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

2011

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 07/01, 2011, and ending 06/30, 2012

Name of foundation
THE MARKOS FOUNDATION, INC 23-16209

Number and street (or P O box number if mail is not delivered to street address) Room/suite
P.O. BOX 5507

City or town, state, and ZIP code
MADISON, WI 53705

A Employer identification number
39-1836400

B Telephone number (see instructions)
(312) 630-6000

C If exemption application is pending, check here

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

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 2,059,593.**

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

| 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). Check <input type="checkbox"/> if the foundation is not required to attach Sch B | 11,325. | | | |
| | 2 Interest on savings and temporary cash investments | | | | |
| | 4 Dividends and interest from securities | 62,756. | 62,756. | | STMT 1 |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | -66,335. | | | |
| | b Gross sales price for all assets on line 6a 1,317,744. | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | | | |
| | 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) | -1. | | | STMT 2 | |
| 12 Total Add lines 1 through 11 | 7,745. | 62,756. | | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc. | | | | |
| | 14 Other employee salaries and wages | | NONE | NONE | |
| | 15 Pension plans/employee benefits | | NONE | NONE | |
| | 16a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach schedule) STMT 3 | 2,000. | 1,000. | NONE | 1,000. |
| | c Other professional fees (attach schedule) STMT 4 | 27,439. | 8,359. | | 19,080. |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see instructions) STMT 5 | 5,765. | 1,109. | | |
| | 19 Depreciation (attach schedule) and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | | NONE | NONE | |
| | 22 Printing and publications | 428. | NONE | NONE | 428. |
| | 23 Other expenses (attach schedule) STMT 6 | 10. | | | 10. |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 35,642. | 10,468. | NONE | 20,518. |
| | 25 Contributions, gifts, grants paid | 215,000. | | | 215,000. |
| 26 Total expenses and disbursements Add lines 24 and 25 | 250,642. | 10,468. | NONE | 235,518. | |
| 27 Subtract line 26 from line 12 | | | | | |
| a Excess of revenue over expenses and disbursements | -242,897. | | | | |
| b Net investment income (if negative, enter -0-) | | 52,288. | | | |
| c Adjusted net income (if negative, enter -0-) | | | | | |

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| Part II Balance Sheets | | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions) | | | |
|-----------------------------|---|---|---|------------|------------|
| | | Beginning of year (a) Book Value | End of year (b) Book Value (c) Fair Market Value | | |
| Assets | 1 | Cash - non-interest-bearing | | | |
| | 2 | Savings and temporary cash investments | 80,847. | 17,638. | |
| | 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 ▶ | | | NONE |
| | 8 | Inventories for sale or use | | | |
| | 9 | Prepaid expenses and deferred charges | | | |
| | 10 a | Investments - U S and state government obligations (attach schedule), | | | |
| | b | Investments - corporate stock (attach schedule) . STMT 7 | 1,612,333. | 1,403,940. | 1,579,244. |
| | c | Investments - corporate bonds (attach schedule) . STMT 8 | 270,142. | 259,728. | 263,628. |
| | 11 | Investments - land, buildings, and equipment, basis Less: accumulated depreciation (attach schedule) ▶ | | | |
| | 12 | Investments - mortgage loans | | | |
| | 13 | Investments - other (attach schedule) STMT 9 | 168,190. | 207,309. | 216,721. |
| | 14 | Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶ | | | |
| 15 | Other assets (describe ▶) | | | | |
| 16 | Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) | 2,131,512. | 1,888,615. | 2,059,593. | |
| Liabilities | 17 | Accounts payable and accrued expenses | 1,500. | 1,500. | |
| | 18 | Grants payable | | | |
| | 19 | Deferred revenue | | | |
| | 20 | Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 | Mortgages and other notes payable (attach schedule) | | | |
| | 22 | Other liabilities (describe ▶) | | | |
| 23 | Total liabilities (add lines 17 through 22) | 1,500. | 1,500. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | | |
| | 24 | Unrestricted | | | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/> | | | | |
| | 27 | Capital stock, trust principal, or current funds | 2,130,012. | 1,887,115. | |
| | 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) | 2,130,012. | 1,887,115. | | |
| 31 | Total liabilities and net assets/fund balances (see instructions) | 2,131,512. | 1,888,615. | | |

| 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 2,130,012. |
| 2 | Enter amount from Part I, line 27a | 2 -242,897. |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 |
| 4 | Add lines 1, 2, and 3 | 4 1,887,115. |
| 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 1,887,115. |

