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Form **990-PF**

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

OMB No 1545-0052

**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 **10/01/10**, and ending **09/30/11**

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  
**JEPHSON EDUCATIONAL TRUST #2  
C/O JPMORGAN SERVICES INC**

A Employer identification number  
**13-6777236**

B Telephone number (see page 10 of the instructions)  
**212-464-2441**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
**PO BOX 6089**

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

City or town, state, and ZIP code  
**NEWARK DE 19714**

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 10,135,686**  
J Accounting method  Cash  Accrual  
 Other (specify)

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

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	282,192	280,843		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	160,451			
b Gross sales price for all assets on line 6a <b>2,453,553</b>				
7 Capital gain net income (from Part IV, line 2)		160,451		
8 Net short-term capital gain			0	
9 Income modifications				
10a Gross sales less returns & allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 <b>Total. Add lines 1 through 11</b>	442,643	441,294	0	
<b>Operating and Administrative Expenses</b>				
13 Compensation of officers, directors, trustees, etc	134,094	44,251		89,843
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) <b>STMT 1</b>	6,614			
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (att sch)				
24 <b>Total operating and administrative expenses. Add lines 13 through 23</b>	140,708	46,093	0	89,843
25 Contributions, gifts, grants paid	395,000			395,000
26 <b>Total expenses and disbursements. Add lines 24 and 25</b>	535,708	46,093	0	484,843
27 Subtract line 26 from line 12				
a <b>Excess of revenue over expenses and disbursements</b>	-93,065			
b <b>Net investment income</b> (if negative, enter -0-)		395,201		
c <b>Adjusted net income</b> (if negative, enter -0-)			0	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
<b>Assets</b>	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		86,867	354,088	354,088
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (att. schedule) ▶ Less: allowance for doubtful accounts ▶	0			
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U.S. and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule) <b>SEE STMT 2</b>		4,944,687	4,303,137	4,506,975
	c	Investments—corporate bonds (attach schedule) <b>SEE STMT 3</b>		4,278,104	4,490,268	4,694,365
	11	Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule) <b>SEE STATEMENT 4</b>		526,400	595,500	580,258
	14	Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶				
15	Other assets (describe ▶ )					
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)		9,836,058	9,742,993	10,135,686	
<b>Liabilities</b>	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ )				
	23	<b>Total liabilities</b> (add lines 17 through 22)		0	0	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		9,836,058	9,742,993	
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)		9,836,058	9,742,993		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)		9,836,058	9,742,993		

**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	9,836,058
2	Enter amount from Part I, line 27a	2	-93,065
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	9,742,993
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5)—Part II, column (b), line 30	6	9,742,993

**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.)
<b>1a</b>	<b>SEE ATTACHMENT</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>b</b>	<b>SEE ATTACHMENT</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>c</b>	<b>LTCG DISTRIBUTIONS</b>			
<b>d</b>				
<b>e</b>				

(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)
<b>a</b> 2,084,337		1,980,350	103,987
<b>b</b> 352,551		312,752	39,799
<b>c</b> 16,665			16,665
<b>d</b>			
<b>e</b>			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
<b>a</b>			103,987
<b>b</b>			39,799
<b>c</b>			16,665
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px; display: inline-block;">                     If gain, also enter in Part I, line 7                      If (loss), enter -0- in Part I, line 7                 </div>	<b>2</b>	<b>160,451</b>
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px; display: inline-block;">                     If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)                      If (loss), enter -0- in Part I, line 8                 </div>	<b>3</b>	<b>39,799</b>

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

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

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

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

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

**1** Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	486,035	10,330,768	0.047047
2008	546,131	9,287,853	0.058801
2007	520,041	11,118,521	0.046772
2006	490,923	11,772,031	0.041702
2005	643,358	11,043,974	0.058254

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>0.252576</b>
<b>3</b> 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	<b>3</b>	<b>0.050515</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	<b>4</b>	<b>10,942,899</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>552,781</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>3,952</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>556,733</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	<b>484,843</b>

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

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

<b>1a</b>	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>b</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	<b>1</b>	<b>7,904</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>7,904</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	<b>5</b>	<b>7,904</b>
<b>6</b>	Credits/Payments		
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	<b>3,270</b>
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments Add lines 6a through 6d	<b>7</b>	<b>3,270</b>
<b>8</b>	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	<b>10</b>
<b>9</b>	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	<b>9</b>	<b>4,644</b>
<b>10</b>	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		<b>X</b>
<b>c</b> Did the foundation file Form 1120-POL for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> 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		<b>X</b>
<b>3</b> 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		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		<b>X</b>
<b>6</b> 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?	<b>X</b>	
<b>7</b> 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	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> <b>NY</b>		
<b>b</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	<b>X</b>	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

