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 JUN 1, 2010 **, and ending** MAY 31, 2011

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
LOATS FOUNDATION, INC.
C/O DRAPER & MCGINLEY, P.A.

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
365 W. PATRICK STREET

City or town, state, and ZIP code
FREDERICK, MD 21701-4854

A Employer identification number 52-0610535

B Telephone number 301-694-7411

C If exemption application is pending, check here ▶☐

D 1. Foreign organizations, check here ▶☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,379,081.

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	0.		N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	6,036.	6,036.		STATEMENT1
	4 Dividends and interest from securities	118,754.	118,754.		STATEMENT2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	21,889.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		21,889.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	146,679.	146,679.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	4,948.	495.		0.
	c Other professional fees STMT 4	15,318.	15,318.		0.
	17 Interest				
	18 Taxes STMT 5	15,758.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	2,672.	1,960.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	38,696.	17,773.		0.
	25 Contributions, gifts, grants paid	144,500.			144,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	183,196.	17,773.		144,500.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<36,517.>			
	b **Net investment income** (if negative, enter -0-)		128,906.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	115,245.	24,645.	24,645.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	2,902,292.	2,956,375.	3,354,436.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	3,017,537.	2,981,020.	3,379,081.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	3,017,537.	2,981,020.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	3,017,537.	2,981,020.	
	31 **Total liabilities and net assets/fund balances**	3,017,537.	2,981,020.	

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	3,017,537.
2 Enter amount from Part I, line 27a	2	<36,517.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,981,020.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,981,020.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
b	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
c	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
d	SEE ATTACHED MORGAN STANLEY		VARIOUS	VARIOUS
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				14,300.
b				1,416.
c				1,683.
d				4,490.
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				14,300.
b				1,416.
c				1,683.
d				4,490.
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** 21,889.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 **3** N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	144,500.	2,867,694.	.050389
2008	212,044.	3,200,388.	.066256
2007	208,700.	3,793,053.	.055022
2006	196,500.	3,715,741.	.052883
2005	191,694.	3,509,577.	.054620

2	**Total** of line 1, column (d)	2	.279170
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	.055834
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,119,426.
5	Multiply line 4 by line 3	5	174,170.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,289.
7	Add lines 5 and 6	7	175,459.
8	Enter qualifying distributions from Part XII, line 4	8	144,500.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	2,578.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3	Add lines 1 and 2		3	2,578.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5	**Tax based on investment income** Subtract line 4 from line 3. If zero or less, enter -0-		5	2,578.
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a 11,440.		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	11,440.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	8,862.
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 8,862. **Refunded** ▶		11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	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. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *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 instructions) ▶ MD			
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)? *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 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 ▶ C. RICHARD MILLER Telephone no. ▶ 301-898-4000

Located at ▶ 5 N. MAIN STREET, WOODSBORO, MD ZIP+4 ▶ 21798-8816

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
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)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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 instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		X

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

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

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

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

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

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

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

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

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 8		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 THE LOATS FOUNDATION MAKES CONTRIBUTIONS TO VARIOUS NON-PROFIT ORGANIZATIONS AND CONTRIBUTES SCHOLARSHIP FUNDS TO COLLEGES AND UNIVERSITIES.	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 THE LOATS FOUNDATION DOESN'T HAVE ANY PROGRAM RELATED INVESTMENTS. THE FOUNDATION CONTRIBUTES FUNDS TO NON-PROFIT ORGANIZATIONS, COLLEGES AND UNIVERSITIES.	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2010)

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	3,096,985.
b	Average of monthly cash balances		1b	69,945.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,166,930.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	3,166,930.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	47,504.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,119,426.
6	**Minimum investment return.** Enter 5% of line 5		6	155,971.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	155,971.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 2,578.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	2,578.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	153,393.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	153,393.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	153,393.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	144,500.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	144,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	144,500.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				153,393.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008 3,552.				
e From 2009 144,500.				
f Total of lines 3a through e	148,052.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 144,500.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions) **	144,500.			
d Applied to 2010 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	148,052.			148,052.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	144,500.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				5,341.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	144,500.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010 144,500.				

** SEE STATEMENT 9

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: 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 the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

NONE

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

NONE

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

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

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

LOATS FOUNDATION, INC., 301-898-4000
35 E. CHURCH STREET, FREDERICK, MD 21701

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient 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 10				
Total			▶ 3a	144,500.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					6,036.
4 Dividends and interest from securities					118,754.
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					21,889.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		0.	146,679.

13 Total Add line 12, columns (b), (d), and (e) ... 13 146,679.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
3	INTEREST EARNED ON OPERATING CASH ACCOUNT NECESSARY TO DIST. FUNDS.
4	DIVIDENDS EARNED ON INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.
7	NET GAIN ON SALE OF INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.

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

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

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee: [signature] Date: 9/14/11 Title: TREASURER/DIRECTOR

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JAMES A. DRAPER	[signature] CPA	08/02/11		

Firm's name ▶ DRAPER & MCGINLEY, P.A. Firm's EIN ▶

Firm's address ▶ 365 W. PATRICK ST. FREDERICK, MD 21701 Phone no. (301)694-7411

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MORGAN STANLEY	6,028.
WOODSBORO BANK	8.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	6,036.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY	118,754.	0.	118,754.
TOTAL TO FM 990-PF, PART I, LN 4	118,754.	0.	118,754.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,948.	495.		0.
TO FORM 990-PF, PG 1, LN 16B	4,948.	495.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	15,318.	15,318.		0.
TO FORM 990-PF, PG 1, LN 16C	15,318.	15,318.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
990-PF TAX PAID	15,758.	0.		0.
TO FORM 990-PF, PG 1, LN 18	15,758.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE/ADMINISTRATIVE	86.	0.		0.
INSURANCE	2,450.	1,960.		0.
SAFE DEPOSIT BOX RENTAL	136.	0.		0.
TO FORM 990-PF, PG 1, LN 23	2,672.	1,960.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	2,956,375.	3,354,436.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,956,375.	3,354,436.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
REV., DR. ROBERT DRIVER-BISHOP 31 E. CHURCH STREET FREDERICK, MD 21701	PRESIDENT 0.00	0.	0.	0.
C. RICHARD MILLER,JR. 31 E. CHURCH STREET FREDERICK, MD 21701	TREASURER/DIRECTOR 0.00	0.	0.	0.
LORRAINE PRETE 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
KATHLEEN A. COSTLOW 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
W. PHILLIP FOGARTY 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
MARION D. CARMACK, JR. 31 E. CHURCH STREET FREDERICK, MD 21701	VICE PRESIDENT/DIRECTOR 0.00	0.	0.	0.
BARBARA BRITTAIN 31 E. CHURCH STREET FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
HELEN HAHN 31 E. CHURCH STREET FREDERICK, MD 21701	SECRETARY/DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF ELECTION UNDER REGULATIONS SECTION 53.4942(A)-3(D)(2) TO TREAT EXCESS QUALIFYING DISTRIBUTIONS AS DISTRIBUTIONS OUT OF CORPUS STATEMENT 9