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 | | | | | |
| 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 1,303,301. | | 1,384,079. | -80,778. | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | | | |
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col. (j), if any | (l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) | | |
| a | | | -80,778. | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | | | 2 | -66,335. | |
| 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 | 118,530. | 2,244,234. | 0.052815 |
| 2009 | 140,340. | 2,066,176. | 0.067923 |
| 2008 | 135,056. | 1,921,124. | 0.070301 |
| 2007 | 112,818. | 2,696,682. | 0.041836 |
| 2006 | 184,847. | 2,672,226. | 0.069173 |

| | | |
|---|----------|------------|
| 2 Total of line 1, column (d) | 2 | 0.302048 |
| 3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | 3 | 0.060410 |
| 4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5 | 4 | 2,132,542. |
| 5 Multiply line 4 by line 3 | 5 | 128,827. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 523. |
| 7 Add lines 5 and 6 | 7 | 129,350. |
| 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. | 8 | 235,518. |

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

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits and payments. Total amount owed is 2,895 and amount overpaid is 2,371.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, expenditures, and state registration. Marked with 'Yes' or 'No' and 'X'.

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 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
Website address N/A
14 The books are in care of NORTHERN TRUST COMPANY Telephone no (312) 630-6000
Located at P.O. BOX 803878, CHICAGO, IL ZIP + 4 60680
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 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? 16 Yes No X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country

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

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

1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes X No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes X No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) Yes X No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? 1b
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? Yes X No
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) 2b X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes X No
b If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011) 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011? 4b X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** Yes No
 Organizations relying on a current notice regarding disaster assistance check here

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

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

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** Yes No

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

1 List all officers, directors, trustees, foundation managers and their compensation (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 |
|----------------------|---|---|---|---------------------------------------|
| SEE STATEMENT 10 | | -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 | | NONE | NONE | NONE |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total number of other employees paid over \$50,000 NONE

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 | | NONE |
| ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |
| Total number of others receiving over \$50,000 for professional services | | NONE |

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 | ----- | |
| | ----- | |
| 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 | 2,165,017. |
| b | Average of monthly cash balances | 1b | NONE |
| c | Fair market value of all other assets (see instructions) | 1c | NONE |
| d | Total (add lines 1a, b, and c) | 1d | 2,165,017. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | NONE |
| 3 | Subtract line 2 from line 1d | 3 | 2,165,017. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 32,475. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 2,132,542. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 106,627. |

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 | 106,627. |
| 2a | Tax on investment income for 2011 from Part VI, line 5 | 2a | 523. |
| b | Income tax for 2011. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | 523. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 106,104. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | NONE |
| 5 | Add lines 3 and 4 | 5 | 106,104. |
| 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 | 106,104. |

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 | 235,518. |
| b | Program-related investments - total from Part IX-B | 1b | |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 | 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 | 235,518. |
| 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 | 523. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 234,995. |

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 | | | | 106,104. |
| 2 Undistributed income, if any, as of the end of 2011: | | | | |
| a Enter amount for 2010 only | | | NONE | |
| b Total for prior years 20 <u>09</u> , 20 <u> </u> , 20 <u> </u> | | NONE | | |
| 3 Excess distributions carryover, if any, to 2011: | | | | |
| a From 2006 | 65,022. | | | |
| b From 2007 | NONE | | | |
| c From 2008 | 24,954. | | | |
| d From 2009 | 37,973. | | | |
| e From 2010 | 8,027. | | | |
| f Total of lines 3a through e | 135,976. | | | |
| 4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ <u>235,518.</u> | | | | |
| a Applied to 2010, but not more than line 2a | | | NONE | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | NONE | | |
| c Treated as distributions out of corpus (Election required - see instructions) | NONE | | | |
| d Applied to 2011 distributable amount | | | | 106,104. |
| e Remaining amount distributed out of corpus | 129,414. | | | |
| 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 | 265,390. | | | |
| b Prior years' undistributed income. Subtract line 4b from line 2b | | NONE | | |
| 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 | | | NONE | |
| 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) | | NONE | | |
| 8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) | 65,022. | | | |
| 9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a | 200,368. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2007 | NONE | | | |
| b Excess from 2008 | 24,954. | | | |
| c Excess from 2009 | 37,973. | | | |
| d Excess from 2010 | 8,027. | | | |
| e Excess from 2011 | 129,414. | | | |