N/A

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

<p><b>11</b> At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)</p>	11		X
<p><b>12</b> Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?</p>	12		X
<p><b>13</b> Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <b>N/A</b></p>	13	X	

**14** The books are in care of ▶ **JPMORGAN SERVICES INC** Telephone no ▶ **302-634-2931**  
**PO BOX 6089**

Located at ▶ **NEWARK** DE ZIP+4 ▶ **19714**

**15** Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ **15**

<p><b>16</b> 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 ▶</p>	16	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
<p><b>1a</b> During the year did the foundation (either directly or indirectly)</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(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</p> <p>(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</p>			
<p><b>b</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"/></p>	1b		X
<p><b>c</b> 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? <b>N/A</b></p>	1c		
<p><b>2</b> 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))</p> <p><b>a</b> 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 ▶ 20 , 20 , 20 , 20</p> <p><b>b</b> Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions ) <b>N/A</b></p> <p><b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20</p>	2b		
<p><b>3a</b> 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</p> <p><b>b</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 ) <b>N/A</b></p>	3b		
<p><b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a		X
<p><b>b</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?</p>	4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here

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

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No **6b** **X**

If "Yes" to 6b, file Form 8870

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

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

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JPMORGANCHASE BANK 270 PARK AVE. NEW YORK NY 10154	TRUSTEE 5.00	100,640	0	0
ROBERT D. TAISEY, ESQ 195 BROADWAY NEW YORK NY 10007	CO-TRUSTEE 5.00	16,727	0	0
JOHN F PARKIN 122 HILLCROFT WAY NEWTON PA 18940	CO-TRUSTEE 5.00	16,727	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions). If none, enter "NONE."**

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

**Total number of other employees paid over \$50,000** **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 (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3 ▶

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	10,682,292
b	Average of monthly cash balances	1b	427,250
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	11,109,542
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	11,109,542
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	166,643
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	10,942,899
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	547,145

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part)

1	Minimum investment return from Part X, line 6	1	547,145
2a	Tax on investment income for 2010 from Part VI, line 5	2a	7,904
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	7,904
3	Distributable amount before adjustments Subtract line 2c from line 1	3	539,241
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	539,241
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	539,241

**Part XII Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	484,843
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	484,843
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	484,843

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				<b>539,241</b>
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only			<b>450,068</b>	
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2010				
<b>a</b> From 2005				
<b>b</b> From 2006				
<b>c</b> From 2007				
<b>d</b> From 2008				
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>484,843</u>				
<b>a</b> Applied to 2009, but not more than line 2a			<b>450,068</b>	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2010 distributable amount				<b>34,775</b>
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				<b>504,466</b>
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006				
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008				
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

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

**1 Information Regarding Foundation Managers:**

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

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

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**  
Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

**a** The name, address, and telephone number of the person to whom applications should be addressed  
**N/A**

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

**c** Any submission deadlines  
**N/A**

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

**Part XV Supplementary Information (continued)**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year <b>SEE ATTACHED</b>				<b>395,000</b>
<b>Total</b>				<b>395,000</b>
b Approved for future payment <b>N/A</b>				
<b>Total</b>				<b>3b</b>





# Federal Statements

13-6777236

**Statement 1 - Form 990-PF, Part I, Line 18 - Taxes**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAX WITHHELD	\$ 1,842	\$ 1,842	\$	\$
FEDERAL TAX PAYMENT-PRIOR YEAR	1,502			
FEDERAL ESTIMATES	3,270			
<b>TOTAL</b>	<b>\$ 6,614</b>	<b>\$ 1,842</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Form 990-PF, Part I, Line 23 - Other Expenses**

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

## Federal Statements

13-6777236

**Statement 2 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	\$ 4,944,687	\$ 4,303,137	COST	\$ 4,506,975
<b>TOTAL</b>	<b>\$ 4,944,687</b>	<b>\$ 4,303,137</b>		<b>\$ 4,506,975</b>

