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Form **990-PF**

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

OMB No 1545-0052

**2011**

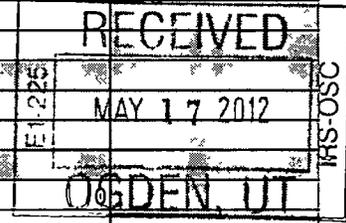
Department of the Treasury  
Internal Revenue Service

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

For calendar year 2011 or tax year beginning , and ending

Name of foundation <b>THE SATO FOUNDATION</b>		<b>A</b> Employer identification number 94-3356933
Number and street (or P O box number if mail is not delivered to street address) P O Box 1501, NJ2-130-03-31		<b>B</b> Telephone number (see instructions) 609-274-6834
Room/suite		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
City or town, state, and ZIP code PENNINGTON NJ 08534-1501		
<b>G</b> 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 type="checkbox"/> Address change <input type="checkbox"/> Name change		<b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>H</b> 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		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$</b> 8,458,817	<b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>1</b>	Contributions, gifts, grants, etc., received (attach schedule)				
<b>2</b>	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
<b>3</b>	Interest on savings and temporary cash investments	0	0		
<b>4</b>	Dividends and interest from securities	271,696	271,696		
<b>5 a</b>	Gross rents			0	
<b>b</b>	Net rental income or (loss)	0			
<b>6 a</b>	Net gain or (loss) from sale of assets not on line 10	42,555			
<b>b</b>	Gross sales price for all assets on line 6a	2,153,588			
<b>7</b>	Capital gain net income (from Part IV, line 2)		42,555		
<b>8</b>	Net short-term capital gain				
<b>9</b>	Income modifications				
<b>10 a</b>	Gross sales less returns and allowances	0			
<b>b</b>	Less Cost of goods sold	0			
<b>c</b>	Gross profit or (loss) (attach schedule)	0			
<b>11</b>	Other income (attach schedule)	0	0	0	
<b>12</b>	<b>Total.</b> Add lines 1 through 11	314,251	314,251	0	
<b>13</b>	Compensation of officers, directors, trustees, etc.	0			
<b>14</b>	Other employee salaries and wages				
<b>15</b>	Pension plans, employee benefits				
<b>16 a</b>	Legal fees (attach schedule)	9,020	8,118	0	902
<b>b</b>	Accounting fees (attach schedule)	1,500	0	0	1,500
<b>c</b>	Other professional fees (attach schedule)	53,112	31,867	0	21,245
<b>17</b>	Interest				
<b>18</b>	Taxes (attach schedule) (see instructions)	17,762	990	0	0
<b>19</b>	Depreciation (attach schedule) and depletion	0	0	0	
<b>20</b>	Occupancy				
<b>21</b>	Travel, conferences, and meetings				
<b>22</b>	Printing and publications				
<b>23</b>	Other expenses (attach schedule)	917	0	0	917
<b>24</b>	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	82,311	40,975	0	24,564
<b>25</b>	Contributions, gifts, grants paid	409,080			409,080
<b>26</b>	<b>Total expenses and disbursements.</b> Add lines 24 and 25	491,391	40,975	0	433,644
<b>27</b>	Subtract line 26 from line 12				
<b>a</b>	Excess of revenue over expenses and disbursements	-177,140			
<b>b</b>	Net investment income (if negative, enter -0-)		273,276		
<b>c</b>	Adjusted net income (if negative, enter -0-)			0	



POSTMARK DATE MAY 14 2012

SCANNED MAY 18 2012

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

(HTA)

