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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation: SAGE FOUNDATION

A Employer identification number: 38-6041518

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 1919 — Room/suite

B Telephone number (see page 10 of the instructions): (810) 227-7660

City or town, state, and ZIP code: BRIGHTON, MI 48116-5719

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: [X] Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 53,305,150.

J Accounting method: [X] Cash ☐ Accrual
☐ Other (specify) ____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	NONE			
	2 Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	523.	523.		STMT 1
	4 Dividends and interest from securities	1,339,793.	1,339,793.		STMT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	6,131,424.			
	b Gross sales price for all assets on line 6a 45,306,061.				
	7 Capital gain net income (from Part IV, line 2)		6,131,424.		
	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)				
	12 **Total.** Add lines 1 through 11	7,471,740.	7,471,740.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	75,000.			75,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) STMT 3	162,845.	56,996.	NONE	105,849.
	b Accounting fees (attach schedule) STMT 4	29,956.	NONE	NONE	29,956.
	c Other professional fees (attach schedule) STMT 5	251,955.	231,911.		20,044.
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) STMT 6	10,738.			5,738.
	19 Depreciation (attach schedule) and depletion	490.			
	20 Occupancy				
	21 Travel, conferences, and meetings	1,635.			1,635.
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 7	3,204.	603.		2,601.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	535,823.	289,510.	NONE	240,823.
	25 Contributions, gifts, grants paid	2,524,500.			2,524,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	3,060,323.	289,510.	NONE	2,765,323.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	4,411,417.			
	b **Net investment income** (if negative, enter -0-)		7,182,230.		
	c **Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets 1	Cash - non-interest-bearing	6,149.	7,840.	7,840.
2	Savings and temporary cash investments	3,690,373.	6,815,371.	6,815,371.
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 15 of the instructions)	NONE		
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	NONE		
10 a	Investments - U S and state government obligations (attach schedule)	8,294,727.	9,588,090.	9,686,323.
b	Investments - corporate stock (attach schedule)	23,721,650.	24,191,946.	30,403,855.
c	Investments - corporate bonds (attach schedule)	6,654,764.	6,176,323.	6,391,761.
11	Investments - land, buildings, and equipment basis ▶ 4,454.			
	Less accumulated depreciation (attach schedule) ▶ 3,639.	1,305.	815.	
12	Investments - mortgage loans			
13	Investments - other (attach schedule)			
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	42,368,968.	46,780,385.	53,305,150.
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 ▶ ☐ 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. ▶ [X]			
27	Capital stock, trust principal, or current funds	42,368,968.	46,780,385.	
28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see page 17 of the instructions)	42,368,968.	46,780,385.	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	42,368,968.	46,780,385.	

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	42,368,968.
2	Enter amount from Part I, line 27a	2	4,411,417.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	46,780,385.
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	46,780,385.

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 DETAIL			
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) F M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

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	6,131,424.
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))
2009	2,661,149.	45,525,915.	0.05845349841
2008	2,512,919.	54,248,518.	0.04632235299
2007	3,094,987.	61,022,608.	0.05071869429
2006	2,284,169.	58,215,942.	0.03923614257
2005	2,881,841.	55,423,949.	0.05199631300

2 **Total** of line 1, column (d)	2	0.24672700126
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	0.04934540025
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	50,017,755.
5 Multiply line 4 by line 3	5	2,468,146.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	71,822.
7 Add lines 5 and 6	7	2,539,968.
8 Enter qualifying distributions from Part XII, line 4	8	2,765,323.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ [ ] 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 ▶ [X] and enter 1% of Part I, line 27b	1	71,822.
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	71,822.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	71,822.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 90,100.		
b	Exempt foreign organizations-tax withheld at source — 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	90,100.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] 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	18,278.
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 18,278. **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶$ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
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*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ STMT 8			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

				Yes	No
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 ▶ LAW OFFICES OF JOHN J. AYAUB, PC Telephone no ▶ (810)227-7660				
	Located at ▶ P.O. BOX 1919, BRIGHTON, MI ZIP + 4 ▶ 48116-5719				
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			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?		16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ▶				

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly).				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 22 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?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 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 2010)*		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 2010?		4b		X

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

		Yes	No
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	[X] 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	[X] No
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	Yes	[X] 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	[X] 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	[X] 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)? **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?	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	[X] No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **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	[X] No
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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
SEE STATEMENT 9		75,000.	-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		NONE	NONE	NONE

Total number of other employees paid over $50,000 ▶ NONE

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
SEE STATEMENT 10		303,782.
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 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 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
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	50,658,571.
b	Average of monthly cash balances	1b	120,876.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	50,779,447.
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	NONE
3	Subtract line 2 from line 1d	3	50,779,447.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	761,692.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	50,017,755.
6	**Minimum investment return.** Enter 5% of line 5	6	2,500,888.

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	2,500,888.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	71,822.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	71,822.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	2,429,066.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	2,429,066.
6	Deduction from distributable amount (see page 25 of the instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	2,429,066.

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	2,765,323.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	2,765,323.
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	71,822.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,693,501.

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 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				2,429,066.
2	Undistributed income, if any, as of the end of 2010				
a	Enter amount for 2009 only			2,045,687.	
b	Total for prior years. 20____,20____,20____		NONE		
3	Excess distributions carryover, if any, to 2010:				
a	From 2005 ...... NONE				
b	From 2006 ...... NONE				
c	From 2007 ...... NONE				
d	From 2008 ...... NONE				
e	From 2009 ...... NONE				
f	Total of lines 3a through e	NONE			
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 2,765,323.				
a	Applied to 2009, but not more than line 2a			2,045,687.	
b	Applied to undistributed income of prior years (Election required - see page 26 of the instructions)		NONE		
c	Treated as distributions out of corpus (Election required - see page 26 of the instructions)	NONE			
d	Applied to 2010 distributable amount				719,636.
e	Remaining amount distributed out of corpus	NONE			
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b	Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d	Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions		NONE		
e	Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions				
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				1,709,430.
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)	NONE			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	NONE			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	NONE			
10	Analysis of line 9.				
a	Excess from 2006 ... NONE				
b	Excess from 2007 ... NONE				
c	Excess from 2008 ... NONE				
d	Excess from 2009 ... NONE				
e	Excess from 2010 ... NONE				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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 (a) 2010	Prior 3 years (b) 2009	(c) 2008	(d) 2007	(e) Total
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).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 ***Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:***

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

SEE STATEMENT 12

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines:

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

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 13				
Total ▶ 3a				2,524,500.
b *Approved for future payment*				
SEE STATEMENT 13				
Total ▶ 3b				125,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	523.	
4 Dividends and interest from securities			14	1,339,793.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	6,131,424.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				7,471,740.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 7,471,740.

(See worksheet in line 13 instructions on page 29 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions.)
	NOT APPLICABLE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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

Melissa Sage Fadim | 05/03/2011 | PRESIDENT

Signature of officer or trustee MELISSA SAGE FADIM | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LILY AMBROSIO-YLEN	[signature]	04/27/2011		P00016986

Firm's name ▶ COMERICA BANK — Firm's EIN ▶ 42-1741646

Firm's address ▶ P.O. BOX 75000 M/C 3302 DETROIT, MI 48275-3302 — Phone no 586-795-2037

SAGE FOUNDATION
2010 SUMMARY OF GAINS
Form 990PF Part IV

		Proceeds	Cost	Gains(Losses)
Class Action Proceeds:				
AIG	566.83			
AOL Securities	87.06			
AOL Time Warner Securities	82.60			
Conagra Securities	346.81			
First Horizon	200.60			
FRG	493.10			
Jarden Securities	110.50			
Lumenis Securities	738.87			
Merrill Lynch	69.05			
Metris Securities	268.13			
Munder Small Capital	108.20			
Patriot Securities	15.35			
Petco Animal Supplies	1,386.63			
Raytheon	135.30			
Renaissance Holding	167.20			
Time Warner	278.88			
Worldcom Securities	905.53			
Xerox Securities	12,960.39	18,921.03		18,921.03
Common Trust Fund Allocations		5,690.45		5,690.45
Publicly Traded Securities		45,281,450.10	(39,174,637.13)	6,106,812.97
		45,306,061.58	(39,174,637.13)	6,131,424.45

SAGE FOUNDATION

2010

38-6041518

Description of Property

GENERAL DEPRECIATION

DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
COMPUTER	08/24/2007	2,448	100.000			2,448.	1,143	1,633.	SL	HY	5.000		5		490.
OFFICE EQUIPMENTS	01/16/2002	2,006.	100.000		602.	1,404.	2,006.	2,006.	SL	HY	7.000		7		
Less Retired Assets															
Subtotals		4,454.			602.	3,852	3,149.	3,639.							490

Listed Property

Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
Less: Retired Assets															
Subtotals															
TOTALS		4,454.			602	3,852.	3,149.	3,639.							490.

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
TOTALS							

*Assets Retired

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FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
COMERICA BANK CUSTODY ACCT - MONEY MKT	523.	523.
TOTAL	523.	523.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
COMERICA BANK CUSTODY ACCT - EQUITIES	620,541.	620,541.
TAX RECLAMATION	1,190.	1,190.
COMERICA BANK CUSTODY ACCT - BONDS	718,062.	718,062.
TOTAL	1,339,793.	1,339,793.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LAW OFFICES OF JOHN J. AYAUB,	162,845.	56,996.		105,849.
TOTALS	162,845.	56,996.	NONE	105,849.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
CSD ADVISORS, PLLC		29,956.			29,956.
	TOTALS	29,956.	NONE	NONE	29,956.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	231,911.	231,911.	
AGENCY/CUSTODIAN MANAGEMENT FE	20,044.		20,044.
TOTALS	251,955.	231,911.	20,044.

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
EXCISE TAX		5,000.	
PAYROLL TAXES		5,738.	5,738.
	TOTALS	10,738.	5,738.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INSURANCE	2,200.	440.	1,760.
SUPPLIES	326.		326.
MEMBERSHIP DUES	495.		495.
ANNUAL FILING FEE	20.		20.
CLASS ACTION FEES	163.	163.	
TOTALS	3,204.	603.	2,601.

STATE(S) WHERE THE FOUNDATION IS REGISTERED
===
MI

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

OFFICER NAME:
MELISSA SAGE FADIM
ADDRESS:
P.O. BOX 1919
BRIGHTON, MI 48116
TITLE:
PRESIDENT, CHAIRMAN OF BOARD, SEC/TREAS
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 26
COMPENSATION .... 75,000.

OFFICER NAME:
JAMES VAN DOREN
ADDRESS:
P.O. BOX 1919
BRIGHTON, MI 48116
TITLE:
VICE-PRESIDENT & TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:
ANNE SAGE PRICE
ADDRESS:
P.O. BOX 1919
BRIGHTON, MI 48116
TITLE:
TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

TOTAL COMPENSATION: 75,000.

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALS

NAME:
MUNDER CAPITAL MANAGEMENT
ADDRESS:
480 PIERCE ST
BIRMINGHAM, MI 48009
TYPE OF SERVICE:
INVESTMENT MANAGEMEN
COMPENSATION .... 55,445.

NAME:
LAW OFFICES OF JOHN J. AYAUB, PC
ADDRESS:
P.O. BOX 1919
BRIGHTON, MI 48116-5719
TYPE OF SERVICE:
LEGAL
COMPENSATION .... 162,845.
COMPENSATION EXPLANATION:
LEGAL FEES

NAME:
WELLS FARGO ADVISORS LLC
ADDRESS:
255 E BROWN ST., STE 400
BIRMINGHAM, MI 48009
TYPE OF SERVICE:
INVESTMENT CONSULTIN
COMPENSATION .... 85,492.
COMPENSATION EXPLANATION:
INVESTMENT CONSULTING FEES

TOTAL COMPENSATION: 303,782.

AVERAGE MONTHLY FMV - 990PF, PART X, LINES 1a-1c

MONTH	LINE 1a-FMV SECURITIES	LINE 1b-FMV CASH BALANCES	LINE 1c-FMV OTHER ASSETS
JANUARY	49,042,902.	5,764.	
FEBRUARY	50,136,844.	5,764.	
MARCH	51,211,053.	142,588.	
APRIL	52,031,198.	134,149.	
MAY	49,221,234.	133,926.	
JUNE	48,301,974.	83,056.	
JULY	50,051,905.	34,653.	
AUGUST	49,188,090.	160,031.	
SEPTEMBER	51,536,376.	111,303.	
OCTOBER	52,313,710.	155,865.	
NOVEMBER	51,570,258.	475,568.	
DECEMBER	53,297,310.	7,840.	
TOTAL	607,902,854.	1,450,507.	
AVERAGE FMV	50,658,571.	120,876.	

