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

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

2011

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

Name of foundation William H Cowles Foundation		A Employer identification number 91-6020496	
Number and street (or P O box number if mail is not delivered to street address) 999 W Riverside Ave		B Telephone number (see instructions) 509 459-5221	
City or town, state, and ZIP code Spokane, WA 99201		C If exemption application is pending, check here ► <input type="checkbox"/>	
G Check all that apply. <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 4,910,120 (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 ► <input type="checkbox"/>	

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)				
	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		123,799	123,762	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sales of assets not on line 10		55,387		
	b Gross sales price for all assets on line 6a	SC 465,726			
	7 Capital gain net income (from Part IV, line 2)			55,387	
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less. Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	STMT. 1	8,476	8,476		
12 Total. Add lines 1 through 11		187,662	187,625		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.		None	None	None
	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)	STMT. 2	35,263	35,254	None
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	STMT. 3	1,526	None	None
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	STMT. 4	107	None	None
	24 Total operating and administrative expenses.		36,896	35,254	
Add lines 13 through 23					
25 Contributions, gifts, grants paid		240,000		240,000	
26 Total expenses and disbursements. Add lines 24 and 25		276,896	35,254	240,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		(89,234)			
b Net investment income (if negative, enter -0-)			152,371		
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
Assets		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
		1 Cash—non-interest-bearing	5,804	819
		2 Savings and temporary cash investments	86,193	97,587
		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) <i>STAT 5</i>	472,871	518,111
		b Investments—corporate stock (attach schedule) <i>STAT 6</i>	1,458,596	1,454,538
		c Investments—corporate bonds (attach schedule) <i>STAT 7</i>	343,284	304,214
		11 Investments—land, buildings, and equipment basis ►		
		Less: accumulated depreciation (attach schedule) ►		
		12 Investments—mortgage loans		
		13 Investments—other (attach schedule) <i>STAT 8</i>	1,766,351	1,669,369
		14 Land, buildings, and equipment basis ►		
		Less: accumulated depreciation (attach schedule) ►		
		15 Other assets (describe ► <i>STAT 9</i>)	607	38
		16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	4,133,706	4,044,676
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)		
Net Assets or Fund Balances		22 Other liabilities (describe ► <i>STAT 10</i>)	0	204
		23 Total liabilities (add lines 17 through 22)	0	204
		Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.		
Net Assets or Fund Balances		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	4,133,706	4,044,472
Part III		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)	4,133,706	4,044,472
		31 Total liabilities and net assets/fund balances (see instructions)	4,133,706	4,044,676

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	4,133,706
2 Enter amount from Part I, line 27a	2	(89,234)
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	4,044,472
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	4,044,472

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	Publicly traded securities				
b	Proceeds from class action settlements		n/a	various	n/a
c					
d					
e					
	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a	464,344		410,339	54,005	
b	1,382		0	1,382	
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(f) 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			
a				54,005	
b				1,382	
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	55,387
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	114,044	4,794,624	0.02378580677
2009	0	4,093,423	0.000000000000
2008	0	4,696,861	0.000000000000
2007	0	5,342,203	0.000000000000
2006	0	4,721,015	0.000000000000
2			0.02378580677
3			0.00475716135
4			5,232,236
5			24,891
6			1,524
7			26,415
8			240,000
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)

1 1,524

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

2 0

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

3 1,524

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2011 estimated tax payments and 2010 overpayment credited to 2011 6a 1,320

b Exempt foreign organizations—tax withheld at source 6b

c Tax paid with application for extension of time to file (Form 8868) 6c 700

d Backup withholding erroneously withheld 6d

7 Total credits and payments Add lines 6a through 6d 7 2,020

8 Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached 8 0

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed 9

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid 10 496

11 Enter the amount of line 10 to be. Credited to 2012 estimated tax ► 496 Refunded ► 11

Part VII-A Statements Regarding Activities

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 Yes ✓

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 Yes ✓

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 Yes ✓

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the foundation. ► \$ None (2) On foundation managers. ► \$ None

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ None

2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 2 Yes ✓

If "Yes," attach a detailed description of the activities.

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 Yes ✓

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? 4a Yes ✓

b If "Yes," has it filed a tax return on Form 990-T for this year? 4b Yes ✓

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 5 Yes ✓

If "Yes," attach the statement required by General Instruction T.

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 Yes ✓

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 Yes ✓

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► Washington 8a Yes ✓

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 Yes ✓

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 Yes ✓

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses 10 Yes ✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	✓
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	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► None	13	✓
14	The books are in care of ► Steven R Rector Located at ► 999 W Riverside Ave #605 Spokane, WA 99201	Telephone no. ► 509 459-5221 ZIP+4 ► 99201	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15		
16	At any time during calendar year 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? See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ►	16	Yes ✓

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? 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?		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
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?		

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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<i>If "Yes" to 6b, file Form 8870.</i>				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (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
W.S. Cowles 999 W Riverside Ave Spokane, WA 99201	President / Trustee	None	None	None
E A. Cowles same	Vice. Pres / Trustee	None	None	None
S.R. Cowles same	Secretary	None	None	None

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	N/A	
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	None	
2		
3	All other program-related investments. See instructions	
Total. Add lines 1 through 3		►

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	5,156,885
b	Average of monthly cash balances	1b	155,030
c	Fair market value of all other assets (see instructions)	1c	None
d	Total (add lines 1a, b, and c)	1d	5,311,915
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	None
2	Acquisition indebtedness applicable to line 1 assets	2	None
3	Subtract line 2 from line 1d	3	5,311,915
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	79,679
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,232,236
6	Minimum investment return. Enter 5% of line 5	6	261,612

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	261,612
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,524
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	None
c	Add lines 2a and 2b	2c	1,524
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	260,088
4	Recoveries of amounts treated as qualifying distributions	4	None
5	Add lines 3 and 4	5	260,088
6	Deduction from distributable amount (see instructions)	6	None
7	Distributable amount as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	260,088

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	240,000
b	Program-related investments—total from Part IX-B	1b	None
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	None
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	None
b	Cash distribution test (attach the required schedule)	3b	None
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	240,000
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	1,524
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	238,476

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				260,088
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only				237,343
b Total for prior years: 20 ____,20 ____ ,20 ____		None		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	None			
b From 2007	None			
c From 2008	None			
d From 2009	None			
e From 2010	None			
f Total of lines 3a through e	None			
4 Qualifying distributions for 2011 from Part XII, line 4 ► \$ 240,000				237,343
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)		None		
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				2,657
e Remaining amount distributed out of corpus	None			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	None			None
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed	None			
d Subtract line 6c from line 6b. Taxable amount—see instructions		None		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012		None		
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) .				257,431
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	None			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	None			
10 Analysis of line 9:				
a Excess from 2007	None			
b Excess from 2008	None			
c Excess from 2009	None			
d Excess from 2010	None			
e Excess from 2011	None			

