, enter -0-)		8,619,066.		
c Adjusted net income (if negative, enter -0-)			-00.	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

JSA ** ATCH 3

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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	4,824,666.	4,866,331.	4,866,331.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) <u>ATCH 5</u>	19,973,489.	9,366,641.	8,139,959.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶ <u>ATCH 6</u>)	18,748,014.	23,255,768.	21,687,396.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	43,546,169.	37,488,740.	34,693,686.	
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)			
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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	43,546,169.	37,488,740.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 Total net assets or fund balances (see page 17 of the instructions)	43,546,169.	37,488,740.	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	43,546,169.	37,488,740.	

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	43,546,169.
2 Enter amount from Part I, line 27a	2	-6,057,429.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	37,488,740.
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	37,488,740.

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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 PART IV SCHEDULE				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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			
b			
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	8,297,851.
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	

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	6,428,570.	17,234,404.	0.373008
2007	2,758,177.	30,063,538.	0.091745
2006	7,396,666.	33,583,401.	0.220248
2005	6,368,121.	29,601,396.	0.215129
2004	999,364.	22,679,872.	0.044064
2 Total of line 1, column (d)		2	0.944194
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	0.188839
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5		4	36,573,870.
5 Multiply line 4 by line 3		5	6,906,573.
6 Enter 1% of net investment income (1% of Part I, line 27b)		6	86,191.
7 Add lines 5 and 6		7	6,992,764.
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	7,434,526.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1 a 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 ruling letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	86,191.
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	86,191.
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	86,191.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a 90,000.		
b Exempt foreign organizations-tax withheld at source	6b 0.		
c Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	90,000.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	3,809.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input checked="" type="checkbox"/> 3,809 Refunded <input type="checkbox"/>		11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
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)? 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		X
c Did the foundation file Form 1120-POL for this year?		X
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"/> \$ (2) On foundation managers <input checked="" type="checkbox"/> \$		
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"/> \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> NY		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses ATTACHMENT 7	X	

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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?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ PAUL E. RAETHER Telephone no ▶ 212-750-8300			
	Located at ▶ C/O KKR & CO. 9 WEST 57TH STREET NEW YORK, NY ZIP + 4 ▶ 10019			
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			

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 type="checkbox"/> Yes	<input checked="" 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)?	1b	N/A
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ▶		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 20 of the instructions)	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<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)	3b	N/A
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

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? ☐ Yes ☒ No **5b** N/A

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 **6b** X

If "Yes" to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b** X

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
PAUL E. RAETHER 56 HARBOR DRIVE; GREENWICH, CT 06830	TRUSTEE	0.	0.	0.
WENDY S. RAETHER 56 HARBOR DRIVE; GREENWICH, CT 06830	TRUSTEE	0.	0.	0.
HOLLY WERNER P.O. BOX 1127; DARIEN, CT 06830	TRUSTEE	38,314.	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 NONE

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 NONE	
2	
3	
4	

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 NONE	
Total. Add lines 1 through 3	

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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	10,087,506.
b	Average of monthly cash balances	1b	6,736,946.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	20,306,380.
d	Total (add lines 1a, b, and c)	1d	37,130,832.
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	37,130,832.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	556,962.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	36,573,870.
6	Minimum investment return. Enter 5% of line 5	6	1,828,694.

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	1,828,694.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	86,191.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	86,191.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,742,503.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,742,503.
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	1,742,503.

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	7,434,526.
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	0.
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	7,434,526.
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	86,191.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,348,335.

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				1,742,503.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years 20 07, 20 06, 20 05		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	4,964,711.			
f Total of lines 3a through e	4,964,711.			
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ 7,434,526.				
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)	7,434,526.			
d Applied to 2009 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	1,742,503.			1,742,503.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	10,656,734.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions		0.		
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				
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	10,656,734.			
10 Analysis of line 9				
a Excess from 2005	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	3,222,208.			
e Excess from 2009	7,434,526.			

** See Statement B

Form 990-PF (2009)

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

b Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year

Prior 3 years

(e) Total

(a) 2009

(b) 2008

(c) 2007

(d) 2006

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))

PAUL E. RAETHER

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

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 STATEMENT #9				7,318,001.
Total. ► 3a				7,318,001.
b Approved for future payment				
Total. ► 3b				

Form 990-PF (2009)

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			X
(2) Other assets			X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization			X
(2) Purchases of assets from a noncharitable exempt organization			X
(3) Rental of facilities, equipment, or other assets			X
(4) Reimbursement arrangements			X
(5) Loans or loan guarantees			X
(6) Performance of services or membership or fundraising solicitations			X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees			X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[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

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.