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

NOT APPLICABLE

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)

| | Tax year | | | | (e) Total |
|--|----------|----------|----------|----------|-----------|
| | (a) 2011 | (b) 2010 | (c) 2009 | (d) 2008 | |
| 2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon | | | | | |
| a "Assets" alternative test - enter | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test - enter | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

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

DENNIS A. MARKOS

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 Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|--|--|--------------------------------------|-------------------------------------|-----------------|
| <p><i>a Paid during the year</i></p> <p>SEE STATEMENT 12</p> | | | | |
| Total | | | | 215,000. |
| <p><i>b Approved for future payment</i></p> | | | | |
| Total | | | | 3b |

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include categories like Program service revenue, Membership dues, Dividends, Net rental income, Gain or loss from sales, and Subtotal.

(See worksheet in line 13 instructions to verify calculations)

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

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

Large empty table area for providing explanations for each activity.

NOT APPLICABLE

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

- 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?
- | | Yes | No |
|---|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| (1) Cash | | X |
| (2) Other assets | | X |
| b Other transactions: | | |
| (1) Sales of assets to a noncharitable exempt organization | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | X |
| (3) Rental of facilities, equipment, or other assets | | X |
| (4) Reimbursement arrangements | | X |
| (5) Loans or loan guarantees | | X |
| (6) Performance of services or membership or fundraising solicitations | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X |
- d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

| (a) Line no | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|-------------|---------------------|---|--|
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2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule.

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

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

Signature of officer or trustee: *[Handwritten Signature]* Date: 11-6-12 Title: President

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

Paid Preparer Use Only

Print/Type preparer's name: NATHALIA TOMERE
 Preparer's signature: *Natalia Tomere*
 Date: 10/22/12
 Check if self-employed PTIN: PO1306295
 Firm's name: THE NORTHERN TRUST COMPANY
 Firm's address: P.O. BOX 803878 CHICAGO, IL 60680
 Firm's EIN: 36-1561860
 Phone no:

Schedule of Contributors
 ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

| | |
|--|---|
| Name of the organization THE MARKOS FOUNDATION, INC 23-16209 | Employer identification number 39-1836400 |
|--|---|

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

- 501(c)() (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

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

| | |
|--|---|
| Name of organization THE MARKOS FOUNDATION, INC 23-16209 | Employer identification number 39-1836400 |
|--|---|

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

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|--|----------------------------|--|
| 1 | SOUTH CENTRAL GOLF CLASSIC P.O. BOX 5507 MADISON, WI 53705 | \$ 6,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

| DESCRIPTION ----- | REVENUE AND EXPENSES PER BOOKS ----- | NET INVESTMENT INCOME ----- |
|----------------------|--|--------------------------------------|
| DIVIDENDS & INTEREST | 62,756. | 62,756. |
| TOTAL | 62,756. | 62,756. |

FORM 990PF, PART I - OTHER INCOME
=====

| DESCRIPTION ----- | REVENUE AND EXPENSES PER BOOKS ----- |
|----------------------|--|
| DEFERRED INCOME | -1. |
| TOTALS | ----- -1. ===== |

FORM 990PF, PART I - ACCOUNTING FEES

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME | ADJUSTED NET INCOME | CHARITABLE PURPOSES |
|---------------------|--------------------------------|-----------------------|---------------------|---------------------|
| TAX PREPARATION FEE | 2,000. | 1,000. | | 1,000. |
| TOTALS | 2,000. | 1,000. | NONE | 1,000. |

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME | CHARITABLE PURPOSES |
|---------------------|--------------------------------|-----------------------|---------------------|
| INVESTMENT ADVISORY | 8,359. | 8,359. | 19,080. |
| MANAGERIAL | 19,080. | | |
| TOTALS | 27,439. | 8,359. | 19,080. |

FORM 990PF, PART I - TAXES

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME |
|------------------|--------------------------------|-----------------------|
| TAXES PRIOR YEAR | 1,238. | |
| ESTIMATED TAX | 3,418. | |
| FOREIGN TAX | 1,109. | 1,109. |
| TOTALS | 5,765. | 1,109. |

FORM 990PF, PART I - OTHER EXPENSES
=====

REVENUE
AND
EXPENSES
PER BOOKS

CHARITABLE
PURPOSES

DESCRIPTION

FILING FEE

10.