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

N/A

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 <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)																																																										
2a	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Tax year</th> <th colspan="3" style="text-align: center;">Prior 3 years</th> <th rowspan="2" style="text-align: center;">(e) Total</th> </tr> <tr> <th style="text-align: center;">(a) 2011</th> <th style="text-align: center;">(b) 2010</th> <th style="text-align: center;">(c) 2009</th> <th style="text-align: center;">(d) 2008</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>				Tax year	Prior 3 years			(e) Total	(a) 2011	(b) 2010	(c) 2009	(d) 2008																																														
Tax year	Prior 3 years			(e) Total																																																							
(a) 2011	(b) 2010	(c) 2009	(d) 2008																																																								
b	85% of line 2a																																																										
c	Qualifying distributions from Part XII, line 4 for each year listed																																																										
d	Amounts included in line 2c not used directly for active conduct of exempt activities																																																										
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c																																																										
3	Complete 3a, b, or c for the alternative test relied upon																																																										
a	"Assets" alternative test—enter.																																																										
(1)	Value of all assets																																																										
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)																																																										
b	"Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed																																																										
c	"Support" alternative test—enter.																																																										
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)																																																										
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)																																																										
(3)	Largest amount of support from an exempt organization																																																										
(4)	Gross investment income																																																										

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see 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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Mobius Science Center 926 W. Sprague Ave., Suite 583 Spokane, WA 99201	None	509(a)(1)	Capital projects	240,000
Total			► 3a	240,000
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income	Excluded by section 512, 513, or 514	(e) Related or exempt function income (See instructions)			
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount		
1	Program service revenue:						
a							
b							
c							
d							
e							
f							
g	Fees and contracts from government agencies						
2	Membership dues and assessments						
3	Interest on savings and temporary cash investments						
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						
9	Net income or (loss) from special events						
10	Gross profit or (loss) from sales of inventory						
11	Other revenue. a Other income						
b							
c							
d							
e							
12	Subtotal. Add columns (b), (d), and (e)					187,662	
13	Total. Add line 12, columns (b), (d), and (e)					187,662	

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

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

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)	✓
(2) Other assets	1a(2)	✓
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
(3) Rental of facilities, equipment, or other assets	1b(3)	✓
(4) Reimbursement arrangements	1b(4)	✓
(5) Loans or loan guarantees	1b(5)	✓
(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
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.		

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.

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 <input type="checkbox"/> if self-employed	PTIN
	Stephen J. Day		11/16/2012		P00736510
	Firm's name ► Clark Nuber, P.S.		Firm's EIN ►	91-1194016	
Firm's address ► 10900 NE 4th, Suite 1700	Bellevue, WA 98004	Phone no	425 454-4919		

William H. Cowles Foundation, Inc.

FORM 990-PF

Year Ending December 31, 2011

EIN: 91-6020496

STATEMENT #1 - PART I LINE 11 - Other income

	<u>Column (a)</u>	<u>Column (b)</u>
Inflation-indexed revaluation adjustments	\$8,476	\$8,476
	<u>\$8,476</u>	<u>\$8,476</u>

STATEMENT #2 - PART I LINE 16c - Professional fees

	<u>Column (a)</u>	<u>Column (b)</u>
Investment management fees	\$31,213	\$31,204
Tax review fees	4,050	4,050
	<u>\$35,263</u>	<u>\$35,254</u>

STATEMENT #3 - PART I LINE 18 - Taxes

	<u>Column (a)</u>	<u>Column (b)</u>
Federal excise tax	\$1,524	\$0
Foreign taxes	2	0
	<u>\$1,526</u>	<u>\$0</u>

STATEMENT #4 - PART I LINE 23 - Other expenses

	<u>Column (a)</u>	<u>Column (b)</u>
State filing fees	\$35	\$0
Miscellaneous	72	0
	<u>\$107</u>	<u>\$0</u>

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #5 - PART II LINE 10a - Investments - U.S. and state government obligations**

Government obligations: Part II Line 10a	Beginning of year	End of Year	
	Book Value	Book Value	Fair Market Value
U.S. Treasury Bonds			
6.250% due 8/15/23	\$34,869	\$34,869	\$42,938
Inflation-Indexed Treasury Securities			
3.875% due 4/15/29	9,578	9,907	15,024
U.S. Treasury Bonds			
4.375% due 02/15/38	9,752	34,507	45,248
Inflation-Indexed Treasury Securities			
2.000% due 1/15/14	35,821	24,858	20,764
U.S. Treasury Notes			
4.625% Due 02/15/17	19,338	9,669	11,866
Inflation-Indexed Treasury Securities			
1.625% Due 01/15/18	20,430	21,168	24,617
U.S. Treasury Bonds			
3.125% due 05/15/19	20,600	36,462	39,244
U.S. Treasury Notes			
1 000% due 10/31/11	15,057		
U.S. Treasury Notes			
2.125% due 11/30/14		15,771	15,755
Federal Home Loan Mortgage Corp. Gold			
5.000% due 10/01/39	28,362	24,494	25,678
Freddie Mac Gold, Pool A91947			
5 000% due 04/01/40	23,400	19,670	20,458
Federal Farm Credit Bank			
4.875% due 01/17/17	24,687		
Freddie Mac			
5.000% due 07/15/14	20,974	20,974	22,212
Fannie Mae			
3.750% due 03/27/19	14,922	14,922	17,123
Fannie Mae			
Guaranteed Mortgage			
Pass-through			
3.5% due 10/01/41		20,378	20,553
Fannie Mae			
2 750% due 02/05/14	34,972	34,972	36,592
Fannie Mae Pool #745878			
5.500% due 10/1/36	19,161	14,150	14,640
Fannie Mae Mortgage Backed Securities			
5.000% due 07/01/38	14,534	10,357	11,291

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #5 - PART II LINE 10a - Investments - U.S. and state government obligations (cont)**