Sign Here

Signature of officer or trustee

Date _____

Title

Preparer's
signature

Date _____

Check if self-employed ►

Preparer's identifying
number (See Signature on
page 30 of the instructions)
P00848373

Firm's name (or yours if self-employed), address, and ZIP code

KKR FINANCIAL SERVICES COMPANY LLC
730 FIFTH AVENUE, 8TH FLOOR
NEW YORK, NY 10019

10019

FIN ► 26-0553248

Phone no 212-271-9933

Form 990-PF (2009)

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis	Gain or (loss)	
8,538,411.		TOTAL LONG-TERM COMMON TRUST FUND AND PARTNERSHIP, S CORPORATION, AND OTHER ESTATES OR TRUST GAIN OR LOSS				-236,008.	
		SEE SCHEDULE A PROPERTY TYPE: SECURITIES 4,552.				VARIOUS 8,533,859.	VARIOUS
		TOTAL GAIN(LOSS)				<u>8,297,851.</u>	

RAETHER 1985 CHARITABLE TRUST
CAPITAL GAINS & LOSSES
YEAR ENDED NOVEMBER 30, 2010

SHARES	STOCK	DATE ACQUIRED	DATE SOLD	TAX COST	PROCEEDS	TAX CAPITAL GAIN (LOSS)
247,000	Safeway, Inc.	VARIOUS	12/2/2009	3,097.18	5,612,934.85	5,609,837.67
132,000	Safeway, Inc. Calls expired 7/30/10	1/12/2010	7/30/2010	-	153,120.00	153,120.00
116,000	Safeway, Inc.	VARIOUS	10/29/2010	1,454.55	2,772,355.89	2,770,901.34
				<u>4,551.73</u>	<u>8,538,410.74</u>	<u>8,533,859.01</u>

Protective Statement & Waiver of the Period of Limitations Pursuant to U.S. Treasury Regulations 1.1295-3(c) to Preserve the Ability to Retroactively Elect Qualified Electing Fund Status

- (i) The taxpayer is filing this statement to preserve its ability to make a qualified electing fund ("QEF") election for a taxable year after the election's due date (a "retroactive" election).
- (ii) **Reasonable Belief Statement:** The U.S. Shareholder ("Shareholder") filing this Protective Statement ("Statement") reasonably believes that Far Eastern Hong Xin Co., Ltd (the "Company" or "FEH") should not be treated as a passive foreign investment company ("PFIC") for the tax year ended December 31, 2009.
- (iii) IRC Sec. 1297 defines a "PFIC" as any foreign corporation if (1) 75 percent of more of the gross income of such corporation for the taxable year is passive income, or (2) the average percentage of assets held by such corporation during the taxable year which produce passive income or which are held for the production of passive income is at least 50 percent. "Passive income" is any income which is of a kind which would be foreign personal holding company income under IRC Sec. 954(c) and legislative history. Further, IRC Sec. 1297(c) provides that, where a foreign corporation owns directly or indirectly at least 25 percent of the stock of another corporation, for purposes of determining whether such foreign corporation is a PFIC, such corporation shall be treated as if it (1) held its proportionate share of the assets of such other corporation, and (2) received directly its proportionate share of the income of such other corporation..
- (iv) The "active financing exception" of IRC Sec. 954(h) provides that income from a financing activity in which a foreign corporation is predominantly engaged and with respect to which it conducts substantial activity is active (and not passive) income. A foreign corporation is actively engaged if more than 70 percent of the gross income of the corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers in the foreign corporation who are not related persons. In determining if the corporation's activity is substantial, the overall size of the corporation, the amount of its revenues and expenses, the number of its employees, the ratio of its revenues per employee, the amount of property it owns, and the nature, size, and relative significance of the applicable activities it conducts are all taken into account.
- (v) The taxpayer owns an interest in a series of partnerships that, along with other investors, have a total indirect interest in preference shares of Fortune Ally Ltd. ("FAL") equal to 1.26 percent of the outstanding preference shares of FAL. FAL owns 100 percent of FEH. FEH owns 100 percent of International Far Eastern Leasing Company Limited ("FEL"), a China resident company engaged in lease financing in China. The taxpayer understands that FAL and FEH are holding companies and conduct little if any operations other than holding the shares of FEL.
- (vi) FEL is licensed to (a) negotiate and enter into finance leases for equipment and machinery with customers, (b) acquire goods under the terms of the leases, (c) sell lease assets, and (d) provide lease consulting and guarantee services. For the year ended December 31, 2008, FEL generated net profit of \$54.6 million on total assets of \$1.4 billion (computed under International Financial Reporting Standards ("IFRS")). FEL's business is almost wholly conducted within the People's Republic of China through its over 300 employees, and its China-based operations accounted for