CONSISTENT WITH REGULATION SECTION 53.4942(A)-3(D)(2), THE TRUST ELECTS TO TREAT 2009 DISTRIBUTIONS AS DISTRIBUTIONS OUT OF THE CORPUS.

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BIG BROTHERS/BIG SISTERS 2 EAST CHURCH STREET FREDERICK, MD 21701			2,000.
HEARLTY HOUSE INC PO BOX 857 FREDERICK, MD 21705			2,600.
MARYLAND SHERIFF'S YOUTH RANCH 7902 FINGERBOARD ROAD FREDERICK, MD 21704			1,300.
SCOTT KEY CENTER 350 MONTEVUE LANE FREDERICK, MD 21702			1,300.
FREDERICK COUNTY YOUTH HOT LINE 263 EAST CHURCH STREET FREDERICK, MD 21701			2,000.
FAMILIES PLUS 35 EAST CHURCH STREET FREDERICK, MD 21701			4,500.
YMCA OF FREDERICK COUNTY 1000 NORTH MARKET STREET FREDERICK, MD 21701			1,300.
UNIVERSITY OF MARYLAND COLLEGE PARK COLLEGE PARK, MD 20742			12,100.

UNIVERSITY OF MARYLAND BALTIMORE COUNTY 1000 HILLTOP CIRCLE BALTIMORE, MD 21250	6,000.
FREDERICK COMMUNITY COLLEGE 7932 OPOSSUMTOWN PIKE FREDERICK, MD 21702	30,000.
HOOD COLLEGE 401 ROSEMONT AVENUE FREDERICK, MD 21701	17,900.
TOWSON UNIVERSITY FOUNDATION 8000 YORK ROAD TOWSON, MD 21252	14,000.
SHEPHERD UNIVERSITY FOUNDATION PO BOX 5000 SPEPHERDSTOWN, WV 25543	12,100.
MOUNT ST. MARY'S UNIVERSITY 16300 OLD EMMITSBURG ROAD EMMITSBURG, MD 21727	7,400.
FROSTBURG STATE UNIVERSITY FOUNDATION 101 BRADDOCK ROAD FROSTBURG, MD 21532	12,100.
MCDANIEL UNIVERSITY 2 COLLEGE HILL WESTMINSTER , MD 21157	10,800.
SALISBURY UNIVERSITY FOUNDATION, INC 1101 CAMDEN AVE SALISBURY, MD 21801	3,300.
TRINITY SCHOOL 6040 NEW DESIGN ROAD FREDERICK, MD 21703	3,800.
TOTAL TO FORM 990-PF, PART XV, LINE 3A	144,500.

Supplemental Report

1775 Eye Street NW, 3rd Floor
Washington, DC 20006
800-745-2451

Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
	ACCRUAL CASH DIVIDEND METLIFE INC PFD 6 5% SERIES B EX DATE 05/26/2011 PAY DATE 06/15/2011 CUSIP 59156R603						203 13	203 13	0 01		C
500 000	*Total Position*		12,360 00		12,610 00	250 00	203 13	12,813 13	0 38	812 50	
500 000	PRINCIPAL FINANCIAL GRP INC PFD CUSIP 74251V300	21.45	10,725 00	25 55	12,775 00	2,050 00		12,775.00	0 38	814 50	C
1,000 000	FIFTH THIRD CAPITAL TRUST VI 7 2 5% PFD 15 NOV 2067 CUSIP 31678V206	22 32	22,324 95	25 44	25,440 00	3,115 05		25,440 00	0 75	1,813 00	C
	PREFERRED STOCKS		170,013 48		182,799.80	12,786 32	933.59	183,733 39	5 44	13,364 40	
	EQUITIES		1,996,896 72		2,346,266 41	349,369 69	8,324 83	2,354,591 24	69 77	81,192 00	
	TOTAL PORTFOLIO		**2,976,682.81**		**3,366,419.15**	**389,736.34**	**8,324.83**	**3,374,743.98**	**100.00**	**124,654.88**	
	CASH - WOODS BORO BANK		4,336.88		4,336.88			4,336.38			
	TOTALS		$ 2981019 69		3 370 756.03			$ 3379,080.36			

Securities not purchased through Morgan Stanley PWM may not reflect original acquisition date and book cost This information is not available or supplied by others and may not be accurate
Undefined Classification - At the present time these securities are not classified by GICS
**An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund. The yield shown represents the SEC 7-day yield
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Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	*Security Description*	*Book Price*	*Book Cost*	*Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Income*	*Total Market Value*	*% of *** Portfolio*	*Estimated Annual Inc.*	*Acct Type*
	CASH AND CASH ALTERNATIVES										
CURRENCIES											
2,002 030	US DOLLAR CUSIP: 00000139		2,002 03		2,002 03			2,002 03	0 06		C
MONEY MARKET FUNDS**											
18,305 660	MORGAN STANLEY LIQ MMKT-INST L CUSIP 61747C772	1 00	18,305 66	1.00	18,305 66			18,305 66	0 54	23 80	H
	CASH AND CASH ALTERNATIVES		20,307 69		20,307 69	0.00	0 00	20,307 69	0 60	23 80	
	FIXED INCOME										
4,000 000	BLACKROCK STRAT INC OPPORT INST TICKER· BSIIX	10 15	40,600 00	10.00	40,000 00	(600 00)		40,000 00	1.19	1,996 00	C
7,000 000	EATON VANCE FLOATINGRATE INST TICKER. EIBLX	8 79	61,530 00	9 08	63,560 00	2,030.00		63,560 00	1 88	2,891.00	C
15,845 679	EATON VANCE STRATEGIC INC I TICKER: ESIIX	8 10	128,300 00	8 24	130,568 39	2,268 39		130,568 39	3 87	7,051.33	C
500 000	ISHARES IBOXX H/Y CORP BOND 7 076% DUE @ 0.00 TICKER· HYG	90 76	45,378.40	92.40	46,200 00	821 60		46,200 00	1.37	3,538 00	C
12,299 270	LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND TICKER· LSBDX	13 54	166,480 00	15 00	184,489 05	18,009 05		184,489 05	5 47	10,220 69	C
9,332 420	PIMCO FDS TOTAL RETURN FUND-IN TICKER· PTTRX	10 95	102,150 00	11.06	103,216 57	1,066 57		103,216 57	3 06	3,285 01	C
16,673 655	PIMCO UNCONSTRAINED INST CL MF TICKER. PFIUX	11 03	183,990 00	11 12	185,411 04	1,421.04		185,411 04	5 49	4,902 05	C
5,000 000	TEMPLETON GLOBAL BD FD TICKER. TGBAX	13 48	67,400 00	13 97	69,850 00	2,450 00		69,850 00	2 07	3,120 00	C