**Statement 3 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	\$ 4,278,104	\$ 4,490,268	COST	\$ 4,694,365
<b>TOTAL</b>	<b>\$ 4,278,104</b>	<b>\$ 4,490,268</b>		<b>\$ 4,694,365</b>

**Statement 4 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
OTHER ASSETS	\$ 526,400	\$ 595,500	COST	\$ 580,258
<b>TOTAL</b>	<b>\$ 526,400</b>	<b>\$ 595,500</b>		<b>\$ 580,258</b>



JEPHSON ED. TR#2 ACCT. P62441004  
For the Period 7/1/11 to 9/30/11

## Account Summary

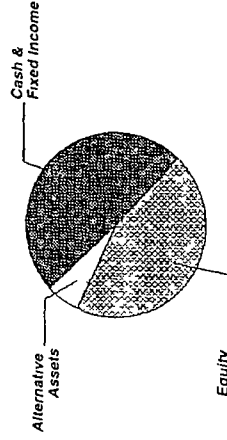
### PRINCIPAL

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	5,462,101.48	4,506,975.21	(955,126.27)	62,923.92	45%
Alternative Assets	589,979.99	580,257.96	(9,722.03)	8,811.15	6%
Cash & Fixed Income	5,052,010.91	5,037,813.80	(14,197.11)	183,999.12	49%
Market Value	\$11,104,092.38	\$10,125,046.97	(\$979,045.41)	\$255,734.19	100%

### INCOME

Cash Position	Beginning Market Value	Ending Market Value	Change In Value
Cash Balance	(3,702.40)	10,639.44	14,341.84
Accruals	11,830.66	11,952.84	122.18
Market Value	\$8,128.26	\$22,592.28	\$14,464.02

### Asset Allocation



### PRINCIPAL

Portfolio Activity	Current Period Value	Year-to-Date Value
Beginning Market Value	11,104,092.38	10,695,889.85
Additions		232,535.50
Withdrawals & Fees		(533,865.88)
Net Additions/Withdrawals	\$0.00	(\$301,330.38)
Income	57,982.96	280,350.14
Change in Investment Value	(979,045.41)	(338,307.38)
Ending Market Value	\$10,125,046.97	\$10,125,046.97
Accruals	--	--
Market Value with Accruals	--	\$22,592.28

### INCOME

Portfolio Activity	Current Period Value	Year-to-Date Value
Beginning Market Value	(3,702.40)	31,619.68
Additions		232,535.50
Withdrawals & Fees	(43,641.12)	(533,865.88)
Net Additions/Withdrawals	(\$43,641.12)	(\$301,330.38)
Income	57,982.96	280,350.14
Change in Investment Value	\$10,639.44	\$10,639.44
Accruals	11,952.84	11,952.84
Market Value with Accruals	\$22,592.28	\$22,592.28



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For the Period 7/1/11 to 9/30/11

### Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	57,937.43	280,147.89
Interest Income	45.53	202.25
<b>Taxable Income</b>	<b>\$57,982.96</b>	<b>\$280,350.14</b>

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions		16,664.52
ST Realized Gain/Loss		39,799.64
LT Realized Gain/Loss		103,986.89
<b>Realized Gain/Loss</b>		<b>\$160,451.05</b>

Unrealized Gain/Loss  
To-Date Value  
\$392,694.02

Cost Summary	Cost
Equity	4,303,136.54
Cash & Fixed Income	4,833,716.41
<b>Total</b>	<b>\$9,136,852.95</b>



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For the Period 7/1/11 to 9/30/11

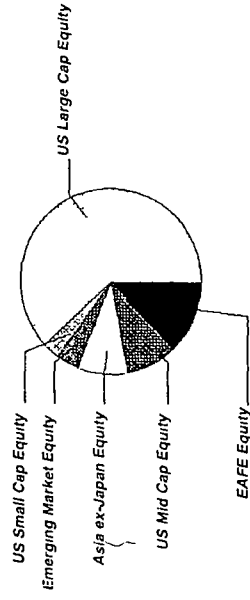
## Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	3,384,040 97	2,884,909 40	(499,131 57)	28%
US Mid Cap Equity	474,161 45	385,992 23	(88,169 22)	4%
US Small Cap Equity	144,072 00	111,882 00	(32,190 00)	1%
EAFE Equity	760,243 14	584,254 69	(175,988 45)	6%
Asia ex-Japan Equity	470,924 06	371,428 40	(99,495 66)	4%
Emerging Market Equity	228,659 86	168,508 49	(60,151 37)	2%
<b>Total Value</b>	<b>\$5,462,101.48</b>	<b>\$4,506,975.21</b>	<b>(\$955,126.27)</b>	<b>45%</b>