98% of its receipts and 94% of its assets on December 31, 2008. As such, FEL is predominantly engage in a financing business and conducts substantial activity with respect to such business. Thus, the information available to the taxpayer indicates that FEL's income is active, meeting the requirements of the active financing exception described in (iv), above. Further, qualified tax services personnel analyzed available financial information with respect to FEL's activities in September, 2009 and concluded that FEL's operations met the these requirements. The taxpayer is filing this statement as it is unable to confirm that FEL has not materially changed its operations subsequent to September

- (vii) Under the look-through rule set forth in (ii), above, in determining if FEH is a PFIC, one looks through to the operations of FEL. Under this rule, because the taxpayer reasonably believes FEL has active income and active assets and is not a PFIC, the taxpayer reasonably believes that FEH is also not a PFIC.
- (viii) **Waiver of the Period of Limitations:** The taxpayer filing this Statement agrees to extend the periods of limitations on the assessment of all PFIC related taxes for the taxpayer's taxable year ended December 31, 2009 and any subsequent years to which this Statement applies, as provided in U.S. Treasury Regulations 1.1295-3(c)(4), and agrees to the restrictions as set forth in U.S. Treasury Regulations 1.1295-3(c)(4)(ii)(A).


(ix)

Shareholder's name:	(Your Name) Raether 1985 Charitable Trust
Shareholder's address:	(Your Address) 9 West 57th St NY NY 10019
Shareholder's TIN:	(Your TIN) 13-6855420
First taxable year Statement applies:	2009

Foreign corporation's name:	<i>Far Eastern Hong Xin Co., Ltd</i>
Foreign corporation's address:	<i>c/o International Far Eastern Leasing Co., Ltd, Rm 3502, Jin Mao Tower, 88 Century Boulevard, Pudong District, Shanghai, China</i>
Foreign corporation's TIN (if any):	FOREIGNUS

As noted above, the taxpayer holds an indirect investment in FAL through a series of entities treated as partnerships for US tax purposes, which in total own 1.26 percent of FAL. Thus, the highest percentage of shares of each class of stock of the foreign corporation held directly or indirectly by the taxpayer during the taxpayer's first taxable year to which this Protective Statement applies less than of 1.26 percent. The taxpayer does not own any common shares.

Under penalties of perjury, I certify the information above is correct and complete

 4/11/11
Taxpayer's Signature Date

Paul E. Raether 4/11/11
Taxpayer's Printed Name Date

Protective Statement & Waiver of the Period of Limitations Pursuant to U.S. Treasury Regulations 1.1295-3(c) to Preserve the Ability to Retroactively Elect Qualified Electing Fund Status

