Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation
PEI FAMILY FOUNDATION

A Employer identification number
91-2163497

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
1492 COUNTRY CLUB DRIVE

B Telephone number (see instructions)
650-949-4969

City or town, state, and ZIP code
LOS ALTOS CA 94024

C If exemption application is pending, check here ▶ ☐

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

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

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) ▶ $ 492,969

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

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 instructions).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc, received (attach schedule)	100,000			
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	6,275	6,275		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	57,891			
	b	Gross sales price for all assets on line 6a 79,280				
	7	Capital gain net income (from Part IV, line 2)		57,891		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)	0			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	164,166	64,166	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	2,850			2,850
	b	Accounting fees (attach schedule)	4,250			4,250
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	973			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	12,576	6,246		6,330
	24	**Total operating and administrative expenses.** Add lines 13 through 23	20,649	6,246	0	13,430
	25	Contributions, gifts, grants paid	58,625			58,625
	26	**Total expenses and disbursements.** Add lines 24 and 25	79,274	6,246	0	72,055
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	84,892			
	b	**Net investment income** (if negative, enter -0-)		57,920		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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ISA **For Paperwork Reduction Act Notice, see instructions.**

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Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	217,605	24,211	24,211
	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 instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	72,589	125,750	247,724
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment. basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)		227,627	221,034
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	290,194	377,588	492,969
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [x] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	290,194	377,588	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	290,194	377,588	
	31 **Total liabilities and net assets/fund balances** (see instructions)	290,194	377,588	

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	290,194
2	Enter amount from Part I, line 27a	2	84,892
3	Other increases not included in line 2 (itemize) ▶ checks not cleared at year-end	3	2,502
4	Add lines 1, 2, and 3	4	377,588
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	377,588

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	1000 sh. ORCL	D	9/30/92	4/21/11
b	1000 sh. ORCL	D	9/30/92	10/14/11
c	800 sh. Ceragon Networks Ltd	P	11/8/07	12/5/11
d	175 sh. Commonwealth REIT	P	6/26/08	12/5/11
e	200 sh. Int'l Bancshares	P	6/28/07	12/5/11

	(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	34,719		280	34,439
b	31,334		280	31,054
c	6,637		10,588	(3,951)
d	2,915		4,952	(2,037)
e	3,675		5,289	(1,614)

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	57,891
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see 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))
2010	75,854	340,299	0.2229
2009	79,666	277,603	0.2870
2008	27,414	246,471	0.1112
2007	23,891	188,066	0.1270
2006	19,661	120,008	0.1638

2	**Total** of line 1, column (d)	2	0.9119
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	.18238
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	474,722
5	Multiply line 4 by line 3	5	86,580
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	579
7	Add lines 5 and 6	7	87,159
8	Enter qualifying distributions from Part XII, line 4	8	72,055

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter. ________ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	1,158
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	1,158
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,158
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 700		
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	700
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	458
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation. ▶ $ ________ (2) On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ California			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	X	

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶

14 The books are in care of ▶ Kevin Pei Telephone no. ▶ 650-949-4969
Located at ▶ 1492 Country Club Dr., Los Altos CA ZIP+4 ▶ 94024

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 |

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ▶			

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☐ No			
	If "Yes," list the years ▶ 20_____ , 20_____ , 20_____ , 20_____			
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)	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. ▶ 20_____ , 20_____ , 20_____ , 20_____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)*	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 2011?	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 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 instructions)? **5b**

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

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

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

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

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

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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 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
Kevin Pei, 1492 Country Club Dr., Los Altos CA 94024	Pres, Dir 5 hrs.	0	0	6,246
Melinda Pei same address	Secy,CFO,Dir 5 hrs.	0	0	6,245

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

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

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

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

3 Five highest-paid independent contractors for professional services (see 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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
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	415,444
b	Average of monthly cash balances	1b	66,507
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	481,951
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	481,951
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	4	7,229
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	474,722
6	**Minimum investment return.** Enter 5% of line 5	6	23,736

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	23,736
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,158		
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,158
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	22,578
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	22,578
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	22,578

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	72,055
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	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	72,055
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 instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	72,055