### Market Value/Cost

	Current Period Value
Market Value	4,506,975 21
Tax Cost	4,303,136 54
Unrealized Gain/Loss	203,838 67
Estimated Annual Income	62,923 92
Yield	1 39%

### Asset Categories



Equity as a percentage of your portfolio - 45 %



JEPHSON ED. TR#2 ACCT. P62441004  
For the Period 7/1/11 to 9/30/11

## Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
<b>US Large Cap Equity</b>							
BARC CONT BUFF EQ SPX 07/05/12 80% CONTIN BARRIER- 3 1%CPN 20% CAP INITIAL LEVEL-06/17/11 SPX 1271 50 06738K-TY-7	88 12	70,000 000	61,684 00	69,300 00	(7,616 00)		
CULLEN HIGH DIVIDEND EQUITY FUND 230001-40-6 CHDV X	11 76	13,355 593	157,061 77	160,000 00	(2,938 23)	4,300 50	2 74%
DEUTSCHE BK ARN SPX 10/13/11 (90/100/100-10%BUFFER-11.1%PYMT) INITIAL LEVEL-SPX 9/26/08 1213 27 2515A0-SS-3	100 88	75,000 000	75,660 00	73,500 00	2,160 00		
FMI FDS INC LARGE CAP FD 302933-20-5 FMIH X	14 31	26,513 578	379,409 30	332,583 59	46,825 71	3,632 36	0 96%
HARTFORD CAPITAL APPRECIATION FUND 416649-30-9 ITHI X	27.18	3,674 969	99,885 66	90,000 00	9,885 66		
ISHARES RUSSELL 1000 VALUE INDEX FUND 464287-59-8 IWD	56 59	3,800 000	215,042 00	251,943 42	(36,901 42)	5,213 60	2 42%
IVY LARGE CAP GROWTH FUND - I 466001-20-3 IYGI X	12 20	14,716 981	179,547 17	195,000 00	(15,452 83)		
MANNING & NAPIER FUND INC EQUITY SERIES 563821-60-2 EXEY X	16 50	20,627 860	340,359 69	385,328 42	(44,968 73)	1,072 64	0 32%
NUVEEN NWQ VALUE OPPORTUNITIES FUND 67064Y-63-6 NVOR X	31 62	19,519 868	617,218 23	383,596 14	233,622 09	11,516 72	1 87%



JEPHSON ED. TR#2 ACCT. P62441004  
For the Period 7/1/11 to 9/30/11

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
<b>US Large Cap Equity</b>							
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	113.15	5,246,000	593,584.90	562,717.49	30,867.41	12,899.91	2.17%
THORNBURG VALUE FUND FD CL I 885215-63-2 TVIF X	28.26	5,854,801	165,456.68	175,000.00	(9,543.32)	439.11	0.27%
<b>Total US Large Cap Equity</b>			<b>\$2,884,909.40</b>	<b>\$2,678,969.06</b>	<b>\$205,940.34</b>	<b>\$39,074.84</b>	<b>1.36%</b>
<b>US Mid Cap Equity</b>							
ISHARES RUSSELL MIDCAP INDEX FUND 464287-49-9 IWR	88.25	3,405,000	300,491.25	238,270.47	62,220.78	5,175.60	1.72%
JPM MID CAP VALUE FD - SEL 339183-10-5 JMVS X	20.96	4,079,245	85,500.98	88,764.38	(3,263.40)	1,774.47	2.08%
<b>Total US Mid Cap Equity</b>			<b>\$385,992.23</b>	<b>\$327,034.85</b>	<b>\$58,957.38</b>	<b>\$6,950.07</b>	<b>1.80%</b>
<b>US Small Cap Equity</b>							
ISHARES RUSSELL 2000 INDEX FUND 464287-65-5 IWM	64.30	1,740,000	111,882.00	92,017.64	19,864.36	1,788.72	1.60%
<b>EAFE Equity</b>							
ARTIO INTERNATIONAL EQUITY II - I 04315J-83-7 JETI X	9.61	17,565,258	168,802.13	268,405.21	(99,603.08)	4,531.83	2.68%
ARTISAN INTL VALUE FUND - INV 04314H-88-1 ARTK X	23.44	6,218,925	145,771.60	140,050.19	5,721.41	2,201.49	1.51%