	Beginning	End of Year	
	of year	Book	Fair
	Value	Value	Market
Fannie Mae Mortgage Backed Securities			
4.500% due 05/01/38	23,462	20,194	22,270
Fannie Mae Mortgage Backed Securities			
4.500% due 08/01/38	8,729	6,685	7,178
Fannie Mae Mortgage Backed Securities			
5.000% due 07/01/23	9,931	7,458	8,134
Fannie Mae Mortgage Pass-Through			
Certificates Pool #994637			
5.5% due 11/01/38		17,916	18,064
Fannie Mae Pool #AC1921			
4.000% due 09/01/39	9,629	8,715	9,096
Fannie Mae Pool #AD3808			
4.500% due 04/01/40	18,051	14,913	15,760
Fannie Mae Pool #4.500% due 05/01/40			
4.500% due 05/01/40	22,996	18,561	19,382
Fannie Mae Pool #AE4624			
4% due 10/01/40		18,209	19,557
Fannie Mae Guaranteed Mortgage			
Pass-Through			
4% due 09/01/40		20,052	21,991
Federal Home Loan Bank Bond			
3.625% due 10/18/13	33,616	33,616	36,991
Sierra Pacific Power Company			
General & Refunding			
Series M			
6% due 05/15/16		4,661	4,640
Total U.S. and State Government Obligations	\$472,871	\$518,111	\$567,066

William.H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock**

Corporate Stocks: Part II Line 10b	Beginning of year		End of Year	
	Book Value	Book Value	Fair Market Value	
			Market Value	Market Value
AFLAC, Inc	\$676	\$1,708		\$4,629
AGL Resources, Inc.		\$321		\$338
The AES Corporation	1,110	1,110		1,302
AK Steel Holding Corp	628	628		140
AMC Networks Inc.		394		376
AT&T Inc.	33,061	33,061		32,175
Abbott Laboratories	2,372	2,372		15,688
Abercrombie & Fitch	1,086	1,086		684
Adobe Systems Incorporated	2,079	1,614		2,290
Advanced Micro Devices, Inc.	1,573	1,573		421
Aetna, Inc.	1,455	1,455		3,502
Agilent Technologies, Inc.	2,160	2,160		2,166
Air Products & Chemicals, Inc	1,848	1,848		3,152
Airgas, Inc.	691	691		1,171
Akamai Technologies Inc	1,976	1,824		1,162
Alcoa, Inc.	5,078	5,078		1,462
Allegheny Energy, Inc.	750			
Allegheny Technologies	768	768		1,004
Allergan, Inc.	2,644	2,644		5,352
The Allstate Corporation	4,637	5,438		3,536
Alpha Natural Resources Inc.		901		674
Altera Corporation	1,327	1,327		2,189
Altria Group, Inc.	5,342	5,342		11,593
Amazon.com, Inc	3,967	3,967		11,252
Ameren Corporation	1,501	1,501		1,491
American Electric Power Company, Inc.	2,588	2,588		3,553
American Express Company	7,974	8,929		9,811
American International Group	25,377	28,129		2,668
American Tower Corp A	3,333	3,333		4,741
AmeriSourceBergen Corporation	721	721		2,008
Ameriprise Financial	1,403	2,468		3,078
Amgen Inc	7,414	7,414		11,622
Amphenol Corp A	915	915		1,452
Anadarko Petroleum Corporation	2,630	2,630		6,793
Analog Devices, Inc.	2,442	2,442		1,825
Aon Corporation	1,257	1,558		2,668
Apache Corporation	2,818	2,818		5,707
Apollo Group, Inc.	1,563			
Apple Computer, Inc.	5,369	5,369		66,825

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning		Fair Market Value	
	of year			
	Book Value	Book Value		
Applied Materials, Inc.	5,241	5,241	2,710	
Archer-Daniels- Midland Company	1,999	1,948	3,346	
Assurant, Inc.	837	1,941	1,930	
Autodesk, Inc.	463	463	1,092	
Automatic Data Processing, Inc.	3,722	3,722	5,293	
AutoNation, Inc.	345	345	774	
AutoZone, Inc.	924	924	2,275	
Avery Dennison Corporation	1,120	1,120	516	
Avon Products, Inc.	2,574	1,213	681	
BB&T Corporation	4,382	4,899	3,750	
BMC Software, Inc.	679	679	1,115	
Baker Hughes Incorporated	2,910	2,910	3,648	
Ball Corporation	663	663	1,000	
Bank of America Corporation	45,997	45,997	10,114	
The Bank of New York Mellon Corporation	4,503	4,503	4,380	
Bard (C.R), Inc.	800	800	1,454	
Baxter International Inc.	3,262	3,261	5,344	
Beam, Inc.		1,221	1,230	
Becton Dickinson and Company	1,847	1,847	3,064	
Bed Bath & Beyond, Inc.	1,999	1,999	2,841	
Bemis Company, Inc.	379	379	421	
Berkshire Hathaway Inc. Class B	21,112	21,778	24,645	
Best Buy Company, Inc.	2,184	1,210	841	
Big Lots, Inc	572	572	717	
Biogen Idec, Inc.	1,760	1,760	4,512	
BlackRock, Inc		4,088	3,921	
Block (H&R), Inc.	1,565	2,043	1,388	
Boeing Company	5,779	5,779	9,976	
Boston Scientific Corporation	4,532	4,450	1,292	
Bristol-Myers Squibb Company	8,407	8,407	11,065	
Broadcom Corporation	2,117	2,117	2,349	
Brown-Forman Corporation	985	985	1,771	
CBS Corp. Class B	3,728	3,728	2,985	
CBRE Group Inc.	1,434	1,434	868	
CF Industries	1,324	1,324	2,030	
C.H. Robinson Worldwide, Inc	1,364	1,364	1,954	
CIGNA Corporation	1,075	1,075	2,184	
CME Group Inc.	5,739	5,739	2,924	
CMS Energy Corporation	519	519	883	