SAGE FOUNDATION 38-6041518
990-PF – PART XV – LINE 2
Year Ending December 31, 2010

GRANT CRITERIA AND OTHER INFORMATION

The Sage Foundation does not supply formal grant application forms. To apply for a grant from the Sage Foundation, prospective applicants should send a grant request letter to:

President or Secretary
Sage Foundation
P.O. Box 1919
Brighton, Michigan 48116-5719

Grant request letters may be submitted at any time. There are no restrictions as to geographical area, charitable fields or type of institution. The following information is needed for full consideration:

- Amount of grant requested.
- What the applicant intends to accomplish.
- How the applicant intends to reach the stated objectives, and how such objectives will further the applicant's tax-exempt purposes.
- What procedures the applicant has implemented to evaluate the results achieved.
- Any additional information which would aid the Sage Foundation Board of Trustees in making its decision.
- A photocopy of the Internal Revenue Service determination letter or ruling indicating the applicant's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
- Name of the applicant's contact person.

In general, it is the objective of the Sage Foundation to make grants and contributions that further charitable, educational, religious, scientific and/or literary purposes.

STATEMENT 12

RECIPIENT NAME:
SEE ATTACHED SCHEDULE
C/O JOHN J. AYAUB
ADDRESS:
P O BOX 1919
BRIGHTON, MI 48116-5719
AMOUNT OF GRANT PAID ....2,524,500.

TOTAL GRANTS PAID: 2,524,500.

RECIPIENT NAME:
BOYS AND GIRLS CLUB OF LENAWEE
ADDRESS:
327 ERIE ST
ADRIAN, MI 49221
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL, CHARITABLE AND EDUCATIONAL PURPOSE
AMOUNT APPROVED FOR FUTURE PAYMENT: .... 125,000.

TOTAL GRANTS APPROVED FOR FUTURE PAYMENT: 125,000.

SAGE FOUNDATION GRANTS MADE DURING THE
2010 CALENDAR YEAR
FORM 990PF, PART XV, LINE 3

	Organization	Purpose of Grant	Amount
1.	Hope Community Center 431 Baker Street Adrian, MI 49221	General, charitable and educational	$15,000.00
2.	I Care Christian Center P.O. Box 277637 Riverdale, IL 60827-7637	General, charitable, religious and educational	15,000.00
3.	The Chicago Classical Foundation 5255 North Lakewood Avenue Chicago, Illinois 60640	General, charitable and educational	10,000.00
4.	The Tibet Fund 241 East 32nd Street New York, NY 10016	General, charitable and educational	10,000.00
5.	Mercy Housing Lakefront 120 South LaSalle Street Suite 1850 Chicago, IL 60603	General, charitable and educational	7,500.00
6.	Adrian Community Nursery P.O. Box 64 Adrian, MI 49221	General, charitable and educational	7,000.00
7.	Recording For the Blind & Dyslexic, Inc. 180 North Michigan Avenue Suite 620 Chicago, IL 60601	General, charitable and educational	6,000.00
8.	Audience Architects 1412 West Belmont Avenue Chicago, IL 60657	General, charitable and educational	5,000.00
9.	Appalshop, Inc. 91 Madison Avenue Whitesburg, KY 41858	General, charitable and educational	5,000.00
10.	Detroit Educational Television 1 Clover Court Wixom, MI 48393	General, charitable and educational	5,000.00

11.	Lincoln Park Conservancy 2000 North Racine Avenue Suite 2080 Chicago, IL 60614	General, charitable and educational	5,000.00
12.	Villanova University c/o Elieen Shea Lupton Memorial Scholarship Fund P.O. Box 694 Lake Forest, IL 60045	Eileen Shea Lupton Memorial Scholarship Fund	5,000.00
13.	Suburban Service League P.O. Box 471 Flossmoor, IL 60422	General, charitable and educational	1,000.00
14.	Flossmoor Service League 1330 Brassie Avenue Flossmoor, IL 60422	General, charitable and educational	1,000.00
15.	Art Institute of Chicago 37 South Wabash Street Chicago, IL 60603-3103	School of the Art Institute of Chicago	50,000.00
16.	Michigan Opera Theatre 1526 Broadway Detroit, MI 48226	General, charitable and educational	50,000.00
17.	Bixby Community Health Foundation 818 Riverside Avenue Adrian, MI 49221	General, charitable and educational	50,000.00
18.	Grant Park Orchestral Association 205 East Randolph Drive Chicago, IL 60601	General, charitable and educational	50,000.00
19.	Herrick Memorial Hospital Foundation 500 East Pottamatamie Street Tecumseh, MI 49286	General, charitable and educational	25,000.00
20.	Window to the World Communications, Inc. 5400 North St. Louis Avenue Chicago, IL 60625	WFMT – "Introductions" Program	25,000.00
21.	Teen Living Programs 162 West Hubbard Street Suite 400 Chicago, IL 60654	General, charitable and educational	15,000.00
22.	Illinois Philharmonic Orchestra 377 Artists Walk Park Forest, IL 60466	General, charitable and educational	15,000.00

23. Merit School of Music 38 South Peoria Street Chicago, IL 60607	General, charitable and educational	15,000.00
24. Alice Lloyd College 100 Purpose Road Pippa Passes, KY 41844	General, charitable and educational	15,000.00
25. Window to the World communications, Inc. 5400 North St. Louis Avenue Chicago, IL 60625	Production of the film documentary: Islands Lost In Time	80,000.00
26. Boys & Girls Club of Lenawee 327 Erie Street Adrian, MI 49221	General, charitable and educational	125,000.00
27. Cumberland College 6191 College Station Drive Williamsburg, KY 40769-1372	General, charitable and educational	15,000.00
28. Goodwill Industries of Southeastern Michigan, Inc. 1357 Division Street Adrian, MI 49221	General, charitable and educational	15,000.00
29. Giordano Jazz Dance Chicago 614 Davis Street Evanston, IL 60201	General, charitable and educational	10,000.00
30. Rainbows 2100 Golf Road Suite 370 Rolling Meadows, IL 60008	General, charitable and educational	10,000.00
31. Associated Charities of Lenawee County 221 South Tecumseh Street P.O. Box 322 Adrian, MI 49221	General, charitable and educational	10,000.00
32. City of Tecumseh Downtown Development Authority 112 South Ottawa Street Tecumseh, MI 49286	Public purposes – Art Trail project	10,000.00
33. Lenawee County Education Foundation 4107 North Adrian Highway Adrian, MI 49221	General, charitable and educational	5,000.00

34. Midwest Brain Injury Clubhouse 1010 North Hooker Street Suite 302 Chicago, IL 60622	General, charitable and educational	5,000.00
35. Ars Viva Symphony Orchestra 1560 Rudd Court Libertyville, IL 60048	General, charitable and educational	5,000.00
36. Rush Hour Concerts at St. James Cathedral 65 East Huron Street Chicago, IL 60611	General, charitable and educational	5,000.00
37. Scleroderma Foundation 30301 Northwestern Highway Suite 300 Farmington Hills, MI 48334	General, charitable and educational	2,500.00
38. Lawrence Hall Youth Services 4833 North Francisco Avenue Chicago, IL 60625-3640	General, charitable and educational	2,500.00
39. Lenawee Chamber Foundation 5285 West US-223 Suite A Adrian, MI 49221	General, charitable and educational	15,000.00
40. Ounce of Prevention Fund 33 West Monroe Street Suite 2400 Chicago, IL 60603	General, charitable and educational	15,000.00
41. Orchestral Association Chicago Symphony Orchestra 220 South Michigan Avenue Chicago, IL 60604-2559	General, charitable and educational	50,000.00
42. St. Gregory the Great High School 1677 West Bryn Mawr Chicago, IL 60660-4106	General, charitable and educational	15,000.00
43. Art Institute of Chicago 37 South Wabash Avenue Chicago, IL 60603	School of the Art Institute of Chicago – Department of Fashion Design	5,000.00
44. Kartemquin Educational Films 1901 West Wellington Chicago, IL 60657	General, charitable and educational-On Beauty film	35,000.00

45. Big Shoulders Fund 309 West Washington Suite 550 Chicago, IL 60606	General, charitable and educational	75,000.00
46. John G. Shedd Aquarium Society 1200 South Lake Shore Drive Chicago, IL 60605	General, charitable and educational	50,000.00
47. Holy Cross Children's Services 8759 Clinton-Macon Road Clinton, MI 49236	General, charitable and educational	25,000.00
48. Steppenwolf Theatre Company 758 West North Avenue Chicago, IL 60610	General, charitable and educational	20,000.00
49. Music Institute of Chicago 517 Green Bay Road Wilmette, IL 60091	General, charitable and educational	15,000.00
50. Lenawee Community Foundation 603 North Evans Street Tecumseh, MI 49286	Pizana Memorial Scholarship Fund	25,000.00
51. Lenawee County Sheriff's Office 405 North Winter Street Adrian, MI 49221	Public purposes – Tahoe Driver Training Simulator	15,000.00
52. Providence-St. Mel School 119 South Central Park Blvd Chicago, IL 60624	General, charitable and educational-Scholarships	10,000.00
53. YMCA of Lenawee County 638 West Maumee Street Adrian, MI 49221	General, charitable and educational	10,000.00
54. Tecumseh Pops Orchestra P.O. Box 125 Tecumseh, MI 49286	General, charitable and educational	10,000.00
55. Charis Ministries 1400 West Devon Avenue Chicago, IL 60660	General, charitable, religious and educational	5,000.00
56. Chicago Sinfonietta 70 East Lake Street Suite 226 Chicago, IL 60601	General, charitable and educational	2,500.00

57.	Lenawee County Education Foundation 4107 North Adrian Highway Adrian, MI 49221	General, charitable and educational	5,000.00
58.	Interlochen Center for the Arts P.O. Box 199 Interlochen, MI 49643-0199	General, charitable and educational	12,500.00
59.	Guest House 1601 Joslyn Road Lake Orion, MI 48360	General, charitable and educational	25,000.00
60.	Epilepsy Foundation of Michigan 20300 Civic Center Drive Suite 250 Southfield, MI 48076	General, charitable and educational-Camp Discovery program	5,000.00
61.	Hadley School For the Blind 700 Elm Street Winnetka, IL 60093-2554	General, charitable and educational	6,000.00
62.	St. Patrick Church 711 Rickett Road Brighton, MI 48116-1824	General, charitable, religious and educational	5,000.00
63.	Orchestral Association Chicago Symphony Orchestra 220 South Michigan Avenue Chicago, IL 60604-2559	General, charitable and educational	50,000.00
64.	St. Mary of Good Counsel Parish 305 Division Street Adrian, MI 49221	General, charitable, religious and educational	10,000.00
65.	Lions Visually Impaired Youth Camp, Inc. 1873 Hunters Lane Lake Orion, MI 48360	General, charitable and educational	5,000.00
66.	Elizabeth Glaser Pediatric Aids Foundation 1140 Connecticut Avenue NW Suite 200 Washington, DC 20036	General, charitable and educational	5,000.00
67.	The Cove School 350 Lee Road Northbrook, IL 60062-1521	General, charitable and educational	5,000.00

