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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**

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

Name of foundation THE EUCALYPTUS FOUNDATION		A Employer identification number 94-3148772
Number and street (or P O box number if mail is not delivered to street address) P. O. BOX 29550	Room/suite	B Telephone number 415-561-3346
City or town, state, and ZIP code SAN FRANCISCO, CA 94129-0550		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation, <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust, <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 36,875,380. (Part I, column (d) must be on cash basis.)	J Accounting method: <input checked="" type="checkbox"/> Cash, <input type="checkbox"/> Accrual, <input type="checkbox"/> Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	500,821.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	111.	111.		STATEMENT 2
4 Dividends and interest from securities	763,734.	763,734.		STATEMENT 3
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	1,018,623.			STATEMENT 1
b Gross sales price for all assets on line 6a 4,845,370.				
7 Capital gain net income (from Part IV, line 2)		1,027,574.		
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	2,283,289.	1,791,419.		
13 Compensation of officers, directors, trustees, etc.	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees STMT 4	7,200.	3,000.		4,200.
b Accounting fees STMT 5	23,700.	4,500.		5,200.
c Other professional fees STMT 6	48,572.	48,572.		0.
17 Interest				
18 Taxes STMT 7	13,924.	7,924.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses STMT 8	855.	0.		855.
24 Total operating and administrative expenses Add lines 13 through 23	94,251.	63,996.		10,255.
25 Contributions, gifts, grants paid	2,483,996.			2,483,996.
26 Total expenses and disbursements. Add lines 24 and 25	2,578,247.	63,996.		2,494,251.
27 Subtract line 26 from line 12	<294,958.>			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		1,727,423.		
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		0.		
	2	Savings and temporary cash investments		228,556.	1,463,898.	1,463,898.
	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 STMT 10		1,777,443.	1,849,641.	2,042,576.
	b	Investments - corporate stock STMT 11		21,847,737.	19,985,809.	21,504,288.
	c	Investments - corporate bonds STMT 12		7,012,331.	7,271,073.	7,671,932.
11	Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 13		3,000,000.	3,000,000.	4,188,579.	
14	Land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
15	Other assets (describe ▶ STATEMENT 14)		3,419.	4,107.	4,107.	
16	Total assets (to be completed by all filers)		33,869,486.	33,574,528.	36,875,380.	
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 ▶ <input checked="" type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		33,869,486.	33,574,528.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
28	Paid-in or capital surplus, or land, bldg, and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances		33,869,486.	33,574,528.		
31	Total liabilities and net assets/fund balances		33,869,486.	33,574,528.		

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	33,869,486.
2	Enter amount from Part I, line 27a	2	<294,958.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	33,574,528.
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	33,574,528.

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				
b SEE ATTACHED STATEMENT				
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 4,845,370.		3,817,796.	1,027,574.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e			1,027,574.	
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	1,027,574.
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	3,630,407.	32,833,619.	.110570
2008	2,791,004.	32,252,111.	.086537
2007	2,085,356.	45,351,447.	.045982
2006	1,925,679.	45,350,010.	.042463
2005	2,295,946.	28,369,827.	.080929
2 Total of line 1, column (d)			2 .366481
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 .073296
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 34,614,219.
5 Multiply line 4 by line 3			5 2,537,084.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 17,274.
7 Add lines 5 and 6			7 2,554,358.
8 Enter qualifying distributions from Part XII, line 4			8 2,494,251.

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	34,548.
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	34,548.
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	34,548.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	13,428.
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	13,428.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	551.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	21,671.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
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		
1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.	
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.	
2		X
If "Yes," attach a detailed description of the activities.		
3		X
If "Yes," attach a conformed copy of the changes		
4a		X
4b		
N/A		
5		X
If "Yes," attach the statement required by General Instruction T.		
6	X	
7	X	
If "Yes," complete Part II, col (c), and Part XV.		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA	
8b	X	
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		
9		X
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		
10		X
Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u>	X		
14	The books are in care of ▶ <u>STEPHEN SCHWARZ</u> Telephone no ▶ <u>415-561-3346</u> Located at ▶ <u>P.O. BOX 29550, SAN FRANCISCO, CA</u> ZIP+4 ▶ <u>94129-0550</u>			
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 ▶ <u>15</u> N/A			
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? 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 ▶		Yes	No
				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

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) N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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

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

(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 15		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 N/A	
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 N/A	
2	
3 All other program-related investments See instructions	
Total. Add lines 1 through 3 ▶	0.

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	34,729,573.
b	Average of monthly cash balances	1b	411,766.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	35,141,339.
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	35,141,339.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	527,120.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	34,614,219.
6	Minimum investment return. Enter 5% of line 5	6	1,730,711.

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	1,730,711.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	34,548.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	34,548.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,696,163.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,696,163.
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	1,696,163.

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	2,494,251.
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	2,494,251.
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	2,494,251.

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				1,696,163.
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	901,917.			
b From 2006				
c From 2007				
d From 2008	1,192,982.			
e From 2009	2,011,870.			
f Total of lines 3a through e	4,106,769.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 2,494,251.				
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)	0.			
d Applied to 2010 distributable amount				1,696,163.
e Remaining amount distributed out of corpus	798,088.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below	4,904,857.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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				0.
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	901,917.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	4,002,940.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008	1,192,982.			
d Excess from 2009	2,011,870.			
e Excess from 2010	798,088.			

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				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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))

SEE STATEMENT 16

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

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

- c** Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a <i>Paid during the year</i> SEE SUPPLEMENT A</p>				
<p>Total ▶ 3a</p>				<p>2,483,996.</p>
<p>b <i>Approved for future payment</i></p> <p>NONE</p>				
<p>Total ▶ 3b</p>				<p>0.</p>

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

THE EUCALYPTUS FOUNDATION

Employer identification number

94-3148772

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization THE EUCALYPTUS FOUNDATION	Employer identification number 94-3148772
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Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	FRANCES K. GEBALLE PO BOX 29550 SAN FRANCISCO, CA 94129	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE EUCALYPTUS FOUNDATION	Employer identification number 94-3148772
--	---

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization THE EUCALYPTUS FOUNDATION	Employer identification number 94-3148772
--	---