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning		Fair	
	of year			
	Book	Book		
	Value	Value	Market	
CSX Corporation	1,106	1,106	4,423	
CVS Caremark Corporation	5,119	4,485	9,746	
CA, Inc.	1,761	1,262	970	
Cablevision Systems Corp.	1,473	1,049	611	
Cabot Oil & Gas Corp	600	600	1,214	
Cameron International	2,018	2,018	2,361	
Campbell Soup Company	870	870	1,097	
Capital One Financial	5,294	6,285	4,229	
Cardinal Health, Inc	3,061	3,061	2,680	
Carefusion Corporation	617	617	788	
Carmax	1,189	1,189	1,646	
Carnival Corporation, Inc.	3,303	1,968	1,567	
Caterpillar Inc.	4,610	4,610	10,691	
Celgene Corporation	4,785	4,785	5,746	
CenterPoint Energy, Inc.	991	991	1,627	
Centurylink, Inc.		2,412	3,460	
CenturyTel, Inc.	1,434			
Cephalon Inc	820			
Cerner Corp	1,179	1,179	1,715	
Cheasapeake Energy Corporation	3,616	3,616	2,407	
Chevron Corporation	16,456	16,456	38,942	
Chipotle Mexican Grill, Inc		1,088	1,351	
Chubb Corporation	2,288	2,606	4,776	
Cincinnati Financial Corporation	1,099	2,150	1,949	
Cisco Systems, Inc.	8,573	6,738	16,634	
Cintas Corporation	502	502	905	
Citigroup Inc.	29,825	30,534	14,181	
Citrix Systems, Inc.	753	753	2,064	
Cliffs Natural Resources, Inc.	1,056	1,056	1,496	
The Clorox Company	1,455	1,455	1,930	
Coach, Inc	1,757	1,757	3,907	
Coca-Cola Company	5,339	5,339	29,387	
Coca Cola Enterprises Inc.	1,387	1,387	1,779	
Cognizant Technology Solutions Corp.	2,433	2,433	3,666	
Colgate-Palmolive Company	4,978	3,902	7,022	
Comcast Corporation	11,778	11,778	12,495	
Comerica Incorporated	1,600	1,735	826	
Computer Sciences Corporation	1,385	1,206	640	
Compuware Corporation	330	330	349	

William.H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning		Fair	
	of year			
	Book	Value		
	Value	Book	Market	
ConAgra Foods, Inc.	2,132	2,132	2,165	
ConocoPhillips	9,525	9,209	19,675	
Consolidated Energy	1,913	1,913	1,578	
Consolidated Edison, Inc.	2,191	2,191	3,350	
Constellation Brands A	1,013	1,013	703	
Constellation Energy Group	1,556	1,556	1,587	
Corning Incorporated	4,262	4,262	3,907	
Costco Wholesale Corporation	3,104	3,104	6,749	
Coventry Health Care, Inc.	1,584	1,584	850	
Cummins, Inc	1,059	1,059	3,345	
D.R. Horton, Inc.	1,744	1,744	580	
DTE Energy Company	1,095	1,095	1,525	
Danaher Corporation	2,348	2,348	4,516	
Darden Restaurants, Inc	481	481	1,094	
Davita Inc.	885	885	1,440	
Dean Foods Co	898	898	235	
Deere & Company	1,288	1,288	6,420	
Dell Inc	7,730	7,353	4,652	
Denbury Resources Inc	1,148	1,148	1,087	
Dentsply International Inc	972	972	1,155	
Devon Energy Corporation	2,732	2,732	5,084	
DeVry Inc.	506			
Diamond Offshore Drilling	638	638	608	
The Walt Disney Company	7,558	7,558	13,238	
Discover Financial Services	568	1,874	3,432	
Discovery Communications Inc A	1,569	1,569	2,089	
Directv	3,790	3,790	6,243	
Dominion Resources, Inc.	3,596	3,596	5,945	
Donnelley (R.R) & Sons Company	526	526	577	
Dover Corp.	1,363	1,363	1,916	
Dow Chemical Company	7,446	7,446	6,183	
Dr. Pepper Snapple Group Inc	992	992	1,737	
DuPont Company	6,799	6,799	7,645	
Duke Energy Corporation	3,030	3,030	5,214	
Dun and Bradstreet Corp	1,123	1,123	1,048	
EMC Corporation	5,429	5,429	7,884	
EOG Resources, Inc.	1,525	1,525	4,630	
EQT Corporation	722	722	1,425	
E*TRADE Financial Corporation	1,194	1,467	334	

William-H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning of year	End of Year	
	Book Value	Book Value	Fair Market Value
Eastman Chemical Company	479	479	937
Eaton Corporation	1,984	1,984	2,786
eBay, Inc	6,303	6,303	6,339
Ecolab Inc.	1,379	1,379	2,312
Edison International	1,168	1,168	2,194
Edwards Lifesciences Corp		1,011	848
El Paso Corporation	1,309	1,309	3,693
Electronic Arts, Inc.	2,854	2,854	1,545
Emerson Electric Co.	3,603	3,603	6,616
Equifax Inc.	545	545	814
Exelon Corporation	4,139	4,139	5,074
Exelis Inc.		274	272
Expedia Inc.	1,114	507	464
Expeditors International of Washington, Inc.	1,743	1,743	1,434
Express Scripts, Inc.	1,425	1,425	4,469
Exxon Mobil Corporation	5,512	4,408	76,284
FLIR Systems	512	512	652
FMC Corp	568	568	860
FMC Technologies Inc	1,008	1,376	2,977
Family Dollar Stores, Inc.	763	763	1,269
Fastenal Company	1,043	1,043	2,442
Federated Investors, Inc.	495	1,533	894
FedEx Corporation	1,971	1,400	4,259
F5 Networks, Inc.	2,043	2,043	1,592
Fidelity National Information Services	1,211	1,211	1,356
Fifth Third Bancorp	3,694	3,964	2,302
First Horizon National Corporation	690	690	480
First Solar Inc	1,328	1,328	304
Fiserv, Inc.	1,155	1,155	1,821
FirstEnergy Corporation	2,029	2,758	3,323
Fluor Corporation	958	958	1,859
Flowserve Corp	507	507	894
Ford Motor Company	7,154	7,154	7,112
Forest Laboratories, Inc.	3,715	3,715	1,513
Fortune Brands Home and Security, Inc.	1,581	360	409
Franklin Resources, Inc.	1,697	2,307	3,266
Freeport-McMoRan Copper & Gold Inc.	4,650	4,650	6,549
Frontier Communications Corp.	1,716	1,716	896
Gamestop Corp A	1,227	1,227	627