10.

TOTALS

10.
=====

10.
=====

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - CORPORATE STOCK

=====

| DESCRIPTION | ENDING BOOK VALUE | ENDING FMV |
|-----------------------|----------------------|---------------|
| SEE ATTACHED SCHEDULE | 1,403,940. | 1,579,244. |
| TOTALS | 1,403,940. | 1,579,244. |

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - CORPORATE BONDS

=====

| DESCRIPTION | ENDING BOOK VALUE | ENDING FMV |
|-----------------------|----------------------|---------------|
| SEE ATTACHED SCHEDULE | 259,728. | 263,628. |
| TOTALS | 259,728. | 263,628. |

THE MARKOS FOUNDATION, INC 23-16209

39-1836400

FORM 990PF, PART II - OTHER INVESTMENTS

=====

COST/
FMV

C OR F

DESCRIPTION

ENDING
BOOK VALUE

ENDING
FMV

SEE ATTACHED SCHEDULE

C

207,309.

207,309.

216,721.

TOTALS

207,309.

216,721.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
=====

OFFICER NAME:
DENNIS & CAROL MARKOS
ADDRESS:
25 LARCH CIRCLE
MADISON, WI 53705
TITLE:
PRESIDENT/DIRECTOR

OFFICER NAME:
WILLIAM F. CONLON
ADDRESS:
1418 N. LAKE SHORE DRIVE
CHICAGO, IL 60610
TITLE:
DIRECTOR

OFFICER NAME:
JAMES LORIMER
ADDRESS:
P.O. BOX 3550
PLACIDA, FL 33946
TITLE:
DIRECTOR

OFFICER NAME:
MATTHEW & ANNA BLUHM
ADDRESS:
700 LLOYD PLACE
WINNETKA, IL 60093
TITLE:
DIRECTOR

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

MARY L. KLEIN

ADDRESS:

6029 S. HIGHLANDS AVENUE

MADISON, WI 53705

TITLE:

MANAGER

=====

RECIPIENT NAME:

SEE ATTACHED SCHEDULE

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC CHARITY

AMOUNT OF GRANT PAID 215,000.

TOTAL GRANTS PAID: 215,000.

=====

CONTRIBUTIONS, GIFTS, GRANTS PAID
 EIN: 39-1836400
 THE MARKOS FOUNDATION, INC.
 07/01/11-06/30/12

| CK # | DATE | PAYEE | CITY, STATE | AMOUNT |
|---|----------|--------------------------------------|-------------|-------------------|
| 2370 | 07/28/11 | Marquette University | Scholarship | \$ 22,500.00 |
| 2371 | 07/28/11 | University of Notre Dame | Scholarship | \$ 25,000.00 |
| 2372 | 07/28/11 | Wisconsin Women's Health Foundation | Donation | \$ 10,000.00 |
| 2373 | 07/28/11 | St. Ignatius College | Scholarship | \$ 3,000.00 |
| 2374 | 07/28/11 | YSOSW-Briarpatch | Donation | \$ 2,500.00 |
| 2375 | 07/28/11 | Madison Urban Ministry (sch) | Donation | \$ 500.00 |
| 2376 | 07/28/11 | Marquette University | Scholarship | \$ 5,000.00 |
| 2377 | 07/28/11 | Marquette University | Scholarship | \$ 2,500.00 |
| 2378 | 07/28/11 | University of Minnesota | Scholarship | \$ 2,000.00 |
| 2379 | 07/28/11 | University of Wisconsin | Scholarship | \$ 2,000.00 |
| 2380 | 07/28/11 | Concordia University | Scholarship | \$ 2,000.00 |
| 2381 | 07/28/11 | University of Minnesota | Scholarship | \$ 2,000.00 |
| 2382 | 07/28/11 | University of Wisconsin | Scholarship | \$ 2,000.00 |
| 2383 | 08/02/11 | Boy Scout Troop 508 | Donation | \$ 500.00 |
| 2392 | 02/21/12 | North Hawaii Community Hosp | Donation | \$ 10,000.00 |
| 2396 | 05/25/12 | St. James Eager Readers | Donation | \$ 22,000.00 |
| 2397 | 05/25/12 | Cardiac Surgery Research & Education | Donation | \$ 100,000.00 |
| 2399 | 06/26/12 | National MS Society | Donation | \$ 1,000.00 |
| 2400 | 06/26/12 | Boy Scout Troop 508 | Donation | \$ 500.00 |
| TOTAL GRANTS PAID 7/1/11-6/30/12 | | | | 215,000.00 |