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 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7				22,578
2	Undistributed income, if any, as of the end of 2011				
a	Enter amount for 2010 only				
b	Total for prior years: 20___ , 20___ , 20___				
3	Excess distributions carryover, if any, to 2011:				
a	From 2006 . . . 19,661				
b	From 2007 . . . 23,891				
c	From 2008 . . . 27,414				
d	From 2009 . . . 80,113				
e	From 2010 . . . 76,725				
f	**Total** of lines 3a through e	227,804			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 72,055				
a	Applied to 2010, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2011 distributable amount				
e	Remaining amount distributed out of corpus	72,055			
5	Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	22,578			22,578
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e. Subtract line 5	277,281			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b Taxable amount—see instructions		0		
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f	Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	277,281			
10	Analysis of line 9:				
a	Excess from 2007 . . . 20,974				
b	Excess from 2008 . . . 27,414				
c	Excess from 2009 . . . 80,113				
d	Excess from 2010 . . . 76,725				
e	Excess from 2011 . . . 72,055				

Part XIV Private Operating Foundations (see 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 2011, enter the date of the ruling . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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 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).)

Kevin Pei and Melinda Pei

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 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*				
Ronald McDonald House Stanford CA		501c3	general fund	50,000
United Way San Jose CA		501c3	general fund	4,000
Rice University Houston TX		501c3	general fund	2,500
Asian Health Services Oakland CA		501c3	general fund	2,000
Consumer Checkbook San Francisco CA		501c3	general fund	125
Total ▶ 3a				58,625
b *Approved for future payment* None				
Total ▶ 3b				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	6,275	
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	57,891	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		64,166	0

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 64,166

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee | 2/29/12 Date | President Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Ronald G. Coleman		2/16/12		PO1492463
Firm's name ▶ Ronald G. Coleman, PC			Firm's EIN ▶ 77-0331678	
Firm's address ▶ 333 W. Santa Clara St., Suite 620, San Jose CA 95113			Phone no 408-297-0700	

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization	**Employer identification number**
PEI FAMILY FOUNDATION	91-2163497

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, total 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 total 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 Part I, 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).

Name of organization	Employer identification number
PEI FAMILY FOUNDATION	91-2163497

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Kevin Pei and Melinda Pei 1492 Country Club Dr. Los Altos CA 94024	$ 100,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Pei Charitable Foundation
1492 Country Club Drive, Los Altos, California 94024
91-2163497

Part I. Revenue and Expense

Expenses:

Legal fees: annual meeting, minutes, resolutions	2,850
Accounting fees: annual tax return prep, annual meetings	4,250
Excise tax	973
Other expenses:	
Medical expense reimbursements	12,491
Filing fees	85
	12,576

Part II. Balance Sheet

See schedules attached

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER: 3904-1205

Additional information

	THIS PERIOD	THIS YEAR
Gross proceeds	13,226.62	44,840.51

Expense tracking summary

	THIS PERIOD	THIS YEAR
A Accounting/Legal	750.00	750.00
C Contributions/Donations/Gifts	0.00	4,500.00
J Insurance - 1	4,851.00	4,851.00
Unspecified	100.00	100.00
Total	**5,701.00**	**10,201.00**

Portfolio detail

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held at Wells Fargo Bank, N.A. and (if amounts exceed $250,000) at one or more other Wells Fargo affiliated banks. These assets are not covered by SIPC, but are instead eligible for FDIC insurance of up to $250,000 per depositor, per institution, in accordance with FDIC rules. For additional information on the Bank Deposit Sweep for your account, please contact Your Financial Advisor.

DESCRIPTION	% OF ACCOUNT	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
Cash	0 02	0.00	110.72	0.00
BANK DEPOSIT SWEEP Interest Period 12/01/11 - 12/31/11	4.89	0.04	24,100.29	9.64
Total Cash and Sweep Balances	**4.91**		**$24,211.01**	**$9.64**

* APYE measures the total amount of the interest paid on an account based on the interest rate and the frequency of the compounding during the interest period. The annual percentage yield earned is expressed as an annualized rate, based on a 365 day year.