- (i) The taxpayer is filing this statement to preserve its ability to make a qualified electing fund ("QEF") election for a taxable year after the election's due date (a "retroactive" election).
- (ii) **Reasonable Belief Statement:** The U.S. Shareholder ("Shareholder") filing this Protective Statement ("Statement") reasonably believes that International Far Eastern Leasing Company Ltd. (the "Company" or "FEL") should not be treated as a passive foreign investment company ("PFIC") for the tax year ended December 31, 2009.
- (iii) IRC Sec. 1297 defines a "PFIC" as any foreign corporation if (1) 75 percent of more of the gross income of such corporation for the taxable year is passive income, or (2) the average percentage of assets held by such corporation during the taxable year which produce passive income or which are held for the production of passive income is at least 50 percent. "Passive income" is any income which is of a kind which would be foreign personal holding company income under IRC Sec. 954(c) and legislative history. Further, IRC Sec. 1297(c) provides that, where a foreign corporation owns directly or indirectly at least 25 percent of the stock of another corporation, for purposes of determining whether such foreign corporation is a PFIC, such corporation shall be treated as if it (1) held its proportionate share of the assets of such other corporation, and (2) received directly its proportionate share of the income of such other corporation..
- (iv) The "active financing exception" of IRC Sec. 954(h) provides that income from a financing activity in which a foreign corporation is predominantly engaged and with respect to which it conducts substantial activity is active (and not passive) income. A foreign corporation is actively engaged if more than 70 percent of the gross income of the corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers in the foreign corporation who are not related persons. In determining if the corporation's activity is substantial, the overall size of the corporation, the amount of its revenues and expenses, the number of its employees, the ratio of its revenues per employee, the amount of property it owns, and the nature, size, and relative significance of the applicable activities it conducts are all taken into account.
- (v) The taxpayer owns an interest in a series of partnerships that, along with other investors, have a total indirect interest in preference shares of Fortune Ally Ltd. ("FAL") equal to 1.26 percent of the outstanding preference shares of FAL. FAL owns 100 percent of Far Eastern Hong Xin Co., Ltd. ("FEH"). FEH owns 100 percent of FEL, a China resident company engaged in lease financing in China. The taxpayer understands that FAL and FEH are holding companies and conduct little if any operations other than holding the shares of FEL.
- (vi) FEL is licensed to (a) negotiate and enter into finance leases for equipment and machinery with customers, (b) acquire goods under the terms of the leases, (c) sell lease assets, and (d) provide lease consulting and guarantee services. For the year ended December 31, 2008, FEL generated net profit of \$54.6 million on total assets of \$1.4 billion (computed under International Financial Reporting Standards ("IFRS")). FEL's business is almost wholly conducted within the People's Republic of China through its over 300 employees, and its China-based operations accounted for

98% of its receipts and 94% of its assets on December 31, 2008. As such, FEL is predominantly engaged in a financing business and conducts substantial activity with respect to such business. Thus, the information available to the taxpayer indicates that FEL's income is active, meeting the requirements of the active financing exception described in (iv), above. Further, qualified tax services personnel analyzed available financial information with respect to FEL's activities in September, 2009 and concluded that FEL's operations met these requirements. The taxpayer is filing this statement as it is unable to confirm that FEL has not materially changed its operations subsequent to September

- (vii) **Waiver of the Period of Limitations:** The taxpayer filing this Statement agrees to extend the periods of limitations on the assessment of all PFIC related taxes for the taxpayer's taxable year ended December 31, 2009 and any subsequent years to which this Statement applies, as provided in U.S. Treasury Regulations 1.1295-3(c)(4), and agrees to the restrictions as set forth in U.S. Treasury Regulations 1.1295-3(c)(4)(ii)(A).

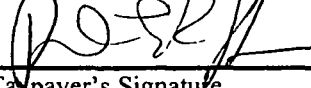
(viii)

Shareholder's name:	(Your Name) Raether 1985 Charitable Trust
Shareholder's address:	(Your Address) 9 West 37th Street
Shareholder's TIN:	(Your TIN) 13-6855420
First taxable year Statement applies:	2009

Foreign corporation's name:	<i>International Far Eastern Leasing Company Ltd</i>
Foreign corporation's address:	<i>c/o International Far Eastern Leasing Co., Ltd, Rm 3502, Jin Mao Tower, 88 Century Boulevard, Pudong District, Shanghai, China</i>
Foreign corporation's TIN (if any):	FOREIGNUS

As noted above, the taxpayer holds an indirect investment in FAL through a series of entities treated as partnerships for US tax purposes, which in total own 1.26 percent of FAL. Thus, the highest percentage of shares of each class of stock of the foreign corporation held directly or indirectly by the taxpayer during the taxpayer's first taxable year to which this Protective Statement applies less than of 1.26 percent. The taxpayer does not own any common shares.