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning		Fair	
	of year			
	Book	Book		
	Value	Value	Market	
Gannett Co., Inc.	3,088	3,088	481	
The Gap, Inc.	1,489	1,098	1,094	
General Dynamics Corporation	3,223	3,223	4,582	
General Electric Company	6,404	6,404	34,459	
General Mills Incorporated	2,763	2,763	4,849	
Genuine Parts Company	924	924	1,714	
Genworth Financial Inc - Class A	2,670	3,579	1,231	
Genzyme Corporation	2,695			
Gilead Sciences, Inc.	2,378	2,378	5,812	
The Goldman Sachs Group, Inc.	9,893	9,893	8,500	
Goodrich Corporation	1,069	1,069	3,093	
Goodyear Tire & Rubber Co.	711	711	893	
Google Inc.	20,493	20,493	29,711	
Grainger (W.W), Inc	979	979	2,621	
Halliburton Company	2,644	2,644	5,763	
Harley-Davidson, Inc	2,092	2,092	1,594	
Harman International Industries, Inc	1,078	1,078	380	
Harris Corporation	983	983	1,009	
The Hartford Financial Services	3,618	4,686	1,983	
Hasbro, Inc.	515	515	829	
Heinz (H.J.) Company	2,016	2,016	3,080	
Helmerich & Payne, Inc	775	775	1,109	
The Hershey Company	1,020	1,020	1,668	
Hess Corporation	2,285	2,285	3,181	
Hewlett-Packard Company	335	299	9,274	
Home Depot, Inc.	8,117	8,117	13,074	
Honeywell International, Inc	5,187	5,187	7,663	
Hormel Foods	277	277	527	
Hospira, Inc	441	441	972	
Host Hotels & Resort				
Hudson City Bancorp, Inc	1,177	2,248	1,375	
Humana Inc	1,024	1,024	2,979	
Huntington Bancshares, Inc	1,569	2,418	1,587	
ITT Corporation		212	290	
ITT Industries, Inc.	1,122			
Illinois Tool Works Inc	3,780	3,780	4,437	
Intel Corporation	6,509	6,509	24,638	
Integrys Energy Group, Inc	616	616	813	
Intercontinental Exchange, Inc.	2,057	2,983	2,652	

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning of year		End of Year	
	Book Value		Fair Market Value	
			Book Value	Market Value
International Business Machines	2,127		1,818	41,189
International Flavors & Fragrances	514		514	734
International Game Technology	2,099			
International Paper Company	3,339		3,339	2,338
Interpublic Group of Companies, Inc.	1,092		1,092	642
Intuit, Inc	1,640		1,640	3,471
Intuitive Surgical Inc	1,100		1,100	3,704
Iron Mountain Inc	495		495	893
JDS Uniphase Corp.	1,109		1,109	282
Morgan (J P.) Chase & Company	27,806		27,929	24,040
Jabil Circuit, Inc.	886		886	590
Jacobs Engineering Group	1,937		1,937	812
Janus Capital Group, Inc.	606		606	227
Johnson & Johnson	9,362		8,117	31,085
Johnson Controls, Inc.	2,304		2,304	3,689
Joy Global, Inc.			1,050	900
Juniper Networks Inc	1,496		1,496	1,776
KLA-Tencor Corporation	1,821		1,821	1,544
Kellogg Company	1,704		1,704	2,276
KeyCorp	2,550		2,550	1,084
Kimberly-Clark Corporation	4,180		3,309	4,193
King Pharmaceuticals,	569			
Kohl's Corporation	2,812		2,239	2,122
Kraft Foods	7,148		7,148	11,806
Kroger Co.	2,586		1,298	1,695
LSI Logic Corporation	1,153		1,153	690
L-3 Communications Holdings, Inc.	1,575		1,575	1,400
Laboratory Corporation of America Holdings	890		890	1,547
The Estee Lauder Companies, Inc.	733		733	2,246
Leggett & Platt, Inc.	742		742	691
Legg Mason Inc.	2,841		2,841	818
Lennar Corporation Class A	1,364		1,364	432
Leucadia National Corp.	1,360		1,360	614
Lexmark International, Inc.	229			
Life Technologies Corporation	1,156		1,156	1,440
Lilly (Eli) and Company	11,588		11,588	7,855
Limited Brands, Inc.	875		875	1,937
Lincoln National Corporation	2,286		3,549	1,845
Linear Technology Corp.	2,003		2,003	1,502

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning of year		End of Year	
	Book Value		Fair Market Value	
			Book Value	Market Value
Lockheed Martin Corporation	2,819		2,722	4,530
Loews Corporation	1,184		1,794	3,050
Lorillard Inc	2,279		2,279	3,876
Lowe's Companies, Inc	6,187		5,330	5,330
M&T Bank Corporation	1,502		2,938	2,596
MEMC Electronic Materials, Inc.	2,065			
Macy's Retail Holdings Inc.	2,138		2,138	2,478
Marathon Oil Corporation	2,263		1,372	3,776
Marathon Petroleum Corporation			879	2,131
Marriott Vacations Worldwide Corp.			63	86
Marsh & McLennan Companies, Inc.	4,133		4,133	2,783
Marshall & Ilsley Corporation	1,885			
Marriott International, Inc.	1,101		1,038	1,459
Masco Corporation	1,628		1,628	639
Massey Energy Corp	175			
MasterCard Incorporated	4,047		4,848	7,829
Mattel, Inc.	1,250		1,250	1,832
McAffe Inc	1,287			
McCormick & Company, Inc.	654		654	1,109
McDonald's Corporation	1,506		1,506	19,665
McGraw-Hill Companies, Inc	2,213		2,213	2,653
McKesson Corporation	1,412		1,412	3,740
Mead Johnson Nutrition Co.	1,578		1,578	2,612
MeadWestvaco Corporation	864		864	958
Medco Health Solutions, Inc	90		7	3,969
Medtronic, Inc	7,027		6,141	6,694
Merck & Company, Inc.	4,305		4,256	21,225
Meredith Corporation	461			
MetLife, Inc	5,759		7,560	6,641
MetroPCS Communications, Inc	508		508	347
Microsoft Corporation	40,014		37,706	33,177
Microchip Technology Corporation	1,090		1,090	1,282
Micron Technology, Inc.	2,108		2,108	969
Molex Incorporated	1,005		1,005	692
Molson Coors Brewing Company	1,195		1,195	1,524
Monsanto Company	2,462		2,462	7,077
Monster Worldwide, Inc	444			
Moody's Corporation	1,215		1,215	1,280
Morgan Stanley	4,974		4,974	3,737