Stocks, options & ETFs

Stocks and ETFs

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
APPLE INC AAPL									
Acquired 08/05/11 S		55	372.78	20,502 90		22,275.00	1,772.10		
Acquired 08/18/11 S		14	362.59	5,076.26		5,670.00	593.74		
Total	**5.67**	**69**		**$25,579.16**	**405.0000**	**$27,945.00**	**$2,365.84**	**N/A**	**N/A**

WELLS FARGO ADVISORS

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER· 3904-1205

Stocks, options & ETFs

Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
BAIDU INC ADR BIDU									
Acquired 08/05/11 S		150	141.35	21,203.70		17,470.50	-3,733.20		
Acquired 08/18/11 S		41	127 01	5,207.41		4,775.27	-432.14		
Total	**4.51**	**191**		**$26,411.11**	**116.4700**	**$22,245.77**	**-$4,165.34**	**N/A**	**N/A**
GENESEE & WYOMING INC CL A GWR									
Acquired 07/20/07 L nc	1.84	150	30.75	4,647.50	60.5800	9,087.00	4,439.50	N/A	N/A
GOLDMAN SACHS GROUP INC GS									
Acquired 09/17/08 L nc	1 83	100	100.00	10,035.00	90.4300	9,043.00	-992.00	140 00	1.54
JPMORGAN CHASE & CO ETN ALERIAN MLP INDEX ETN BASED ON WAP AMJ									
Acquired 08/05/11 S		200	34.36	6,872.00		7,794.00	922.00		
Acquired 08/05/11 S		200	34.35	6,871.50		7,794.00	922.50		
Acquired 08/18/11 S		65	34.91	2,269 15		2,533.05	263 90		
Total	**3.68**	**465**		**$16,012.65**	**38.9700**	**$18,121.05**	**$2,108.40**	**$885.82**	**4.89**
NOBLE ENERGY INC NBL									
Acquired 01/28/04 L nc	3.83	200	22.85	4,570.00	94.3900	18,878.00	14,308.00	176.00	0.93
ORACLE CORPORATION ORCL									
Acquired 09/30/92 L nc	15.72	3,022	0.28	846.16	25.6500	77,514.30	76,668 14	725.28	0.93
PEPSICO INCORPORATED PEP									
Acquired 11/16/11 S	1.35	100	65.46	6,546.58	66.3500	6,635.00	88.42	206.00	3.10
PIMCO TRUST ET BROAD U S TIPS INDEX FD TIPZ									
Acquired 02/05/10 L nc	1.18	100	52.00	5,229.95	58.2900	5,829.00	599.05	207.00	3.55

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER: 3904-1205

Stocks, options & ETFs

Stocks and ETFs continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
PROSHARES ULTRA S&P ET 500 2X NON-TRADITIONAL ETF SSO									
Acquired 03/05/09 L nc	9.41	1,000	14 90	14,996.61	46 3900	46,390 00	31,393.39	259 00	0.55
WELLS FARGO COMPANY WFC									
Acquired 03/20/06 L nc		19	297.89	5,401.31		523 64	-4,877.67		
Acquired 02/04/10 L nc		200	27.22	5,473.95		5,512.00	38 05		
Total	**1.22**	**219**		**$10,875.26**	**27.5600**	**$6,035.64**	**-$4,839.62**	**$105.12**	**1.74**
Total Stocks and ETFs	**50.25**			**$125,749.98**		**$247,723.76**	**$121,973.78**	**$2,704.22**	**1.09**
Total Stocks, options & ETFs	**50.25**			**$125,749.98**		**$247,723.76**	**$121,973.78**	**$2,704.22**	**1.09**

nc Cost information for this tax lot is not covered by IRS reporting requirements Unless indicated, cost for all other lots will be reported to the IRS

Mutual Funds

Mutual fund shares are priced at net asset value. Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return.
If a portion of your fund position was converted, the 'Client Investment' value may include reinvestments from previously held positions.