68. Lenawee Emergency and Affordable Housing Corporation P.O. Box 692 Adrian, MI 49221	General, charitable and educational	5,000.00
69. Purple Rose Theatre Company 137 Park Street Chelsea, MI 48118	General, charitable and educational-Apprentice program	50,000.00
70. Marian Catholic High School 700 Ashland Avenue Chicago Heights, IL 60411	General, charitable and educational	25,000.00
71. Hubbard Street Dance Chicago, Inc. 1147 West Jackson Boulevard Chicago, IL 60607-2905	General, charitable and educational	15,000.00
72. Misericordia Heart of Mercy 6300 North Ridge Chicago, IL 60660-1017	General, charitable and educational	10,000.00
73. Zoological Society of Pittsburgh One Wild Place Pittsburgh, PA 15206-1178	General, charitable and educational-Zoo Video Archive project	5,000.00
74. Bixby Community Health Foundation 818 Riverside Avenue Adrian, MI 49221	General, charitable and educational	5,000.00
75. Special Olympics Michigan, Inc. 6624 Timber Ridge Drive Bloomfield, MI 48301	General, charitable and educational	5,000.00
76. Pamela B. Katten Memorial Leukemia Research Foundation 525 West Monroe Street Chicago, IL 60661-3693	General, charitable and educational	2,500.00
77. Storycatchers Theatre 920 North Franklin Street Suite 302 Chicago, IL 60610	General, charitable and educational	5,000.00
78. Rush University Medical Center 1725 West Harrison Street Chicago, IL 60612-3824	General, charitable and educational	25,000.00

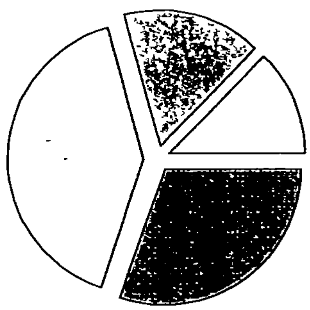
79.	Lynn Sage Cancer Research Foundation 251 East Huron Suite 3-200 Chicago, IL 60611	General, charitable and educational	10,000.00
80.	St. Elizabeth Catholic Church 506 North Union Street Tecumseh, MI 49286	General, charitable, religious and educational-landscaping equipment	15,000.00
81.	Boys & Girls Club of Lenawee 327 Erie Street Adrian, MI 49221	General, charitable and educational	15,000.00
82.	Flashes of Hope 6009 Landerhaven Drive Suite 1 Mayfield Heights, OH 44124	General, charitable and educational	5,000.00
83.	626 Landmark Foundation 626 North Michigan Avenue Chicago, IL 60611	General, charitable and educational	5,000.00
84.	American Catholic Press 16565 South State Street South Holland, IL 60473	General, charitable, religious and educational	3,000.00
85.	Gold Coast Neighbors Association 307 North Michigan Avenue Suite 1803 Chicago, IL 60601	General, charitable and educational	1,000.00
86.	Chicago Foundation For Education 400 North Michigan Avenue Suite 720 Chicago, IL 60611	General, charitable and educational	10,000.00
87.	Auditorium Theatre of Roosevelt University 50 East Congress Parkway Chicago, IL 60605	General, charitable and educational	15,000.00
88.	City of Tecumseh 400 North Maumee Tecumseh, MI 49286	Public purposes – Tecumseh Center for the Arts	25,000.00
89.	Renaissance Society at the University of Chicago 5811 South Ellis Avenue Chicago, IL 60637	General, charitable and educational	7,500.00

90. Lenawee Christian School 1800 West US-223 Adrian, MI 49221	General, charitable and educational	10,000.00
91. Adrian Schools Educational Foundation 785 Riverside Avenue Suite 2 Adrian, MI 49221	General, charitable and educational-Steinway grand piano for Performing Arts Center	30,000.00
92. Genesis International Orphanage Foundation P.O. Box 6458 Chula Vista, CA 91909-6458	General, charitable and educational	25,000.00
93. Cystic Fibrosis Foundation Greater Illinois Chapter 150 North Michigan Avenue Suite 400 Chicago, IL 60601-7524	General, charitable and educational	10,000.00
94. Thresholds 4101 North Ravenswood Avenue Chicago, IL 60613	General, charitable and educational	10,000.00
95. Chicago Theatre Group, Inc. Goodman Theatre 170 North Dearborn Chicago, IL 60601	General, charitable and educational	10,000.00
96. Bixby Community Health Foundation 818 Riverside Avenue Adrian, MI 49221	General, charitable and educational	50,000.00
97. Church of St. Ignatius Loyola 980 Park Avenue at 84th Street New York, NY 10028-0858	General, charitable, religious and educational - Sacred Music in a Sacred Space program	40,000.00
98. Hospice of Lenawee 415 Mill Road Adrian, MI 49221	General, charitable and educational	25,000.00
99. St. Gregory High School 1677 West Bryn Mawr Avenue Chicago, IL 60660	General, charitable and educational	25,000.00
100. Lifeline, Inc. Suite 302, Byerly Terminal 6100 W. Everett Dirksen Parkway Peoria, IL 61607	General, charitable and educational	15,000.00
101. Providence-St. Mel School 119 South Central Park Blvd Chicago, IL 60624	General, charitable and educational	10,000.00

102. The Service Club of Chicago 333 North Michigan Avenue Suite 1325 Chicago, IL 60601	General, charitable and educational	10,000.00
103. Art Institute of Chicago 164 North State Street Chicago, IL 60601	Gene Siskel Film Center at the School of the Art Institute of Chicago	50,000.00
104. Northern Michigan Hospital/ Burns Clinic Foundation 360 Connable Avenue Petoskey, MI 49770	General, charitable and educational	20,000.00
105. Tecumseh Area Communities In Schools 212 North Ottawa Street Tecumseh, MI 49286	General, charitable and educational	10,000.00
106. Villanova University c/o Elieen Shea Lupton Memorial Scholarship Fund P.O. Box 694 Lake Forest, IL 60045	Eileen Shea Lupton Memorial Scholarship Fund	5,000.00
107. The Center for Enriched Living 280 Saunders Road Riverwoods, IL 60015-3835	General, charitable and educational	2,500.00
108. Suburban Service League P.O. Box 2073 Frankfort, IL 60423	General, charitable and educational	1,000.00
109. Art Institute of Chicago 37 South Wabash Avenue Chicago, IL 60603-3103	School of the Art Institute of Chicago – Scholarships	35,500.00
110. School of the Art Institute of Chicago 37 South Wabash Avenue Chicago, IL 60603-3103	Department of Fashion Design Endowment Fund	200,000.00
111. Kartemquin Educational Films 1901 West Wellington Chicago, IL 60657	General, charitable and educational	100,000.00
112. Lenawee Community Foundation c/o Tecumseh Carnegie Preservation League P.O. Box 8 Tecumseh, MI 49286	Tecumseh Carnegie Preservation League - Renovation of historic Carnegie Library	100,000.00

113. Goodwill Industries of Southeastern Michigan, Inc. 1357 Division Street Adrian, MI 49221	General, charitable and educational	20,000.00
114. Eastern Seaboard Trust P.O. Box 219 Seaboard, NC 27876	General, charitable and educational-School of Fashion and Costume Design	5,000.00
115. School of the Art Institute of Chicago 37 South Wabash Avenue Chicago, IL 60603-3103	Department of Fashion Design Endowment Fund	200,000.00
116. Harris Theatre for Music and Dance 205 East Randolph Drive Chicago, Illinois 60601	General, charitable and educational	5,000.00
Total:		$2,526,500
Less: Grants from prior years redeposited		-2,000
Adjusted amount		$2,524,500

Investment Portfolio Summary



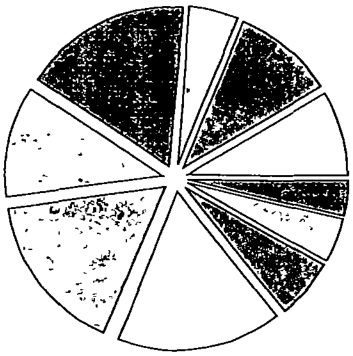
	Tax Cost	Market Value	Percent
CASH AND EQUIVALENTS	6, 815, 371 37	6, 815, 371. 37	12 8%
EQUITIES	6, 368, 190 44	8, 708, 124 60	16 3%
EQUITIES - OTHER	17, 823, 755 92	21, 695, 730 41	40 7%
FIXED INCOME	15, 764, 412 67	16, 078, 084 08	30 2%
Total	46, 771, 730 40	53, 297, 310 46	100 0%

Investment Detail

Description		Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Income Cash And Equivalents					
Cash					
INCOME CASH		1,189,836 10 1,189,836 10			
** Total Cash	Sub-Total	1,189,836.10 1,189,836.10		0.00 0.00	0 00
* Total Income Cash And Equivalents		1,189,836 10 1,189,836.10		0.00 0.00	0 00
Principal Cash And Equivalents					
Cash					
PRINCIPAL CASH		1,189,836 10- 1,189,836 10-			
** Total Cash	Sub-Total	1,189,836.10- 1,189,836.10-		0 00 0.00	0.00
Short Term Investments					
FIDELITY INST PRIME MM-III		373,105 22 373,105 22	1 00 1 00	37 31	0 01
FEDERATED TREASURY OBLIGATIONS FUND		6,442,266 15 6,442,266 15	1 00 1 00	644 23	0 01
** Total Short Term Investments	Sub-Total	6,815,371.37 6,815,371.37		681.54 0 00	0 01
* Total Principal Cash And Equivalents		5,625,535.27 5,625,535.27		681.54 0 00	0 01

Investment Detail (Continued)

Equity Diversification Summary



Industry Sector	Market Value	Percent
CONSUMER DISCRETIONARY	744, 204 20	8 5%
CONSUMER STAPLES	894, 872 75	10 3%
ENERGY	423, 412 25	4 9%
FINANCIALS	1, 489, 620. 90	17 1%
HEALTHCARE	1, 003, 348 35	11 5%
INDUSTRIALS	1, 436, 706. 60	16 5%
INFORMATION TECHNOLOGY	1, 474, 814 95	16 9%
MATERIALS	537, 817 95	6 2%
UTILITIES	396, 699 75	4 6%
All Others-Combined	306, 626 90	3 5%
Total	8, 708, 124 60	100 0%

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Equities						
Consumer Discretionary						
AEROPOSTALE INC	ARO	2,300 000	56,672 00 64,371 20	24 64 27 99	 7,699 20-	
BORG WARNER	BWA	2,335 000	168,960 60 86,052 40	72 36 36 85	1,120 80 82,908 20	0 66
CHIPOTLE MEXICAN GRILL INC CL A	CMG	270 000	57,418 20 23,375 07	212 66 86 57	 34,043 13	
CHOICE HOTELS INTL INC	CHH	2,300 000	88,021 00 79,193 58	38 27 34 43	1,702 00 8,827 42	1 93
DISCOVERY COMMUNICATIONS INC NEW SER C	DISCK	1,050 000	38,524 50 20,830 71	36 69 19 84	 17,693 79	
LKQ CORP	LKQX	3,235 000	73,499 20 55,742 52	22 72 17 23	 17,756 68	
LIBERTY MEDIA HLDG CORP SER A	LSTZA	905 000	60,164 40 44,215 68	66 48 48 86	 15,948 72	
NEW ORIENTAL ED & TECHNOLOGY GRO ADR	EDU	360 000	37,882 80 22,825 44	105 23 63 40	 15,057 36	
O REILLY AUTOMOTIVE INC		500 000	30,210 00 19,112 35	60 42 38 22	 11,097 65	
TIFFANY & CO	TIF	1,100 000	68,497 00 52,843 14	62 27 48 04	1,100 00 15,653 86	1 61
TUPPERWARE CORP	TUP	1,350 000	64,354 50 45,475 88	47 67 33 69	1,620 00 18,878 62	2 52
** Total Consumer Discretionary		Sub-Total	744,204 20 514,037.97		5,542.80 230,166 23	0.74