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Undefined Classification - At the present time these securities are not classified by GICS
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund. The yield shown represents the SEC 7-day yield*
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Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type

Security Type

Shares or Face Value	*Security Description*	*Book Price*	*Book Cost*	*Price*	*Market Value*	*Unrealized Gain (Loss)*	*Accrued Income*	*Total Market Value*	*% of *** Portfolio*	*Estimated Annual Inc.*	*Acct Type*
15,000 000	WA CORE BOND PORT I TICKER. WATFX	10 91	163,650 00	11 77	176,550 00	12,900 00		176,550 00	5 23	6,435 00	C
	FIXED INCOME		959,478 40		999,845 05	40,366 65	0 00	999,845 05	29 63	43,439 09	
	EQUITIES										
COMMON STOCKS											
Energy											
Integrated Oil & Gas											
1,200.000	CHEVRON CORPORATION TICKER CVX	83 49	100,191 56	104.91	125,892 00	25,700 44		125,892 00	3 73	3,744 00	C
	ACCRUAL CASH DIVIDEND CHEVRON CORPORATION EX DATE 05/17/2011 PAY DATE 06/10/2011 TICKER· CVX						936 00	936 00	0 03		C
1,200 000	*Total Position*		100,191 56		125,892.00	25,700.44	936 00	126,828 00	3 76	3,744 00	
500 000	CONOCOPHILLIPS TICKER: COP	55 93	27,964 95	73 22	36,610 00	8,645 05		36,610 00	1 08	1,320 00	C
	ACCRUAL CASH DIVIDEND CONOCOPHILLIPS EX DATE. 05/19/2011 PAY DATE 06/01/2011 TICKER: COP						330 00	330 00	0 01		C
500 000	*Total Position*		27,964 95		36,610 00	8,645 05	330 00	36,940 00	1 09	1,320 00	
900.000	EXXON MOBIL CORP TICKER. XOM	66 97	60,272.59	83 47	75,123 00	14,850 41		75,123 00	2 23	1,692.00	C

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Morgan Stanley
Private Wealth Management

Supplemental Report

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Portfolio Valuation By Position
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05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
	ACCRUAL CASH DIVIDEND EXXON MOBIL CORP EX DATE 05/11/2011 PAY DATE 06/10/2011 TICKER XOM						423.00	423 00	0 01		C
900 000	*Total Position*		60,272 59		75,123 00	14,850 41	423.00	75,546 00	2 24	1,692 00	
	Integrated Oil & Gas		188,429.10		237,625.00	49,195 90	1,689 00	239,314 00	7 09	6,756 00	
Oil & Gas Exploration & Production											
900 000	ENCANA CORPORATION TICKER ECA	33 82	30,437 97	34.10	30,690 00	252 03		30,690 00	0 91	720 00	C
Oil & Gas Storage & Transportation											
2,000 000	WILLIAMS COS THE COM TICKER WMB	21 76	43,515 80	31 39	62,780 00	19,264.20		62,780 00	1 86	880 00	C
	Energy		262,382 87		331,095 00	68,712 13	1,689 00	332,784 00	9 86	8,356 00	
Materials											
Industrial Gases											
400 000	AIR PRODS & CHEMS INC COM TICKER. APD	75 25	30,099 96	95 09	38,036 00	7,936 04		38,036 00	1 13	928 00	C
Paper Packaging											
1,000.000	PKG CORP AMER COM STK TICKER: PKG	28 83	28,829 60	29 10	29,100 00	270 40		29,100 00	0 86	800.00	C

Securities not purchased through Morgan Stanley PWM may not reflect original acquisition date and book cost This information is not available or supplied by others and may not be accurate
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05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
Steel											
400 000	VALE S A ADR TICKER. VALE	27.47	10,987 96	32 26	12,904 00	1,916 04		12,904 00	0 38	147 20	C
	Materials		69,917 52		80,040 00	10,122 48	0 00	80,040.00	2 37	1,875 20	
Industrials											
Electrical Components & Equipment											
1,000 000	EMERSON ELEC CO COM TICKER EMR	45 75	45,747 38	54 55	54,550 00	8,802 62		54,550 00	1 62	1,380 00	C
	ACCRUAL CASH DIVIDEND EMERSON ELEC CO COM EX DATE 05/11/2011 PAY DATE· 06/10/2011 TICKER EMR						345 00	345 00	0 01		C
1,000 000	*Total Position*		45,747 38		54,550 00	8,802 62	345 00	54,895 00	1 63	1,380 00	
	Electrical Components & Equipment		45,747 38		54,550 00	8,802 62	345 00	54,895 00	1 63	1,380 00	
Industrial Conglomerates											
400 000	3 M CO TICKER: MMM	82 87	33,148 68	94 38	37,752 00	4,603 32		37,752 00	1 12	880 00	C
	ACCRUAL CASH DIVIDEND 3 M CO EX DATE 05/18/2011 PAY DATE 06/12/2011 TICKER MMM						220 00	220 00	0 01		C
400 000	*Total Position*		33,148 68		37,752 00	4,603 32	220 00	37,972 00	1 13	880 00	