P 12 ne

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	14,131	27,809	27,809
	2 Savings and temporary cash investments	383,870	166,485	166,485
	3 Accounts receivable	0		
	Less allowance for doubtful accounts	0	0	0
	4 Pledges receivable	0		
	Less allowance for doubtful accounts	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule)	0		
	Less allowance for doubtful accounts	0	0	0
	8 Inventories for sale or use	0	0	
	9 Prepaid expenses and deferred charges		0	
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	719,510	515,435	326,617
	c Investments—corporate bonds (attach schedule)	0	0	0
	11 Investments—land, buildings, and equipment basis	0		
Less accumulated depreciation (attach schedule)	0	0	0	
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	7,311,765	7,550,906	7,937,906	
14 Land, buildings, and equipment basis	0			
Less accumulated depreciation (attach schedule)	0	0	0	
15 Other assets (describe )	0	0	0	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	8,429,276	8,260,635	8,458,817	
Liabilities	17 Accounts payable and accrued expenses	0	0	
	18 Grants payable			
	19 Deferred revenue	0	0	
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe )	0	0	
23 Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	8,429,276	8,260,635	
	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)	8,429,276	8,260,635		
31 Total liabilities and net assets/fund balances (see instructions)	8,429,276	8,260,635		

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	8,429,276
2	Enter amount from Part I, line 27a	2	-177,140
3	Other increases not included in line 2 (itemize) <b>COST BASIS ADJUSTMENT</b>	3	8,499
4	Add lines 1, 2, and 3	4	8,260,635
5	Decreases not included in line 2 (itemize)	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	8,260,635

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement				
b				
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 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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	42,555	
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	0	

**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	432,278	8,706,997	0.049647
2009	514,761	8,468,600	0.060785
2008	575,173	10,313,581	0.055769
2007	591,209	11,847,924	0.049900
2006	480,378	11,664,523	0.041183
2 Total of line 1, column (d)			0.257284
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			0.051457
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			8,679,306
5 Multiply line 4 by line 3			446,611
6 Enter 1% of net investment income (1% of Part I, line 27b)			2,733
7 Add lines 5 and 6			449,344
8 Enter qualifying distributions from Part XII, line 4 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			433,644

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	5,466	
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0	
3 Add lines 1 and 2		3	5,466	
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	5,466	
6 Credits/Payments				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	9,914		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	0		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d	7	9,914		
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,448		
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> 4,448 Refunded <input type="checkbox"/>	11	0		

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a 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?		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)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA		
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? <i>If "No," attach explanation</i>	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)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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

<b>11</b>	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)			X
<b>12</b>	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)			X
<b>13</b>	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X		
<b>14</b>	The books are in care of ▶ MLTC, A DIVISION OF BANK OF AMERICA, N.A. Telephone no ▶ 609-274-6834 Located at ▶ 1300 MERRILL LYNCH DRIVE PENNINGTON NJ ZIP+4 ▶ 08534-1501			
<b>15</b>	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A			
<b>16</b>	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 ▶		Yes	No
				X

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

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

		Yes	No
<b>1a</b>	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 type="checkbox"/> Yes <input checked="" 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>b</b>	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
<b>c</b>	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
<b>2</b>	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
<b>a</b>	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>b</b>	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions )	2b	N/A
<b>c</b>	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____		
<b>3a</b>	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</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	N/A
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
<b>b</b>	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? Organizations relying on a current notice regarding disaster assistance check here  **5b** N/A

**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A**  Yes  No  
If "Yes," attach the statement required by Regulations section 53.4945–5(d)

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

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X  
If "Yes" to 6b, file Form 8870

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

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

**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
KOZO SATO P.O. BOX 6540 INCLINE VILLAGE NV 89450-6	PRESIDENT 1.00	0	0	0
NIEVES SATO P.O. BOX 6540 INCLINE VILLAGE NV 89450-6	SEC/TREAS 1.00	0	0	0
SONIA SATO 369-B THIRD STREET 462 SAN RAFAEL CA 9	DIRECTOR 5.00	0	0	0
KATE SATO BURTON 16 PATRICK STREET ARLINGTON MA 02474-	DIRECTOR 1.00	0	0	0

**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** **0**

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

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

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

**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 NONE	
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		
All other program-related investments See instructions		
3 NONE	0	
<b>Total. Add lines 1 through 3</b>		<b>0</b>

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	8,587,020
<b>b</b>	Average of monthly cash balances	<b>1b</b>	224,458
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	8,811,478
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	8,811,478
<b>4</b>	Cash deemed held for charitable activities Enter 1 ½ % of line 3 (for greater amount, see instructions)	<b>4</b>	132,172
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	8,679,306
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	433,965