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Consumer Staples						
CHURCH & DWIGHT INC	CHD	925 000	63,843 50 50,587 82	69 02 54 69	629 00 13,255 68	0 99
CLOROX CO	CLX	600 000	37,968 00 38,482 00	63 28 64 14	1,320 00 514 00-	3 48
COCA COLA CO	KO	500 000	32,885 00 26,855 00	65 77 53 71	880 00 6,030 00	2 68
CONAGRA FOODS INC	CAG	4,000 000	90,320 00 84,722 50	22 58 21 18	3,680 00 5,597 50	4 07
DISNEY WALT CO	DIS	3,000 000	112,530 00 51,403 40	37 51 17 13	1,200 00 61,126 60	1 07
KRAFT FOODS INC CL A	KFT	1,500 000	47,265 00 45,660 00	31 51 30 44	1,740 00 1,605 00	3 68
PEPSICO INC	PEP	2,000 000	130,660 00 38,477 76	65 33 19 24	3,840 00 92,182 24	2 94
PROCTER & GAMBLE CO	PG	2,000 000	128,660 00 70,335 30	64 33 35 17	3,854 00 58,324 70	3 00
TREEHOUSE FOODS INC	THS	1,125 000	57,476 25 53,397 22	51 09 47 46	 4,079 03	
WAL-MART STORES INC	WMT	2,500 000	134,825 00 26,655 00	53 93 10 66	3,025 00 108,170 00	2 24
WALGREEN CO	WAG	1,500 000	58,440 00 45,880 35	38 96 30 59	1,050 00 12,559 65	1 80
** **Total Consumer Staples**		**Sub-Total**	894,872.75 532,456.35		21,218 00 362,416 40	2.37
Energy						
ATWOOD OCEANICS INC	ATW	1,900 000	71,003 00 63,847 95	37 37 33 60	 7,155 05	
DENBURY RESOURCES INC COM NEW	DNR	3,125 000	59,656 25 51,517 91	19 09 16 49	 8,138 34	
EQT CORP	EQT	1,610 000	72,192 40 68,402 32	44 84 42 49	1,416 80 3,790 08	1 96
EXXON MOBIL CORPORATION	XOM	1,500 000	109,680 00 21,277 41	73 12 14 18	2,640 00 88,402 59	2 41
NORTHERN OIL & GAS INC NEV	NOG	250 000	6,802 50 5,062 50	27 21 20 25	 1,740 00	
ROYAL DUTCH SHELL PLC-ADR A	RDS/A	600 000	40,068 00 39,312 00	66 78 65 52	1,713 60 756 00	4 28
SHAW GROUP INC	SHAW	1,870 000	64,010 10 65,723 60	34 23 35 15	 1,713 50-	
** **Total Energy**		**Sub-Total**	423,412.25 315,143.69		5,770.40 108,268.56	1.36

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Financials						
AFFILIATED MANAGERS GROUP INC	AMG	1,150 000	114,103 00	99 22		
			73,906 64	64 27	40,196 36	
ANNALY MTG MGMT INC	NLY	3,115 000	55,820 80	17 92	7,974 40	14 29
			48,637 49	15 61	7,183 31	
AUTOMATIC DATA PROCESSING INC	ADP	600 000	27,768 00	46 28	864 00	3 11
			26,472 00	44 12	1,296 00	
BANK OF AMERICA CORP	BAC	4,000 000	53,360 00	13 34	160 00	0 30
			45,909 12	11 48	7,450 88	
BLOCK H & R INC	HRB	4,000 000	47,640 00	11 91	2,400 00	5 04
			49,365 90	12 34	1,725 90-	
CITIGROUP INC	C	10,000 000	47,300 00	4 73	400 00	0 85
			194,188 80	19 42	146,888 80-	
COMERICA INC	CMA	1,525 000	64,416 00	42 24	610 00	0 95
			56,960 98	37 35	7,455 02	
CORPORATE OFFICE PPTYS TR	OFC	1,150 000	40,192 50	34 95	1,897 50	4 72
			27,545 49	23 95	12,647 01	
DIGITAL REALTY TRUST INC	DLR	1,350 000	69,579 00	51 54	2,862 00	4 11
			55,554 20	41 15	14,024 80	
EATON VANCE CORP NON VTG COM	EV	2,255 000	68,168 65	30 23	1,623 60	2 38
			78,298 48	34 72	10,129 83-	
ESSEX PROPERTY TRUST INC	ESS	500 000	57,110 00	114 22	2,065 00	3 62
			53,462 87	106 93	3,647 13	
FIFTH THIRD BANCORP COM	FITB	4,140 000	60,775 20	14 68	165 60	0 27
			49,502 81	11 96	11,272 39	
FIRSTMERIT CORPORATION	FMER	1,275 000	25,232 25	19 79	816 00	3 23
			26,291 68	20 62	1,059 43-	
HCC INS HLDGS INC	HCC	1,000 000	28,940 00	28 94	580 00	2 00
			28,580 00	28 58	360 00	
LINCOLN NATL CORP IND	LNC	3,455 000	96,083 55	27 81	691 00	0 72
			62,185 69	18 00	33,897 86	
MSCI INC CL A	MSCI	1,925 000	74,998 00	38 96		
			72,208 29	37 51	2,789 71	
MACERICH COMPANY (THE)	MAC	2,325 000	110,135 25	47 37	4,650 00	4 22
			95,518 10	41 08	14,617.15	
MARSH & MCLENNAN COS INC	MMC	2,500 000	68,350 00	27 34	2,100 00	3 07
			33,907 64	13 56	34,442 36	
PROASSURANCE CORPORATION	PRA	750 000	45,450 00	60 60		
			36,673 18	48 90	8,776 82	
SIGNATURE BANK	SBNY	1,445 000	72,336 70	50 06		
			45,785 26	31 69	26,551 44	

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Financials						
SUNTRUST BANKS INC	STI	2,000 000	59,020 00 56,356 00	29 51 28 18	80 00 2,664 00	0 14
TD AMERITRADE HLDG CORP	AMTD	5,300 000	100,647 00 80,041 29	18 99 15 10	1,060 00 20,605 71	1 05
TRAVELERS COS INC	TRV	1,000 000	55,710 00 28,110 60	55 71 28 11	1,440 00 27,599.40	2 58
WELLS FARGO & CO NEW	WFC	1,500 000	46,485 00 42,489 30	30 99 28 33	300 00 3,995 70	0 65
** Total Financials		Sub-Total	1,489,620 90 1,367,951 81		32,739.10 121,669 09	2.20
Healthcare						
ABBOTT LABS	ABT	2,000 000	95,820 00 25,655 85	47 91 12 83	3,520 00 70,164 15	3 67
BIOMARIN PHARMACEUTICAL INC	BMRN	3,350 000	90,215 50 79,240 73	26 93 23 65	 10,974 77	
BRISTOL MYERS SQUIBB CO	BMY	3,000 000	79,440 00 65,078 85	26 48 21 69	3,960 00 14,361 15	4 98
CATALYST HEALTH SOLUTIONS INC	CHSI	1,465 000	68,107 85 55,761 74	46 49 38 06	 12,346 11	
DAVITA INC	DVA	900 000	62,541 00 48,596 14	69 49 54 00	 13,944 86	
HAEMONETICS CORP MASS	HAE	900 000	56,862 00 47,311 04	63 18 52 57	 9,550 96	
INTUITIVE SURGICAL INC	ISRG	100 000	25,775 00 15,849.67	257 75 158 50	 9,925 33	
JOHNSON & JOHNSON	JNJ	800 000	49,480 00 50,819 00	61 85 63 52	1,728 00 1,339 00-	3 49
LABORATORY CORP OF AMER HLDGS	LH	400 000	35,168 00 20,801 08	87 92 52 00	 14,366 92	
MEDTRONIC INC	MDT	1,200 000	44,508 00 45,661 40	37 09 38 05	1,080 00 1,153 40-	2 43
NUVASIVE INC	NUVA	1,500 000	38,475 00 46,322 51	25 65 30 88	 7,847 51-	
PAREXEL INTERNATIONAL CORP	PRXL	1,000 000	21,230 00 23,059 30	21 23 23 06	 1,829 30-	
PFIZER INC	PFE	6,000 000	105,060 00 161,221 56	17 51 26 87	4,800 00 56,161 56-	4 57
PHARMACEUTICAL PROD DEVELOPMENT	PPDI	4,000 000	108,560 00 10,737 93	27 14 2 68	2,400 00 97,822 07	2 21

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Healthcare						
RESMED INC	RMD	3,525 000	122,106 00 72,266 96	34 64 20 50	 49,839 04	
** Total Healthcare		Sub-Total	1,003,348.35 768,383 76		17,488.00 234,964.59	1.74
Industrials						
AGCO CORP	AGCO	1,225 000	62,058 50 50,239 11	50 66 41 01	 11,819 39	
BOEING CO	BA	1,400 000	91,364 00 56,633 75	65 26 40 45	2,352 00 34,730 25	2 57
EATON CORP	ETN	450 000	45,679 50 19,501 48	101 51 43 34	1,044 00 26,178 02	2 29
EMERSON ELECTRIC ELEC CO	EMR	1,750 000	100,047 50 26,025 21	57 17 14 87	2,415 00 74,022 29	2 41
EZCORP INC CL A NON VTG	EZPW	1,950 000	52,903 50 38,511 33	27 13 19 75	 14,392 17	
FASTENAL CO	FAST	1,700 000	101,847 00 16,553 75	59 91 9 74	1,428 00 85,293 25	1 40
FLOWSERVE CORP	FLS	900 000	107,298 00 105,737 15	119 22 117 49	1,044 00 1,560 85	0 97
GENERAL DYNAMICS CORP	GD	500 000	35,480 00 28,623 80	70 96 57 25	840 00 6,856 20	2 37
GENERAL ELECTRIC	GE	6,000 000	109,740 00 158,644 20	18 29 26 44	3,360 00 48,904 20-	3 06
ITT INDS INC	ITT	1,085 000	56,539 35 53,449 91	52 11 49 26	1,085 00 3,089 44	1 92
ITC HLDGS CORP	ITC	975 000	60,430 50 47,129 14	61 98 48 34	1,306 50 13,301 36	2 16
JOY GLOBAL INC	JOYG	525 000	45,543 75 26,892 39	86 75 51 22	367 50 18,651 36	0 81
KANSAS CITY SOUTHERN	KSU	2,600 000	124,436 00 103,528 63	47 86 39 82	 20,907 37	
MICROCHIP TECHNOLOGY INC	MCHP	1,900 000	64,999 00 59,000 10	34 21 31 05	2,622 00 5,998 90	4 03
RPM INTERNATIONAL INC	RPM	2,000 000	44,200 00 32,737 00	22 10 16 37	1,680 00 11,463 00	3 80
STERICYCLE INC	SRCL	1,050 000	84,966 00 45,275 49	80 92 43 12	 39,690 51	
TEREX CORP NEW	TEX	2,775 000	86,136 00 56,245 32	31 04 20 27	 29,890 68	

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Industrials						
3M CO	MMM	1,200 000	103,560 00 36,023 30	86 30 30 02	2,520 00 67,536 70	2 43
VALSPAR CORP	VAL	1,725 000	59,478.00 46,075 44	34 48 26 71	1,242 00 13,402 56	2 09
** Total Industrials		Sub-Total	1,436,706 60 1,006,826 50		23,306.00 429,880.10	1.62
Information Technology						
AKAMAI TECHNOLOGIES	AKAM	1,275 000	59,988 75 43,324 08	47 05 33 98	16,664 67	
AMERICAN SUPERCONDUCTOR CORP	AMSC	1,625 000	46,458 75 34,834 98	28 59 21 44	11,623 77	
ARM HOLDINGS PLC SPONS ADR	ARMHY	1,660 000	34,445 00 15,166 59	20 75 9.14	172 64 19,278 41	0 50
BMC SOFTWARE INC	BMC	1,425 000	67,174 50 67,878 31	47 14 47 63	703 81-	
CISCO SYS INC	CSCO	2,000 000	40,460 00 41,173 95	20 23 20 59	713 95-	
COGNIZANT TECHNOLOGY SOLUTIONS	CTSH	1,400 000	102,606 00 31,389 93	73 29 22 42	71,216 07	
COMPUTER SCIENCES CORP	CSC	1,200 000	59,520 00 50,134 48	49 60 41 78	960 00 9,385 52	1 61
CREE INC	CREE	1,120 000	73,796 80 30,096 62	65 89 26 87	43,700 18	
FACTSET RESEARCH SYSTEMS INC	FDS	400 000	37,504 00 14,381 36	93 76 35 95	368 00 23,122 64	0 98
FISERV INC	FISV	800 000	46,848 00 37,401 20	58 56 46 75	9,446 80	
GENTEX CORP	GNTX	3,375 000	99,765 00 68,091 98	29 56 20 18	1,485 00 31,673 02	1 49
IHS INC COM CL A	IHS	720 000	57,880 80 33,978 42	80 39 47 19	23,902 38	
INTEL CORP	INTC	5,000 000	105,150 00 19,139 12	21 03 3 83	3,150 00 86,010 88	3 00
IBM CORP	IBM	900 000	132,084 00 12,155 37	146 76 13 51	2,340 00 119,928 63	1 77
LIBERTY MEDIA HLDG CORP CAP SER A	LCAPA	1,050 000	65,688 00 64,712 66	62 56 61 63	975 34	
MICROS SYS INC	MCRS	1,530 000	67,105 80 47,648 44	43 86 31 14	19,457 36	