Open End Mutual Funds

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
INVESCO DEVELOPING MARKET FUNDS CLASS Y GTDYX									
Acquired 08/05/11 S nc		315.25900	31.72	10,000.00		9,006.95	-993.05		
Acquired 08/18/11 S nc		40 79600	30.64	1,250.00		1,165.54	-84.46		
Total	**2.06**	**356.05500**		**$11,250.00**	**28.5700**	**$10,172.49**	**-$1,077.51**	**$110.73**	**1.09**
ALLIANCEBERNSTEIN TR - FOCUSED GROWTH & INCOME FUND ADVISOR CLASS ADGYX									
Acquired 08/18/11 S nc	0 74	298 98800	10.87	3,250.00	12.1500	3,632.70	382 70	N/A	N/A

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
DOUBLELINE FDS TR TOTAL RETURN BD FD CL I DBLTX									
Acquired 08/18/11 S nc		199.64500	11.27	2,250.00		2,202.08	-47 92		
Reinvestments S nc		4.06000	11.16	45.35		44.78	-0.57		
Total	**0.46**	**203.70500**		**$2,295.35**	**11.0300**	**$2,246.86**	**-$48.49**	**$189.64**	**8.44**
	Client Investment (Excluding Reinvestments)					$2,250.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$3.14			
ECLIPSE FDS INC MAINSTAY HIGH YIELD OPPORTUNITIES FD CL I MYHIX									
Acquired 08/05/11 S nc		431.77900	11.58	5,000.00		4,693.43	-306.57		
Acquired 08/18/11 S nc		66.72600	11.24	750.00		725.31	-24.69		
Acquired 10/14/11 S nc		921.65900	10.85	10,000.00		10,018.43	18 43		
Reinvestments S nc		13.01900	11.17	145.44		141.52	-3.92		
Total	**3.16**	**1,433.18300**		**$15,895.44**	**10.8700**	**$15,578.69**	**-$316.75**	**$986.02**	**6.33**
	Client Investment (Excluding Reinvestments)					$15,750.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$171.31			
FIRST EAGLE GOLD FUND CLASS I FEGIX									
Acquired 08/05/11 S nc		449.37100	33.38	15,000.00		13,148.59	-1,851.41		
Acquired 08/18/11 S nc		63.84800	35.24	2,250.00		1,868.19	-381.81		
Total	**3.05**	**513.21900**		**$17,250.00**	**29.2600**	**$15,016.78**	**-$2,233.22**	**$244.29**	**1.63**
FIRST EAGLE FDS INC GLOBAL FD CL I SGIIX									
Acquired 08/05/11 S nc		215.79600	46.34	10,000.00		9,769.08	-230.92		
Acquired 08/18/11 S nc		27.54500	45 38	1,250.00		1,246.96	-3.04		
Total	**2.23**	**243.34100**		**$11,250.00**	**45.2700**	**$11,016.04**	**-$233.96**	**$155.98**	**1.42**

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER· 3904-1205

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FIRST EAGLE FUNDS SOGEN OVERSEAS FUND CL I SGOIX									
Acquired 08/18/11 S nc		143.93300	22.58	3,250.00		2,972.22	-277.78		
Acquired 10/14/11 S nc		1,112.59500	22.47	25,000.00		22,975.08	-2,024.92		
Total	**5.26**	**1,256.52800**		**$28,250.00**	**20.6500**	**$25,947.30**	**-$2,302.70**	**$567.95**	**2.19**
ING FUNDS CORPORATE LEADERS TR FD UNIT PARTN CTF B LEXCX									
Acquired 08/05/11 S nc		741.84000	20 22	15,000.00		16,609.79	1,609.79		
Acquired 08/18/11 S nc		115.62200	19.46	2,250.00		2,588.78	338.78		
Total	**3.89**	**857.46200**		**$17,250.00**	**22.3900**	**$19,198.57**	**$1,948.57**	**$294.10**	**1.53**
NEUBERGER BERMAN EQUITY FDS REAL ESTATE FD INSTL CL NBRIX									
Acquired 08/05/11 S nc		450.04500	11.11	5,000.00		5,418.54	418.54		
Acquired 08/18/11 S nc		67.20400	11.16	750.00		809.14	59.14		
Acquired 12/05/11 S nc		1,293.10300	11.60	15,000.00		15,568.95	568.95		
Reinvestments S nc		2.97400	10.60	31.55		35.81	4.26		
Total	**4.43**	**1,813.32600**		**$20,781.55**	**12.0400**	**$21,832.44**	**$1,050.89**	**$460.58**	**2.11**
	Client Investment (Excluding Reinvestments)					$20,750.00			
	Gain/Loss on Client Investment (Including Reinvestments)					$1,082.44			
ROYCE PENNSYLVANIA PENNSYLVANIA MUTUAL FD PENNX									
Acquired 10/14/11 S nc	2.00	917.43100	10.90	10,000.00	10.7600	9,871.55	-128.45	17.43	0.17
PIMCO FDS PAC INVT MGMT SER TOTAL RETURN FD INSTL CL PTTRX									
Acquired 08/05/11 S nc		1,353.79100	11.08	15,000.00		14,715.69	-284.31		
Acquired 08/18/11 S nc		203.25200	11.07	2,250.00		2,209.36	-40.64		
Reinvestments S nc		11.33800	10.88	123.46		123.25	-0.21		