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

THE EUCALYPTUS FOUNDATION

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 KESTREL INV. MGMT. - SEE SUPP. B	P	VARIOUS	VARIOUS
b KESTREL INV. MGMT. - SEE SUPP. B	P	VARIOUS	VARIOUS
c 49.276 SHS. CAP. WORLD G & I FUND	P	12/17/09	07/27/10
d 45.583 SHS. CAP WORLD G & I FUND	P	09/24/07	10/29/10
e 48.971 SHS. CAP WORLD G & I FUND	P	09/24/07	01/25/11
f 49.338 SHS. CAP. WORLD G & I FUND	P	09/24/07	04/27/11
g 12329.978 SHS. VANGUARD 500 INDEX FUND	P	VARIOUS	07/06/11
h 16129.032 SHS. VANGUARD EUROPEAN STK. INDEX	P	VARIOUS	12/02/11
i 3253.09 SHS. VANGUARD TOTAL STK. MKT.	P	VARIOUS	12/02/11
j 9377.931 SHS. VANGUARD TOTAL STK. MKT.	P	VARIOUS	06/24/11
k 11144.722 SHS. VANGUARD EUROPEAN INDEX	P	VARIOUS	06/24/11
l CAPITAL GAINS DIVIDENDS			
m			
n			
o			

(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 95,308.		92,185.	3,123.
b 1,465,751.		1,044,505.	421,246.
c 1,600.		1,676.	<76.>
d 1,610.		2,159.	<549.>
e 1,785.		2,319.	<534.>
f 1,900.		2,337.	<437.>
g 1,167,402.		662,504.	504,898.
h 1,000,000.		967,213.	32,787.
i 100,000.		96,300.	3,700.
j 300,000.		277,946.	22,054.
k 700,000.		668,652.	31,348.
l 10,014.			10,014.
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			3,123.
b			421,246.
c			<76.>
d			<549.>
e			<534.>
f			<437.>
g			504,898.
h			32,787.
i			3,700.
j			22,054.
k			31,348.
l			10,014.
m			
n			
o			

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	1,027,574.
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

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
KESTREL INV. MGMT. - SEE SUPP. B	95,308.	92,185.	0.	PURCHASED	VARIOUS	VARIOUS

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
KESTREL INV. MGMT. - SEE SUPP. B	1,465,751.	1,053,456.	0.	PURCHASED	VARIOUS	VARIOUS

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
49.276 SHS. CAP. WORLD G & I FUND	1,600.	1,676.	0.	PURCHASED	12/17/09	07/27/10

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
45.583 SHS. CAP WORLD G & I FUND	1,610.	2,159.	0.	PURCHASED	09/24/07	10/29/10
						<549.>

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
48.971 SHS. CAP WORLD G & I FUND	1,785.	2,319.	0.	PURCHASED	09/24/07	01/25/11
						<534.>

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
49.338 SHS. CAP. WORLD G & I FUND	1,900.	2,337.	0.	PURCHASED	09/24/07	04/27/11
						<437.>

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
12329.978 SHS. VANGUARD 500 INDEX FUND	1,167,402.	662,504.	0.	PURCHASED	VARIOUS	07/06/11
						504,898.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
16129.032 SHS. VANGUARD EUROPEAN STK. INDEX	1,000,000.	967,213.	0.	PURCHASED	VARIOUS	12/02/11

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
3253.09 SHS. VANGUARD TOTAL STK. MKT.	100,000.	96,300.	0.	PURCHASED	VARIOUS	12/02/11

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
9377.931 SHS. VANGUARD TOTAL STK. MKT.	300,000.	277,946.	0.	PURCHASED	VARIOUS	06/24/11

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
11144.722 SHS. VANGUARD EUROPEAN INDEX	700,000.	668,652.	0.	PURCHASED	VARIOUS	06/24/11

CAPITAL GAINS DIVIDENDS FROM PART IV						10,014.
TOTAL TO FORM 990-PF, PART I, LINE 6A						1,018,623.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
GOLDMAN SACHS - KESTREL ACCOUNT	100.
WELLS FARGO BANK	11.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	111.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CAP. WORLD GROWTH & INC. FUND	70,318.	0.	70,318.
DODGE & COX INCOME FUND	127,294.	0.	127,294.
GOLDMAN SACHS (KESTREL A/C)	43,252.	0.	43,252.
TIFF INTERNATIONAL EQUITY	202,379.	0.	202,379.
TIFF SHORT TERM FUND	169.	0.	169.
TIFF US EQUITY FUND	29,996.	0.	29,996.
VANGD. INFLAT. PROT. SEC.	72,198.	0.	72,198.
VANGD. TOTAL STK. INDEX FUND	47,988.	0.	47,988.
VANGUARD EUROPEAN STOCK FUND	48,760.	0.	48,760.
VANGUARD PRIME MONEY MKT. FUND	104.	0.	104.
VANGUARD TOTAL BOND INDEX FUND	131,279.	10,014.	121,265.
WELLS FARGO BANK, N.A.	11.	0.	11.
TOTAL TO FM 990-PF, PART I, LN 4	773,748.	10,014.	763,734.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL & ADM. FEE	7,200.	3,000.		4,200.
TO FM 990-PF, PG 1, LN 16A	7,200.	3,000.		4,200.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCTNG. & ADMIN. FEE	9,000.	4,500.		4,500.
AUDIT FEE	14,700.	0.		700.
TO FORM 990-PF, PG 1, LN 16B	23,700.	4,500.		5,200.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	48,572.	48,572.		0.
TO FORM 990-PF, PG 1, LN 16C	48,572.	48,572.		0.

FORM 990-PF	TAXES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EST. TAXES FYE 6/30/11	13,428.	0.		0.
FOREIGN TAXES WITHHELD	7,924.	7,924.		0.
EXCISE TAX REFUND	<7,428.>	0.		0.
TO FORM 990-PF, PG 1, LN 18	13,924.	7,924.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FILING FEES	160.	0.		160.
DUES & MEMBERSHIPS	695.	0.		695.
TO FORM 990-PF, PG 1, LN 23	855.	0.		855.

FOOTNOTES

STATEMENT 9

PART VII-B, LINE 1A (3) & (4), RE: PAYMENT OF COMPENSATION TO A DISQUALIFIED PERSON: ACCOUNTING SERVICES ARE PROVIDED TO THE FOUNDATION BY EUCALYPTUS ASSOCIATES, INC., THE OWNERS AND DIRECTORS OF WHICH INCLUDE DIRECTORS AND OFFICERS OF THE FOUNDATION. SUCH SERVICES ARE PROVIDED AT OR BELOW FAIR MARKET VALUE.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
VANGD. INFLAT. PROT. SEC. FUND	X		1,849,641.	2,042,576.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,849,641.	2,042,576.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,849,641.	2,042,576.