JEPHSON ED. TR#2 ACCT P62441004  
For the Period 7/1/11 to 9/30/11

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Inc. Accrued Div.	Yield
<b>EAFE Equity</b>							
DODGE & COX INTERNATIONAL STOCK 256206-10-3 DODF X	28 79	6,524 966	187,853 77	229,666 07	(41,812 30)	3,229 85	1 72%
IVY GLOBAL NATURAL RESOURCE-I 465899-50-8 IGNI X	15 16	5,397 572	81,827 19	101,426 36	(19,599 17)		
Total EAFE Equity			\$584,254.69	\$739,547.83	(\$155,293 14)	\$9,963.17	1 70%
<b>Asia ex-Japan Equity</b>							
JPM ASIA EQUITY FD - SEL 4812A0-70-6 JPAS X	27 50	5,350 880	147,149 20	104,079 51	43,069 69	353 15	0 24%
MATTHEWS PACIFIC TIGER INSTL FUND 577130-83-4 MIPT X	20 07	11,174 848	224,279 20	138,988 72	85,290 48	961 03	0 43%
Total Asia ex-Japan Equity			\$371,428.40	\$243,068.23	\$128,360.17	\$1,314.18	0 35%
<b>Emerging Market Equity</b>							
VANGUARD MSCI EMERGING MARKETS ETF 922042-85-8 VWO	35 83	4,703 000	168,508 49	222,498 93	(53,990 44)	3,832 94	2 27%



JEPHSON ED. TR#2 ACCT P62441004  
 For the Period 7/1/11 to 9/30/11

### Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	589,979.99	580,257.96	(9,722.03)	6%

### Alternative Assets Detail

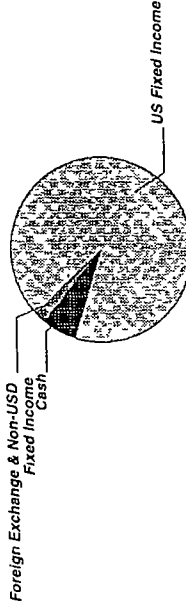
	Price	Quantity	Estimated Value	Cost
<b>Hedge Funds</b>				
ARBITRAGE FUNDS - I	13.18	15,243.902	200,914.63	200,000.00
CLI				
03875R-20-5 ARBN X				
EATON VANCE MUT FDS TR	9.84	18,851.135	185,495.17	195,500.00
GLOBAL MACRO - I				
277923-72-8 EIGM X				
JPM RESEARCH MARKET NEUTRAL FD - SEL	14.81	13,089.005	193,848.16	200,000.00
48121A-71-2 JMINS X				
<b>Total Hedge Funds</b>			<b>\$580,257.96</b>	<b>\$595,500.00</b>



JEPHSON ED. TR#2 ACCT P62441004  
For the Period 7/1/11 to 9/30/11

## Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	343,448.75	343,448.75	0.00	3%
US Fixed Income	4,598,416.27	4,596,911.47	(1,504.80)	45%
Foreign Exchange & Non-USD Fixed Income	110,145.89	97,453.58	(12,692.31)	1%
<b>Total Value</b>	<b>\$5,052,010.91</b>	<b>\$5,037,813.80</b>	<b>(\$14,197.11)</b>	<b>49%</b>



Market Value/Cost	Current Period Value
Market Value	5,037,813.80
Tax Cost	4,833,716.41
Unrealized Gain/Loss	204,097.39
Estimated Annual Income	183,999.12
Accrued Interest	11,351.64
Yield	3.65%

Cash & Fixed Income as a percentage of your portfolio - 49%

### SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	343,448.75	6%
International Bonds	308,119.41	6%
Mutual Funds	4,386,245.64	88%
<b>Total Value</b>	<b>\$5,037,813.80</b>	<b>100%</b>

### SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months <sup>1</sup>	5,037,813.80	100%

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



JEPHSON ED. TR#2 ACCT P62441004  
For the Period 7/1/11 to 9/30/11

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

### Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Income Accrued Interest	Yield
<b>Cash</b>							
US DOLLAR PRINCIPAL	1 00	343,448 75	343,448 75	343,448 75		171 72 15 15	0 05% <sup>1</sup>
<b>US Fixed Income</b>							
JPM STR INC OPP FD 4812A4-35-1	11 31	18,626 51	210,665 83	215,000 00	(4,334 17)	6,500 65 409 78	3 09%
JPM CORE BOND FD - SEL 4812CO-38-1	11 84	134,937 88	1,597,664 51	1,501,043 47	96,621 04	66,524 37 4,857 76	4 16%
JPM HIGH YIELD FD - SEL 4812CO-80-3	7 49	57,657 75	431,856 55	440,000 00	(8,143 45)	38,400 06 2,709 91	8 89%
JPM SHORT DURATION BOND FD - SEL 4812C1-33-0	10 98	154,801 71	1,699,722 82	1,649,582 10	50,140 72	39,010 03 2,322 03	2 30%
VANGUARD FI SECS F INTR TRM CP PT FUND 71 922031-88-5	10 04	29,691 21	298,099 76	250,000 00	48,099 76	13,271 97 1,037 01	4 45%
ISHARES BARCLAYS TIPS BOND FUND 464287-17-6	114 30	3,140 00	358,902 00	324,642 09	34,259 91	15,203 88	4 24%
<b>Total US Fixed Income</b>			<b>\$4,596,911.47</b>	<b>\$4,380,267 66</b>	<b>\$216,643 81</b>	<b>\$178,910.96</b> <b>\$11,336.49</b>	<b>3.89%</b>



JEPHSON ED. TR#2 ACCT P62441004  
For the Period 7/1/11 to 9/30/11

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
<b>Foreign Exchange &amp; Non-USD Fixed Income</b>							
DREYFUS/LAUREL FDS TR PRM EMRGN MK I 261980-49-4	13.36	7,294.43	97,453.58	110,000.00	(12,546.42)	4,916.44	5.04%