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2011

Name of estate or trust

THE MARKOS FOUNDATION, INC 23-16209

Employer identification number

39-1836400

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

| (a) Description of property (Example 100 shares 7% preferred of "Z" Co) | (b) Date acquired (mo, day, yr) | (c) Date sold (mo, day, yr) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) for the entire year Subtract (e) from (d) |
|--|------------------------------------|--------------------------------|-----------------|---|--|
| 1a | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | | |
|---|-----------|----------|
| b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b | 1b | -15,136. |
| 2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 | 2 | |
| 3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts | 3 | |
| 4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2010 Capital Loss Carryover Worksheet | 4 | () |
| 5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶ | 5 | -15,136. |

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

| (a) Description of property (Example 100 shares 7% preferred of "Z" Co) | (b) Date acquired (mo, day, yr) | (c) Date sold (mo, day, yr.) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) for the entire year Subtract (e) from (d) |
|--|------------------------------------|---------------------------------|-----------------|---|--|
| 6a LONG-TERM CAPITAL GAIN DIVIDENDS | | | | | 14,443. |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | | |
|---|-----------|----------|
| b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b | 6b | -65,642. |
| 7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 | 7 | |
| 8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts | 8 | |
| 9 Capital gain distributions | 9 | |
| 10 Gain from Form 4797, Part I | 10 | |
| 11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2010 Capital Loss Carryover Worksheet | 11 | () |
| 12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶ | 12 | -51,199. |

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2011

| Part III Summary of Parts I and II | | (1) Beneficiaries' (see instr.) | (2) Estate's or trust's | (3) Total |
|--|---|---------------------------------|-------------------------|-----------|
| Caution: Read the instructions before completing this part. | | | | |
| 13 | Net short-term gain or (loss) | 13 | | -15,136. |
| 14 | Net long-term gain or (loss): | | | |
| a | Total for year | 14a | | -51,199. |
| b | Unrecaptured section 1250 gain (see line 18 of the wrksht.) | 14b | | |
| c | 28% rate gain | 14c | | |
| 15 | Total net gain or (loss). Combine lines 13 and 14a ▶ | 15 | | -66,335. |

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

| | | | |
|-----------|---|-----------|-----------|
| 16 | Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000 | 16 | { 3,000 } |
|-----------|---|-----------|-----------|

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

| | | | | |
|-----------|--|-----------|--|-----------|
| 17 | Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) | 17 | | |
| 18 | Enter the smaller of line 14a or 15 in column (2) but not less than zero | 18 | | |
| 19 | Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) | 19 | | |
| 20 | Add lines 18 and 19 | 20 | | |
| 21 | If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶ | 21 | | |
| 22 | Subtract line 21 from line 20. If zero or less, enter -0- | 22 | | |
| 23 | Subtract line 22 from line 17. If zero or less, enter -0- | 23 | | |
| 24 | Enter the smaller of the amount on line 17 or \$2,300 | 24 | | |
| 25 | Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23 | 25 | | |
| 26 | Subtract line 25 from line 24 | 26 | | |
| 27 | Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22 | 27 | | |
| 28 | Enter the amount from line 26 (If line 26 is blank, enter -0-) | 28 | | |
| 29 | Subtract line 28 from line 27 | 29 | | |
| 30 | Multiply line 29 by 15% (.15) | | | 30 |
| 31 | Figure the tax on the amount on line 23. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) | | | 31 |
| 32 | Add lines 30 and 31 | | | 32 |
| 33 | Figure the tax on the amount on line 17. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) | | | 33 |
| 34 | Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) | | | 34 |

| | |
|---|---|
| Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side THE MARKOS FOUNDATION, INC 23-16209 | Employer identification number 39-1836400 |
|---|---|