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	433,965
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	5,466
<b>b</b>	Income tax for 2011 (This does not include the tax from Part VI)	<b>2b</b>	0
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	5,466
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	428,499
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	428,499
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	428,499

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	433,644
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	0
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	0
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	433,644
<b>5</b>	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)	<b>5</b>	0
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	433,644

**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
<b>1</b> Distributable amount for 2011 from Part XI, line 7				428,499
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			400,580	
<b>3</b> Total for prior years 20____, 20____, 20____		0		
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006	NONE			
<b>b</b> From 2007	NONE			
<b>c</b> From 2008	NONE			
<b>d</b> From 2009	NONE			
<b>e</b> From 2010	NONE			
<b>f</b> Total of lines 3a through e	0			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 433,644				
<b>a</b> Applied to 2010, but not more than line 2a			400,580	
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions)		0		
<b>c</b> Treated as distributions out of corpus (Election required—see instructions)	0			
<b>d</b> Applied to 2011 distributable amount				33,064
<b>e</b> Remaining amount distributed out of corpus	0			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a) )	0			0
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		0		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions		0		
<b>e</b> Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions			0	
<b>f</b> Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				395,435
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2007	0			
<b>b</b> Excess from 2008	0			
<b>c</b> Excess from 2009	0			
<b>d</b> Excess from 2010	0			
<b>e</b> Excess from 2011	0			

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

N/A

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

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

	Tax year				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
	0				0
<b>b</b> 85% of line 2a	0	0	0	0	0
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed	0				0
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					0
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					0
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					0
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0				0
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
<b>(3)</b> Largest amount of support from an exempt organization					0
<b>(4)</b> 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) )
- KOZO ANAD VIEVES SATO
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
- NONE
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d
- a** The name, address, and telephone number of the person to whom applications should be addressed
- 
- b** The form in which applications should be submitted and information and materials they should include
- 
- c** Any submission deadlines
- 
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

**Part XV Supplementary Information (continued)**

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i> See Attached Statement				
<b>Total</b>	▶ <b>3a</b>			409,080
<b>b</b> <i>Approved for future payment</i> NONE				
<b>Total</b>	▶ <b>3b</b>			0





SATO FOUNDATION - GENERAL FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2011 - December 30, 2011

CASH/MONEY ACCOUNTS	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	6,906.26	6,906.26		6,906.26		
BIF MONEY FUND	35,239.00	35,239.00	1.0000	35,239.00	4	.01
<b>TOTAL</b>		42,145.26		42,145.26	4	.01

EQUITIES	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Estimated Current Yield%
ROHM 8963	ROHCF	07/10/01	2,000	1.0000	2,000.01	46.6595	93,319.00	91,318.99		
JPY PAR ORDINARY										
<b>TOTAL</b>					2,000.01		93,319.00	91,318.99		

MUTUAL FUNDS/CLOSED END FUNDS/UIT

Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Current Yield%
BLACKROCK INFLATION PROTECTED SHORT DURATION	9,493	91,517.88	11.6800	110,878.24	19,360.36	91,517	19,360	4,224	3.80
SYMBOL: BPRIX Initial Purchase: 11/22/08 Fixed Income - 100%									
BLACKROCK STRATEGIC INCOME OPPORTUNITIES FTF INST	22,477	215,779.20	9.5100	213,756.27	(2,022.93)	215,779	(2,022)	8,316	3.89
SYMBOL: BSIX Initial Purchase: 11/08/11 Fixed Income 100%									
BLACKROCK GLOBAL DIVIDEND INC PRFL INST	11,309	108,905.67	9.6400	109,019.76	113.09	108,905	113	2,420	2.21
SYMBOL: BIBDX Initial Purchase: 11/08/11 Equity 100%									
BLACKROCK CORE BOND	76,199	672,550.97	9.4300	718,566.57	46,005.60	672,550	46,005	28,728	3.99