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning	End of Year	
	of year	Book Value	Fair Market Value
Motorola, Inc.	6,343		
Motorola Solutions, Inc.		3,642	3,009
Motorola Mobility Holdings, Inc.		2,677	2,212
Murphy Oil Corp	1,926	1,926	2,118
Mylan Labs Inc.	1,467	1,467	1,331
NRG Energy Inc	1,063	1,063	779
NYSE Euronext	3,799	4,142	1,383
Perry Corp	467	1,205	1,373
National Oilwell Varco, Inc	2,588	2,588	5,643
National Semiconductor	1,079		
NetApp Inc	1,288	1,288	2,104
Netflix, Inc.	1,482	1,482	554
Newell Rubbermaid, Inc	375	375	808
Newfield Exploration Company	1,752	1,752	906
Newmont Mining Corporation	3,772	3,772	5,401
News Corporation	7,420	7,420	7,689
NextEra Energy, Inc.	2,545	2,545	4,383
Nicor, Inc	419		
NIKE, Inc.	2,641	2,641	6,842
NiSource, Inc.	862	862	976
Noble Energy, Inc	2,557	2,557	3,115
Nordstrom, Inc.	610	610	1,541
Norfolk Southern Corporation	1,426	1,426	4,663
Northeast Utilities	507	608	974
Northern Trust Corporation	2,064	2,204	1,785
Northrop Grumman Corporation	2,761	2,494	3,333
Novell, Inc.	536		
Novellus Systems, Inc	748	748	908
Nucor Corporation	733	733	2,058
NVIDIA Corporation	1,065	1,065	1,525
O'Reilly Automotive, Inc		1,066	2,319
Occidental Petroleum Corporation	3,975	3,975	13,961
Omnicom Group Inc.	2,558	2,558	2,764
ONEOK, Inc	871	871	1,647
Oracle Corporation	10,630	10,630	18,494
O'Reilly Automotive Inc	1,066		
Owens-Illinois, Inc	448	448	756
PG&E Corporation	2,140	2,140	3,009
PNC Financial Services Group Inc.	8,181	8,181	5,421

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning	End of Year	
	of year	Book	Fair
	Value	Value	Market
PPG Industries, Inc.	1,633	1,633	2,338
PP&L Corporation	2,340	2,340	2,824
PACCAR, Inc	1,503	1,503	2,398
Pall Corporation	494	494	1,086
Parker-Hannifin Corporation	1,102	1,102	2,288
Patterson Companies	712	712	531
Paychex, Inc.	1,842	1,842	1,746
Peabody Energy Corp.	2,283	2,283	1,722
Penney (J.C.) Company, Inc.	970	970	1,301
People's United Financial	981	2,167	1,889
Pepco Holdings, Inc.	694	694	568
PepsiCo, Inc.	14,020	14,020	19,441
PerkinElmer, Inc	310	310	300
Pfizer, Inc.	45,255	45,255	31,616
Philip Morris International	9,598	9,598	25,898
Pinnacle West Capital Corporation	548	548	675
Pioneer Natural Resources Company	1,074	1,074	1,700
Pitney Bowes Inc	1,541	1,541	890
Polo Ralph Lauren Corporation	1,403		
Praxair, Inc.	1,875	1,875	5,666
Precision Castparts	3,507	3,507	4,449
T. Rowe Price Group, Inc	1,250	2,271	3,645
Priceline.com Incorporated	1,376	1,376	3,742
Principal Financial Group, Inc.	1,867	1,867	1,771
Procter & Gamble Company	19,014	17,744	32,354
Progress Energy, Inc	2,053	2,053	2,801
The Progressive Corporation	2,370	3,091	3,297
ProLogis			
Prudential Financial, Inc.	3,915	4,683	4,962
Public Service Enterprise Group,	2,319	2,319	3,136
Pulte Homes, Inc.	1,727	1,727	366
QLogic Corporation	585		
QEP Resources, Inc.	821	821	820
QUALCOMM Incorporated	9,477	9,477	16,629
Quanta Services, Inc	603	603	560
Quest Diagnostics, Inc.	1,282	1,178	1,568
Qwest Communications International Inc	1,347		
RadioShack Corporation	816		
Ralph Lauren Corporation		1,403	2,209

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning	End of Year	
	of year	Book	Fair
	Value	Value	Market
Range Resources Corp.	1,774	1,774	1,858
Raytheon Company	2,263	1,559	2,467
Red Hat Inc.	1,060	1,060	1,528
Regions Financial Corporation	4,106	4,518	1,114
Republic Services, Inc.	1,076	1,076	1,405
Reynolds American Inc.	1,191	1,191	2,734
Robert Half International, Inc.	637		
Rockwell Automation, Inc	977	977	2,201
Rockwell Collins, Inc	915	915	1,550
Roper Industries Inc	901	901	1,477
Ross Sores, Inc.	858	858	1,901
Rowan Companies, Inc.	345	345	455
Ryder System, Inc.	368	368	531
SAIC Inc.	1,056	1,056	688
SLM Corporation	1,553	2,435	2,144
Safeway Inc.	1,610	1,065	989
St. Jude Medical, Inc	2,086	2,086	1,989
Salesforce.com Inc.	749	749	2,334
Sandisk Corporation	1,534	1,534	2,707
Sara Lee Corporation	2,031	2,031	2,119
Scana Corp	713	713	1,127
Schlumberger N.V.	5,218	5,218	16,599
Schwab (Charles) Corporation	2,095	3,123	2,590
Scripps Networks Interactive, Inc.	540	540	509
Sealed Air Corporation	647	647	447
Sears Holding Corp.	1,385		
Sempra Energy	1,660	1,660	2,640
The Sherwin-Williams Company	505	505	1,339
Sigma-Aldrich Corporation	644	644	1,374
Smucker (J.M.) Company	1,014	1,014	2,032
Snap-on Incorporated	511	511	911
The Southern Company	4,277	4,277	6,666
Southwest Airlines Co.	2,152	1,340	813
Southwestern Energy	2,109	2,109	2,172
Spectra Energy	2,374	2,374	3,998
Sprint Nextel Corporation	8,614	8,614	1,390
Stanley Black & Decker, Inc	1,136	1,136	1,960
Staples. Inc.	2,352	1,225	958
Starbucks Corporation	2,279	2,279	6,349

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning of year		End of Year	
	Book Value		Fair	
			Book Value	Market Value
Starwood Hotels & Resorts	837		837	1,631
State Street Corporation	4,257		4,257	3,386
Stericycle Inc	852		852	1,247
Stryker Corporation	3,366		3,366	3,529
Sunoco, Inc	666		666	984
SunTrust Banks, Inc.	2,714		2,714	1,558
SuperValue, Inc	899		899	252
Symantec Corporation	3,596		3,596	2,567
SYSCO Corporation	649		649	3,226
TECO Energy, Inc.	401		1,066	1,225
TJX Companies, Inc.	1,955		1,955	5,229
Target Corporation	5,339		5,339	7,120
Tellabs, Inc.	598			
Tenet Healthcare Corporation	883		883	364
Teradata Corporation	513		513	1,601
Teradyne, Inc.	330		330	409
Tesoro Petroleum Corporation	1,167		1,167	514
Texas Instruments Incorporated	6,796		6,796	6,317
Textron Inc.	1,429		1,429	1,035
Thermo Fisher Scientific, Inc	2,489		2,489	3,598
3M Company	7,497		7,497	10,380
Tiffany & Company	833		833	1,391
Time Warner, Inc.	7,210		5,987	6,397
Time Warner Cable, Inc	3,232		3,232	4,450
Titanium Metals Corp	85		85	285
Torchmark Corp	664		1,675	1,953
Total System Services	719		719	469
The Travelers Companies, Inc.	3,557		4,090	5,562
TripAdvisor Inc.			573	403
Tyson Foods, Inc.	865		865	991
U.S. Bancorp	9,440		10,244	10,387
Union Pacific Corporation	3,367		3,367	10,382
United Parcel Service, Inc	12,275		12,275	12,955
United States Steel Corporation	1,205		1,205	767
United Technologies Corporation	8,120		8,120	12,352
UnitedHealth Group, Inc	6,622		6,470	10,947
UnumProvident Corp.	1,193		1,962	2,044
URBAN OUTFITTERS INC	835			
VF Corporation	723		723	2,159