FORM 990-PF CORPORATE STOCK STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
VANGD. 500 INDEX FUND	0.	0.
VANGUARD EUROPEAN STK. INDEX FUND	296,483.	328,912.
TIFF INT'L EQUITY FUND	4,644,623.	5,006,796.
TIFF U.S. EQUITY FUND	6,655,185.	6,477,297.
CAP WORLD G & INC. FUND	2,623,785.	2,567,520.
VANGD. TOTAL STK. MKT. FUND	2,124,817.	2,387,325.
KESTREL INV. MGMT. A/C - SEE SUPP. C	3,640,916.	4,736,438.
TOTAL TO FORM 990-PF, PART II, LINE 10B	19,985,809.	21,504,288.

FORM 990-PF CORPORATE BONDS STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
TIFF SHORT TERM FUND	1,168,953.	1,181,442.
DODGE & COX INC. FUND	2,770,729.	2,953,810.
VANGD. BOND INDEX FUND	3,331,391.	3,536,680.
TOTAL TO FORM 990-PF, PART II, LINE 10C	7,271,073.	7,671,932.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 13	
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HCP ABSOLUTE RETURN FUND	FMV	3,000,000.	4,188,579.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,000,000.	4,188,579.

FORM 990-PF	OTHER ASSETS	STATEMENT 14	
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DIVIDENDS RECEIVABLE	3,420.	4,107.	4,107.
ROUNDING ADJUSTMENT	<1.>	0.	0.
TO FORM 990-PF, PART II, LINE 15	3,419.	4,107.	4,107.

**FORM 990-PF
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET**

Name(s)					Identifying Number
THE EUCALYPTUS FOUNDATION					94-3148772
(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
11/15/10	2,893.	2,893.			
11/15/10	<7,428.>	<4,535.>			
12/15/10	14,381.	9,846.	16	.000109589	17.
12/31/10	0.	9,846.	70	.000082192	57.
03/11/11	<3,000.>	6,846.	4	.000082192	2.
03/15/11	8,637.	15,483.	16	.000082192	20.
03/31/11	0.	15,483.	71	.000109589	120.
06/10/11	<3,000.>	12,483.	5	.000109589	7.
06/15/11	8,637.	21,120.	107	.000109589	248.
09/30/11	0.	21,120.	46	.000082192	80.
Penalty Due (Sum of Column F)					551.

* Date of estimated tax payment, withholding credit date or installment due date

THE EUCALYPTUS FOUNDATION

94-3148772

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING YEAR

SUPP. A

Grantee	Status	Purpose	Amount
ARTS AND CULTURE			
The Exploratorium 3601 Lyon Street San Francisco, CA 94123	Public	Capital campaign - teacher institute	400,000
San Francisco Symphony Davies Symphony Hall San Francisco, Ca 94102	Public	Capital campaign - unrestricted endowment and special programs	200,000
COMMUNITY DEVELOPMENT / SOCIAL SERVICES / SOCIAL JUSTICE			
CFED 1200 G St , N W , Ste 400 Washington, D C 20005	Public	Economic opportunity program, endowment (50%), operating support (50%)	250,000
Chronicle Season of Sharing Fund PO Box 44740 San Francisco, Ca 94144	Public	General support	20,000
Glide Foundation 330 Ellis Street San Francisco, CA 94102	Public	General support	2,000
Huckleberry Youth Programs 3310 Geary Blvd San Francisco, Ca 94118	Public	General support	5,000
Jewish Family and Children's Services 2150 Post Street San Francisco, Ca 94115	Public	Centers for Special Needs	200,000
Larkin Street Youth Services 1142 Sutter St San Francisco, Ca 94109	Public	General support	3,000
New Life Fellowship 82-10 Queens Boulevard Elmhurst, NY 11373	Public	General support	5,000
St Anthony Foundation 121 Golden Gate Avenue San Francisco, Ca 94102	Public	General support	2,000
San Francisco Child Abuse Prevention Center 1757 Waller Street San Francisco, Ca 94117	Public	Respite Care program	4,000
Tenderloin Neighborhood Dev Corp 201 Eddy Street San Francisco, Ca 94102	Public	General support	20,000
Western Center on Law and Poverty 3701 Wilshire Blvd Los Angeles, Ca 90010		General support	5,000

**THE EUCALYPTUS FOUNDATION
GRANTS AND CONTRIBUTIONS PAID DURING YEAR**

**94-3148772
SUPP. A**

Grantee	Status	Purpose	Amount
EDUCATION			
<i>Elementary and Secondary</i>			
American Physical Society One Physics Ellipse College Park, Md 20740	Public	K-12 science education program (PHYSTEC)	50,000
Berkeley Public Educ Foundation 1835 Allston Way Berkeley, CA 94703	Public	General support	3,000
Camino Pablo PTA 1111 Camino Pablo Moraga, CA 94550	Public	General support	500
Charles Armstrong School 1405 Solana Drive Belmont, Ca 94002	Public	Tuition assistance	10,000
Eastside College Preparatory School 1041 Myrtle Street E Palo Alto, Ca 94303	Public	Physics program	100,496
Moraga Educational Foundation PO Box 34 Moraga, CA 94550	Public	General support	2,000
<i>Higher Education</i>			
Hastings College of the Law 200 McAllister Street San Francisco, Ca 94102	Public	Summer Law Institute	2,000
Middlebury College Middlebury, Vt 05753	Public	Junior faculty fellowship program program	75,000
Monterey Institute Int'l Studies 460 Pierce Street Monterey, Ca 93940	Public	Student financial aid	100,000
New York University 25 West 4th Street New York, N Y 10012	Public	Scholarships-Gallatin School	50,000
Santa Clara Univ School of Law 500 El Camino Real Santa Clara, Ca 95053	Public	Center for Social Justice	2,000
University of California, Berkeley Foundation 2080 Addison Street, #4200 Berkeley, Ca 94720	Public	Earthquake engineering chair	150,000

**THE EUCALYPTUS FOUNDATION
GRANTS AND CONTRIBUTIONS PAID DURING YEAR**

**94-3148772
SUPP. A**

Grantee	Status	Purpose	Amount
Other			
Lindsay Wildlife Museum 1931 First Avenue Walnut Creek, Ca 94597	Public	General support	500
ENVIRONMENT			
Environmental Defense 257 Park Avenue S New York, N Y 10010	Public	Fellowship program	200,000
Save San Francisco Bay Ass'n 350 Frank H Ogawa Plaza Oakland, Ca 94612	Public	Protection and restoration of S F Bay, including education and community initiatives	200,000
HEALTH CARE			
Austin Community Foundation Health Alliance for Austin Musicians PO Box 5159 Austin, Tx 78763	Public	Health insurance for musicians	5,000
Fred Hutchinson Cancer Res Ctr PO Box 19024 Seattle, Wa 98109	Public	Medical research - indirect costs	250,000
Hillel at Stanford PO Box 20526 Stanford, Ca 94309	Public	Camp Kesem - summer camp for children of parents with cancer	12,500
Juvenile Diabetes Research Fdn Austin Tx Chapter 3420 Executive Ctr Drive, \$ 108 Austin, Tx 78731	Public	General support	2,000
Population Media Center PO Box 547 Shelburne, Vt 05482	Public	General support	6,000
San Francisco Free Clinic 4900 California St San Francisco, Ca 94118	Public	General support	20,000
University of California, Davis Health System 4900 Broadway, # 1150 Sacramento, Ca 95820	Public	Cancer Center - general support	2,000