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

| (a) Description of property (Example 100 sh 7% preferred of "Z" Co) | (b) Date acquired (mo, day, yr) | (c) Date sold (mo, day, yr) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) Subtract (e) from (d) |
|--|---------------------------------------|--------------------------------|-----------------|---|---|
| 6a 192. ALTERA CORP COM | 03/29/2010 | 05/07/2012 | 6,440.00 | 4,679.00 | 1,761.00 |
| 118. ALTERA CORP COM | 03/29/2010 | 05/08/2012 | 3,913.00 | 2,876.00 | 1,037.00 |
| 84. AMAZON.COM INCORPORATE STOCK | 10/20/2009 | 02/06/2012 | 15,476.00 | 8,065.00 | 7,411.00 |
| 16. AMAZON.COM INCORPORATE STOCK | 10/20/2009 | 02/07/2012 | 2,933.00 | 1,536.00 | 1,397.00 |
| 60. CITRIX SYS INC | 04/11/2011 | 05/07/2012 | 4,998.00 | 4,482.00 | 516.00 |
| 170. CUMMINS ENGINE INC | 03/29/2010 | 10/24/2011 | 16,647.00 | 10,724.00 | 5,923.00 |
| 440. EMERSON ELECTRIC CO | 04/10/2007 | 08/10/2011 | 18,875.00 | 18,666.00 | 209.00 |
| 650. GENERAL ELECTRIC CO | 06/19/1996 | 04/26/2012 | 12,623.00 | 9,298.00 | 3,325.00 |
| 390. MFC ISHARES TR BARCLA FD PROTECTED SECS FD | 01/20/2010 | 06/11/2012 | 46,778.00 | 41,005.00 | 5,773.00 |
| 250. ISHARES MSCI EMERGING FUND | 01/20/2010 | 08/01/2011 | 11,750.00 | 10,503.00 | 1,247.00 |
| 5450. ISHARES MSCI EMERGIN FUND | 01/20/2010 | 05/22/2012 | 208,512.00 | 201,921.00 | 6,591.00 |
| 120. MCDONALDS CORP | 12/14/2006 | 02/06/2012 | 11,959.00 | 5,256.00 | 6,703.00 |
| 112. MCKESSON HBOC INC | 03/29/2010 | 01/23/2012 | 8,609.00 | 7,289.00 | 1,320.00 |
| 77. MCKESSON HBOC INC | 03/29/2010 | 01/24/2012 | 5,879.00 | 5,011.00 | 868.00 |
| 31. MCKESSON HBOC INC | 03/29/2010 | 01/25/2012 | 2,383.00 | 2,017.00 | 366.00 |
| 469. MFB NORTHN FDS MULTI- GLOBAL REALESTATE FD | 10/19/2009 | 08/01/2011 | 8,789.00 | 7,950.00 | 839.00 |
| 3707.83 MFB NORTHN FDS MUL GLOBAL REALESTATE FD | 12/21/2010 | 05/22/2012 | 61,476.00 | 62,910.00 | -1,434.00 |
| 653.48 MFB NORTHERN FUNDS | 12/21/2009 | 08/01/2011 | 7,038.00 | 6,638.00 | 400.00 |
| 7469.65 MFB NORTHERN FUNDS | 04/11/2011 | 04/26/2012 | 81,718.00 | 78,077.00 | 3,641.00 |
| 3397.61 MFB NORTHERN FUNDS | 04/11/2011 | 05/22/2012 | 37,272.00 | 34,516.00 | 2,756.00 |
| 3989.47 MFB NORTHN MULTI-M EQTY FD FD | 12/19/2007 | 11/07/2011 | 35,626.00 | 46,595.00 | -10,969.00 |
| 43007.39 MFB NORTHN MULTI- EQTY FD FD | 10/19/2009 | 01/27/2012 | 383,626.00 | 483,199.00 | -99,573.00 |
| 1011.41 MFB NORTHN MULTIMG FD | 12/14/2006 | 08/01/2011 | 10,640.00 | 11,318.00 | -678.00 |
| 6805.64 MFB NORTHN MULTIMG FD | 12/19/2008 | 01/27/2012 | 63,973.00 | 64,646.00 | -673.00 |
| 1353.83 MFB NORTHN MULTIMG | 12/14/2006 | 08/01/2011 | 16,422.00 | 14,892.00 | 1,530.00 |