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Information Technology						
MICROSOFT CORP	MSFT	3,500 000	97,685 00 98,565 00	27 91 28 16	2,240 00 880 00-	2 29
PRECISION CASTPARTS	PCP	225 000	31,322 25 24,229 44	139 21 107 69	27 00 7,092 81	0 09
SKYWORKS SOLUTIONS INC	SWKS	3,650 000	104,499 50 82,666 30	28 63 22 65	 21,833 20	
SOLERA HLDGS INC	SLH	1,575 000	80,829 00 44,232 23	51 32 28 08	472 50 36,596 77	0 58
TERADATA CORP DEL	TDC	1,555 000	64,003 80 49,314 35	41 16 31 71	 14,689 45	
** Total Information Technology		Sub-Total	1,474,814 95 910,514.81		11,215 14 564,300.14	0.76
Materials						
AIR PRODUCTS & CHEMICAL INC	APD	1,000 000	90,950 00 21,190 46	90 95 21 19	1,960 00 69,759 54	2 16
AIRGAS INC	ARG	1,125 000	70,267 50 35,335 16	62 46 31 41	1,125 00 34,932 34	1 60
COMPASS MINERALS INTL INC	CMP	735 000	65,613 45 44,853 27	89 27 61 02	1,146 60 20,760 18	1 75
CROWN HOLDINGS INC	CCK	2,900 000	96,802 00 72,864 98	33 38 25 13	 23,937 02	
DOW CHEMICAL CO	DOW	1,500 000	51,210 00 46,935 00	34 14 31 29	900 00 4,275 00	1 76
KIMBERLY CLARK CORP	KMB	1,600 000	100,864 00 65,767 91	63 04 41 10	4,224 00 35,096 09	4 19
VALMONT INDS INC	VMI	700 000	62,111 00 70,846 04	88 73 101 21	462 00 8,735 04-	0 74
** Total Materials		Sub-Total	537,817.95 357,792.82		9,817 60 180,025.13	1.83
Miscellaneous						
CINEMARK HLDGS INC COM	CNK	2,700 000	46,548 00 39,896 82	17 24 14 78	2,268 00 6,651 18	4 87
METTLER-TOLEDO INTL INC	MTD	550 000	83,165 50 63,242 47	151 21 114 99	 19,923 03	
** Total Miscellaneous		Sub-Total	129,713.50 103,139.29		2,268.00 26,574.21	1 75
Telecommunication Services						
AT&T INC	T	800 000	23,504 00 20,560 00	29 38 25 70	1,376 00 2,944 00	5 85

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Investment Detail (Continued)

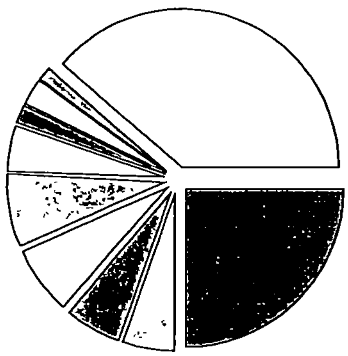
Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Telecommunication Services						
AMERICAN TOWER CORP CL A	AMT	1,585 000	81,849 40 63,582 40	51 64 40 12	 18,267 00	
VERIZON COMMUNICATIONS	VZ	2,000 000	71,560 00 55,597 39	35 78 27 80	3,900 00 15,962 61	5 45
** Total Telecommunication Services		Sub-Total	176,913.40 139,739.79		5,276 00 37,173.61	2 98
Utilities						
EXELON CORPORATION	EXC	800 000	33,312 00 34,592 00	41 64 43 24	1,680 00 1,280 00-	5 04
NII HOLDINGS INC CL B	NIHD	1,150 000	51,359 00 46,745 18	44 66 40 65	 4,613 82	
NEXTERA ENERGY INC	NEE	500 000	25,995 00 23,580 00	51 99 47 16	1,000 00 2,415 00	3 85
NORTHEAST UTILS	NU	2,025 000	64,557 00 46,640 75	31 88 23 03	2,075 63 17,916 25	3 22
NORTHWESTERN CORP	NWE	2,325 000	67,029 75 56,094 98	28 83 24 13	3,162 00 10,934 77	4 72
PNM RESOURCES INC	PNM	1,500 000	19,530 00 19,844 40	13 02 13 23	750 00 314 40-	3 84
PINNACLE WEST CAPITAL CORP	PNW	500 000	20,725 00 18,700 00	41 45 37 40	1,050 00 2,025 00	5 07
PORTLAND GEN ELEC CO PP	POR	1,275 000	27,667 50 23,336 47	21 70 18 30	1,326 00 4,331 03	4 79
PROGRESS ENERGY INC	PGN	1,000 000	43,480 00 42,628 00	43 48 42 63	2,480 00 852 00	5 70
SOUTHWESTERN ENERGY CO	SWN	1,150 000	43,044 50 40,041 87	37 43 34 82	 3,002 63	
** Total Utilities		Sub-Total	396,699.75 352,203.65		13,523.63 44,496.10	3.41
* Total Equities			8,708,124 60 6,368,190.44		148,164.67 2,339,934.16	1.70
Equities - Other						
Foreign Stock						
AXIS CAPITAL HOLDINGS LTD	AXS	750 000	26,910 00 23,167 53	35 88 30 89	690 00 3,742 47	2 56
HERBALIFE LTD	HLF	850 000	58,114 50 57,978 93	68 37 68 21	765 00 135 57	1 32
CHECK POINT SOFTWARE TECH ADR	CHKP	1,075 000	49,729 50 22,226 72	46 26 20 68	 27,502 78	

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Foreign Stock						
ELBIT SYSTEM LTD ADR	ESLT	300 000	15,939 00 19,536 93	53 13 65 12	432 00 3,597 93-	2 71
CORE LABORATORIES N V ADR	CLB	730 000	65,006 50 34,413 32	89 05 47 14	175 20 30,593 18	0 27
LYONDELLBASELL INDUSTRIES NV	LALLF	2,000 000	68,800 00 55,185 20	34 40 27 59	 13,614 80	
** Total Foreign Stock		Sub-Total	284,499 50 212,508.63		2,062 20 71,990.87	0.72
Mutual Funds						
ISHARES MSCI EAFE INDEX FD	EFA	109,950 000	6,401,289 00 4,421,610 76	58 22 40 21	153,600 15 1,979,678 24	2 40
ISHARES RUSSELL 1000 VALUE	IWD	42,350 000	2,747,244 50 2,511,887 96	64 87 59 31	54,292 70 235,356 54	1 98
ISHARES RUSSELL 1000 GROWTH	IWF	124,840 000	7,148,338 40 7,097,653 36	57 26 56 85	90,883 52 50,685 04	1 27
ISHARES RUSSELL 2000 VALUE	IWN	41,765 000	2,969,073 85 1,622,821 19	71 09 38 86	48,363 87 1,346,252 66	1 63
ISHARES SILVER TR	SLV	8,440 000	254,719 20 139,187 95	30 18 16 49	 115,531 25	
SPDR GOLD TRUST	GLD	915 000	126,928 80 87,160 38	138 72 95 26	 39,768 42	
SPDR S&P MIDCAP 400 ETF TR UNIT SER 1 STANDARD & POORS DEP RCPT	MDY	50 000	8,234 00 6,560 93	164 68 131 22	75 15 1,673 07	0 91
VANGUARD EMERG MKTS STOCK ETF	VWO	36,460 000	1,755,403 16 1,724,364 76	48 15 47 29	29,714 90 31,038 40	1 69
** Total Mutual Funds		Sub-Total	21,411,230 91 17,611,247.29		376,930.29 3,799,983.62	1.76
* Total Equities - Other			21,695,730.41 17,823,755 92		378,992 49 3,871,974.49	1.75

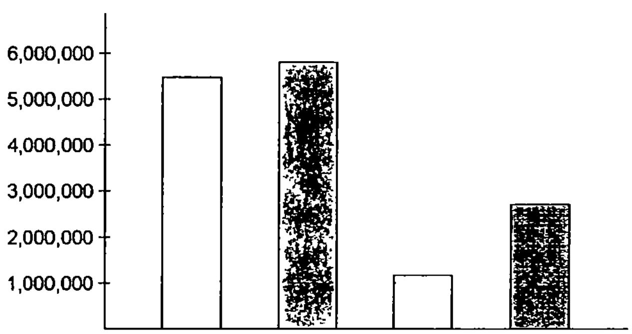
Investment Detail (Continued)

Bond Quality Summary



S & P Quality Rating	Market Value	Percent
AAA	6, 215, 378 21	38 7%
AA+	228, 185 25	1 4%
AA	429, 038 11	2 7%
AA-	296, 156. 25	1 8%
A+	737, 434 01	4 6%
A	1, 220, 055 91	7 6%
A-	1, 137, 336 97	7 1%
BBB+	938, 684 78	5 8%
BBB	836, 324 33	5 2%
All Others-Combmed	4, 039, 490 26	25 1%
Total	16, 078, 084 08	100 0%

Bond Maturity Summary



Years To Maturity	Par Value	Percent
LESS THAN 5 YEARS	5, 477, 283 26	36 1%
5-10 YEARS	5, 808, 838 04	38 3%
10-15 YEARS	1, 171, 555 19	7 7%
15-99 YEARS	2, 714, 929 26	17 9%
Total	15, 172, 605 75	100 0%

Average Time To Maturity: 9.9 Years

Current Yield: 4.43%

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Fixed Income						
U S Government Obligations						
UNITED STATES TREAS BDS 5 25% 02/15/2029	AAA	20,000 000	22,937 60 22,923 52	114 69 114 62	1,050 00 14 08	4 58 4 40
UNITED STATES TREAS BDS 4 5% 08/15/2039	AAA	100,000 000	102,688 00 97,795 32	102 69 97 80	4,500 00 4,892 68	4 38 4 66
UNITED STATES TREAS BDS 4 375% 11/15/2039	AAA	100,000 000	100,531 00 104,091 90	100 53 104 09	4,375 00 3,560 90-	4 35 4 67

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
U S Government Obligations						
UNITED STATES TREAS BDS 4 625% 02/15/2040	AAA	130,000 000	136,175 00 143,184 54	104 75 110 14	6,012 50 7,009 54-	4 42 4 66
UNITED STATES TREAS NTS 5% 02/15/2011	AAA	100,000 000	100,563 00 103,621 43	100 56 103 62	5,000 00 3,058 43-	4 97 5 00
UNITED STATES TREAS NTS 2 375% 03/31/2016	AAA	200,000 000	202,532 00 197,961 74	101 27 98 98	4,750 00 4,570 26	2 35 2 41
UNITED STATES TREAS NTS 1 375% 09/15/2012	AAA	125,000 000	126,811 25 126,675 22	101 45 101 34	1,718 75 136 03	1 36 0 65
UNITED STATES TREAS NTS 2 375% 09/30/2014	AAA	260,000 000	269,302 80 261,138 37	103 58 100 44	6,175 00 8,164 43	2 29 1 69
UNITED STATES TREAS NTS 3 5% 05/15/2020	AAA	125,000 000	128,047 50 130,963 09	102 44 104 77	4,375 00 2,915 59-	3 42 3 50
UNITED STATES TREAS NTS 2 75% 05/31/2017	AAA	785,000 000	794,993 05 830,118 18	101 27 105 75	21,587 50 35,125 13-	2 72 2 83
UNITED STATES TREAS NTS 1 25% 07/15/2020	NR	80,000 000	82,312 00 80,000 00	102 89 100 00	1,000 00 2,312 00	1 21 1 27
UNITED STATES TREAS NTS 2 625% 08/15/2020	AAA	210,000 000	199,090 50 205,163 24	94 81 97 70	5,512 50 6,072 74-	2 77 3 58
UNITED STATES TREAS NTS 1 25% 10/31/2015	AAA	300,000 000	290,343 00 301,430 70	96 78 100 48	3,750 00 11,087 70-	1 29 2 24
** **Total U S Government Obligations**		Sub-Total	2,556,326.70 2,605,067.25		69,806 25 48,740.55-	2 73
U S Federal Agencies						
FEDERAL FARM CR BK 4 5% 10/17/2012	AAA	90,000 000	96,184 80 97,712 10	106 87 108 57	4,050 00 1,527 30-	4 21 0 77
FEDERAL HOME LOAN BANK 3 625% 05/29/2013	AAA	150,000 000	159,861 00 149,629 50	106 57 99 75	5,437 50 10,231 50	3 40 1 06
FEDERAL NATL MTG ASSN 5% 04/15/2015	AAA	290,000 000	328,248 10 300,460 30	113 19 103 61	14,500 00 27,787 80	4 42 2 35
FEDERAL NATL MTG ASSN 6% 05/15/2011	AAA	200,000 000	204,232 00 218,261 58	102 12 109 13	12,000 00 14,029 58-	5 88 0 20
FEDERAL HOME LN MTG CORP 5 5% 07/18/2016	AAA	100,000 000	115,815 00 114,895 00	115 82 114 90	5,500 00 920 00	4 75 2 78
FEDERAL HOME LN MTG CORP 1 625% 04/15/2013	AAA	200,000 000	203,506 00 201,620 00	101 75 100 81	3,250 00 1,886 00	1 60 1 03
FEDERAL NATL MTG ASSN 1 25% 06/22/2012	AAA	275,000 000	277,876 50 276,767 95	101 05 100 64	3,437 50 1,108 55	1 24 0 61
FEDERAL NATL MTG ASSN 2% 01/09/2012	AAA	50,000 000	50,805 00 50,959 00	101 61 101 92	1,000 00 154 00-	1 97 0 42
** **Total U S Federal Agencies**		Sub-Total	1,436,528.40 1,410,305.43		49,175.00 26,222.97	3.42