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Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type

Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
2,000 000	GENERAL ELEC CO TICKER: GE	15 45	30,896 40	19 64	39,280 00	8,383 60		39,280 00	1 16	1,200 00	C
	Industrial Conglomerates		64,045 08		77,032 00	12,986 92	220 00	77,252 00	2 29	2,080.00	
Environmental Services											
1,000 000	REPUBLIC SERVICES INC COM TICKER. RSG	30 04	30,035 10	31 52	31,520 00	1,484 90		31,520 00	0 93	800 00	C
1,000 000	WASTE MANAGEMENT INC TICKER: WM	33 97	33,970 12	38 88	38,880 00	4,909 88		38,880 00	1 15	1,360 00	C
	ACCRUAL. CASH DIVIDEND WASTE MANAGEMENT INC EX DATE 05/31/2011 PAY DATE· 06/17/2011 TICKER· WM						340 00	340.00	0 01		C
1,000 000	*Total Position*		33,970 12		38,880 00	4,909 88	340 00	39,220 00	1 16	1,360 00	
	Environmental Services		64,005 22		70,400 00	6,394 78	340 00	70,740 00	2 10	2,160.00	
Air Freight & Couriers											
700 000	UNITED PARCEL SERVICE INC CL B TICKER. UPS	61 48	43,035 76	73 49	51,443 00	8,407 24		51,443.00	1 52	1,456 00	C
	ACCRUAL· CASH DIVIDEND UNITED PARCEL SERVICE INC CL B EX DATE 05/12/2011 PAY DATE 06/01/2011 TICKER UPS						364 00	364 00	0 01		C
700 000	*Total Position*		43,035 76		51,443 00	8,407 24	364 00	51,807 00	1 54	1,456 00	
	Air Freight & Couriers		43,035 76		51,443 00	8,407 24	364 00	51,807 00	1 54	1,456 00	
	Industrials		216,833 44		253,425 00	36,591 56	1,269 00	254,694 00	7 55	7,076 00	

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Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
Consumer Discretionary											
Restaurants											
500 000	MCDONALDS CORP COM TICKER· MCD	74 65	37,327 33	81.54	40,770 00	3,442 67		40,770.00	1 21	1,220 00	C
	ACCRUAL CASH DIVIDEND MCDONALDS CORP COM EX DATE. 05/27/2011 PAY DATE. 06/15/2011 TICKER. MCD						305 00	305 00	0 01		C
500 000	*Total Position*		37,327.33		40,770 00	3,442.67	305.00	41,075 00	1 22	1,220.00	
	Restaurants		37,327.33		40,770.00	3,442 67	305 00	41,075.00	1 22	1,220.00	
Publishing & Printing											
2,000 000	PEARSON PLC 25P SPONSORED ADR TICKER· PSO	14 73	29,452 00	18.83	37,660 00	8,208.00		37,660 00	1 12	1,084 00	C
Distributors											
1,000 000	GENUINE PARTS CO COM TICKER: GPC	40 62	40,617.39	54 80	54,800 00	14,182 61		54,800 00	1 62	1,800 00	C
Home Improvement Retail											
800 000	HOME DEPOT INC COM TICKER HD	30.98	24,780.48	36.28	29,024 00	4,243 52		29,024 00	0 86	800 00	C
	Consumer Discretionary		132,177.20		162,254 00	30,076 80	305 00	162,559.00	4 82	4,904 00	

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Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
Consumer Staples											
Food Distributors											
1,500 000	SYSCO CORP TICKER SYY	26 77	40,157.00	32 21	48,315 00	8,158 00		48,315 00	1 43	1,560 00	C
Hypermarkets & Super Centers											
600 000	WAL MART STORES INC TICKER WMT	50 43	30,257 46	55 22	33,132 00	2,874 54		33,132 00	0 98	876 00	C
	ACCRUAL CASH DIVIDEND WAL MART STORES INC EX DATE 05/11/2011 PAY DATE: 06/06/2011 TICKER WMT						219 00	219.00	0 01		C
600 000	*Total Position*		30,257 46		33,132 00	2,874 54	219 00	33,351 00	0.99	876 00	
	Hypermarkets & Super Centers		30,257 46		33,132 00	2,874 54	219 00	33,351 00	0 99	876 00	
Brewers											
500 000	ANHEUSER BUSCH INBEV SA SPON TICKER BUD	46.05	23,025 15	60 48	30,240 00	7,214.85		30,240 00	0 90	485 00	C
Packaged Foods											
3,000 000	DANONE-SPONS ADR TICKER DANOY	12.80	38,400 00	14 65	43,947 00	5,547 00		43,947.00	1 30	768 00	C
	ACCRUAL ADR DIVIDEND DANONE-SPONS ADR EX DATE. 05/05/2011 PAY DATE 06/03/2011 TICKER DANOY						1,102 19	1,102 19	0 03		C
3,000 000	*Total Position*		38,400 00		43,947 00	5,547 00	1,102 19	45,049 19	1 33	768 00	

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Security Type

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700 000	MCCORMICK & CO INC COM NON VTG TICKER MKC	38 28	26,796.20	50 19	35,133 00	8,336 80		35,133 00	1 04	784 00	C
1,100 000	NESTLE SA CHF10 SPONS ADR 20 ADRS - 1 REG'D) TICKER NSRGY	49 13	54,041 00	64 19	70,612.30	16,571.30		70,612 30	2 09	1,791 90	C
700 000	UNILEVER N V COM SHR TICKER· UN	31 08	21,756 00	32 66	22,862 00	1,106 00		22,862 00	0 68	702 80	C
	ACCRUAL ADR DIVIDEND UNILEVER N V COM SHR EX DATE 05/11/2011 PAY DATE 06/15/2011 TICKER UN						230 23	230 23	0 01		C
700 000	*Total Position*		21,756 00		22,862 00	1,106 00	230 23	23,092 23	0 68	702 80	
400 000	UNILEVER PLC SPON ADR TICKER UL	25 41	10,163 44	32 59	13,036 00	2,872 56		13,036 00	0 39	472 80	C
	ACCRUAL ADR DIVIDEND UNILEVER PLC SPON ADR EX DATE 05/11/2011 PAY DATE 06/15/2011 TICKER UL						131 56	131 56	0 00		C
400 000	*Total Position*		10,163 44		13,036 00	2,872 56	131 56	13,167 56	0 39	472 80	
	Packaged Foods		151,156 64		185,590 30	34,433 66	1,463 98	187,054.28	5 54	4,519 50	
Household Products											
700 000	COLGATE PALMOLIVE CO COM TICKER CL	81 03	56,719 01	87 53	61,271 00	4,551 99		61,271 00	1 82	1,624 00	C
500 000	PROCTER & GAMBLE CO TICKER PG	48 18	24,090 07	67.00	33,500 00	9,409.93		33,500 00	0 99	1,050 00	C