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b

Schedule D-1 (Form 1041) 2011

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|------------------------------------|-------------------|--------------------------------------|---------------------------|--------------|-----------|-----------|-------------------------------------|-----------|
| Equity Securities | | | | | | | | |
| Common stock | | | | | | | | |
| Australia - USD | | | | | | | | |
| ADR BHP BILLITON LTD SPONSORED ADR | CUSIP 068606108 | 65.30 | 0.00 | 9,142.00 | 11,310.60 | -2,168.60 | 0.00 | -2,168.60 |
| Total USD | | | 0.00 | 9,142.00 | 11,310.60 | -2,168.60 | 0.00 | -2,168.60 |
| Total Australia | | | 0.00 | 9,142.00 | 11,310.60 | -2,168.60 | 0.00 | -2,168.60 |
| United States - USD | | | | | | | | |
| ABBOTT LAB COM | CUSIP 002824100 | 64.47 | 0.00 | 9,670.50 | 7,248.00 | 2,422.50 | 0.00 | 2,422.50 |
| AMERICAN EXPRESS CO | CUSIP 025816109 | 58.21 | 0.00 | 18,627.20 | 16,818.01 | 1,809.19 | 0.00 | 1,809.19 |
| AMERICAN WTR WKS CO INC NEW COM | CUSIP 030420103 | 34.28 | 0.00 | 6,513.20 | 6,347.64 | 165.56 | 0.00 | 165.56 |
| AMGEN INC COM | CUSIP 031162100 | 73.04 | 0.00 | 17,529.60 | 16,272.36 | 1,257.24 | 0.00 | 1,257.24 |
| APPLE INC COM STK | CUSIP 037833100 | 584.00 | 0.00 | 46,720.00 | 18,570.56 | 28,149.44 | 0.00 | 28,149.44 |
| AUTODESK INC COM | CUSIP 052769106 | 34.99 | 0.00 | 7,347.90 | 8,773.75 | -1,425.85 | 0.00 | -1,425.85 |
| AUTOMATIC DATA PROCESSING INC COM | CUSIP 063015103 | 55.66 | 59.25 | 8,349.00 | 8,309.80 | 39.20 | 0.00 | 39.20 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|--|--------------------------------------|---------------------------|--------------|-----------|----------|-------------------------------------|----------|
| Equity Securities | | | | | | | |
| Common stock | | | | | | | |
| United States - USD | | | | | | | |
| BRISTOL MYERS SQUIBB CO COM CUSIP 110122108 | 35.95 | 0.00 | 13,301.50 | 10,782.54 | 2,518.86 | 0.00 | 2,518.86 |
| CHEVRON CORP COM CUSIP 166764100 | | | | | | | |
| 200.000 | 105.50 | 0.00 | 21,100.00 | 15,374.00 | 5,726.00 | 0.00 | 5,726.00 |
| CITRIX SYS INC COM CUSIP 177376100 | | | | | | | |
| 150.000 | 83.94 | 0.00 | 12,591.00 | 6,979.34 | 5,611.66 | 0.00 | 5,611.66 |
| COCA COLA CO COM CUSIP 191216100 | | | | | | | |
| 260.000 | 78.19 | 132.60 | 20,329.40 | 18,042.43 | 2,286.97 | 0.00 | 2,286.97 |
| CONOCOPHILLIPS COM CUSIP 20825C104 | | | | | | | |
| 120.000 | 55.88 | 0.00 | 6,705.60 | 5,631.21 | 1,074.39 | 0.00 | 1,074.39 |
| COSTCO WHOLESALE CORP NEW COM CUSIP 22160K105 | | | | | | | |
| 190.000 | 85.00 | 0.00 | 18,050.00 | 13,121.40 | 4,928.60 | 0.00 | 4,928.60 |
| COVIDIEN PLC USD0 20(POST CONSOLDTN) CUSIP G2554F113 | | | | | | | |
| 160.000 | 53.50 | 0.00 | 8,560.00 | 7,940.48 | 619.52 | 0.00 | 619.52 |
| CVS CAREMARK CORP COM STK CUSIP 126650100 | | | | | | | |
| 230.000 | 46.73 | 0.00 | 10,747.90 | 10,315.69 | 432.21 | 0.00 | 432.21 |
| DANAHER CORP COM CUSIP 235851102 | | | | | | | |