**THE EUCALYPTUS FOUNDATION
GRANTS AND CONTRIBUTIONS PAID DURING YEAR**

**94-3148772
SUPP. A**

Grantee	Status	Purpose	Amount
HUMAN RIGHTS			
American Jewish World Services 45 West 36th Street New York, N Y 10018	Public	Work in conflict zones	50,000
PeaceWorks Foundation PO Box 1577, OCS New York, N Y 10113	Public	One Voice - 2018 Campaign	75,000
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>\$2,483,996</u>

SUPPLEMENT B-1
FEIN 94-3148772
FEDERAL CAPITAL GAINS AND LOSSES

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Eucalyptus Foundation
From 07-01-10 Through 06-30-11

Date	Quantity	Security	Cost		Gain Or Loss
			Basis	Proceeds	
07-12-10	600	Omnicell Inc	8,898.07	7,449.53	-1,448.54
07-15-10	600	First Cash Finl Svcs	8,375.49	13,783.98	5,408.49
07-20-10	600	Omnicell Inc	8,898.07	7,585.43	-1,312.64
07-22-10	700	First Cash Finl Svcs	9,771.41	17,025.46	7,254.05
07-23-10	600	Omnicell Inc	8,898.07	7,192.97	-1,705.10
07-26-10	600	Twin Disc, Inc	11,706.29	7,519.49	-4,186.80
07-27-10	600	First Cash Finl Svcs	8,375.49	14,725.37	6,349.88
07-27-10	500	Twin Disc, Inc	9,755.24	6,584.43	-3,170.81
07-30-10	900	Omnicell Inc	13,347.10	11,028.50	-2,318.60
08-02-10	600	First Cash Finl Svcs	8,375.49	14,623.55	6,248.06
08-05-10	600	First Cash Finl Svcs	8,375.49	14,575.79	6,200.30
08-05-10	600	Red Robin Gourmet Burg	17,188.86	12,766.46	-4,422.40
08-11-10	700	Red Robin Gourmet Burg	20,053.67	13,820.63	-6,233.04
08-13-10	600	Red Robin Gourmet Burg	17,188.86	11,147.93	-6,040.93
08-17-10	1,000	Red Robin Gourmet Burg	28,648.09	18,054.89	-10,593.20
08-19-10	2,500	Cornell Companies	56,208.81	70,135.00	13,926.19
10-07-10	600	FalconStor Software	2,346.29	1,648.89	-697.40
10-11-10	600	FalconStor Software	2,346.29	1,743.33	-602.96
10-13-10	600	FalconStor Software	2,346.29	1,864.04	-482.25
10-19-10	700	FalconStor Software	2,737.34	2,120.47	-616.87
10-26-10	700	FalconStor Software	2,737.34	2,066.50	-670.84
10-29-10	700	FalconStor Software	2,737.34	1,925.17	-812.17
11-01-10	600	FalconStor Software	2,346.29	1,550.37	-795.92
11-01-10	600	Joy Global	13,168.41	42,854.57	29,686.16
11-02-10	700	FalconStor Software	2,737.34	1,802.11	-935.23
11-03-10	800	Joy Global	17,557.88	56,312.00	38,754.12
11-05-10	900	FalconStor Software	3,519.43	2,267.96	-1,251.47
11-08-10	700	FalconStor Software	2,737.34	1,677.03	-1,060.31
11-09-10	2,400	FalconStor Software	9,385.15	6,507.48	-2,877.67
11-09-10	600	Joy Global	13,168.41	45,161.41	31,993.00
11-15-10	800	Joy Global	17,557.88	61,554.87	43,996.99

SUPPLEMENT B-1
FEIN 94-3148772
FEDERAL CAPITAL GAINS AND LOSSES

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Eucalyptus Foundation
From 07-01-10 Through 06-30-11

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
11-18-10	800	Joy Global	17,557.88	60,671.13	43,113.25
11-22-10	600	Zep Inc	8,070.23	10,964.51	2,894.28
11-23-10	600	L.B. Foster Company	21,730.59	20,596.75	-1,133.84
12-02-10	600	Jack Henry & Assoc	11,896.45	17,056.39	5,159.94
12-06-10	700	Jack Henry & Assoc	13,879.19	20,005.73	6,126.54
12-09-10	600	Jack Henry & Assoc	11,896.45	17,356.56	5,460.11
12-13-10	600	Spectrum Control Inc	4,066.23	9,427.88	5,361.65
12-14-10	600	Zep Inc	8,070.23	11,357.98	3,287.75
12-15-10	700	Jack Henry & Assoc	13,879.19	20,693.67	6,814.48
12-16-10	600	L.B. Foster Company	21,730.59	24,429.18	2,698.59
12-20-10	800	Jack Henry & Assoc	15,861.93	23,509.76	7,647.83
12-22-10	600	Spectrum Control Inc	4,066.23	8,763.81	4,697.58
12-28-10	600	Jack Henry & Assoc	11,896.45	17,653.02	5,756.57
01-03-11	700	Jack Henry & Assoc	13,879.19	20,786.91	6,907.72
01-04-11	600	Zep Inc	8,070.23	11,919.27	3,849.04
01-05-11	1,000	L.B. Foster Company	36,217.65	39,502.33	3,284.68
01-11-11	1,000	Spectrum Control Inc	6,777.06	12,081.29	5,304.23
01-11-11	600	Zep Inc	8,070.23	10,643.81	2,573.58
01-31-11	600	Zep Inc	8,070.23	10,705.29	2,635.06
02-01-11	600	Herley Industries	7,232.54	10,043.98	2,811.44
02-04-11	600	Spectrum Control Inc	4,066.23	8,162.84	4,096.61
02-07-11	600	Innovative Soln & Supp	8,488.33	3,525.29	-4,963.04
02-10-11	2,600	First Mercury Financial	35,345.55	42,900.00	7,554.45
02-15-11	600	Innovative Soln & Supp	8,488.33	3,571.43	-4,916.90
02-18-11	600	Spectrum Control Inc	4,066.23	8,536.99	4,470.76
02-25-11	600	Zep Inc	8,070.23	9,608.81	1,538.58
03-07-11	600	Spectrum Control Inc	4,066.23	8,207.12	4,140.89
03-14-11	600	Zep Inc	8,070.23	9,593.93	1,523.70
03-16-11	600	Spectrum Control Inc	4,066.23	7,463.37	3,397.14
03-18-11	600	Spectrum Control Inc	4,066.23	7,918.34	3,852.11
03-25-11	600	Zep Inc	8,070.23	10,039.90	1,969.67