SATO FOUNDATION - GENERAL FUND

**YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS**

December 01, 2011 - December 30, 2011

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	(continued) Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income Yield%
<b>PORTFOLIO INSTL</b>								
SYMBOL: BFMGX Initial Purchase:06/09/08 Fixed Income 100%								
.5054 Fractional Share	4.64	9.4300	4.77	.13				3.99
.0116 Fractional Share	N/A	9.4300	.11					3.99
<b>BLACKROCK LOW DURATION BD INSTL CL</b>	<b>22,430</b>	<b>214,835.34</b>	<b>9.6000</b>	<b>215,328.00</b>	<b>492.66</b>	<b>214,835</b>	<b>492</b>	<b>6,012 2.79</b>
SYMBOL: BFMGX Initial Purchase:06/08/10 Fixed Income 100%								
<b>BLACKROCK GNMA INST</b>	<b>41,336</b>	<b>407,676.76</b>	<b>10.3600</b>	<b>428,240.98</b>	<b>20,564.20</b>	<b>407,676</b>	<b>20,564</b>	<b>14,592 3.40</b>
SYMBOL: BGNIX Initial Purchase:11/20/08 Fixed Income 100%								
<b>BLACKROCK EQTY DIVIDEND FUND INSTL</b>	<b>5,990</b>	<b>89,801.84</b>	<b>18.1900</b>	<b>108,958.10</b>	<b>19,156.26</b>	<b>89,801</b>	<b>19,156</b>	<b>2,157 1.97</b>
SYMBOL: MADVX Initial Purchase:06/08/10 Equity 100%								
<b>Subtotal (Fixed Income)</b>				<b>1,686,764.92</b>				
<b>Subtotal (Equities)</b>				<b>217,976.86</b>				

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December 01, 2011 - December 30, 2011

SATO FOUNDATION - GENERAL FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	(continued) Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Current Yield%
<b>TOTAL</b>	1,801,072.30		1,904,741.78	103,669.37			<b>103,668</b>	<b>66,450</b>	<b>3.49</b>
<b>TOTAL PRINCIPAL INVESTMENTS</b>	1,845,217.57		<b>2,040,206.04</b>	194,988.36				<b>66,454</b>	<b>3.26</b>

**Total Client Investment:** Cost of shares directly purchased and still held. Does not include shares purchased through reinvestment.

**Cumulative Investment Return:** Estimated Market Value minus Total Client Investment of all shares purchased and still held, including shares acquired through reinvestment of dividends and distributions, which may be greater or less than the actual income distributed.

**Market Timing:** Merrill Lynch's policies prohibit mutual fund market timing, which involves the purchase and sale of mutual fund shares within short periods of time with the intention of capturing short-term profits resulting from market volatility. Market timing may result in lower returns for long-term fund shareholders because market timers capture short-term gains that would otherwise pass to all shareholders and due to increased transaction costs and fewer assets for investment due to the need to retain cash to satisfy redemptions.

Total values exclude N/A items

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
<b>BIF MONEY FUND</b>	6,906.00	6,906.00	1.0000	6,906.00	1	.01
<b>TOTAL INCOME INVESTMENTS</b>		6,906.00		6,906.00		.01

Income Debit Balance

2,201.59





SATO FOUNDATION - GENERAL FUND

**YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS**

December 01, 2011 - December 30, 2011

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL PRINCIPAL/INCOME INVESTMENTS	1,852,123.57	2,047,112.04	194,988.36		66,454	3.25

**YOUR TRUST MANAGEMENT ACCOUNT TRANSACTIONS**

**DIVIDENDS/INTEREST INCOME TRANSACTIONS**

Date	Transaction Type	Quantity	Description	Income Cash	Principal Cash	Income Year To Date
12/01	Dividend		BLACKROCK INFLATION PROTECTED BD FD INST CL DIVIDEND	203.79		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK STRATEGIC INCOME OPPRTNTS PTF INST DIVIDEND	339.71		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK CORE BOND PORTFOLIO INSTL DIVIDEND	2,109.12		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK LOW DURATION BD INSTL CL DIVIDEND	544.21		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK GNMA INST DIVIDEND	1,372.04		
12/02	Rpt Fgn Div		PAY DATE 11/30/2011 ROHM 6963 JPY PAR ORDINARY RPT FGN DIV	1,190.40		