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
Total	**3.46**	**1,568.38100**		**$17,373.46**	**10.8700**	**$17,048.30**	**-$325.16**	**$563.04**	**3.30**
	Client Investment (Excluding Reinvestments)					$17,250.00			
	Gain/Loss on Client Investment (Including Reinvestments)					-$201.70			
PIMCO FDS PAC INVT MGMT SER EMERGING MKTS BD FD INSTL CL PEBIX									
Acquired 08/18/11 S nc		286 34400	11.35	3,250.00		3,221.36	-28.64		
Reinvestments S nc		2.84600	11.12	31.65		32.02	0.37		
Total	**0.66**	**289.19000**		**$3,281.65**	**11.2500**	**$3,253.38**	**-$28.27**	**$169.46**	**5.21**
	Client Investment (Excluding Reinvestments)					$3,250.00			
	Gain/Loss on Client Investment (Including Reinvestments)					$3.38			
RS INVT TR GLOBAL NATURAL RESOURCES FUND CL Y RSNYX									
Acquired 10/14/11 S nc	3.98	558.50300	35.81	20,000.00	35.1000	19,603 45	-396.55	N/A	N/A
RYDEX S&P MIDCAP 400 PURE GROWTH FUND CLASS H RYBHX									
Acquired 08/05/11 S nc		130.54800	38.30	5,000.00		5,063.95	63.95		
Acquired 08/18/11 S nc		20.92100	35.85	750 00		811.53	61.53		
Acquired 10/14/11 S nc		252.27000	39.64	10,000.00		9,785.55	-214.45		
Total	**3.18**	**403.73900**		**$15,750.00**	**38.7900**	**$15,661.03**	**-$88.97**	**N/A**	**N/A**
TEMPLETON CHINA WORLD FD INC TACWX									
Acquired 08/05/11 S nc		130.07300	38.44	5,000.00		4,428.98	-571.02		
Acquired 08/18/11 S nc		20.71300	36.21	750.00		705.28	-44.72		
Total	**1.04**	**150.78600**		**$5,750.00**	**34.0500**	**$5,134.26**	**-$615.74**	**N/A**	**N/A**
TRANSAMERICA FUNDS SYSTEMATIC SMALL/MID CAP VALUE CLASS I TSVIX									
Acquired 08/18/11 S nc	0.69	171.95800	18.90	3,250.00	19.8700	3,416.80	166.80	N/A	N/A

PEI FAMILY FOUNDATION

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Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
WELLS FARGO ADVANTAGE GROWTH FUND CL-ADMINISTRATOR SGRKX									
Acquired 08/18/11 S nc	0.73	100.83800	32 23	3,250.00	35 8100	3,611.00	361.00	N/A	N/A
WELLS FARGO ADVANTAGE EMERGING MARKETS EQUITY FD ADMIN CL EMGYX									
Acquired 08/18/11 S nc	0.61	150.25400	21.63	3,250.00	20.1300	3,024.61	-225.39	29.29	0.96
WELLS FARGO ADVANTAGE FUNDS-PRECIOUS METALS FD CLASS A EKWAX									
Acquired 08/05/11 S nc		181.37800	82.70	15,000.00		13,097.30	-1,902.70		
Acquired 08/18/11 S nc		36.98600	87.87	3,250.00		2,670.76	-579.24		
Total	**3.20**	**218.36400**		**$18,250.00**	**72.2100**	**$15,768.06**	**-$2,481.94**	**$278.19**	**1.76**
Total Open End Mutual Funds	**44.84**			**$227,627.45**		**$221,034.31**	**-$6,593.14**	**$4,066.70**	**1.84**
Total Mutual Funds	**44.84**			**$227,627.45**		**$221,034.31**	**-$6,593.14**	**$4,066.70**	**1.84**

nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS.