SUPPLEMENT B-1
FEIN 94-3148772
FEDERAL CAPITAL GAINS AND LOSSES

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Eucalyptus Foundation
From 07-01-10 Through 06-30-11

Date	Quantity	Security	Cost		Proceeds	Gain Or Loss
			Basis			
03-25-11	2,600	Herley Industries	31,341.01		49,400.00	18,058.99
04-07-11	600	Zep Inc	8,070.23		10,475.31	2,405.08
04-12-11	700	Zep Inc	9,415.27		12,253.12	2,837.85
04-13-11	600	Teledyne Technologies	20,972.80		28,889.44	7,916.64
04-25-11	600	Teledyne Technologies	20,972.80		28,484.21	7,511.41
04-27-11	600	Exponent Inc	15,214.91		25,228.97	10,014.07
05-02-11	5,000	Universal American	78,739.55		116,225.00	37,485.45
05-03-11	600	Teledyne Technologies	20,972.80		29,882.48	8,909.68
05-05-11	600	Innovative Soln & Supp	8,488.33		3,449.27	-5,039.06
05-09-11	600	Orbital Sciences	9,527.95		11,205.02	1,677.07
05-11-11	600	Teledyne Technologies	20,972.80		29,527.89	8,555.09
05-13-11	600	Teledyne Technologies	20,972.80		29,363.25	8,390.45
05-16-11	600	Orbital Sciences	9,527.95		11,209.16	1,681.21
05-19-11	600	Orbital Sciences	9,527.95		11,253.38	1,725.43
05-20-11	600	Exponent Inc	15,214.91		24,694.98	9,480.08
05-24-11	600	Orbital Sciences	9,527.95		10,846.11	1,318.16
06-03-11	700	Orbital Sciences	11,115.94		12,585.26	1,469.32
06-06-11	700	AmSurg Corp	14,427.45		17,367.71	2,940.26
06-08-11	900	Exponent Inc	22,822.36		37,198.53	14,376.17
06-08-11	700	Orbital Sciences	11,115.94		12,066.08	950.14
06-13-11	600	AmSurg Corp	12,366.39		15,051.07	2,684.68
06-13-11	700	Orbital Sciences	11,115.94		11,731.98	616.04
06-15-11	700	Innovative Soln & Supp	9,903.05		3,678.00	-6,225.05
06-16-11	700	Orbital Sciences	11,115.94		11,685.85	569.91
06-20-11	600	AmSurg Corp	12,366.39		15,589.38	3,222.99
06-20-11	700	Orbital Sciences	11,115.94		11,751.93	635.99
06-28-11	600	Innovative Soln & Supp	8,488.33		3,193.49	-5,294.84
TOTAL GAINS					504,177.61	
TOTAL LOSSES					-79,807.88	
			1,136,690.02		1,561,059.75	424,369.73

SUPPLEMENT B-2

Eucalyptus Foundation
Kestrel Investment Management
Gains/Losses - General Ledger
FY ending June 30, 2010

Acquisition Sales		Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
Date	Date					Short-term	Long-term
07/25/08	07/12/10	Omnicell	600	9,910.80	7,449.53		(2,461.27)
04/29/08	07/15/10	First Cash Financial	400	6,350.80	9,189.32		2,838.52
04/30/08	07/15/10	First Cash Financial	200	3,084.26	4,594.66		1,510.40
07/30/08	07/20/10	Omnicell	600	9,950.76	7,585.43		(2,365.33)
04/30/08	07/22/10	First Cash Financial	400	6,168.52	9,728.83		3,560.31
05/02/08	07/22/10	First Cash Financial	300	4,723.65	7,296.63		2,572.98
08/01/08	07/23/10	Omnicell	600	9,589.38	7,192.97		(2,396.41)
06/23/08	07/26/10	Twin Disc, Inc	400	8,684.92	5,012.99		(3,671.93)
06/26/08	07/26/10	Twin Disc, Inc	200	3,751.84	2,506.50		(1,245.34)
05/02/08	07/27/10	First Cash Financial	400	6,298.20	9,816.91		3,518.71
05/08/08	07/27/10	First Cash Financial	200	2,990.80	4,908.46		1,917.66
06/26/08	07/27/10	Twin Disc, Inc	500	9,379.60	6,584.43		(2,795.17)
08/05/08	07/30/10	Omnicell	900	14,906.16	11,028.50		(3,877.66)
05/08/08	08/02/10	First Cash Financial	600	8,972.40	14,623.55		5,651.15
05/08/08	08/05/10	First Cash Financial	100	1,495.40	2,429.30		933.90
05/09/08	08/05/10	First Cash Financial	500	7,493.15	12,146.49		4,653.34
09/05/08	08/05/10	Red Robin Gourmet	600	17,111.94	12,766.46		(4,345.48)
09/09/08	08/11/10	Red Robin Gourmet	700	21,013.23	13,820.63		(7,192.60)
09/23/08	08/13/10	Red Robin Gourmet	600	17,325.24	11,147.93		(6,177.31)
09/25/08	08/17/10	Red Robin Gourmet	200	5,775.08	3,610.98		(2,164.10)
09/17/09	08/17/10	Red Robin Gourmet	800	21,918.08	14,443.91		(7,474.17)
09/29/09	08/19/10	Cornell Companies	700	14,634.27	19,637.80	5,003.53	
10/09/09	08/19/10	Cornell Companies	600	13,509.60	16,832.40	3,322.80	
10/09/09	08/19/10	Cornell Companies	600	13,694.52	16,832.40	3,137.88	
10/19/09	08/19/10	Cornell Companies	600	14,370.42	16,832.40	2,461.98	
11/12/09	10/07/10	Falconstor Software	600	2,123.94	1,648.89	(475.05)	
11/19/09	10/11/10	Falconstor Software	600	2,445.36	1,743.33	(702.03)	
11/19/09	10/13/10	Falconstor Software	100	407.56	310.67	(96.89)	
11/27/09	10/13/10	Falconstor Software	500	1,959.20	1,553.37	(405.83)	
11/27/09	10/19/10	Falconstor Software	200	783.68	605.85	(177.83)	
12/02/09	10/19/10	Falconstor Software	500	2,015.75	1,514.62	(501.13)	
12/02/09	10/26/10	Falconstor Software	100	403.15	295.21	(107.94)	
12/07/09	10/26/10	Falconstor Software	600	2,541.96	1,771.29	(770.67)	