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THE SATO FOUNDATION

24-Hour Assistance: (800) MERRILL  
Access Code: 39-802-04036

YOUR EMA BANK DEPOSIT INTEREST SUMMARY

December 01, 2011 - December 30, 2011

Money Account Description	Opening Balance	Average Deposit Balance	Current Yield%	Interest on Deposits	Closing Balance
FIA Card Services N.A.	2,268	2,145	.05	0.09	2,027
<b>TOTAL ML Bank Deposit Program</b>	<b>2,268</b>			<b>0.09</b>	<b>2,027</b>

YOUR EMA ASSETS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	1.07	1.07		1.07		
ML BANK DEPOSIT PROGRAM	2,027.00	2,027.00	1.0000	2,027.00	1	.05
<b>TOTAL</b>		2,028.07		2,028.07	1	.05

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
<b>TOTAL</b>	2,028.07	2,028.07		1	.05

YOUR EMA TRANSACTIONS

DIVIDENDS/INTEREST INCOME TRANSACTIONS	Date	Transaction Type	Quantity	Description	Income	Year To Date
	12/30	Bank Interest		BANK DEPOSIT INTEREST	.09	
<b>Subtotal (Taxable Interest)</b>					.09	1.76
<b>NET TOTAL</b>					.09	1.76

VISA ACCESS CARD ACTIVITY

Trans. Date	Date Cleared	Description	Location	Debit	Credit
11/23		OPENING BALANCE		.00	
12/05	12/07	THE UPS STORE 2464	NOVATO CA	33.00	

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SATO FOUNDATION - SEPARATE FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2011 - December 30, 2011

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	20,901.99	20,901.99		20,901.99		
BIF MONEY FUND	109,482.00	109,482.00	1.0000	109,482.00	11	01
<b>TOTAL</b>		130,383.99		130,383.99	11	01

EQUITIES Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Annual Income	Estimated Current Yield%
ROHM 6963	ROHCF	10/28/04	1,300	100.5300	130,689.00	46.6595	60,657.35	(70,031.65)		
JFY PAR CORUINARY		01/03/05	3,700	103.4449	382,746.13	46.6595	172,640.15	(210,105.98)		
Subtotal			5,000		513,435.13		233,297.50	(280,137.63)		
<b>TOTAL</b>					513,435.13		233,297.50	(280,137.63)		

MUTUAL FUNDS/CLOSED END FUNDS/UIT

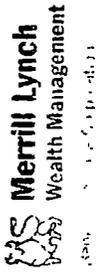
Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Yield%
BLACKROCK INFLATION FRONTIER BOND INST CL SYMBOL: BIDX Initial Purchase: 11/20/08 Fixed Income: 100%	29,580	285,603.82	11.6600	345,494.40	59,890.58	285,603	59,890	13,160	3.89
BLACKROCK STRATEGIC BLACKROCK STRATEGIC INST SYMBOL: STAGX Initial Purchase: 11/08/11 Fixed Income: 100%	69,959	671,606.40	9.5100	665,310.09	(6,296.31)	671,606	(6,296)	25,881	3.89
BLACKROCK GLOBAL DIVIDEND INC PRIFL INST SYMBOL: BIDDX Initial Purchase: 11/08/11 Equity 100%	35,200	338,976.00	9.6400	339,328.00	352.00	338,976	352	7,530	2.21

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SATO FOUNDATION - SEPARATE FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2011 - December 30, 2011