William.H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #6 - PART II LINE 10b - Investments - corporate stock (continued)**

	Beginning		Fair Market Value	
	of year			
	Book Value	Book Value		
Valero Energy	1,894	1,786	1,937	
Varian Medical Systems, Inc.	970	970	1,343	
Verisign Inc.	978	978	1,465	
Verizon Communications Inc.	16,597	16,597	20,622	
Viacom Inc Class B	5,731	5,731	5,041	
Visa Inc	8,346	8,346	9,848	
Vulcan Materials Company	1,281	1,281	1,062	
Wal-Mart Stores, Inc.	1,242	1,142	19,781	
Walgreen Company	6,016	6,016	5,951	
The Washington Post Company Class B	483	483	377	
Waste Management, Inc.	2,366	2,366	2,780	
Waters Corporation	720	720	1,407	
Watson Pharmaceuticals,	614	614	1,207	
Wellpoint, Inc	6,266	4,837	4,439	
Wells Fargo & Company	35,252	35,252	25,879	
Western Digital Corp.	1,272	1,272	1,207	
Western Union Corp.	2.193	3,077	3,068	
Whole Foods Market, Inc.		2,182	2,366	
Whirlpool Corporation	943			
Whole Foods Market, Inc.	2,182			
Williams Companies, Inc.	1,221	1,221	3,599	
Windstream Corp.	931	931	1,127	
Wisconsin Energy Corporation	1,012	1,012	1,678	
Wyndham Worldwide Corp.	1,306	1,306	1,021	
Wynn Resorts	314	314	1,989	
Xcel Energy, Inc.	1,457	1,457	2,294	
Xilinx, Inc	2,344	2,344	1,795	
Xerox Corporation	3,034	3,034	1,998	
Xylem Inc		635	771	
Yahoo! Inc	4,958	3,101	2,887	
Yum! Brands, Inc	1,530	1,530	5,311	
Zimmer Holdings, Inc.	3,213	3,213	2,244	
Zions Bancorporation	1,325	2,030	1,042	
Total Common Stock	\$1,458,596	\$1,454,538	\$2,053,043	

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds**

Corporate bonds: Part II Line 10c	Beginning of year		End of Year	
	Book Value		Fair Market Value	
			Book Value	Market Value
AT&T Inc.				
Senior Notes				
2.5% due 08/15/15	4,985			
AT&T Inc.				
2.95% due 05/15/16			3,994	4,169
ACE INA Holdings, Inc.				
5.7% due 02/15/17	6,526		6,526	8,073
Allied Waste North America				
Call 6/2/12 @ 103.44				
6.875% due 06/01/17	3,930			
American Tower Corp.				
Senior Unsecured Debt				
5.05% due 09/01/20	4,994		4,994	5,009
Anheuser-Busch In Bev				
Notes				
5.375% due 01/15/20	3,348		3,348	3,518
Autozone Inc.				
Senior Unsecured Debt				
5.75% due 01/15/15	3,211			
BB&T Corporation				
5.7% due 04/30/14	2,964		2,964	3,282
BHP Billiton Finance USA Ltd				
3.25% due 11/21/21			3,964	4,118
Bank of America Corporation				
Subordinated Notes				
7.4000% due 01/15/11	5,318			
Bank of America Corporation				
Medium Term Notes Series L				
3.1250% due 06/15/12	20,523		20,523	20,269
Bank of New York Mellon				
Medium Term Notes Series G				
7.25% due 02/01/18	3,079		3,079	3,129
Baptist Health, South Florida				
taxable notes, Series 2011				
4.59% due 08/15/21			3,204	3,255
Bear Stearns Companies LLC				
7.25% due 02/01/18	3,119		3,119	3,517
Bio-Rad Labs				
4.875% due 12/15/20	4,937		4,937	5,188

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds (continued)**

	Beginning of year		End of Year	
	Book Value		Fair Market Value	
			Book Value	Market Value
Boston Scientific Corporation				
6.25% due 11/15/15		5,106	5,106	5,543
Bottling Group LLC				
6.95% due 03/15/14		7,990		
Brown-Forman Corporation				
Notes				
2.5% due 01/15/16		4,968	4,968	5,118
Burlington Northern Santa Fe				
Senior Unsecured Debentures				
4.95% due 09/15/41			5,088	5,516
Burlington Northern Santa Fe				
Senior Unsecured				
5.65% due 05/01/17		3,052		
Cigna Corp				
Callable 11/15/21 @ 100				
4T due 02/15/22			4,952	4,954
Caterpillar Inc.				
3.9% due 05/27/21			4,977	5,489
Caterpillar Financial Services				
Senior Unsecured Notes				
7.15% due 02/15/19		4,055		
Cisco Systems Inc.				
Notes				
5.5000% due 02/22/16		3,999	3,999	4,655
Citigroup Inc.				
6.5% due 08/19/13		6,423	6,423	7,287
Comcast Corporation Notes				
5.15% due 03/01/20		4,995	4,995	5,686
ConocoPhillips				
5.75% due 01/02/19		7,106		
Con Edison Co. of New York				
7.125% due 12/01/18			6,403	6,432
Costco Companies				
Senior Unsecured				
5.5% due 03/15/17		5,023	5,023	5,972
Covidien Int'l Finance SA				
4.2% due 06/15/20		5,004	5,004	5,475
Credit Suisse AG				
5.4% due 01/14/20		5,004	5,004	4,670