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3,000 000	RECKITT BENCKISER GROUP PLC SLOUGH UNSPONSORED ADR (UK) TICKER RBGPY	10 30	30,900 00	11.31	33,942 00	3,042 00		33,942 00	1 01	1,005 00	C
	Household Products		111,709 08		128,713 00	17,003 92	0 00	128,713 00	3 81	3,679 00	
	Consumer Staples		356,305 33		425,990.30	69,684 97	1,682 98	427,673 28	12 67	11,119 50	
Health Care											
Health Care Equipment											
500 000	BAXTER INTERNATIONAL INC USD1 COM TICKER BAX	49 76	24,877 55	59 52	29,760 00	4,882 45		29,760 00	0 88	620.00	C
700 000	MEDTRONIC INC COM TICKER. MDT	36 65	25,651 57	40 70	28,490 00	2,838.43		28,490 00	0 84	630 00	C
	Health Care Equipment		50,529 12		58,250 00	7,720 88	0 00	58,250 00	1 73	1,250 00	
Pharmaceuticals											
1,000 000	ABBOTT LABS NPV TICKER: ABT	48 27	48,265 01	52 25	52,250 00	3,984 99		52,250 00	1 55	1,920 00	C
1,000 000	JOHNSON & JOHNSON TICKER JNJ	51.01	51,013 97	67 29	67,290 00	16,276 03		67,290 00	1 99	2,160 00	C
	ACCRUAL· CASH DIVIDEND JOHNSON & JOHNSON EX DATE 05/26/2011 PAY DATE 06/14/2011 TICKER JNJ						570 00	570 00	0 02		C
1,000 000	*Total Position*		51,013 97		67,290 00	16,276 03	570 00	67,860 00	2 01	2,160 00	
1,000 000	MERCK & CO TICKER MRK	38 94	38,940 94	36 75	36,750 00	(2,190 94)		36,750 00	1 09	1,520.00	C

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Supplemental Report

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Portfolio Valuation By Position
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05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
700 000	NOVARTIS AG USD SPON ADR REP 1/20 REGD SHS TICKER. NVS	53.12	37,183 97	64.52	45,164 00	7,980 03		45,164 00	1 34	1,157 10	C
2,000 000	PFIZER INC TICKER. PFE	17 18	34,369 80	21.45	42,900 00	8,530 20		42,900 00	1 27	1,600 00	C
	ACCRUAL CASH DIVIDEND PFIZER INC EX DATE 05/11/2011 PAY DATE 06/07/2011 TICKER. PFE						400 00	400 00	0.01		C
2,000 000	*Total Position*		34,369 80		42,900 00	8,530 20	400 00	43,300 00	1.28	1,600 00	
	Pharmaceuticals		209,773 69		244,354 00	34,580 31	970 00	245,324 00	7 27	8,357 10	
	Health Care		260,302 81		302,604 00	42,301 19	970 00	303,574 00	9 00	9,607 10	
Financials											
Life & Health Insurance											
500 000	METLIFE INC COMM STOCK TICKER· MET	44 19	22,093 85	44 10	22,050 00	(43 85)		22,050 00	0 65	370 00	C
Property & Casualty Insurance											
500 000	CHUBB CORP COM TICKER: CB	51 95	25,974 39	65 59	32,795 00	6,820 61		32,795 00	0 97	780 00	C
	Financials		48,068 24		54,845 00	6,776 76	0 00	54,845 00	1 63	1,150 00	
Information Technology											
IT Consulting & Services											
300 000	INTL BUSINESS MACHS CORP TICKER IBM	127 48	38,243 97	168 93	50,679 00	12,435.03		50,679 00	1 50	900 00	C

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Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
	ACCRUAL CASH DIVIDEND INTL BUSINESS MACHS CORP EX DATE 05/06/2011 PAY DATE 06/10/2011 TICKER IBM						225 00	225 00	0 01		C
300 000	*Total Position*		38,243 97		50,679 00	12,435 03	225 00	50,904 00	1 51	900 00	
	IT Consulting & Services		38,243 97		50,679 00	12,435 03	225 00	50,904 00	1 51	900 00	
Data Processing & Outsourced Services											
800 000	AUTOMATIC DATA PROCESSING INC TICKER ADP	42 07	33,658 40	55 11	44,088 00	10,429 60		44,088 00	1 31	1,152 00	C
1,000 000	PAYCHEX INC TICKER PAYX	30 74	30,742.52	32 30	32,300 00	1,557 48		32,300 00	0 96	1,240 00	C
	Data Processing & Outsourced Services		64,400 92		76,388 00	11,987 08	0.00	76,388 00	2 26	2,392 00	
Semiconductors											
1,500 000	MICROCHIP TECH INC COM TICKER: MCHP	31 52	47,274 75	39 53	59,295 00	12,020 25		59,295 00	1 76	2,076 00	C
	ACCRUAL CASH DIVIDEND MICROCHIP TECH INC COM EX DATE 05/17/2011 PAY DATE. 06/02/2011 TICKER. MCHP						519 00	519 00	0 02		C
1,500 000	*Total Position*		47,274 75		59,295 00	12,020 25	519 00	59,814 00	1 77	2,076 00	
	Semiconductors		47,274.75		59,295 00	12,020 25	519 00	59,814 00	1 77	2,076.00	
	Information Technology		149,919 64		186,362 00	36,442 36	744 00	187,106 00	5 54	5,368 00	

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Morgan Stanley
Private Wealth Management