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Current Yield%	
BLACKROCK CORE BOND FUND (BOND)	245,884	2,219,366.83	9.4300	2,318,686.12	99,319.29	2,219,366	99,319	92,699	3.99	
SYMBOL BTMCK Initial Purchase: 05/22/08 Fixed Income 100% .4428 Fractional Share .0372 Fractional Share										
BLACKROCK LOW DURATION BD INSTL CI	69,814	668,880.44	9.6000	670,214.40	1,333.96	668,880	1,333	18,711	2.79	
SYMBOL BTMSX Initial Purchase: 06/08/10 Fixed Income 100%										
BLACKROCK GNMA INST FUND INST	128,661	1,269,924.02	10.3600	1,332,927.96	63,003.94	1,269,924	63,003	45,417	3.40	
SYMBOL BGNIX Initial Purchase: 10/03/08 Fixed Income 100%										
BLACKROCK EQTY DIVIDEND FUND INST	19,857	295,472.16	18.1900	361,198.83	65,726.67	295,472	65,726	7,149	1.97	
SYMBOL MAQVX Initial Purchase: 06/08/10 Equity 100%										
<b>Subtotal (Fixed Income)</b>								<b>5,332,637.50</b>		
<b>Subtotal (Equities)</b>								<b>700,526.83</b>		

SATO FOUNDATION - SEPARATE FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2011 - December 30, 2011

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	Quantity (continued)	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income Yield%
<b>TOTAL</b>	5,749,833.81	6,393,652.93	6,033,164.33	283,330.17	210,549	283,327	3.49	
<b>TOTAL PRINCIPAL INVESTMENTS</b>		6,393,652.93	6,396,845.82	3,192.54	210,560		3.29	

**Total Client Investment:** Cost of shares directly purchased and still held. Does not include shares purchased through reinvestment.  
**Cumulative Investment Return:** Estimated Market Value minus Total Client Investment. Cumulative Investment Return is the dollar value of the capital appreciation (depreciation) of all shares purchased and still held, including shares acquired through reinvestment of dividends and distributions, which may be greater or less than the actual income distributed.

**Unrealized Gain or (Loss):** Estimated Market Value minus Total Cost Basis (total cost of shares directly purchased and still held, as well as cost of shares acquired through reinvestment). Provided for Tax Planning purposes only and is not applicable to retirement accounts.  
**Initial Purchase:** Date of your initial investment in this fund.

**Market Timing:** Merrill Lynch's policies prohibit mutual fund market timing, which involves the purchase and sale of mutual fund shares within short periods of time with the intention of capturing short-term profits resulting from market volatility. Market timing may result in lower returns for long-term fund shareholders because market timers capture short-term gains that would otherwise pass to all shareholders and due to increased transaction costs and fewer assets for investment due to the need to retain cash to satisfy redemptions

Total values exclude N/A items

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
BIF MONEY FUND	20,902.00	20,902.00	1.0000	20,902.00	2	.01
<b>TOTAL INCOME INVESTMENTS</b>		20,902.00		20,902.00	2	.01

**Income Debit Balance** 5,869.36



SATO FOUNDATION - SEPARATE FUND

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

December 01 2011 - December 30 2011

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL PRINCIPAL/INCOME INVESTMENTS	6,414,554.93	6,417,747.82	3,192.54		210,582	3.28

YOUR TRUST MANAGEMENT ACCOUNT TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income Cash	Principal Cash	Income Year To Date
12/01	Dividend		BLACKROCK INFLATION PROTECTED BD FD INST CL DIVIDEND	635.02		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK STRATEGIC INCOME OPPRTNPTS PTF INST DIVIDEND	1,057.33		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK CORE BOND PORTFOLIO INSTL DIVIDEND	6,792.31		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK LOW DURATION BD INSTL CL DIVIDEND	1,710.98		
12/01	Dividend		PAY DATE 11/30/2011 BLACKROCK GNMA INST DIVIDEND	4,234.76		
12/02	Rpt Fgn Div		PAY DATE 11/30/2011 ROHM 6963 JPY PAR ORDINARY RPT FGN DIV	2,688.00		

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THE SATO FOUNDATION

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**Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year**

Recipient(s) paid during the year

Name

NAPA VALLEY YOUTH SYMPHONY

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 40,000

Name

THE MARINE MAMMAL CENTER

Street

City SAUSALITO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 30,000

Name

NAPA VALLEY UNIFIED EDUCATIONAL FDN FBO THE MUSIC CONNECTION

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

Name

NEVADA MUSEUM OF ART

Street

City RENO	State NV	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

Name

SAFARI WEST WILDLIFE FOUNDATION

Street

City SANTA ROSE	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 16,316

Name

CALIFORNIA ACADEMY OF SCIENCES

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

THE SATO FOUNDATION

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**Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year**