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds (continued)**

	Beginning of year		End of Year	
	Book Value		Fair Market Value	
			Book Value	Market Value
John Deere Capital Corporation				
Notes				
5.25% due 10/01/12	5,230		5,230	5,174
John Deere Capital Corp				
3.15% due 10/15/21			4,013	4,077
DIRECTV Holdings				
Senior Unsecured Debt				
3.125% due 02/15/16	3,989			
DIRECTV Holdings LLC &				
DIRECTTV Financing Co., Inc				
Senior Notes				
5% due 03/01/21			2,987	3,211
Discover Financial Services				
Sr. Unsecured Debt				
6.45% due 06/12/17	4,903		4,903	5,223
The Dow Chemical Co				
Senior Unsecured Debt				
8.55% due 05/15/19	3,037		3,037	3,925
Dr Pepper Snapple Group, Inc.				
2.9% due 01/15/16			4,006	4,148
Entergy Gulf States Louisiana				
First Mortgage Bonds				
3.95% due 10/01/20	3,033		3,033	3,073
General Electric Capital Corp. Notes				
4.375% due 09/16/20	7,946		7,946	8,175
Goldman Sachs Group Inc				
Senior Notes				
6% due 06/15/20	5,353		5,353	5,122
Google Inc				
2.125% due 05/19/16			3,989	4,159
Honeywell International				
5.625% due 08/01/12	8,444			
Ingersoll-Rand Global Holding Co.				
9.5% due 04/15/14	3,251			
Intel Corp.				
3.3% due 10/01/21			1,995	2,107
JPMorgan Chase & Co				
2.05% due 01/24/14			5,008	5,004

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds (continued)**

	Beginning of year	End of Year	
		Book Value	Fair Market Value
JPMorgan Chase & Co			
5 375% due 10/01/12		3,160	
Jefferies Group Inc			
Senior Unsecured Debt			
6.875% due 04/15/21		4,950	
Johnson Controls Inc.			
Senior Unsecured Debt			
5.5% due 01/15/16		4,537	4,476
JPMorgan Chase & Co			
3.125% due 12/01/11		25,670	
Kraft Foods, Inc.			
Senior Unsecured Debt			
6.5% due 08/11/17		5,701	5,948
L-3 Communications Corp			
Call 6/28/10 @ 102 94			
5 875% due 01/15/15		4,944	
McDonald's Corp			
5% due 02/01/19		4,069	4,746
McKesson Corp			
3.25% due 03/01/16			4,233
Merrill Lynch & Co.			
Medium Term Notes, Series C			
6 4% due 08/28/17		3,434	3,873
Metlife Inc.			
callable 12/15/31 @ 100			
6 4% due 12/15/36		4,313	5,678
Morgan Stanley			
5.3% due 03/01/13		6,806	
Morgan Stanley			
2.875% due 07/28/14			4,709
News America Holdings			
8% due 10/17/16		4,146	
Northern States Power-Minnesota			
8% due 08/28/12		7,876	
Oracle Corp.			
Senior Unsecured Debt			
6 5% due 04/15/38		4,700	5,405
PNC Funding Corp.			
4 25% due 09/21/15		5,123	5,360

William H. Cowles Foundation, Inc.**FQRM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds (continued)**

	Beginning		Fair Market Value	
	of year			
	Book Value	Book Value		
Petrobras International Finance Company				
7 875% due 03/15/19	3,228	3,228	3,583	
Pfizer Inc.				
5.35% due 03/15/15	6,486			
Praxair Inc.				
3% due 09/01/21		3,967	4,093	
The Procter & Gamble Co				
4 7% due 02/15/19	5,105	5,105	5,901	
Republic Services Inc.				
5% due 03/01/20		3,143	3,368	
Rio Tinto Finance (USA) Limited				
4.125% due 05/20/21		5,137	5,353	
Southern Power Company Series B				
4.875% due 07/15/15	5,112	5,089	5,472	
Speedway Motorsports Inc				
call 6/1/13 @104.38				
8.75% due 06/01/16	5,300	5,300	5,450	
Telecom Italia Capital				
6.175% due 06/18/14	4,100	4,100	3,847	
Telefonica Emisiones SAU				
5.877% due 07/15/19	5,558	5,558	4,941	
Teva Pharma FIN II/III				
3% due 06/15/15	5,010	5,010	5,207	
United Parcel Service				
Senior Unsecured				
5.5% due 01/15/18	3,184	3,184	3,595	
US BANCORP				
4.2% due 05/15/14		4,309	4,282	
United Technologies Corporation				
5 375% due 12/15/17	7,184	7,184	8,281	
Unum Group				
Senior Notes				
7 125% due 09/30/16	5,120			
UNUM Group				
Senior Notes				
5.625% due 9/15/20		5,285	5,148	
Verizon Communications Inc				
3% due 04/01/16		2,984	3,142	

William H. Cowles Foundation, Inc.

FQRM 990-PF

Year Ending December 31, 2011

EIN: 91-6020496

STATEMENT #7 - PART II LINE 10c - Investments - corporate bonds (continued)

	Beginning of year	End of Year	
		Book Value	Fair Market Value
Waste Management Inc			
4.75% due 06/30/20	4,969	4,969	5,485
Wells Fargo & Company			
3 75% due 10/01/14	4,992		
Wells Fargo & Company			
Senior Notes			
3 625% due 4/15/15	999		
Wells Fargo & Company			
Notes			
4.6% due 04/01/21		2,994	3,290
Willis North America Inc.			
7% due 09/29/19	4,059	4,059	4,453
Wisconsin Power & Light			
Senior Unsecured Debt			
5% due 07/15/19	2,982	2,982	3,484
Xerox Corporation			
Senior Unsecured Debt			
6 4% due 3/15/16	5,622	5,622	5,595
Total Corporate Bonds	\$343,284	\$304,214	\$322,119

William H. Cowles Foundation, Inc.**FORM 990-PF****Year Ending December 31, 2011****EIN: 91-6020496****STATEMENT #8 - PART II LINE 13 - Investments - other**

Other investments: Part II Line 13	Beginning		Fair	
	of year			
	Book	Value		
	Value	Value	Market	
Artio International Equity Fund II	\$391,569	\$391,569	\$377,103	
GMO International Intrinsic Value Fund	581,667	581,667	418,394	
iShares Russell 2000 Index Fund	743,135	646,153	1,009,048	
SPDR Barclays Capital High Yield Bond ETF	49,980	49,980	64,904	
Total Investments-other	\$1,766,351	\$1,669,369	\$1,869,448	

STATEMENT #9 - PART II LINE 15 - Other assets

	Beginning	End
	of Year	
	Book	Book
	Value	Value
Interest receivable	\$187	\$38
Federal excise tax refundable	420	0
	\$607	\$38

STATEMENT #10 - PART II LINE 22 - Other liabilities

	Beginning	End
	of Year	
	Book	Book
	Value	Value
Federal excise tax payable	\$0	\$204