Supplemental Report

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Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
	Telecommunication Services										
	Integrated Telecommunication Services										
8,000 000	TELSTRA CORPORATION ORDS TICKER TTRAF	3 11	24,900 00	3.22	25,761 81	861 81		25,761 81	0 76		C
	Integrated Telecommunication Services										
1,500 000	AT&T INC ISIN US00206R1023 TICKER T	25 95	38,924 10	31.56	47,340 00	8,415 90		47,340 00	1 40	2,580 00	C
1,000 000	TELEFONICA S A ADR TICKER TEF	25 10	25,096 60	24 33	24,330.00	(766 60)		24,330 00	0 72	1,593 00	C
2,000 000	TELSTRA CORP ADR TICKER TLSYY	14 21	28,420 00	16 09	32,180 00	3,760 00		32,180 00	0 95	2,626 00	C
1,000.000	VERIZON COMMUNICATIONS COM STK TICKER VZ	32 99	32,992 10	36 93	36,930 00	3,937 90		36,930 00	1 09	1,950 00	C
	Integrated Telecommunication Services		125,432 80		140,780 00	15,347 20	0 00	140,780 00	4 17	8,749 00	
	Wireless Telecommunication Services										
1,300 000	ROGERS COMMUNICATIONS INC CAD CL B COM NPV NONVTG TICKER RCI	31 99	41,585 63	38 24	49,712 00	8,126 37		49,712 00	1 47	1,939 60	C
1,800 000	VODAFONE GP PLC ADS NEW TICKER· VOD	21 22	38,197 00	28 03	50,454 00	12,257.00		50,454 00	1 50	2,530 80	C
	Wireless Telecommunication Services		79,782 63		100,166 00	20,383.37	0 00	100,166 00	2.97	4,470 40	
	Telecommunication Services		230,115 43		266,707 81	36,592 38	0 00	266,707 81	7 90	13,219 40	

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Utilities											
Electric Utilities											
	ACCRUAL CASH DIVIDEND EXELON CORP COM EX DATE. 05/12/2011 PAY DATE 06/10/2011 TICKER. EXC						262 50	262 50	0 01		C
Multi-Utilities											
1,000 000	GDF SUEZ ADR WI TICKER GDFZY	37 37	37,368 60	36.74	36,745 00	(623 60)		36,745.00	1 09	1,511 00	C
1,200 000	VEOLIA ENVIRONNEMENT PARIS ADR TICKER VE	33 19	39,830 91	30 28	36,336 00	(3,494 91)		36,336 00	1 08	1,766 40	C
	Multi-Utilities		77,199 51		73,081 00	(4,118 51)	0 00	73,081 00	2.17	3,277 40	
	Utilities		77,199 51		73,081 00	(4,118 51)	262.50	73,343 50	2 17	3,277 40	
	COMMON STOCKS		1,803,221 99		2,136,404 11	333,182 12	6,922 48	2,143,326 59	63 51	65,952 60	
CONVERTIBLE PREFERRED STOCKS											
25 000	WELLS FARGO & CO SER L 7 5% 31 DEC 2049 CONV PFD CUSIP 949746804	946 45	23,661 25	1,082 50	27,062 50	3,401 25		27,062 50	0 80	1,875 00	C
	ACCRUAL: CASH DIVIDEND WELLS FARGO & CO SER L EX DATE 05/26/2011 PAY DATE. 06/15/2011 CUSIP 949746804						468 75	468 75	0 01		C
25 000	*Total Position*		23,661 25		27,062 50	3,401 25	468 75	27,531 25	0 82	1,875 00	
	CONVERTIBLE PREFERRED STOCKS		23,661 25		27,062 50	3,401 25	468 75	27,531 25	0 82	1,875 00	

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***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund. The yield shown represents the SEC 7-day yield*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Morgan Stanley
Private Wealth Management

Supplemental Report

1775 Eye Street NW, 3rd Floor
Washington, DC 20006
800-745-2451

Portfolio Valuation By Position
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Book Price	Book Cost	Price	Market Value	Unrealized Gain (Loss)	Accrued Income	Total Market Value	% of *** Portfolio	Estimated Annual Inc.	Acct Type
PREFERRED STOCKS											
1,000 000	ALLIANZ SE 8 375% PFD PERP CUSIP. 018805200	25 15	25,150 00	26 53	26,531 00	1,381 00		26,531 00	0 79	2,094 00	C
	ACCRUAL CASH DIVIDEND ALLIANZ SE EX DATE. 05/27/2011 PAY DATE 06/15/2011 CUSIP 018805200						523 44	523 44	0 02		C
1,000 000	*Total Position*		25,150 00		26,531 00	1,381 00	523 44	27,054 44	0 80	2,094 00	
2,000 000	BANK OF AMERICA CORP 8.20% PFD PERP CUSIP 060505765	24 77	49,544 15	26 18	52,360 00	2,815.85		52,360 00	1 55	4,100 00	C
500 000	BARCLAYS BANK PLC 6 625% PERP PFD CUSIP 06739F390	21.99	10,995 00	24 43	12,215 00	1,220 00		12,215 00	0 36	828 00	C
	ACCRUAL. ADR DIVIDEND BARCLAYS BANK PLC 6 625% PERP EX DATE 05/27/2011 PAY DATE 06/15/2011 CUSIP 06739F390						207 03	207 03	0 01		C
500 000	*Total Position*		10,995 00		12,215 00	1,220 00	207 03	12,422 03	0 37	828 00	
1,000 000	DEUTSCHE BANK CONTINGENT C APITAL TR V 8.05% PERP PFD CUSIP. 25150L108	25 28	25,280 00	27.16	27,160 00	1,880 00		27,160 00	0 80	2,012 00	C
560.000	HSBC FINANCE CORP PFD 6 36% CUSIP. 40429C607	24 35	13,634 38	24 48	13,708 80	74 42		13,708 80	0 41	890 40	C
500 000	METLIFE INC PFD 6.5% SERIES B CUSIP 59156R603	24 72	12,360 00	25.22	12,610 00	250 00		12,610 00	0 37	812 50	C