Recipient(s) paid during the year

Name

THE CULTURAL COUNCIL OF SANTA CRUZ COUNTY

Street

City SANTA CRUZ	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 80,000

Name

MUSEUM OF CRAFT AND FOLK ART

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 20,000

Name

KALA ART INSTITUTE

Street

City BERKELEY	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 20,000

Name

ARTS COUNCIL NAPA VALLEY

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 25,000

Name

RENO PHILHARMONIC ASSOCIATION

Street

City RENO	State NV	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

Name

YERBA BUENA CENTER FOR THE ARTS

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

THE SATO FOUNDATION

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**Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year**

Recipient(s) paid during the year

Name

FINE ARTS MUSEUMS OF SAN FRANCISCO

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 20,000

Name

MARIN PERFORMING STARS

Street

City MARIN CITY	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 10,000

Name

THE BREAKTHROUGH COLLABORATIVE

Street

City STANFORD	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 25,000

Name

OXBOW SCHOOL

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 30,264

Name

AMERICAN CONSERVATORY THEATHER

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 9,000

Name

SLOA

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501(c)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 8,500



**Line 16a (990-PF) - Legal Fees**

		9,020	8,118	0	902
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	LEGAL FEES	9,020	8,118		902
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Line 16b (990-PF) - Accounting Fees**

		1,500	0	0	1,500
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	TAX PREP FEES	1,500			1,500
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Line 16c (990-PF) - Other Fees**

		53,112	31,867	0	21,245
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MERRILL LYNCH FEES AS AGENT	53,112	31,867		21,245
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Line 18 (990-PF) - Taxes**

		17,762	990	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	PY FED EXCISE TAX	6,858			
2	ESTIMATED EXCISE TAX PAID	9,914			
3	FOREIGN TAX WITHHELD	990	990		
4					
5					
6					
7					
8					
9					
10					

**Line 23 (990-PF) - Other Expenses**

		917	0	0	917
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	TELEPHONE	170			170
2	STATE AG FEES	10			10
3	POSTAGE	317			317
4	COMPUTER EXPENSE - SOFTWARE UPDATES	60			60
5	OTHER MISC FEES	75			75
6	COMPUTER EXPENSE - PRINTER/FAX	90			90
7	INTERNET	195			195
8					
9					

**Part III (990-PF) - Changes in Net Assets or Fund Balances**

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**Line 3 - Other increases not included in Part III, Line 2**