JEPHSON EDUCATIONAL TRUST #2  
 EIN 13-6777236  
 SCHEDULE OF GRANTS PAID FOR FISCAL YEAR ENDED 9/30/2011

DATE PAID	AMOUNT	RECIPIENT	RELATIONSHIP	STATUS	PURPOSE
6/6/2011	\$ 10,000 00	PAID CARNEGIE HALL FOUNDATION	NONE	PUBLIC	GENERAL
6/6/2011	\$ 10,000 00	PAID CLARKE SCHOOL FOR THE DEAF	NONE	PUBLIC	GENERAL
6/6/2011	\$ 10,000 00	PAID THE JUNE BUCHANAN SCHOOL	NONE	PUBLIC	GENERAL
6/6/2011	\$ 25,000 00	PAID THE BOSTON CONSERVATORY	NONE	PUBLIC	GENERAL
6/6/2011	\$ 10,000 00	PAID THIRD STREET MUSIC SCHOOL	NONE	PUBLIC	GENERAL
6/6/2011	\$ 7,500 00	PAID PREP FOR PREP	NONE	PUBLIC	GENERAL
6/6/2011	\$ 7,500 00	PAID CHAMPLAIN COLLEGE	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000.00	PAID CAMPHILL SPECIAL SCHOOL	NONE	PUBLIC	GENERAL
6/6/2011	\$ 10,000 00	PAID THE SEEING EYE	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID CUMBERLAND COLLEGE	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID THE CURTIS INSTITUTE OF MUSIC	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID DE LA SALLE ACADEMY	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID ELMHURST COLLEGE	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID COLGATE UNIVERSITY	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID PEABODY INSTITUTE OF JOHNS HOPKINS	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID UNIV OF NC SCHOOL OF THE ARTS FDN	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000 00	PAID WASHBURN UNIVERSITY OF TOPEKA	NONE	PUBLIC	GENERAL
6/6/2011	\$ 2,500 00	PAID JBI INTERNATIONAL, INC	NONE	PUBLIC	GENERAL
6/6/2011	\$ 5,000.00	PAID MANNES COLLEGE THE NEW SCHOOL FOR MUSIC	NONE	PUBLIC	GENERAL
6/7/2011	\$ 5,000 00	PAID BELLEVUE UNIVERSITY	NONE	PUBLIC	GENERAL
6/7/2011	\$ 5,000 00	PAID BLUE ROCK SCHOOL	NONE	PUBLIC	GENERAL
6/7/2011	\$ 10,000 00	PAID THE BOSTON CONSERVATORY	NONE	PUBLIC	GENERAL
6/7/2011	\$ 10,000 00	PAID CAZENOVIA COLLEGE	NONE	PUBLIC	GENERAL
6/7/2011	\$ 5,000 00	PAID ADELPHI UNIVERSITY	NONE	PUBLIC	GENERAL
6/7/2011	\$ 15,000 00	PAID ALICE LLOYD COLLEGE	NONE	PUBLIC	GENERAL
6/7/2011	\$ 15,000 00	PAID AMERICAN COMPOSERS ORCHESTRA	NONE	PUBLIC	GENERAL
6/7/2011	\$ 10,000 00	PAID THE BACH CHOIR OF BETHLEHEM	NONE	PUBLIC	GENERAL
6/7/2011	\$ 20,000 00	PAID CORNELL LAW SCHOOL	NONE	PUBLIC	GENERAL
6/7/2011	\$ 3,500 00	PAID CRESTED BUTTE MUSIC FESTIVAL	NONE	PUBLIC	GENERAL
6/7/2011	\$ 5,000 00	PAID GRATZ COLLEGE	NONE	PUBLIC	GENERAL
6/7/2011	\$ 15,000 00	PAID LONG TRAIL SCHOOL, INC	NONE	PUBLIC	GENERAL
6/7/2011	\$ 12,500 00	PAID MANHATTAN SCHOOL OF MUSIC	NONE	PUBLIC	GENERAL
6/7/2011	\$ 5,000 00	PAID METROPOLITAN MUSEUM OF ART	NONE	PUBLIC	GENERAL
6/7/2011	\$ 25,000 00	PAID METROPOLITAN OPERA ASSOC , INC	NONE	PUBLIC	GENERAL
6/7/2011	\$ 7,500.00	PAID MIDLAND ADULT SERVICES	NONE	PUBLIC	GENERAL
6/7/2011	\$ 10,000 00	PAID MUSEUM OF MODERN ART	NONE	PUBLIC	GENERAL
6/7/2011	\$ 20,000 00	PAID NEW YORK PHILHARMONIC	NONE	PUBLIC	GENERAL
6/7/2011	\$ 8,000 00	PAID THE NEW YORK PUBLIC LIBRARY	NONE	PUBLIC	GENERAL
6/7/2011	\$ 10,000 00	PAID ROCHESTER INST OF TECH/NATL TECH INST	NONE	PUBLIC	GENERAL
6/7/2011	\$ 2,500 00	PAID THE ROCKEFELLER UNIVERSITY	NONE	PUBLIC	GENERAL
6/7/2011	\$ 7,500 00	PAID VERMONT LAW SCHOOL	NONE	PUBLIC	GENERAL
6/7/2011	\$ 15,000 00	PAID RECORDING FOR THE BLIND AND DYSLEXIC	NONE	PUBLIC	GENERAL
9/28/2011	\$ 7,500 00	PAID ORCHESTRA OF ST LUKES	NONE	PUBLIC	GENERAL
9/28/2011	\$ 1,500 00	PAID NATIONAL TECHNICAL INSTITUTE FOR THE DEAF	NONE	PUBLIC	GENERAL
9/28/2011	\$ 1,000 00	PAID LONG TRAIL SCHOOL, INC	NONE	PUBLIC	GENERAL
9/28/2011	\$ 1,000 00	PAID MANHATTAN SCHOOL OF MUSIC	NONE	PUBLIC	GENERAL