Other Assets

Checking and Savings

These assets are held at our affiliated banks and are not held in your brokerage account and are not covered by SIPC.

ACCOUNT NUMBER	DESCRIPTION	BALANCE
0000000000000448364513	WELLS FARGO STAGECOA	1,120.41
0000000000001688135308	CUSTOM MANAGEMENT CH	3,312.51
0000000000002272603891	WELLS FARGO COLLEGE	1,154.63
Total Checking and Savings		**$5,587.55**
Total Other Assets		**$5,587.55**

Activity detail

Deposits

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/02	Cash	DEPOSIT		DEPOSIT		25,000.00
				Total Deposits:		**$25,000.00**

Income and distributions

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/01	Cash	DIVIDEND		DOUBLELINE FDS TR TOTAL RETURN BD FD CL I 113011 203.70500 AS OF 11/30/11		15.60
12/01	Cash	DIVIDEND		PIMCO FDS PAC INVT MGMT SER TOTAL RETURN FD INSTL CL 113011 1,568.38100 AS OF 11/30/11		50.50
12/01	Cash	DIVIDEND		PIMCO FDS PAC INVT MGMT SER EMERGING MKTS BD FD INSTL CL 113011 289 19000 AS OF 11/30/11		12.48
12/01	Cash	DIVIDEND		WELLS FARGO COMPANY 120111 219		26.28
12/02	Cash	DIVIDEND		ECLIPSE FDS INC MAINSTAY HIGH YIELD OPPORTUNITIES FD CL I 120111 1,433.18300 AS OF 12/01/11		82.26
12/06	Cash	DIVIDEND		PIMCO TRUST ETF BROAD U S TIPS INDEX FD 120611 100		10.00
12/07	Cash	DIVIDEND		JPMORGAN CHASE & CO ETN ALERIAN MLP INDEX ETN BASED ON WAP 120711 465		227.71

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
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Activity detail continued

Income and distributions

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/12	Cash	LT CAP GAIN		INVESCO DEVELOPING MARKET FUNDS CLASS Y 120911 356.05500 AS OF 12/09/11		212.74
12/12	Cash	DIVIDEND		INVESCO DEVELOPING MARKET FUNDS CLASS Y 120911 356 05500 AS OF 12/09/11		110.70
12/12	Cash	LT CAP GAIN		ROYCE PENNSYLVANIA PENNSYLVANIA MUTUAL FD 120911 917 43100 AS OF 12/09/11		348.35
12/12	Cash	DIVIDEND		ROYCE PENNSYLVANIA PENNSYLVANIA MUTUAL FD 120911 917.43100 AS OF 12/09/11		17.80
12/12	Cash	LT CAP GAIN		WELLS FARGO ADVANTAGE GROWTH FUND CL-ADMINISTRATOR 121211 100 83800		47.24
12/12	Cash	LT CAP GAIN		WELLS FARGO ADVANTAGE EMERGING MARKETS EQUITY FD ADMIN CL 121211 150 25400		33.42
12/13	Cash	LT CAP GAIN		WELLS FARGO ADVANTAGE FUNDS-PRECIOUS METALS FD CLASS A 121211 218.36400 AS OF 12/12/11		107 18
12/14	Cash	LT CAP GAIN		FIRST EAGLE GOLD FUND CLASS I 121411 513 21900		459.84
12/14	Cash	DIVIDEND		FIRST EAGLE GOLD FUND CLASS I 121411 513 21900		244 29

WELLS FARGO ADVISORS

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
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Activity detail continued