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Mortgage Backed Securities						
FEDERAL HOME LN MTG CORP GOLD POOL #G12334 5% 09/01/2021		23,459 800	24,988 44 24,310 21	106 52 103 62	1,172 99 678 23	4 69 2 32
FEDERAL HOME LN MTG CORP POOL #G12710 5 5% 07/01/2022		77,001.130	82,571 39 80,393 97	107 23 104 41	4,235.06 2,177 42	5 13 2 66
FEDERAL HOME LN MTG CORP GOLD POOL #G13078 6% 03/01/2023		74,295 500	81,132 91 77,653 47	109 20 104 52	4,457 73 3,479 44	5 49 2 76
FEDERAL HOME LN MTG CORP PARTN C GOLD POOL # A8-6314 4% 05/01/2039		149,017 800	148,089 42 152,463 84	99 38 102 31	5,960 71 4,374 42-	4 03 4 49
FEDERAL NATL MTG ASSN POOL #254588 6% 12/01/2022		20,702 430	22,746 17 20,748 19	109 87 100 22	1,242.15 1,997 98	5 46 1 50
FEDERAL NATL MTG ASSN POOL #254631 5% 02/01/2018		35,821 290	38,311 94 35,423 60	106 95 98 89	1,791 06 2,888 34	4 67 1 76
FEDERAL NATL MTG ASSN POOL #254832 5 5% 08/01/2023		70,225 830	75,968 90 73,067 78	108 18 104 05	3,862 42 2,901 12	5 08 1 84
FEDERAL NATL MTG ASSN POOL #254915 4 5% 09/01/2023	NR	104,305 850	110,053 10 105,830 36	105 51 101 46	4,693 76 4,222 74	4 26 2 94
FEDERAL NATL MTG ASSN POOL #254954 4 5% 10/01/2023		148,979 410	157,188 18 154,007 46	105 51 103 37	6,704 07 3,180 72	4 26 2 95
FEDERAL NATL MTG ASSN POOL #257275 5% 07/01/2023		19,989 660	21,217 23 20,586 24	106 14 102 98	999 48 630 99	4 71 2 82
FEDERAL NATL MTG ASSN POOL #303902 7% 05/01/2011		47 980	48 23 56 65	100 53 118 07	3 36 8 42-	6 97 3 02
FEDERAL NATL MTG ASSN VAR POOL #385278 6 313% 07/01/2012		134,725 600	140,939 14 140,003 58	104 61 103 92	8,505 23 935 56	6 03 1 28
FEDERAL NATL MTG ASSN POOL #545993 6% 11/01/2032		34,949 850	38,500 75 35,663 09	110 16 102 04	2,096 99 2,837 66	5 45 1 98
FEDERAL NATL MTG ASSN POOL #555424 5 5% 05/01/2033		22,053 780	23,771 77 21,981 58	107 79 99 67	1,212 96 1,790 19	5 10 2 70
FEDERAL NATL MTG ASSN POOL #632370 6% 06/01/2017		33,987 300	37,072 67 35,625 03	109 08 104 82	2,039 24 1,447 64	5 50 1 67
FEDERAL NATL MTG ASSN POOL #725027 5% 11/01/2033	NR	191,628 370	202,675.75 198,185 65	105 77 103 42	9,581 42 4,490 10	4 73 3 26
FEDERAL NATL MTG ASSN POOL #725314 5% 04/01/2034	NR	162,149 280	171,497 19 167,646 61	105 77 103 39	8,107 46 3,850 58	4 73 3 26
FEDERAL NATL MTG ASSN POOL #725773 5 5% 09/01/2034	NR	156,444 370	168,387 33 160,648 52	107 63 102 69	8,604 44 7,738 81	5 11 2 77
FEDERAL NATL MTG ASSN POOL #735318 4 5% 11/01/2019		34,051 520	36,030 93 33,087 22	105 81 97 17	1,532 32 2,943 71	4 25 2 33
FEDERAL NATL MTG ASSN POOL #735141 5 5% 01/01/2035	NR	53,050 710	57,100 60 53,892 32	107 63 101 59	2,917 79 3,208 28	5 11 2 77

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Mortgage Backed Securities						
FEDERAL NATL MTG ASSN POOL #735404 4 5% 04/01/2020		41,549 090	43,964 34 40,137 63	105 81 96 60	1,869 71 3,826.71	4 25 2 33
FEDERAL NATL MTG ASSN POOL #735897 5 5% 10/01/2035		65,418 290	70,350 83 65,290 72	107 54 99 80	3,598 01 5,060 11	5 11 2 82
FEDERAL NATL MTG ASSN POOL #735926 4 5% 10/01/2020		23,432 120	24,720 89 22,731 06	105 50 97.01	1,054 45 1,989 83	4 27 2 53
FEDERAL NATL MTG ASSN POOL #865810 6% 03/01/2036		32,717 100	35,662 95 34,148 48	109 00 104 38	1,963 03 1,514 47	5 50 2 52
FEDERAL NATL MTG ASSN GTD MTG PA POOL #889735 5 5% 07/01/2023		132,338 260	142,380 09 138,052 66	107 59 104 32	7,278 60 4,327 43	5 11 2 64
FEDERAL NATL MTG ASSN GTD MTG PA POOL NBR MA0504 3 5% 08/01/2020	NR	148,410 680	153,744 56 154,979 54	103 59 104 43	5,194 37 1,234 98-	3 38 2 75
FEDERAL NATL MTG ASSN GTD MTG PA POOL NBR AD8522 4% 08/01/2040		114,357 360	113,877 06 117,716 61	99 58 102 94	4,574 29 3,839 55-	4 02 4 43
FEDERAL NATL MTG ASSN GTD MTG PA POOL NBR AE1879 3 5% 08/01/2025		113,004 550	114,046 45 116,853 77	100 92 103 41	3,955 16 2,807 32-	3 47 3 59
FEDERAL NATL MTG ASSN GTD MTG PA POOL NBR AE5875 3 5% 10/01/2040		124,455 770	118,979 72 126,147 60	95 60 101 36	4,355 95 7,167 88-	3 66 4 48
GOVERNMENT NATL MTG ASSN POOL #003474 6% 11/20/2033		23,217 250	25,631 15 23,561 91	110 40 101 48	1,393 04 2,069 24	5 43 2 33
** Total Mortgage Backed Securities		Sub-Total	2,481,650 08 2,430,895.35		114,957 25 50,754.73	4.63
Collateralized Mtg Obligations						
ASSET SECURITIZATION CORP CMO 7 18847% 02/14/2043	A-	110,000 000	117,858 82 118,331 64	107 14 107 57	7,907 32 472 82-	6 71 3 07
CHASE MTG FIN CORP CMO SER 2003 S5 CL A4 5 5% 06/25/2033	AAA	2,814 800	2,807 88 2,890 48	99 75 102 69	154 81 82 60-	5 51 4 33
CREDIT SUISSE FIRST BOSTON MTG CMO 6 387% 08/15/2036	AAA	126,531 730	130,035 27 133,110 39	102 77 105 20	8,081 58 3,075 12-	6 21 1 72
FEDERAL HOME LN MTG CORP CMO SER 1543 CL VN 7% 07/15/2023	NR	42,252 770	47,573 98 40,192 96	112 59 95 13	2,957 69 7,381 02	6 22 1 71
FEDERAL NATL MTG ASSN CMO 4 5% 06/25/2024		110,000 000	115,913 01 112,956 25	105 38 102 69	4,950 00 2,956 76	4 27 3 41
FEDERAL HOME LN MTG CORP MULTICL CMO 5% 09/15/2031		150,000 000	156,982 16 150,140 63	104 65 100 09	7,500 00 6,841 53	4 78 1 55
FEDERAL NATL MTG ASSN GTD REMIC CMO 4 5% 04/25/2039		111,401 860	116,496 49 117,877 09	104 57 105 81	5,013 08 1,380 60-	4 30 4 08
FIRST UNION-LEHMAN COML MTG TR 6 778% 11/18/2035	AAA	150,000 000	156,596 73 159,375 00	104 40 106 25	10,167 00 2,778 27-	6 49 2 16

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Collateralized Mtg Obligations						
GOVERNMENT NATL MTG ASSN CMO 5 196% 10/16/2037		40,000 000	43,760 38 39,862.50	109 40 99 66	2,078 40 3,897 88	4 75 3 16
GOVERNMENT NATL MTG ASSN CMO 5 244% 04/16/2038		30,000 000	32,869 71 29,700 00	109.57 99.00	1,573 20 3,169 71	4 79 3 65
GOVERNMENT NATL MTG ASSN CMO SER 2003-16 CL A 3 1296% 04/16/2016		11,586 040	11,680 54 11,499 14	100 82 99 25	362 60 181 40	3.10 1 16
GOVERNMENT NATL MTG ASSN GTD REM CMO 4 5% 08/20/2033		59,079 360	62,484 33 62,033 32	105 76 105 00	2,658 57 451 01	4 25 2 53
NCUA GTD NTS TR 2010-C1 CMO 2 9% 10/29/2020	AAA	40,000 000	38,891 10 40,392 19	97 23 100 98	1,160 00 1,501 09-	2 98 3 63
WACHOVIA BANK COML MTG TR CMO 5 11% 07/15/2042	AAA	250,000 000	260,721 98 247,597 66	104 29 99 04	12,775 00 13,124 32	4 90 2 37
** **Total Collateralized Mtg Obligations**		**Sub-Total**	1,294,672.38 1,265,959.25		67,339.25 28,713 13	5 20
Asset Backed Securities						
AEP TEX CENT TRANSITION FDG II L ABS 4 98% 07/01/2013	AAA	103,739 100	108,545 10 103,678 50	104 63 99 94	5,166 21 4,866 60	4 76 0 81
AMERICREDIT AUTOMOBILE RECEIVABL ABS 14 55% 01/15/2016	A	75,000 000	92,203 61 93,896 42	122 94 125 20	10,912 50 1,692 81-	11 84 2 58
CAPITAL ONE ABS VAR 55125% 03/17/2014	BBB	100,000 000	99,460 11 82,851 56	99 46 82 85	551 25 16,608 55	0 55 1 97
CAPITAL ONE ABS 5 05% 02/16/2016	AAA	150,000 000	162,454 23 160,957 03	108 30 107 30	7,575 00 1,497 20	4 66 1 50
CARMAX AUTO OWNER TR 2009-1 ABS 4 12% 03/15/2013	AAA	82,001.120	83,431 21 81,994 29	101 74 99 99	3,378 45 1,436 92	4 05 0 61
CARMAX AUTO OWNER TR 2009-2 ABS 1% 08/17/2015	A+	40,000 000	42,166 87 39,996 12	105 42 99 99	400 00 2,170 75	0 95 2 51
CHRYSLER FINL AUTO SECURITIZATIO ABS 1 65% 11/08/2013	AA	50,000 000	49,960 46 49,999 69	99 92 100 00	825 00 39 23-	1 65 1 73
CONTIMORTGAGE HOME EQUITY LN TR SER 1997 2 CL A9 7 09% 04/15/2028	NR	376 310	371 80 333 28	98 80 88 57	26 68 38 52	7 18 8 76
FORD CR AUTO OWNER TR 2007-A ABS 5 8% 02/15/2013	AAA	100,000 000	104,583.74 93,339 84	104 58 93 34	5,800 00 11,243 90	5 55 0 99
FORD CR AUTO OWNER TR 2009-D ABS 2 17% 10/15/2013	AAA	150,000 000	151,696 64 149,982 17	101 13 99 99	3,255 00 1,714 47	2 15 0 63
JOHN DEERE OWNER TR 2010 ABS 1 32% 05/15/2014		80,000 000	80,550 00 79,988 46	100 69 99 99	1,056 00 561 54	1 31
PROVIDENT BANK HOME EQ LN TR SER 1998-4 CL A7 6 2% 01/25/2030	B	5,265 270	4,593 78 5,258 56	87 25 99 87	326 45 664 78-	7 11 16 34