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Supplemental Report

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Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2010 to 05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
200.000	CONOCOPHILLIPS	01/15/2010	06/01/2010	10,537 56	10,070 43	(467 13)	
300 000	CONOCOPHILLIPS	04/14/2003	06/01/2010	2 61	15,105 64		15,103.03
2,000.000	PIMCO FDS TOTAL RETURN FUND-IN	01/15/2010	07/13/2010	21,900.00	22,500 00	600 00	
1,000.000	MANULIFE FINANCIAL CORP CAD NPV COM	03/25/2010	08/12/2010	19,959.90	12,277.59	(7,682 31)	
100 000	CAMPBELL SOUP CO USD .0375 COM	03/25/2010	08/13/2010	3,486.99	3,621 94	134 95	
200 000	CAMPBELL SOUP CO USD .0375 COM	02/17/2010	08/13/2010	6,739 98	7,243 87	503 89	
300 000	MCCORMICK & CO INC COM NON VTG	02/02/2010	08/13/2010	11,094 60	11,957 94	863 34	
2,500.000	PIMCO FDS TOTAL RETURN FUND-IN	01/15/2010	08/13/2010	27,375 00	28,675 00	1,300 00	
300 000	TOTAL S.A ADR	03/25/2010	08/13/2010	16,982 22	14,991.34	(1,990 88)	
300 000	TOTAL S A ADR	03/09/2010	08/13/2010	17,341 86	14,991 35	(2,350.51)	
1,302.850	JP MORGAN STRATEGC INC OPP CL SEL MF	02/17/2010	08/30/2010	15,087 00	15,191 23	104 23	
4,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	02/02/2010	08/30/2010	46,520 00	46,640 00	120 00	
7,561 644	JP MORGAN STRATEGC INC OPP CL SEL MF	01/15/2010	08/30/2010	88,320 00	88,168 77	(151 23)	
100 000	BANK NEW YORK MELLON CORP	04/12/2010	09/07/2010	3,249 99	2,549 40	(700 59)	
400 000	BANK NEW YORK MELLON CORP	03/25/2010	09/07/2010	12,459 96	10,197 58	(2,262 38)	
500 000	HSBC HOLDINGS PLC 8 125%	06/01/2010	09/07/2010	13,034 95	13,664 71	629 76	
200 000	HSBC HOLDINGS PLC ADR	05/04/2010	09/07/2010	9,971 98	10,104 67	132 69	
400 000	HSBC HOLDINGS PLC ADR	04/12/2010	09/07/2010	21,394 48	20,209 33	(1,185 15)	
300 000	MONSANTO COMPANY COM STK	04/12/2010	09/07/2010	20,722 17	16,605 43	(4,116 74)	
150 000	MONSANTO COMPANY COM STK	07/24/2009	09/07/2010	12,546 00	8,302 72		(4,243 28)
1,000 000	MANULIFE FINANCIAL CORP CAD NPV COM	03/25/2010	09/29/2010	19,959 90	12,463 18	(7,496 72)	
500 000	CAMPBELL SOUP CO USD 0375 COM	04/12/2010	09/30/2010	17,719 95	17,915 04	195 09	
200.000	CAMPBELL SOUP CO USD 0375 COM	03/25/2010	09/30/2010	6,973 98	7,166 02	192 04	
200 000	ASTRAZENECA PLC SPONS ADR	02/17/2010	10/04/2010	8,805 98	10,173 23	1,367 25	

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W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2010 to 05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
400 000	ASTRAZENECA PLC SPONS ADR	02/02/2010	10/04/2010	18,768 00	20,346 45	1,578 45	
5,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	03/10/2010	10/04/2010	58,200 00	58,700.00	500 00	
1,697 150	JP MORGAN STRATEGC INC OPP CL SEL MF	02/17/2010	10/04/2010	19,653 00	19,924.54	271 54	
200 000	LOCKHEED MARTIN CORP COM	07/13/2010	10/04/2010	15,134 00	13,917 08	(1,216 92)	
300 000	LOCKHEED MARTIN CORP COM	04/12/2010	10/04/2010	24,914 97	20,875 63	(4,039 34)	
3,000 000	LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND	01/15/2010	10/04/2010	41,100 00	42,810 00	1,710 00	
3,000 000	PIMCO FDS TOTAL RETURN FUND-IN	01/15/2010	10/04/2010	32,850 00	34,890.00	2,040 00	
500.000	SYNGENTA AG	04/12/2010	10/04/2010	26,684.95	24,935 82	(1,749 13)	
1,000 000	ANNALY CAPITAL MGMT INC	05/06/2010	11/02/2010	15,350 00	17,689 80	2,339 80	
1,000 000	ANNALY CAPITAL MGMT INC	03/25/2010	11/02/2010	17,859 90	17,689 80	(170 10)	
500 000	BANK NEW YORK MELLON CORP	04/12/2010	11/02/2010	16,249 95	12,552 23	(3,697.72)	
300 000	STATE STREET CORP COM	05/04/2010	11/02/2010	12,812.25	12,586 25	(226 00)	
500 000	CORNING INC COM	04/12/2010	11/04/2010	9,974 20	9,469 98	(504 22)	
500 000	CORNING INC COM	07/24/2009	11/04/2010	8,505.00	9,469 99		964 99
1,000 000	TAIWAN SEMICONDUCTOR MANUFACTU ADR	05/04/2010	11/04/2010	10,069 90	11,193 81	1,123 91	
500 000	BRISTOL MYERS SQUIBBCO USD 10	04/19/2010	01/11/2011	12,764.95	12,810 23	45 28	
1,000 000	BRISTOL MYERS SQUIBBCO USD 10	03/09/2010	01/11/2011	25,167 00	25,620 47	453.47	
500 000	EMC CORP MASS COM STK	04/12/2010	01/11/2011	9,605 00	11,851 24	2,246 24	
300 000	SANOFI-AVENTIS ADR	04/19/2010	01/11/2011	10,940 46	9,634 30	(1,306.16)	
300 000	VEOLIA ENVIRONNEMENT PARIS ADR	01/15/2010	01/11/2011	10,943 97	8,531.79	(2,412 18)	
500 000	EATON VANCE STRATEGIC INC I	01/15/2010	01/21/2011	4,050 00	4,100 00		50.00
400 000	GLAXO SMITHKLINE SPONS PLC ADR	04/19/2010	01/24/2011	15,691 96	15,145 34	(546 62)	
600 000	SANOFI-AVENTIS ADR	05/04/2010	01/24/2011	19,984 38	20,808 62	824 24	
100 000	SANOFI-AVENTIS ADR	04/19/2010	01/24/2011	3,646 82	3,468 10	(178 72)	
700.000	ACCENTURE PLC	08/13/2010	03/25/2011	27,334.93	37,816 56	10,481 63	