Income and distributions

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/14	Cash	LT CAP GAIN		FIRST EAGLE FDS INC GLOBAL FD CL I 121411 243 34100		148 44
12/14	Cash	DIVIDEND		FIRST EAGLE FDS INC GLOBAL FD CL I 121411 243 34100		155.98
12/14	Cash	SHRT TRM GAIN		FIRST EAGLE FUNDS SOGEN OVERSEAS FUND CL I 121411 1,256 52800		1.26
12/14	Cash	LT CAP GAIN		FIRST EAGLE FUNDS SOGEN OVERSEAS FUND CL I 121411 1,256 52800		802.92
12/14	Cash	DIVIDEND		FIRST EAGLE FUNDS SOGEN OVERSEAS FUND CL I 121411 1,256.52800		567.95
12/15	Cash	SHRT TRM GAIN		ECLIPSE FDS INC MAINSTAY HIGH YIELD OPPORTUNITIES FD CL I 121411 1,433 18300 AS OF 12/14/11		41.95
12/15	Cash	LT CAP GAIN		ECLIPSE FDS INC MAINSTAY HIGH YIELD OPPORTUNITIES FD CL I 121411 1,433.18300 AS OF 12/14/11		195.53
12/15	Cash	DIVIDEND		ECLIPSE FDS INC MAINSTAY HIGH YIELD OPPORTUNITIES FD CL I 121411 1,433.18300 AS OF 12/14/11		87.11
12/16	Cash	LT CAP GAIN		RS INVT TR GLOBAL NATURAL RESOURCES FUND CL Y 121611 558.50300		125.83
12/16	Cash	LT CAP GAIN		TRANSAMERICA FUNDS SYSTEMATIC SMALL/MID CAP VALUE CLASS I 121611 171.95800		195.49

PEI FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER: 3904-1205

Activity detail continued

Income and distributions

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/16	Cash	DIVIDEND		WELLS FARGO ADVANTAGE EMERGING MARKETS EQUITY FD ADMIN CL 121611 150.25400		29.34
12/19	Cash	DIVIDEND		WELLS FARGO ADVANTAGE FUNDS-PRECIOUS METALS FD CLASS A 121611 218.36400 AS OF 12/16/11		278 18
12/20	Cash	DIVIDEND		NEUBERGER BERMAN EQUITY FDS REAL ESTATE FD INSTL CL 121911 1,813 32600 AS OF 12/19/11		128 56
12/20	Cash	SHRT TRM GAIN		TEMPLETON CHINA WORLD FD INC 122011 150.78600		3.66
12/20	Cash	LT CAP GAIN		TEMPLETON CHINA WORLD FD INC 122011 150.78600		43.73
12/20	Cash	DIVIDEND		TEMPLETON CHINA WORLD FD INC 122011 150.78600		56.12
12/29	Cash	DIVIDEND		GOLDMAN SACHS GROUP INC 122911 100		35.00
12/30	Cash	DIVIDEND		PIMCO FDS PAC INVT MGMT SER TOTAL RETURN FD INSTL CL 122911 1,568.38100 AS OF 12/29/11		102.04
12/30	Cash	DIVIDEND		PROSHARES ULTRA S&P ETF 500 2X NON-TRADITIONAL ETF 123011 1,000		8.68
12/30	Cash	INTEREST		BANK DEPOSIT SWEEP 123011 24,099		0.71
				Total Income and distributions:		**$5,014.87**

Activity detail continued

Securities sold and redeemed

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/05	Cash	SALE	-400.00000	CERAGON NETWORKS LTD	8.2977	3,319 02
12/05	Cash	SALE	-200.00000	CERAGON NETWORKS LTD	8.2900	1,657.97
12/05	Cash	SALE	-100.00000	CERAGON NETWORKS LTD	8.3019	830.17
12/05	Cash	SALE	-100.00000	CERAGON NETWORKS LTD	8 2951	829.49
12/05	Cash	SALE	-175.00000	COMMONWEALTH REIT	16 6600	2,915 44
12/05	Cash	SALE	-200.00000	INTERNATIONAL BANCSHARES CORP	18.3730	3,674.53
				Total Securities sold and redeemed:		**$13,226.62**

Withdrawals by check

Entries that display a blank in the expense code field are checks generated by the firm based upon standing or specific instructions that you have provided

DATE	ACCOUNT TYPE	CHECK NUMBER	DESCRIPTION	EXPENSE CODE	AMOUNT
12/08	Cash	0001003	NORTHWESTERN MUTUAL	J Insurance - 1	-2,532 55
12/08	Cash	0001004	NORTHWESTERN MUTUAL	J Insurance - 1	-2,318.45
12/09	Cash	0001005	RON COLEMAN	A Accounting/Legal	-750.00
12/16	Cash	0001006	CONSUMERS CHECKBOOK	Unspecified	-100.00
			Total Withdrawals by check:		**-$5,701.00**