<b>1</b>	COST BASIS ADJUSTMENT	<b>1</b>	8,499
<b>2</b>	Total	<b>2</b>	8,499

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Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Totals		Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses	
						Amount	252									
	Long Term CG Distributions															
	Short Term CG Distributions															
								2,153,336		2,111,033	42,303				42,303	
1	BLACKROCK LOW DURATION	091928283		6/8/2010	11/8/2011			117,280	0	116,670	610			0	610	
2	BLACKROCK LOW DURATION	091928283		6/8/2010	11/8/2011			384,198	0	382,199	1,999			0	1,999	
3	BLACKROCK CORE BOND	091928747		6/9/2008	12/6/2011			34,087	0	33,642	445			0	445	
4	BLACKROCK CORE BOND	091928747		5/22/2008	12/6/2011			77,567	0	76,969	598			0	598	
5	BLACKROCK CORE BOND	091928747		5/22/2008	12/20/2011			63,781	0	63,290	491			0	491	
6	BLACKROCK EQTY DIVIDEND	09251M504		6/8/2010	5/20/2011			12,056	0	9,568	2,488			0	2,488	
7	BLACKROCK GLOBAL	09251T509		4/14/2005	11/8/2011			249,227	0	212,190	37,037			0	37,037	
8	BLACKROCK GLOBAL	09251T509		9/6/2005	11/8/2011			33,430	0	29,998	3,432			0	3,432	
9	BLACKROCK GLOBAL	09251T509		4/13/2006	11/8/2011			30,620	0	28,487	2,133			0	2,133	
10	BLACKROCK GLOBAL	09251T509		9/19/2006	11/8/2011			129,362	0	116,278	13,084			0	13,084	
11	BLACKROCK GLOBAL	09251T509		1/4/2007	11/8/2011			59,342	0	55,698	3,644			0	3,644	
12	BLACKROCK GLOBAL	09251T509		5/4/2007	11/8/2011			194,517	0	194,216	301			0	301	
13	BLACKROCK GLOBAL	09251T509		9/14/2007	11/8/2011			121,454	0	124,651	-3,197			0	-3,197	
14	BLACKROCK GLOBAL	09251T509		10/3/2008	11/8/2011			57,442	0	48,817	8,625			0	8,625	
15	BLACKROCK GLOBAL	09251T509		6/10/2009	11/8/2011			31,144	0	25,985	5,159			0	5,159	
16	BLACKROCK GLOBAL	09251T509		3/17/2010	11/8/2011			50,059	0	47,295	2,764			0	2,764	
17	BLACKROCK GLOBAL	09251T509		6/8/2010	11/8/2011			12,209	0	10,823	1,386			0	1,386	
18	BLACKROCK GLOBAL	09251T509		8/17/2011	11/8/2011			56,338	0	55,960	378			0	378	
19	BLACKROCK GLOBAL	09251T509		6/18/2010	11/18/2011			4	0	4	0			0	0	
20	BLACKROCK GLOBAL	09251T509		10/3/2006	11/8/2011			136,513	0	123,622	12,891			0	12,891	
21	BLACKROCK GLOBAL	09251T509		6/18/2010	11/18/2011			16	0	15	1			0	1	
22	BLACKROCK GLOBAL	09251T509		1/4/2007	11/8/2011			94,516	0	88,713	5,803			0	5,803	
23	BLACKROCK GLOBAL	09251T509		6/14/2007	11/8/2011			14,050	0	14,166	-116			0	-116	
24	BLACKROCK GLOBAL	09251T509		9/14/2007	11/8/2011			28,547	0	29,298	-751			0	-751	
25	BLACKROCK GLOBAL	09251T509		10/6/2008	11/8/2011			12,907	0	10,723	2,184			0	2,184	
26	BLACKROCK GLOBAL	09251T509		6/10/2009	11/8/2011			9,206	0	7,681	1,525			0	1,525	
27	ROHM 6963	J65328122		7/10/2001	11/29/2011			51,545	0	1,100	50,445			0	50,445	
28	ROHM 6963	J65328122		7/2/2004	12/9/2011			4,596	0	11,968	-7,372			0	-7,372	
29	ROHM 6963	J65328122		10/28/2004	12/9/2011			87,322	0	191,007	-103,685			0	-103,685	
30								1	0	0	0			0	1	
31								0	0	0	0			0	0	
32								0	0	0	0			0	0	
33								0	0	0	0			0	0	



**Part**

	0	0	
	Benefits	Expense Account	Explanation
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

**Part VI, Line 6a (990-PF) - Estimated Tax Payments**

	<u>Date</u>	<u>Amount</u>
1 Credit from prior year return . . . . .		1 0
2 First quarter estimated tax payment . . . . .	<u>5/12/2011</u>	2 2,479
3 Second quarter estimated tax payment . . . . .	<u>6/10/2011</u>	3 2,479
4 Third quarter estimated tax payment . . . . .	<u>9/12/2011</u>	4 2,479
5 Fourth quarter estimated tax payment . . . . .	<u>12/12/2011</u>	5 2,477
6 Other payments . . . . .		6
7 Total . . . . .		7 9,914

**Part XIII, Line 2a, Column C (990-PF) - Prior Year Undistributed Income**

1	Distributable amounts for 2010 that remained undistributed at the beginning of the 2011 tax year	1	400,580
2		2	
3		3	
4		4	
5		5	
6		6	
7		7	
8		8	
9		9	
10	Total	10	400,580