Under penalties of perjury, I certify the information above is correct and complete

	4/11/11
Taxpayer's Signature	Date
Paul E Raether	4/11/11
Taxpayer's Printed Name	Date

Protective Statement & Waiver of the Period of Limitations Pursuant to U.S. Treasury Regulations 1.1295-3(c) to Preserve the Ability to Retroactively Elect Qualified Electing Fund Status

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- (ii) **Reasonable Belief Statement:** The U.S. Shareholder ("Shareholder") filing this Protective Statement ("Statement") reasonably believes that Fortune Ally Limited (the "Company" or "FAL") should not be treated as a passive foreign investment company ("PFIC") for the tax year ended December 31, 2009.
- (iii) IRC Sec. 1297 defines a "PFIC" as any foreign corporation if (1) 75 percent or more of the gross income of such corporation for the taxable year is passive income, or (2) the average percentage of assets held by such corporation during the taxable year which produce passive income or which are held for the production of passive income is at least 50 percent. "Passive income" is any income which is of a kind which would be foreign personal holding company income under IRC Sec. 954(c) and legislative history. Further, IRC Sec. 1297(c) provides that, where a foreign corporation owns directly or indirectly at least 25 percent of the stock of another corporation, for purposes of determining whether such foreign corporation is a PFIC, such corporation shall be treated as if it (1) held its proportionate share of the assets of such other corporation, and (2) received directly its proportionate share of the income of such other corporation..
- (iv) The "active financing exception" of IRC Sec. 954(h) provides that income from a financing activity in which a foreign corporation is predominantly engaged and with respect to which it conducts substantial activity is active (and not passive) income. A foreign corporation is actively engaged if more than 70 percent of the gross income of the corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers in the foreign corporation who are not related persons. In determining if the corporation's activity is substantial, the overall size of the corporation, the amount of its revenues and expenses, the number of its employees, the ratio of its revenues per employee, the amount of property it owns, and the nature, size, and relative significance of the applicable activities it conducts are all taken into account.
- (v) The taxpayer owns an interest in a series of partnerships that, along with other investors, have a total indirect interest in preference shares of FAL equal to 1.26 percent of the outstanding preference shares of FAL. FAL owns 100 percent of Far Eastern Hong Xin Co., Ltd ("FEH"). FEH owns 100 percent of International Far Eastern Leasing Company Limited ("FEL"), a China resident company engaged in lease financing in China. The taxpayer understands that FAL and FEH are holding companies and conduct little if any operations other than holding the shares of FEL.
- (vi) FEL is licensed to (a) negotiate and enter into finance leases for equipment and machinery with customers, (b) acquire goods under the terms of the leases, (c) sell lease assets, and (d) provide lease consulting and guarantee services. For the year ended December 31, 2008, FEL generated net profit of \$54.6 million on total assets of \$1.4 billion (computed under International Financial Reporting Standards ("IFRS")). FEL's business is almost wholly conducted within the People's

Republic of China through its over 300 employees, and its China-based operations accounted for 98% of its receipts and 94% of its assets on December 31, 2008. As such, FEL is predominantly engage in a financing business and conducts substantial activity with respect to such business. Thus, the information available to the taxpayer indicates that FEL's income is active, meeting the requirements of the active financing exception described in (iv), above. Further, qualified tax services personnel analyzed available financial information with respect to FEL's activities in September, 2009 and concluded that FEL's operations met these requirements. The taxpayer is filing this statement as it is unable to confirm that FEL has not materially changed its operations subsequent to September.

(vii) Under the look-through rule set forth in (ii), above, in determining if FAL is a PFIC, one looks through to the operations of FEL. Under this rule, because the taxpayer reasonably believes FEL has active income and active assets and is not a PFIC, the taxpayer reasonably believes that FAL is also not a PFIC.

(viii) **Waiver of the Period of Limitations:** The taxpayer filing this Statement agrees to extend the periods of limitations on the assessment of all PFIC related taxes for the taxpayer's taxable year ended December 31, 2009 and any subsequent years to which this Statement applies, as provided in U.S. Treasury Regulations 1.1295-3(c)(4), and agrees to the restrictions as set forth in U.S. Treasury Regulations 1.1295-3(c)(4)(ii)(A).

(ix)

Shareholder's name:	(Your Name) Raether 485 Charitable Trust
Shareholder's address:	(Your Address) 9 W 57th Street NY NY 10019
Shareholder's TIN:	(Your TIN) 13-6855420
First taxable year Statement applies:	2009

Foreign corporation's name:	Fortune Ally Limited
Foreign corporation's address:	c/o International Far Eastern Leasing Co., Ltd, Rm 3502, Jin Mao Tower, 88 Century Boulevard, Pudong District, Shanghai, China
Foreign corporation's TIN (if any):	FOREIGNUS

As noted above, the taxpayer holds an indirect investment in FAL through a series of entities treated as partnerships for US tax purposes, which in total own 1.26 percent of FAL. Thus, the highest percentage of shares of each class of stock of the foreign corporation held directly or indirectly by the taxpayer during the taxpayer's first taxable year to which this Protective Statement applies less than of 1.26 percent. The taxpayer does not own any common shares.