SUPPLEMENT B-2

Eucalyptus Foundation
Kestrel Investment Management
Gains/Losses - General Ledger
FY ending June 30, 2010

Acquisition Sales		Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
Date	Date					Short-term	Long-term
12/14/09	10/29/10	Falconstor Software	700	2,870.84	1,925.17	(945.67)	
12/14/09	11/01/10	Falconstor Software	100	410.12	258.40	(151.73)	
12/17/09	11/01/10	Falconstor Software	500	1,963.60	1,291.98	(671.63)	
01/20/09	11/01/10	Joy Global	600	12,982.26	42,854.57		29,872.31
12/17/09	11/02/10	Falconstor Software	100	392.72	257.44	(135.28)	
01/05/10	11/02/10	Falconstor Software	600	2,554.56	1,544.67	(1,009.89)	
01/20/09	11/03/10	Joy Global	700	15,145.97	49,273.00		34,127.03
01/26/09	11/03/10	Joy Global	100	2,041.92	7,039.00		4,997.08
01/07/10	11/05/10	Falconstor Software	600	2,676.06	1,511.97	(1,164.09)	
01/12/10	11/05/10	Falconstor Software	300	1,361.37	755.99	(605.38)	
01/12/10	11/08/10	Falconstor Software	600	2,722.74	1,437.45	(1,285.29)	
01/27/10	11/08/10	Falconstor Software	100	339.78	239.58	(100.20)	
01/27/10	11/09/10	Falconstor Software	900	3,058.02	2,440.31	(617.72)	
02/01/10	11/09/10	Falconstor Software	600	2,090.40	1,626.87	(463.53)	
02/04/10	11/09/10	Falconstor Software	900	2,855.61	2,440.31	(415.31)	
01/26/09	11/09/10	Joy Global	600	12,251.52	45,161.41		32,909.89
01/26/09	11/15/10	Joy Global	400	8,167.68	30,777.44		22,609.76
02/06/09	11/15/10	Joy Global	400	9,535.76	30,777.43		21,241.67
02/06/09	11/18/10	Joy Global	800	19,071.52	60,671.13		41,599.61
11/08/07	11/22/10	Zep Inc	600	7,669.38	10,964.51		3,295.13
08/22/08	11/23/10	LB Foster	300	11,555.46	10,298.38	(1,257.09)	
09/03/08	11/23/10	LB Foster	300	11,540.01	10,298.37	(1,241.64)	
06/16/09	12/02/10	Jack Henry & Assoc	500	9,296.80	14,213.66		4,916.86
06/19/09	12/02/10	Jack Henry & Assoc	100	1,960.42	2,842.73		882.31
06/19/09	12/06/10	Jack Henry & Assoc	700	13,722.94	20,005.73		6,282.79
06/25/09	12/09/10	Jack Henry & Assoc	600	12,049.92	17,356.56		5,306.64
08/20/08	12/13/10	Spectrum Control	100	755.52	1,571.31		815.79
09/04/08	12/13/10	Spectrum Control	500	4,012.55	7,856.57		3,844.02
11/09/07	12/14/10	Zep Inc	600	7,534.62	11,357.98		3,823.36
06/25/09	12/15/10	Jack Henry & Assoc	100	2,008.32	2,956.24		947.92
07/02/09	12/15/10	Jack Henry & Assoc	600	12,232.38	17,737.43		5,505.05
09/03/08	12/16/10	LB Foster	300	11,540.00	12,214.59		674.59
09/11/08	12/16/10	LB Foster	300	10,188.12	12,214.59		2,026.47

SUPPLEMENT B-2

**Eucaalyptus Foundation
Kestrel Investment Management
Gains/Losses - General Ledger
FY ending June 30, 2010**

Acquisition Sales		Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
Date	Date					Short-term	Long-term
07/08/09	12/20/10	Jack Henry & Assoc	800	15,939.52	23,509.76		7,570.24
09/04/08	12/22/10	Spectrum Control	200	1,605.02	2,921.27		1,316.25
09/12/08	12/22/10	Spectrum Control	400	2,955.60	5,842.54		2,886.94
07/13/09	12/28/10	Jack Henry & Assoc	600	12,086.10	17,653.02		5,566.92
07/22/09	01/03/11	Jack Henry & Assoc	700	14,605.22	20,786.91		6,181.69
11/13/07	01/04/11	Zep Inc	600	7,585.68	11,919.27		4,333.59
09/11/08	01/05/11	LB Foster	400	13,584.16	15,800.93		2,216.77
09/12/08	01/05/11	LB Foster	600	20,580.84	23,701.40		3,120.56
09/12/08	01/11/11	Spectrum Control	200	1,477.80	2,416.26		938.46
09/19/08	01/11/11	Spectrum Control	600	4,597.92	7,248.77		2,650.85
10/07/08	01/11/11	Spectrum Control	200	1,376.78	2,416.26		1,039.48
11/13/07	01/11/11	Zep Inc	400	5,057.12	7,095.87		2,038.75
11/28/07	01/11/11	Zep Inc	200	2,780.96	3,547.94		766.98
11/28/07	01/31/11	Zep Inc	500	6,952.40	8,921.08		1,968.68
12/07/07	01/31/11	Zep Inc	100	1,375.97	1,784.22		408.25
02/22/08	02/01/11	Herley Industries	100	1,183.79	1,674.00		490.21
03/19/08	02/01/11	Herley Industries	500	5,041.90	8,369.98		3,328.08
10/07/08	02/04/11	Spectrum Control	500	3,441.95	6,802.37		3,360.42
10/10/08	02/04/11	Spectrum Control	100	535.70	1,360.47		824.77
04/04/06	02/07/11	Innovative Soln & Supply	500	6,600.55	2,937.74		(3,662.81)
04/18/06	02/07/11	Innovative Soln & Supply	100	1,301.49	587.55		(713.94)
10/08/09	02/10/11	First Mercury Financial	600	8,385.78	9,900.00		1,514.22
10/23/09	02/10/11	First Mercury Financial	900	12,087.00	14,850.00		2,763.00
11/05/09	02/10/11	First Mercury Financial	600	8,184.42	9,900.00		1,715.58
11/06/09	02/10/11	First Mercury Financial	500	6,688.35	8,250.00		1,561.65
04/18/06	02/15/11	Innovative Soln & Supply	500	6,507.45	2,976.19		(3,531.26)
04/28/06	02/15/11	Innovative Soln & Supply	100	1,393.66	595.24		(798.42)
10/10/08	02/18/11	Spectrum Control	600	3,214.20	8,536.99		5,322.79
12/07/07	02/25/11	Zep Inc	600	8,255.82	9,608.81		1,352.99
10/10/08	03/07/11	Spectrum Control	200	1,071.40	2,735.71		1,664.31
10/23/08	03/07/11	Spectrum Control	400	2,337.80	5,471.41		3,133.61
12/13/07	03/14/11	Zep Inc	600	8,658.24	9,593.93		935.69
10/23/08	03/16/11	Spectrum Control	400	2,337.80	4,975.58		2,637.78