TOTAL \$ 395,000 00

TRUST YEAR ENDING 09/30/2011

TAX PREPARER JRG  
TRUST ADMINISTRATOR MDI  
INVESTMENT OFFICER CNA

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

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
0000 AMERICAN INTL GROUP INC - 026874107 - MINOR = 31001						
SOLD		10/19/2010	58 41			
ACQ	0000		58 41	0 00	58 41	LT15
**CHANGED** 12/07/10 AW4						
3861 0040 ARTISAN INTL VALUE FUND - INV - 04314H881 - MINOR = 65						
SOLD		10/25/2010	100000 00			
ACQ	3861 0040	05/17/2010	100000 00	86949 81	13050 19	ST
16194 3320 ARTIO INTERNATIONAL EQUITY II - I - 04315J837 - MINOR = 65						
SOLD		10/25/2010	200000 00			
ACQ	5046 0600	08/29/2007	62318 84	81594 79	-19275 95	LT15
	11148 2720	12/06/2007	137681 16	200000 00	-62318 84	LT15
100000 0000 BARC SPX BREN 10/27/10 - 06739JYQ0						
SOLD		10/27/2010	116420 00			
ACQ	100000 0000	10/09/2009	116420 00	99000 00	17420 00	LT15
0000 CARDINAL HLTH INC - 14149Y108 - MINOR = 31000						
SOLD		11/23/2010	503 01			
ACQ	0000		503 01	0 00	503 01	LT15
**CHANGED** 12/07/10 AW4						
697 3500 DODGE & INTERNATIONAL STOCK FUND - 256206103 - MINOR = 08010						
SOLD		06/13/2011	25000 00			
ACQ	697 3500	03/21/2011	25000 00	24881 45	118 55	ST
13931 8890 EATON VANCE SPL INVT TR - 277905642 - MINOR = 65						
SOLD		06/27/2011	252027 87			
ACQ	13931 8890	04/06/2009	252027 87	180000 00	72027 87	LT15
0000 EL PASO CORP COM - 28336L109 - MINOR = 31000						
SOLD		12/17/2010	151 60			
ACQ	0000		151 60	0 00	151 60	LT15
**CHANGED** 12/30/10 AW4						
0000 ENRON CORP - 293561106 - MINOR = 31001						
SOLD		01/25/2011	2939 24			
ACQ	0000		2939 24	0 00	2939 24	LT15
**CHANGED** 06/28/11 AW4						
8978 3280 FMI FDS INC - 302933205 - MINOR = 65						
SOLD		06/13/2011	145000 00			
ACQ	8978 3280	09/05/2008	145000 00	129916 41	15083 59	LT15
60000 0000 GS SPX BREN 06/10/11 - 38143UJP7						
SOLD		06/10/2011	69552 00			
ACQ	60000 0000	05/21/2010	69552 00	59400 00	10152 00	LT15
100000 0000 HSBC MKT PLUS SPX 10/15/10 - 4042KOWN1						
SOLD		10/15/2010	136566 03			
ACQ	100000 0000	04/09/2009	136566 03	99000 00	37566 03	LT15
19065 6530 IVY LARGE CAP GROWTH FUND - 466001203 - MINOR = 65						
SOLD		10/25/2010	239083 29			
ACQ	9564 7770	05/06/2009	119942 30	94500 00	25442 30	LT15
	9500 8760	06/22/2010	119140 99	108500 00	10640.99	ST
5617 9780 JPMORGAN ASIA EQUITY FUND - 4812A0706 - MINOR = 08010						
SOLD		03/21/2011	200000 00			
ACQ	3274 9890	05/05/2008	116589 60	123598 09	-7008 49	LT15
	2342 9890	06/22/2010	83410 40	71461 16	11949 24	ST
687 1910 JPMORGAN ASIA EQUITY FUND - 4812A0706 - MINOR = 08010						
SOLD		06/13/2011	25000 00			
ACQ	687 1910	06/22/2010	25000 00	20959 33	4040 67	ST
12194 1430 JPMORGAN INTREPID AMERICA FUND - 4812A2108 - MINOR = 08010						
SOLD		10/25/2010	263393 49			
ACQ	4631 7740	11/22/2004	100046 32	100000 00	46 32	LT15
	7562 3690	11/08/2006	163347 17	207662 65	-44315 48	LT15
17232 4530 HIGHBRIDGE STATISTICAL MARKET - 4812A2439 - MINOR = 08010						
SOLD		10/25/2010	265724 43			
ACQ	14106 5830	11/08/2006	217523 51	225000 00	-7476 49	LT15
	3125 8700	05/10/2007	48200 92	51139 23	-2938 31	LT15
9074 4100 MATTHEWS INTERNATIONAL FUNDS - 577130107 - MINOR = 08010						
SOLD		03/21/2011	200000 00			
ACQ	2012 3030	06/02/2006	44351 16	40628 39	3722 77	LT15
	3815 3540	05/06/2009	84090 40	51011 28	33079 12	LT15
	3246 7530	07/01/2009	71558 44	50000 00	21558 44	LT15
1530 0000 S & P 500 DEP RCPTS - 78462F103 - MINOR = 31000						
SOLD		06/13/2011	195469 05			
ACQ	1530 0000	09/05/2008	195469 05	187899 30	7569 75	LT15
TOTALS			2436888 42	2293101 89		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	39799 64	0 00	103986 89	0 00 -	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	16664 51			0 00
	39799 64	0 00	120651 40	0 00	0 00	0 00