Under penalties of perjury, I certify the information above is correct and complete

 **4/11/11**
Taxpayer's Signature Date

Paul E Raether **4/11/11**
Taxpayer's Printed Name Date

ATTACHMENT 1

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
FROM PASS-THROUGH ENTITIES	-276,352.	14,173.	0.
LESS UBTI INCOME REPORTED ON FORM 990-T	0.	-56,142.	0.
TOTALS	-276,352.	-41,969.	0.

ATTACHMENT 2

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	121,000.	5,500.	0.	115,500.
TOTALS	<u>121,000.</u>	<u>5,500.</u>	<u>0.</u>	<u>115,500.</u>

ATTACHMENT 3

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INTERNAL REVENUE SERVICE	182,623.	0.	0.	0.
FOREIGN TAXES PAID				
FROM PASS-THROUGH ENTITIES	0.	1,981.	0.	0.
TOTALS	182,623.	1,981.	0.	0.

ATTACHMENT 4

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
MISCELLANEOUS EXPENSES	1,025.	0.	0.	1,025.
DEDUCTIONS FROM PASS-THRU ENTITIES	0.	212,809.	0.	0.
TOTALS	1,025.	212,809.	0.	1,025.

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 5

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SOUND SHORE FUND, INC -			
(15,207.9330 SHARES)	565,002.	0.	0.
(15,318.45 SHARES)	0.	568,042.	452,047.
INDEX CORP. -			
(34,521 SHARES)	1,272,617.	1,272,617.	1,293,502.
SAFEWAY, INC.			
(628,250 SHARES)	16,445,134.	0.	0.
(205,250 SHARES)	0.	5,983,354.	4,718,698.
KKR FINANCIAL HOLDINGS, LLC			
(100,000 SHARES)	867,221.	749,216.	880,000.
BARCLAYS WEALTH ADVISOR SERIES			
INTERNATIONAL GROWTH EQUITY,LP			
BAILLIE GIFFORD	823,515.	793,412.	795,712.
TOTALS	<u>19,973,489.</u>	<u>9,366,641.</u>	<u>8,139,959.</u>

FORM 990PF, PART II - OTHER ASSETS

ATTACHMENT 6

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
INVESTMENT IN VARIOUS FLOW-THROUGH ENTITIES	18,748,014.	23,255,768.	21,687,396.
TOTALS	<u>18,748,014.</u>	<u>23,255,768.</u>	<u>21,687,396.</u>

RAETHER 1985 CHARITABLE TRUST

13-6855420

FORM 990PF, PART VII-A, LINE 10 - NEW SUBSTANTIAL CONTRIBUTORS

ATTACHMENT 7

NAME AND ADDRESS

DATE

PAUL E. & WENDY S. RAETHER
C/O KKR & CO., 9 WEST 57TH STREET
NEW YORK, NY 10019

RAETHER 1985 CHARITABLE TRUST
E.I.N. #13-6855420
FYE NOVEMBER 30, 2010

STATEMENT #8

ELECTION UNDER IRC REG. SEC. 53-4942(a)-3(d)(2)

THE RAETHER 1985 CHARITABLE TRUST HEREBY ELECTS TO TREAT THE CURRENT YEAR'S QUALIFYING DISTRIBUTIONS IN EXCESS OF THE IMMEDIATELY PRECEDING YEAR'S UNDISTRIBUTED INCOME AS MADE OUT OF CORPUS.