SUPPLEMENT B-2

Eucalyptus Foundation
Kestrel Investment Management
Gains/Losses - General Ledger
FY ending June 30, 2010

Acquisition Sales		Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
Date	Date					Short-term	Long-term
10/28/08	03/16/11	Spectrum Control	200	1,205.08	2,487.79		1,282.71
10/28/08	03/18/11	Spectrum Control	600	3,615.24	7,918.34		4,303.10
03/19/08	03/25/11	Herley Industries	100	1,008.38	1,900.00		891.62
05/01/08	03/25/11	Herley Industries	500	6,116.70	9,500.00		3,383.30
05/05/08	03/25/11	Herley Industries	600	8,288.82	11,400.00		3,111.18
11/26/08	03/25/11	Herley Industries	700	8,159.69	13,300.00		5,140.31
12/04/08	03/25/11	Herley Industries	700	8,882.44	13,300.00		4,417.56
12/18/07	03/25/11	Zep Inc	600	8,431.80	10,039.90		1,608.10
12/18/07	04/07/11	Zep Inc	200	2,810.60	3,491.77		681.17
01/04/08	04/07/11	Zep Inc	400	5,559.64	6,983.54		1,423.90
01/04/08	04/12/11	Zep Inc	700	9,729.37	12,253.12		2,523.75
09/04/09	04/13/11	Teledyne Technologies	600	19,709.10	28,889.44		9,180.34
09/11/09	04/25/11	Teledyne Technologies	600	20,169.84	28,484.21		8,314.37
05/27/09	04/27/11	Exponent Inc	300	7,832.73	12,614.49		4,781.76
06/15/09	04/27/11	Exponent Inc	300	7,751.94	12,614.48		4,862.54
03/04/10	05/02/11	Universal American	600	9,216.48	13,947.00		4,730.52
03/09/10	05/02/11	Universal American	700	11,168.64	16,271.50		5,102.86
03/12/10	05/02/11	Universal American	800	12,597.28	18,596.00		5,998.72
04/01/10	05/02/11	Universal American	600	9,292.80	13,947.00		4,654.20
04/08/10	05/02/11	Universal American	700	10,780.21	16,271.50		5,491.29
04/15/10	05/02/11	Universal American	600	9,392.64	13,947.00		4,554.36
04/20/10	05/02/11	Universal American	1,000	16,291.50	23,245.00		6,953.50
09/21/09	05/03/11	Teledyne Technologies	600	21,169.62	29,882.48		8,712.86
04/28/06	05/05/11	Innovative Soln & Supply	500	6,968.30	2,874.39		(4,093.91)
05/03/06	05/05/11	Innovative Soln & Supply	100	1,640.40	574.88		(1,065.52)
06/05/09	05/09/11	Orbital Sciences	300	4,975.59	5,602.51		626.92
06/10/09	05/09/11	Orbital Sciences	300	4,980.99	5,602.51		621.52
09/21/09	05/11/11	Teledyne Technologies	100	3,528.27	4,921.32		1,393.05
09/29/09	05/11/11	Teledyne Technologies	500	18,312.35	24,606.58		6,294.23
09/29/09	05/13/11	Teledyne Technologies	600	21,974.82	29,363.25		7,388.43
06/10/09	05/16/11	Orbital Sciences	500	8,301.65	9,340.97		1,039.32
06/10/09	05/16/11	Orbital Sciences	100	1,655.96	1,868.19		212.23
06/15/09	05/19/11	Orbital Sciences	600	9,935.76	11,253.38		1,317.62

SUPPLEMENT B-2

**Eucalyptus Foundation
Kestrel Investment Management
Gains/Losses - General Ledger
FY ending June 30, 2010**

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss		
						Short-term	Long-term	
06/15/09	05/20/11	Exponent Inc	300	7,751.94	12,347.49		4,595.55	
07/01/09	05/20/11	Exponent Inc	300	7,592.13	12,347.49		4,755.36	
06/15/09	05/24/11	Orbital Sciences	200	3,311.92	3,615.37		303.45	
06/18/09	05/24/11	Orbital Sciences	400	6,575.68	7,230.74		655.06	
06/18/09	06/03/11	Orbital Sciences	400	6,575.68	7,191.58		615.90	
06/23/09	06/03/11	Orbital Sciences	300	4,781.40	5,393.68		612.28	
06/04/09	06/06/11	AmSurg Corp	600	12,373.86	14,886.61		2,512.75	
06/12/09	06/06/11	AmSurg Corp	100	1,975.49	2,481.10		505.61	
07/01/09	06/08/11	Exponent Inc	300	7,592.13	12,399.51		4,807.38	
07/07/09	06/08/11	Exponent Inc	600	14,506.02	24,799.02		10,293.00	
06/23/09	06/08/11	Orbital Sciences	300	4,781.40	5,171.18		389.78	
06/26/09	06/08/11	Orbital Sciences	400	6,178.36	6,894.90		716.54	
06/12/09	06/13/11	AmSurg Corp	500	9,877.45	12,542.56		2,665.11	
06/19/09	06/13/11	AmSurg Corp	100	2,071.19	2,508.51		437.32	
06/26/09	06/13/11	Orbital Sciences	300	4,633.77	5,027.99		394.22	
07/01/09	06/13/11	Orbital Sciences	400	6,230.52	6,703.99		473.47	
05/03/06	06/15/11	Innovative Soln & Supply	600	9,842.40	3,152.57	(6,689.83)		
05/16/06	06/15/11	Innovative Soln & Supply	100	1,490.21	525.43	(964.78)		
07/01/09	06/16/11	Orbital Sciences	200	3,115.26	3,338.81		223.55	
07/06/09	06/16/11	Orbital Sciences	500	7,283.05	8,347.04		1,063.99	
06/19/09	06/20/11	AmSurg Corp	500	10,355.95	12,991.15		2,635.20	
07/01/09	06/20/11	AmSurg Corp	100	2,193.08	2,598.23		405.15	
07/06/09	06/20/11	Orbital Sciences	100	1,456.61	1,678.85		222.24	
07/07/09	06/20/11	Orbital Sciences	600	8,569.20	10,073.08		1,503.88	
05/16/06	06/28/11	Innovative Soln & Supply	600	8,941.26	3,193.49		(5,747.77)	
Net short-term gains						92,185.23	95,308.35	3,123.12
Net long-term gains						1,053,456.26	1,465,751.38	412,295.12
						<u>1,145,641.49</u>	<u>1,561,059.73</u>	<u>3,123.12</u>
								<u>412,295.12</u>