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Asset Backed Securities						
SANTANDER DRIVE AUTO RECEIVABLES ABS 1 84% 11/17/2014	AAA	110,000 000	110,518 84 111,074 22	100 47 100 98	2,024 00 555 38-	1 83 1 28
WORLD OMNI AUTO RECEIVABLES TR 2 ABS 5 39% 05/15/2013	AAA	130,769 460	134,338 29 118,734 58	102 73 90 80	7,048 47 15,603 71	5 25 0 68
** Total Asset Backed Securities		Sub-Total	1,224,874.68 1,172,084.72		48,345.01 52,789.96	3.95
Municipal Obligations						
DISTRICT COLUMBIA INCOME TAX REV TAXABLE-SECD-SER E- BUILD AMERICA BONDS 4 343% 12/01/2018	AAA	45,000 000	46,858 50 45,079 25	104 13 100 18	1,954 35 1,779 25	4 17 4 16
FLORIDA ST DEPT TAXABLE-SER B-BUILD AMER BDS 5 306% 07/01/2018	AA-	45,000 000	46,890 45 45,000 00	104 20 100 00	2,387 70 1,890 45	5 09 4 97
IOWA ST SPL OBLIG TAXABLE-IJOBS PROG-SER B 6 75% 06/01/2034-2019	AA	55,000 000	57,743 95 54,678 80	104 99 99 42	3,712 50 3,065 15	6 43 6 20
LOUISIANA LOC GOVT ENVIRONMENTAL TAXABLE-EGSL-TRANCHE-A-1 1 52% 02/01/2018	AAA	85,000 000	85,148 75 84,982 51	100 18 99 98	1,292 00 166 24	1 52 1 83
MUNICIPAL ELEC AUTH GA TAXABLE-PLT VOGTLE UNITS 3&4 BUILD AMERICA BONDS 7 055% 04/01/2057	A-	80,000 000	73,480 00 80,000 00	91 85 100 00	5,644 00 6,520 00-	7 68 7 74
OHIO ST MAJOR NEW ST BUILD AMERICA TAXABLE-SER 2 4 168% 06/15/2018	AA	65,000 000	64,842 70 65,000 00	99 76 100 00	2,709 20 157 30-	4 18 4 39
SEDGWICK CNTY KANS UNI SCH DIST TAXABLE-SCH BLDG-SER B- 6 22% 10/01/2028	AA	60,000 000	62,229 00 64,037 67	103 72 106 73	3,732 00 1,808 67-	6 00 5 95
TEXAS ST TAXABLE-TRANSN COMMN-HWY IMPT 3 373% 04/01/2020	AA+	100,000 000	94,499 00 100,000 00	94 50 100 00	3,373 00 5,501 00-	3 57 4 35
UNIVERSITY TX 3 305% 08/15/2019	AAA	30,000 000	28,866 00 30,000 00	96 22 100 00	991 50 1,134 00-	3 43 4 11
UNIVERSITY TX TAXABLE-FING SYS-SER B 6 276% 08/15/2041-2019	AAA	25,000 000	25,890 75 25,000 00	103 56 100 00	1,569 00 890 75	6 06 5 97
UTAH ST BUILD AMERICA BONDS TAXABLE-B 3 289% 07/01/2020	AAA	85,000 000	79,540 45 85,000 00	93 58 100 00	2,795 65 5,459 55-	3 51 4 12
UTAH TRAN AUTH SALES TAX REV TAXABLE-SER B-BUILD AMER BDS 5 937% 06/15/2039	AAA	25,000 000	26,281 50 25,000 00	105 13 100 00	1,484 25 1,281 50	5 65 5 74
** Total Municipal Obligations		Sub-Total	692,271.05 703,778 23		31,645.15 11,507 18-	4.57

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Corporate Bonds						
AT&T INC 5 5% 02/01/2018	A-	40,000 000	44,435 20 41,716.00	111 09 104 29	2,200 00 2,719 20	4 95 3 98
ADOBE SYS INC 4 75% 02/01/2020	BBB+	80,000.000	81,832 80 79,500 40	102 29 99 38	3,800 00 2,332 40	4 64 4 70
AGILENT TECHNOLOGIES INC 5% 07/15/2020	BBB-	75,000 000	76,134 75 75,393 00	101 51 100 52	3,750 00 741 75	4 93 5 00
AMPHENOL CORP CL A 4 75% 11/15/2014	BBB	75,000 000	80,124 00 75,222 75	106 83 100 30	3,562 50 4,901 25	4 45 3 05
AXIS SPECIALTY FIN LLC 5 875% 06/01/2020	A-	100,000 000	99,843 00 96,495 00	99 84 96 50	5,875 00 3,348 00	5 88 5 87
BB&T CORP SR MEDIUM TERM NTS BOO 5 7% 04/30/2014	A	75,000 000	82,517 25 81,879 75	110 02 109 17	4,275 00 637 50	5 18 2 46
BANK AMER FDG CORP 7 625% 06/01/2019	A	60,000 000	69,085 80 64,716 60	115 14 107 86	4,575 00 4,369 20	6 62 5 24
BEAR STEARNS 7 25% 02/01/2018	A+	65,000 000	77,028 90 75,411 05	118 51 116 02	4,712 50 1,617 85	6 12 4 25
CRH AMERICA INC 5 625% 09/30/2011	BBB+	66,000 000	68,080 98 66,304 26	103 15 100 46	3,712 50 1,776 72	5 45 1 11
CAPITAL ONE FINL CORP SR NT 7 375% 05/23/2014	BBB	30,000 000	34,137 90 34,475 40	113 79 114 92	2,212 50 337 50-	6 48 2 72
CARDINAL HEALTH INC NT 4 625% 12/15/2020	BBB+	75,000 000	74,832 75 75,047 25	99 78 100 06	3,468 75 214 50-	4 64 4 91
CITIGROUP INC NT 5 5% 10/15/2014	A	60,000.000	64,647 00 61,090 80	107 75 101 82	3,300 00 3,556 20	5 10 3 02
CITIGROUP INC SR NT 5 375% 08/09/2020	A	45,000 000	46,755 45 46,734 30	103 90 103 85	2,418 75 21 15	5 17 5 06
CITIGROUP INC FDIC GTD TLGP 2 125% 04/30/2012	AAA	40,000 000	40,811.60 39,996 80	102 03 99 99	850 00 814 80	2 08 0 58
CLEVELAND ELEC ILLUM CO 5 7% 04/01/2017	BBB-	70,000 000	74,900 70 73,470 60	107 00 104 96	3,990 00 1,430 10	5 33 4 74
COCA COLA CO 3 15% 11/15/2020	A+	95,000 000	89,137 55 94,709 30	93 83 99 69	2,992 50 5,571 75-	3 36 4 20
COMCAST CORP 5 7% 07/01/2019	BBB+	75,000 000	81,994 50 84,603 75	109 33 112 81	4,275 00 2,609 25-	5 21 4 59
CONTINENTAL AIRLS PASS THRU TR 2 4 75% 01/12/2021	A-	85,000 000	85,000.00 86,090 63	100 00 101 28	4,037 50 1,090 63-	4 75 1 23
DANAHER CORP 5 625% 01/15/2018	A+	45,000 000	50,929 20 45,569 45	113 18 101 27	2,531 25 5,359 75	4 97 3 75
DEERE JOHN CAP CORP MTN 2 95% 03/09/2015	A	40,000 000	41,091 20 40,383 30	102 73 100 96	1,180 00 707 90	2 87 2 53

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Corporate Bonds						
DEVON ENERGY 6 3% 01/15/2019	BBB+	65,000 000	76,492 65 68,759 80	117 68 105 78	4,095 00 7,732 85	5 35 3 97
DOW CHEMICAL CO 8 55% 05/15/2019	BBB-	55,000 000	68,928 75 54,838 10	125 33 99 71	4,702 50 14,090 65	6 82 4 82
DUKE CAP CORP SR NTS 8% 10/01/2019	BBB	75,000 000	91,369 50 88,012 20	121 83 117 35	6,000 00 3,357 30	6 57 5 18
ESTEE LAUDER COS INC 7 75% 11/01/2013	A	75,000 000	87,857 25 81,002 50	117 14 108 00	5,812 50 6,854 75	6 62 1 82
EXELON CORP 4 9% 06/15/2015	BBB-	75,000 000	79,982 25 77,434 35	106 64 103 25	3,675 00 2,547 90	4 59 3 54
FPL GROUP 7 875% 12/15/2015	BBB+	80,000 000	96,444 00 87,740 50	120 56 109 68	6,300 00 8,703 50	6 53 3 69
FEDEX CORP 8% 01/15/2019	BBB	65,000 000	80,181 40 71,822 30	123 36 110 50	5,200 00 8,359 10	6 49 4 58
FIFTH THIRD BANK 4 5% 06/01/2018	BBB-	55,000 000	53,006 25 49,638 05	96 38 90 25	2,475 00 3,368 20	4 67 5 10
FLORIDA 6 35% 09/15/2037	A	35,000 000	40,153 75 36,832 60	114 73 105 24	2,222 50 3,321 15	5 53 5 55
GENERAL ELEC CAP CORP 5 5% 01/08/2020	AA+	125,000 000	133,686 25 124,333 75	106 95 99 47	6,875 00 9,352 50	5 14 4 69
GENERAL ELEC CAP CORP MEDIUM TER FDIC GTD TLGP 2 2% 06/08/2012	AAA	175,000 000	178,918 25 174,573 00	102 24 99 76	3,850 00 4,345 25	2 15 0 63
GEORGIA PWR CO 6% 11/01/2013	A	65,000 000	72,677 80 73,246 45	111 81 112 69	3,900 00 568 65-	5 37 1 60
GOLDMAN SACHS 6 15% 04/01/2018	A	100,000 000	110,119 00 106,767 00	110 12 106 77	6,150 00 3,352 00	5 58 4 71
HESS CORP 8 125% 02/15/2019	BBB	75,000 000	94,752 75 79,836 25	126 34 106 45	6,093 75 14,916 50	6 43 4 39
INDEPENDENCE COMM BANK VAR CPN RATE=3 75% TO 4/09 S/A (30/360) THEREAFTER 3MO US$LIBOR + 182BP 3 75% 04/01/2014-2009	A-	35,000 000	34,999 65 33,600 00	100 00 96 00	1,312 50 1,399 65	3 75
INTERSTATE P & L CO SR DEB 3 65% 03/01/2011	BBB+	40,000 000	38,257 60 39,970 00	95 64 99 93	1,460 00 1,712 40-	3 82 4 47
JPMORGAN CHASE & CO 4 75% 05/01/2013	A+	85,000 000	91,004 40 83,928 15	107 06 98 74	4,037 50 7,076 25	4 44 1 86
KEYBANK NA SR NTS BOOK ENTRY FDI 3 2% 06/15/2012	AAA	135,000 000	140,046 30 138,790 80	103 74 102 81	4,320 00 1,255 50	3 08 0 65
KRAFT FOODS INC 6 125% 02/01/2018	BBB-	20,000 000	22,846 00 21,431 20	114 23 107 16	1,225 00 1,414 80	5 36 4 17