Securities purchased

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT
12/05	Cash	PURCHASE	1,293.10300	NEUBERGER BERMAN EQUITY FDS REAL ESTATE FD INSTL CL	11.6000	-15,000.00
				Total Securities purchased:		**-$15,000.00**

Cash sweep activity

Our Cash Sweep program allows you to earn a return on the idle cash balances in your account by automatically investing such balances into one of our cash sweep options. These 'sweep transactions' may represent a net amount for the day and occur on settlement date. The following section displays transfers into and out of your sweep option. Transactions displayed here are Transfer To, Transfer From and Reinvested Dividends and Interest. These transaction amounts are not included in your cash flow summary.

DATE	TRANSACTION	DESCRIPTION	AMOUNT	DATE	TRANSACTION	DESCRIPTION	AMOUNT
12/01		BEGINNING BALANCE	1,670.52	12/05	TRANSFER TO	BANK DEPOSIT SWEEP	82.26
12/02	TRANSFER TO	BANK DEPOSIT SWEEP	25,104.86	12/06	TRANSFER FROM	BANK DEPOSIT SWEEP	-15,000.00

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Cash sweep activity continued

DATE	TRANSACTION	DESCRIPTION	AMOUNT
12/07	TRANSFER TO	BANK DEPOSIT SWEEP	10.00
12/08	TRANSFER TO	BANK DEPOSIT SWEEP	13,454.33
12/08	TRANSFER FROM	BANK DEPOSIT SWEEP	-4,851.00
12/09	TRANSFER FROM	BANK DEPOSIT SWEEP	-750.00
12/13	TRANSFER TO	BANK DEPOSIT SWEEP	770 25
12/14	TRANSFER TO	BANK DEPOSIT SWEEP	107.18
12/15	TRANSFER TO	BANK DEPOSIT SWEEP	2,380.68
12/16	TRANSFER TO	BANK DEPOSIT SWEEP	324.59

DATE	TRANSACTION	DESCRIPTION	AMOUNT
12/16	TRANSFER FROM	BANK DEPOSIT SWEEP	-100.00
12/19	TRANSFER TO	BANK DEPOSIT SWEEP	350.66
12/20	TRANSFER TO	BANK DEPOSIT SWEEP	278.18
12/21	TRANSFER TO	BANK DEPOSIT SWEEP	232.07
12/30	REINVEST INT	BANK DEPOSIT SWEEP	0 71
12/30	TRANSFER TO	BANK DEPOSIT SWEEP	35.00
12/31		ENDING BALANCE	24,100.29

Realized gain/loss

Realized Gain/Loss Summary

	THIS PERIOD GAIN	THIS PERIOD LOSS	THIS PERIOD NET	THIS YEAR GAIN	THIS YEAR LOSS	THIS YEAR NET
Short term	0 00	0.00	0.00	0.00	0.00	0.00
Long term	0.00	-7,602.21	-7,602.21	31,333.89	-7,602.21	23,731.68
Total Realized Gain/Loss	**$0.00**	**-$7,602.21**	**-$7,602.21**	**$31,333.89**	**-$7,602.21**	**$23,731.68**

Realized Gain/Loss Detail

Long term

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
CERAGON NETWORKS LTD	100.00000	13.3000	11/08/07nc	12/05/11	830.17	1,341.54	-511.37
	100.00000	13.3000	11/08/07nc	12/05/11	829.49	1,341.54	-512.05
	200.00000	13.3000	11/08/07nc	12/05/11	1,657.97	2,683.08	-1,025.11
	400.00000	12.9400	07/16/07nc	12/05/11	3,319.02	5,221.58	-1,902.56
COMMONWEALTH REIT	175.00000	28.0000	06/26/08nc	12/05/11	2,915.44	4,952.22	-2,036.78
INTERNATIONAL BANCSHARES CORP	200.00000	26.2400	06/28/07nc	12/05/11	3,674.53	5,288.87	-1,614.34
Total Long term					**$13,226.62**	**$20,828.83**	**-$7,602.21**

nc Cost information for this tax lot is not covered by IRS reporting requirements Unless indicated, cost for all other lots will be reported to the IRS