Kestrel Investment Management Corporation
PORTFOLIO APPRAISAL WITH CUSIP
The Eucalyptus Foundation
June 30, 2011

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
RESTRUCTURING									
ACET	004446100	6,800	Aceto Corp	6.04	41,080.72	6.7100	45,628.00	1.0	3.0
AMSG	03232P405	2,800	AmSurg Corp	20.61	57,709.81	26.1300	73,164.00	1.5	0.0
EAT	109641100	7,300	Brinker International	16.11	117,599.29	24.4600	178,558.00	3.7	2.3
BR	11133T103	6,900	Broadridge Financial	19.37	133,678.21	24.0700	166,083.00	3.5	2.5
CACI	127190304	2,400	CACI International	51.39	123,339.66	63.0800	151,392.00	3.2	0.0
CPIX	230770109	6,900	Cumberland Pharmaceut	5.18	35,754.68	5.7500	39,675.00	0.8	0.0
ELMG	26873N108	2,700	EMS Technologies	16.31	44,029.84	32.9700	89,019.00	1.9	0.0
FMC	302491303	3,300	FMC Corp	31.90	105,263.20	86.0200	283,866.00	5.9	0.7
FAF	31847R102	8,100	First American Financial	14.16	114,699.44	15.6500	126,765.00	2.7	1.5
FRPT	345203202	10,700	Force Protection	4.89	52,336.81	4.9650	53,125.50	1.1	0.0
HCC	404132102	4,900	HCC Insurance Holdings	25.03	122,627.24	31.5000	154,350.00	3.2	1.8
HAE	405024100	1,900	Haemonetes Corp	55.08	104,647.06	64.3700	122,303.00	2.6	0.0
HWAY	422245100	5,500	Highways, Inc	14.61	80,376.49	15.1800	83,490.00	1.7	0.0
HII	446413106	3,600	Huntington Ingalls Ind	39.53	142,323.01	34.5000	124,200.00	2.6	0.0
IMN	45245A107	6,000	Imation Corp	10.31	61,836.15	9.4400	56,640.00	1.2	0.0
IDTI	458118106	20,100	Integrated Device Tech	6.55	131,644.13	7.8600	157,986.00	3.3	0.0
JBT	477839104	6,400	John Bean Technologies	12.72	85,233.38	19.3200	129,444.00	2.7	1.4
LNDC	514766104	6,400	Landec Corp	6.34	40,560.13	6.6000	42,240.00	0.9	0.0
LPNT	53219L109	4,000	LifePoint Hospitals	31.62	126,499.38	39.0800	156,320.00	3.3	0.0
MGLN	559079207	3,400	Magellan Health Svcs	30.16	102,560.00	54.7400	186,116.00	3.9	0.0
MATW	577128101	2,300	Matthews International	31.01	71,326.55	40.1700	92,391.00	1.9	0.8
NCR	62886E108	7,500	NCR Corp	15.84	118,793.96	18.8900	141,675.00	3.0	0.0
NTLS	67020Q107	4,100	NTELOS Holdings	17.64	72,323.63	20.4200	83,722.00	1.8	5.5
NAFC	631158102	2,100	Nash Finch Company	36.83	77,337.63	35.8100	75,201.00	1.6	2.0
NAVG	638904102	1,200	Navigators Group	44.38	53,260.23	47.0000	56,400.00	1.2	0.0
PCTI	69325Q105	3,800	PCTEL, Inc	4.71	17,890.12	6.4800	24,624.00	0.5	0.0
STR	748356102	7,200	Questar Corp	17.12	123,299.66	17.7100	127,512.00	2.7	3.4
QCOR	74835Y101	9,700	Questcor Pharmaceuticals	5.00	48,474.86	24.1000	233,770.00	4.9	0.0
RSH	750438103	5,600	RadioShack Corp	19.35	108,342.70	13.3100	74,536.00	1.6	1.9
SLAB	826919102	3,300	Silicon Laboratories	25.24	83,282.40	41.2600	136,158.00	2.9	0.0
SKYW	830879102	5,800	SkyWest Inc	12.91	74,868.33	15.0600	87,348.00	1.8	1.1
SSI	85254C305	6,100	Stage Stores	15.79	96,328.49	16.8000	102,480.00	2.1	1.8
SFG	852891100	2,600	StantCorp Fml Group	45.81	119,115.32	42.1900	109,694.00	2.3	2.0
STRA	863236105	1,200	Strayer Education	126.05	151,261.68	126.3900	151,668.00	3.2	3.2
SYNO	87162G105	2,900	Synovis Life Tech	14.25	41,327.14	17.4200	50,518.00	1.1	0.0
TECD	878237106	2,800	Tech Data	40.68	113,909.53	48.8900	136,892.00	2.9	0.0
UAM	91338E101	5,000	Universal American	9.25	46,225.00	10.9500	54,750.00	1.1	0.0
EGY	91851C201	10,000	VAALCO Energy	4.85	48,456.51	6.0200	60,200.00	1.3	0.0

Kestrel Investment Management Corporation
PORTFOLIO APPRAISAL WITH CUSIP
The Eucalyptus Foundation
 June 30, 2011

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
VASC	92231M109	3,700	Vascular Solutions	11 11	41,105 79	12 4000	45,880 00	1 0	0 0
VLTR	928708106	3,300	Volterra Semiconductor	10 99	36,263 69	24 6600	81,378 00	1 7	0 0
WBSN	947684106	5,100	WebSense Inc	23 34	119,055 74	25 9700	132,447 00	2 8	0 0
WRLD	981419104	3,000	World Acceptance	28 21	84,637 75	65 5700	196,710 00	4 1	0 0
EHTH	28238P109	4,500	eHealth Inc	14 99	67,457 76	13 3600	60,120 00	1 3	0 0
					3,638,143 10		4,736,438 50	99 2	0 9
CASH AND EQUIVALENTS									
EUCLCA			Cash - Eucalyptus Foundation		32,416 89		32,416 89	0 7	0 1
DIVACCR			Dividend & Interest Accruals		4,106 50		4,106 50	0 1	0 0
					36,523 39		36,523 39	0 8	0 1
TOTAL PORTFOLIO					3,674,666.49		4,772,961.89	100.0	0.9