SIGNED



TRUST MANAGER

RAETHER 1985 CHARITABLE TRUST
CHARITABLE DISTRIBUTIONS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

<u>DATE</u>	<u>CHARITABLE ORGANIZATION</u>	<u>AMOUNT</u>
12/1/2009	Lost Tree Village Foundation	2,500
12/1/2009	USET Foundation	75,000
12/1/2009	Trinity College	3,500
12/1/2009	Greenwich Academy	1,000
12/1/2009	The Amos Tuck School	2,500
12/1/2009	U.S. Ski and Snowboard Team Foundation	2,010
12/1/2009	The Aloha Foundation, Inc.	1,000
12/1/2009	Trinity College	2,000
12/8/2009	Greenwich Academy	1,000
12/8/2009	The Aloha Foundation, Inc.	1,000
12/8/2009	Boston Terrier Rescue of Florida, Inc.	1,000
12/8/2009	The American Society for the Prevention of Cruelty to Animals	1,000
12/8/2009	Women in Need, Inc.	1,000
12/8/2009	Safe Horizon	1,000
12/14/2009	The Amos Tuck School	40,000
12/14/2009	Colorado Academy	2,500
12/14/2009	Colorado Academy	15,000
12/14/2009	Trinity College	2,000
12/14/2009	Trinity College	150,000
12/17/2009	USET Foundation	13,750
12/23/2009	The Nicklaus Children's Health Care Foundation	1,500
12/23/2009	The Posse Foundation, Inc	10,000
12/23/2009	Special Olympics	1,000
12/23/2009	Steadman-Hawkins Sports Medicine Foundation	5,000
1/27/2010	U.S. Ski and Snowboard Team Foundation	29,150
1/27/2010	American Red Cross	1,000
1/27/2010	Trinity College	25,000
1/27/2010	Doctors without Borders	5,000
1/27/2010	American Red Cross	2,500
1/27/2010	Care USA	2,500
2/4/2010	The New York Botanical Garden	5,000
2/4/2010	Boys & Girls Club of Greenwich	5,000
2/4/2010	Bravo!	10,000
2/4/2010	Hospital For Special Surgery	10,000
2/4/2010	The Michael Lynch Memorial Foundation	10,000
2/4/2010	Waterside School	5,000
2/4/2010	Greenwich Library	5,000
2/10/2010	Ronald McDonald House	2,500
2/10/2010	The Amos Tuck School	10,000
3/4/2010	Lincoln Park Zoo	5,000
3/4/2010	Chicago Botanic Garden	2,500
3/18/2010	Fidelity Charitable Gift Fund	2,500
4/8/2010	The Metropolitan Museum of Art	2,880
4/8/2010	Robin Hood Foundation	48,000
4/12/2010	U.S. Ski and Snowboard Team Foundation	50,000
4/15/2010	USET Foundation	13,750
4/16/2010	U.S. Ski and Snowboard Team Foundation	25,000
4/22/2010	The Museum of Modern Art	1,000

4/29/2010	Teach for America	5,000
5/10/2010	The Amos Tuck School	100,000
5/25/2010	Family Centers	6,000
5/25/2010	Trinity College	100,000
6/3/2010	Greenwich Academy	1,500
6/3/2010	Trinity College	19,500
6/10/2010	The Amos Tuck School	680,000
6/10/2010	Trinity College	2,000,000
6/10/2010	Trinity College	200,000
6/10/2010	Trinity College	1,050,000
6/22/2010	Metairie Park Country Day School	2,000
6/24/2010	American Museum of Natural History	1,645
7/1/2010	Central Park Conservancy	1,000
7/1/2010	The Lost Tree Village Foundation	2,500
7/1/2010	Cancer Research Institute	5,000
7/1/2010	The Round Hill Scholarship Foundation Inc	300
7/1/2010	National Golf Links of America	100
7/8/2010	Institute for Sports Medicine Research	100,000
7/14/2010	The Pediatric Cancer Research Foundation	2,000
7/28/2010	PSI Upsilon Foundation	1,000
8/5/2010	The Field Museum	10,000
8/13/2010	The Field Museum	10,000
9/1/2010	The Aloha Foundation, Inc.	1,000
9/23/2010	TWCEC - Supporting Our Troops	5,000
10/12/2010	Teach for America	5,000
10/12/2010	U.S. Ski and Snowboard Team Foundation	30,000
10/12/2010	Metropolitan PGA Junior Golf Program	500
10/12/2010	The New York Botanical Garden	5,000
10/12/2010	U.S. Ski and Snowboard Team Foundation	5,000
10/18/2010	U.S. Ski and Snowboard Team Foundation	22,500
10/18/2010	U.S. Ski and Snowboard Team Foundation	12,500
11/4/2010	The Lost Tree Village Foundation	2,500
11/10/2010	The Michael J. Fox Foundation	10,000
11/22/2010	Trinity College	1,050,000
11/23/2010	USET Foundation	75,000
11/23/2010	The Amos Tuck School	680,000
11/23/2010	Bruce Museum	1,920
11/30/2010	Trinity College	499,996
	Total Distributions	\$ 7,318,001