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Sort Order: Closing Date

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2010 to 05/31/2011
Trade Date Reporting

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
500 000	ARCHER DANIELS CONV PFD	05/04/2010	03/25/2011	18,930 00	22,211 57	3,281 57	
1,000 000	ARCHER DANIELS CONV PFD	03/10/2010	03/25/2011	42,127 00	44,423 15		2,296 15
1,000 000	IRON MOUNTAIN INC DELAWARE COM	01/12/2011	03/25/2011	25,056 80	31,042 90	5,986 10	
300 000	HSBC HOLDINGS PLC ADR	01/11/2011	03/29/2011	16,082 64	15,605 73	(476 91)	
1,000 000	EATON VANCE STRATEGIC INC I	01/15/2010	04/18/2011	8,100 00	8,220 00		120 00
300 000	PIMCO FDS TOTAL RETURN FUND-IN	01/15/2010	04/20/2011	3,285 00	3,294.00		9 00
500 000	EXELON CORP COM	07/13/2010	05/18/2011	20,489 05	20,762.05	273 00	
500 000	METLIFE INC COMM STOCK	04/15/2011	05/18/2011	22,093 85	22,302 02	208.17	
500 000	TYCO INTERNATIONAL LTD	08/13/2010	05/18/2011	18,299 70	25,137 11	6,837 41	
	TOTAL PORTFOLIO			**1,074,906.69**	**1,090,622.97**	**1,416.39**	**14,299.89**

Supplemental Report

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Income & Expenses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
06/01/2010 to 05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Transaction Type
Payment Date
Security Name

Security Description	Payment Date	Gross Payment	Total Withholding	Net Payment	Capital Gains Short Term	Capital Gains Long Term
LONG TERM CAPITAL GAINS						
PIMCO FDS TOTAL RETURN FUND-IN ER SHARE	12/08/2010					1,629 81
PIMCO UNCONSTRAINED INST CL MF ER SHARE	12/08/2010					53 02
TOTAL LONG TERM CAPITAL GAINS						1,682.83
DIVIDEND EXPENSE						
SYNGENTA AG	06/07/2010	(1 75)		(1 75)		
SYNGENTA AG	06/07/2010	(10 00)		(10.00)		
SYNGENTA AG	06/07/2010	(542.80)	81 42	(461 38)		
HSBC HOLDINGS PLC ADR	07/07/2010	(240 00)	24 00	(216 00)		
TAIWAN SEMICONDUCTOR MANUFACTU ADR	07/27/2010	(465.93)	93 19	(372.74)		
VODAFONE GP PLC ADS NEW	08/06/2010	(36 00)		(36 00)		
TELSTRA CORP ADR	10/04/2010	(40 00)		(40.00)		
VALE S A ADR	11/05/2010	(8 00)		(8 00)		
ENCANA CORPORATION	12/31/2010	(180 00)	45 00	(135 00)		
ENCANA CORPORATION	12/31/2010	(180 00)	27 00	(153 00)		
VODAFONE GP PLC ADS NEW	02/04/2011	(18 00)		(18 00)		
VALE S A ADR	02/07/2011	(6.00)		(6 00)		
TELSTRA CORP ADR	04/04/2011	(40 00)		(40 00)		
VALE S A ADR	05/06/2011	(6 00)		(6 00)		
ANHEUSER BUSCH INBEV SA SPON	05/12/2011	(15 00)		(15 00)		
ANHEUSER BUSCH INBEV SA SPON	05/12/2011	(590.51)	147 63	(442 88)		
ANHEUSER BUSCH INBEV SA SPON	05/12/2011	(579 04)	144 76	(434 28)		
TELEFONICA S A ADR	05/17/2011	(10 00)		(10.00)		
TOTAL DIVIDEND EXPENSE		(2,969.03)		(2,406.03)		
DIVIDEND INCOME						
ARCHER DANIELS CONV PFD	06/01/2010	290 63		290 63		
CONOCOPHILLIPS	06/01/2010	550 00		550 00		

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06/01/2010 to 05/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Transaction Type
Payment Date
Security Name

Security Description	Payment Date	Gross Payment	Total Withholding	Net Payment	Capital Gains Short Term	Capital Gains Long Term
MORGAN STANLEY LIQ MMKT-INST L	03/31/2011	11 44		11 44		
MORGAN STANLEY LIQ MMKT-INST L	04/20/2011	3 43		3 43		
MORGAN STANLEY LIQ MMKT-INST L	04/29/2011	0 15		0 15		
FIFTH THIRD CAPITAL TRUST VI 7.2 5% PFD 15 NOV 2067	05/16/2011	453 13		453 13		
MORGAN STANLEY LIQ MMKT-INST L	05/31/2011	1 32		1 32		
TOTAL INTEREST INCOME		**6,028.36**		**6,028.36**		
MISCELLANEOUS EXPENSE						
US DOLLAR	11/01/2010	(7 87)		(7 87)		
US DOLLAR	02/01/2011	(1.16)		(1 16)		
TOTAL MISCELLANEOUS EXPENSE		**(9.03)**		**(9.03)**		
MANAGEMENT FEE						
US DOLLAR	07/20/2010	(3,686 80)		(3,686.80)		
US DOLLAR	10/19/2010	(3,815 88)		(3,815 88)		
US DOLLAR	01/20/2011	(3,854 79)		(3,854 79)		
US DOLLAR	04/19/2011	(3,960 95)		(3,960.95)		
TOTAL MANAGEMENT FEE		**(15,318.42)**		**(15,318.42)**		
MISCELLANEOUS INCOME						
US DOLLAR	06/01/2010	0 65		0 65		
US DOLLAR	09/01/2010	0.21		0 21		
TOTAL MISCELLANEOUS INCOME		**0.86**		**0.86**		
SHORT TERM CAPITAL GAINS						
PIMCO FDS TOTAL RETURN FUND-IN PER SHARE	12/08/2010				3,564 38	
PIMCO UNCONSTRAINED INST CL MF PER SHARE	12/08/2010				345 98	
BLACKROCK STRAT INC OPPORT INST PER SHARE	12/22/2010				579 18	
TOTAL SHORT TERM CAPITAL GAINS					**4,489.54**	