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Corporate Bonds						
LANDESBK BAD NY 6 35% 04/01/2012	NR	225,000 000	238,884 75 254,193 75	106 17 112 98	14,287 50 15,309 00-	5 98 1 51
LUBRIZOL CORP 8 875% 02/01/2019	BBB+	65,000 000	81,799 90 80,635 10	125 85 124 05	5,768 75 1,164 80	7 05 5 01
MARATHON OIL CORP 5 9% 03/15/2018	BBB+	80,000 000	90,705 60 84,941 90	113 38 106 18	4,720 00 5,763 70	5 20 3 72
MCDONALDS CORP 5 8% 10/15/2017	A	70,000 000	80,880 80 78,705 95	115 54 112 44	4,060 00 2,174 85	5 02 3 42
MEDCO HEALTH SOLUTIONS INC NT 2 75% 09/15/2015	BBB+	70,000 000	69,449 80 71,194 90	99 21 101 71	1,925 00 1,745 10-	2 77 3 15
METLIFE INC SR DEB SECS SER A 6 817% 08/15/2018	A-	70,000 000	81,611 60 78,922 90	116 59 112 75	4,771 90 2,688 70	5 85 4 26
MORGAN STANLEY 6% 04/28/2015	A	100,000 000	108,300 00 91,934 00	108 30 91 93	6,000 00 16,366 00	5 54 3 79
NABORS INDUSTRIES SR NT 9 25% 01/15/2019	BBB	65,000 000	80,547 35 81,688 75	123 92 125 68	6,012 50 1,141 40-	7 46 5 50
NATIONAL RURAL UTILS COOP FIN COLL TR BD 10 375% 11/01/2018	A+	60,000 000	82,765 20 82,584 60	137 94 137 64	6,225 00 180 60	7 52 4 71
NATIONAL SEMICONDUCTOR CORP 6 6% 06/15/2017	BBB-	35,000 000	38,666 25 39,042 85	110 48 111 55	2,310 00 376 60-	5 97 4 89
NISOURCE 6 125% 03/01/2022	BBB-	80,000 000	86,196 80 80,402 40	107 75 100 50	4,900 00 5,794 40	5 68 5 19
NORFOLK SOUTHERN CORP SOUTHN CORP 7 7% 05/15/2017	BBB+	65,000 000	79,391 00 82,750 85	122 14 127 31	5,005 00 3,359 85-	6 30 3 85
OCCIDENTAL 4 1% 02/01/2021	A	60,000 000	60,986 40 59,986 20	101 64 99 98	2,460 00 1,000 20	4 03 4 32
ORACLE CORPORATION 5 75% 04/15/2018	A	75,000 000	85,796 25 82,814 25	114 40 110 42	4,312 50 2,982 00	5 03 3 86
PNC FUNDING CORP 5 625% 02/01/2017	A-	75,000 000	80,170 50 78,405 00	106 89 104 54	4,218 75 1,765 50	5 26 4 36
PEPSICO INC 5% 06/01/2018	A-	70,000 000	77,273 00 80,544 80	110 39 115 06	3,500 00 3,271 80-	4 53 3 76
PFIZER INC 6 2% 03/15/2019	AA	75,000 000	87,852 00 86,292 00	117 14 115 06	4,650 00 1,560 00	5 29 4 04
PORTLAND GEN ELEC CO PP 6 1% 04/15/2019	A-	75,000 000	86,097 75 80,802 10	114 80 107 74	4,575 00 5,295 65	5 31 4 30
ST JUDE MED INC SR NT 3 75% 07/15/2014	A	80,000 000	84,552 80 82,213 90	105 69 102 77	3,000 00 2,338 90	3 55 2 37
SCHWAB CHARLES CORP NEW 4 95% 06/01/2014	A	85,000 000	92,431 55 86,107 80	108 74 101 30	4,207 50 6,323 75	4 55 2 30

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Corporate Bonds						
SIMON PROPERTY GROUP INC 5 65% 02/01/2020	A-	55,000 000	59,495 15 62,184 65	108 17 113 06	3,107 50 2,689 50-	5 22 4 69
SMITH INTERNATL INC SR NT 8 625% 03/15/2014	A+	15,000 000	17,772 30 14,950 80	118 48 99 67	1,293 75 2,821 50	7 28 1 90
SMITH INTERNATL INC SR NT 9 75% 03/15/2019	A+	45,000 000	62,154 45 46,499 85	138 12 103 33	4,387 50 15,654 60	7 06 4 12
STAPLES INC 9 75% 01/15/2014	BBB	60,000 000	72,711 00 73,205 40	121 19 122 01	5,850 00 494 40-	8 05 2 49
UNION PACIFIC CO 6 5% 04/15/2012	BBB+	30,000 000	32,034 60 32,747 40	106 78 109 16	1,950 00 712 80-	6 09 1 32
UNION PACIFIC 5 75% 11/15/2017	BBB+	60,000 000	67,368 60 68,869 20	112 28 114 78	3,450 00 1,500 60-	5 12 3 77
VALERO ENERGY 9 375% 03/15/2019	BBB	30,000 000	37,238 40 37,921 50	124 13 126 41	2,812 50 683 10-	7 55 5 42
VERIZON COMMUNICATIONS 5 5% 02/15/2018	A-	70,000 000	76,925 80 81,919 60	109 89 117 03	3,850 00 4,993 80-	5 00 4 05
VIRGINIA ELEC & PWR CO 5 1% 11/30/2012	A-	25,000 000	26,868 75 26,360 25	107 48 105 44	1,275 00 508 50	4 75 1 29
WACHOVIA CORP GLOBAL MEDIUM 5 75% 02/01/2018	AA-	150,000 000	166,545 00 149,358 00	111 03 99 57	8,625 00 17,187 00	5 18 3 99
WASTE MANAGEMENT INC 7 375% 03/11/2019	BBB	50,000 000	60,505 00 60,276 50	121 01 120 55	3,687 50 228 50	6 09 4 51
XEROX CORP 6 4% 03/15/2016	BBB-	55,000 000	62,705 50 62,614 75	114 01 113 85	3,520 00 90 75	5 61 3 69
** Total Corporate Bonds		Sub-Total	5,471,728.18 5,292,439 29		288,143.15 179,288.89	5 27
Foreign Bds, Notes & Debentures						
BANK MONTREAL QUE 2 125% 06/28/2013	A+	60,000 000	61,064 40 60,360 70	101 77 100 60	1,275 00 703 70	2 09 1 45
BARRICK NORTH AMER FIN LLC GTD NT 6 8% 09/15/2018	A-	75,000 000	90,390 75 85,773 00	120 52 114 36	5,100 00 4,617 75	5 64 4 01
CANADIAN PAC RY CO NEW NT 7 25% 05/15/2019	BBB	80,000 000	95,164 80 85,016 00	118 96 106 27	5,800 00 10,148 80	6 09 4 71
CORPORACION ANDINA DE FOMENTO 8 125% 06/04/2019	A+	70,000 000	82,689 74 70,970 40	118 13 101 39	5,687 50 11,719 34	6 88 5 17
CREDIT SUISSE FIRST BOSTON N Y B 5% 05/15/2013	A+	75,000 000	80,721 00 74,834 25	107 63 99 78	3,750 00 5,886 75	4 65 1 94
EUROPEAN 2 875% 01/15/2015	AAA	100,000 000	103,665 00 99,903 00	103 67 99 90	2,875 00 3,762 00	2 77 2 12

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Foreign Bds, Notes & Debentures						
INTER AMERN DEV BK GLOBAL 3 875% 09/17/2019	AAA	100,000 000	104,187 00 100,760 00	104 19 100 76	3,875 00 3,427 00	3 72 3 80
POTASH CORP SASK INC 7 75% 05/31/2011	A-	100,000 000	102,887 00 107,549 00	102 89 107 55	7,750 00 4,662 00-	7 53 0 73
SHELL INTL FIN B V GTD NT 4% 03/21/2014	AA	100,000 000	106,410 00 108,210 00	106 41 108 21	4,000 00 1,800 00-	3 76 1 85
STATOILHYDRO ASA 2 9% 10/15/2014	AA-	80,000 000	82,720 80 80,564 60	103 40 100 71	2,320 00 2,156 20	2 80 2 21
TYCO ELECTRONICS GROUP S A 4 875% 01/15/2021	BBB	10,000 000	10,132 12 9,942 20	101 32 99 42	487 50 189 92	4 81 4 76
** Total Foreign Bds, Notes & Debentures		Sub-Total	920,032.61 883,883.15		42,920 00 36,149.46	4.67
* Total Fixed Income			16,078,084.08 15,764,412.67		712,331.06 313,671 41	4.43
Total Principal Assets			52,107,474 36 45,581,894 30		1,240,169.76 6,525,580.06	2.38
Total Income Assets			1,189,836 10 1,189,836 10		0.00 0 00	0.00
Grand Total Assets			53,297,310.46 46,771,730.40		1,240,169.76 6,525,580 06	2.33

Transaction Summary

	Current Period Principal Cash	Current Period Income Cash	Current Period Cost	Year To Date Principal Cash	Year To Date Income Cash	Year To Date Cost
Beginning Balance	719,984 12-	719,984 12	42,367,216.58	719,984.12-	719,984.12	42,367,216.58
Net Income Received						
Dividends	6,412 50	612,591 77		6,412 50	612,591 77	
Interest		718,585 14			718,585 14	
Total Net Income Received	6,412.50	1,331,176.91	0.00	6,412.50	1,331,176 91	0 00
Cash Receipts						
Receipts	13,278,589 37	1,189 55		13,278,589 37	1,189 55	
Total Cash Receipts	13,278,589 37	1,189.55	0.00	13,278,589 37	1,189.55	0.00
Cash Disbursements						
To Beneficiary	2,500,000 00-			2,500,000 00-		
Other Disbursements	12,698,772 00-	862,514 47-		12,698,772 00-	862,514 47-	
Admin Expenses	20,043 82-	0 01-		20,043 82-	0 01-	
Other Expenses	231,911 40-			231,911 40-		
Total Cash Disbursements	15,450,727.22-	862,514 48-	0.00	15,450,727 22-	862,514.48-	0.00
Purchases	43,585,576 73-	0 00	43,585,576.73	43,585,576.73-	0.00	43,585,576.73
Sales	45,281,450.10	0.00	39,174,637.13-	45,281,450 10	0.00	39,174,637.13-
Noncash Transactions	0.00	0 00	13 28-	0.00	0.00	13.28-
Miscellaneous	0.00	0.00	6,412.50-	0 00	0.00	6,412.50-
Ending Balance	1,189,836.10-	1,189,836 10	46,771,730 40	1,189,836.10-	1,189,836 10	46,771,730 40

Transaction Detail

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
Beginning Balance		719,984.12-	719,984.12	42,367,216 58	
Net Income Received					
Dividends					
01/04/10	DIVIDEND ON 2,700 SHS ITT INDS INC AT 2125 PER SHARE PAYABLE 01/01/2010 EX DATE 11/10/2009 EFFECTIVE 01/01/2010		573 75		
01/04/10	DIVIDEND ON 2,300 SHS PEPSICO INC AT 0 45 PER SHARE PAYABLE 01/04/2010 EX DATE 12/02/2009		1,035 00		
01/04/10	DIVIDEND ON 3,000 SHS PEPSICO INC AT 0 45 PER SHARE PAYABLE 01/04/2010 EX DATE 12/02/2009		1,350 00		
01/04/10	DIVIDEND ON 1,110 SHS PEPSICO INC AT 0 45 PER SHARE PAYABLE 01/04/2010 EX DATE 12/02/2009		499 50		

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172
2010
Attachment Sequence No **67**

Name(s) shown on return: SAGE FOUNDATION

Identifying number: 38-6041518

Business or activity to which this form relates: GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	490.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27 5 yrs.	MM	S/L	
			27 5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b)	(c)	(d)	(e)	(f)	(g)
20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions	22	490.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.)*

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year				43	
44 **Total.** Add amounts in column (f) See the instructions for where to report				44	