| 340.000 | 52.08 | 8.50 | 17,707.20 | 12,518.80 | 5,188.40 | 0.00 | 5,188.40 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr / ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|---|---------------------|--------------------------------------|---------------------------|--------------|-----------|-----------|-------------------------------------|-----------|
| Equity Securities | | | | | | | | |
| Common stock | | | | | | | | |
| United States - USD | | | | | | | | |
| DOMINION RES INC VA NEW COM CUSIP 25746U109 | | | | | | | | |
| 280 000 | | 54 00 | 0 00 | 15,120 00 | 12,311 27 | 2,808 73 | 0 00 | 2,808 73 |
| DU PONT E I DE NEMOURS & CO COM STK CUSIP 263534109 | | | | | | | | |
| 260 000 | | 50 57 | 0 00 | 13,148 20 | 9,809 28 | 3,338 92 | 0 00 | 3,338 92 |
| EATON CORP COM CUSIP 278058102 | | | | | | | | |
| 250 000 | | 39 63 | 0 00 | 9,907 50 | 13,622 84 | -3,715 34 | 0 00 | -3,715 34 |
| EMC CORP COM CUSIP 268648102 | | | | | | | | |
| 670 000 | | 25 63 | 0 00 | 17,172 10 | 12,824 07 | 4,348 03 | 0 00 | 4,348 03 |
| EXPRESS SCRIPTS HLDG CO COM CUSIP 30219G108 | | | | | | | | |
| 160 000 | | 55 83 | 0 00 | 8,932 80 | 8,261 80 | 671 00 | 0 00 | 671 00 |
| EXXON MOBIL CORP COM CUSIP 30231G102 | | | | | | | | |
| 330 000 | | 85 57 | 0 00 | 28,238 10 | 25,931 40 | 2,306 70 | 0 00 | 2,306 70 |
| FRKLN RES INC COM CUSIP 354613101 | | | | | | | | |
| 130 000 | | 110 99 | 35 10 | 14,428 70 | 15,170 95 | -742 25 | 0 00 | -742 25 |
| GENERAL ELECTRIC CO CUSIP 369604103 | | | | | | | | |
| 730 000 | | 20 84 | 124 10 | 15,213 20 | 9,767 65 | 5,445 55 | 0 00 | 5,445 55 |
| GOOGLE INC CL A CL A CUSIP 38259P508 | | | | | | | | |
| 30 000 | | 580 07 | 0 00 | 17,402 10 | 16,868 70 | 533 40 | 0 00 | 533 40 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|---|-------------------|--------------------------------------|---------------------------|--------------|-----------|-----------|-------------------------------------|-----------|
| Equity Securities | | | | | | | | |
| Common stock | | | | | | | | |
| United States - USD | | | | | | | | |
| GRAINGER W W INC COM CUSIP 384802104 | | | | | | | | |
| 60 000 | 191 24 | 0 00 | 0 00 | 11,474 40 | 6,880 84 | 4,593 56 | 0 00 | 4,593 56 |
| H J HEINZ CUSIP 423074103 | | | | | | | | |
| 230 000 | 54 38 | 118 45 | 118 45 | 12,507 40 | 10,769 93 | 1,737 47 | 0 00 | 1,737 47 |
| HOME DEPOT INC COM CUSIP 437076102 | | | | | | | | |
| 420 000 | 52 99 | 0 00 | 0 00 | 22,255 80 | 18,820 88 | 3,435 12 | 0 00 | 3,435 12 |
| INTEL CORP COM CUSIP 458140100 | | | | | | | | |
| 470 000 | 26 65 | 0 00 | 0 00 | 12,525 50 | 13,037 13 | -511 63 | 0 00 | -511 63 |
| INTERCONTINENTALEXCHANGE INC COM CUSIP 45965V100 | | | | | | | | |
| 80 000 | 135 98 | 0 00 | 0 00 | 10,878 40 | 10,261 07 | 617 33 | 0 00 | 617 33 |
| INTERNATIONAL BUSINESS MACHS CORP COM CUSIP 459200101 | | | | | | | | |
| 150 000 | 195 58 | 0 00 | 0 00 | 29,337 00 | 18,911 48 | 10,425 52 | 0 00 | 10,425 52 |
| JOHNSON & JOHNSON COM USD1 CUSIP 478160104 | | | | | | | | |
| 120 000 | 67 56 | 0 00 | 0 00 | 8,107 20 | 2,892 30 | 5,214 90 | 0 00 | 5,214 90 |
| JOHNSON CTL INC COM CUSIP 478366107 | | | | | | | | |
| 350 000 | 27 71 | 63 00 | 63 00 | 9,696 50 | 9,331 00 | 367 50 | 0 00 | 367 50 |
| JPMORGAN CHASE & CO COM CUSIP 46625H100 | | | | | | | | |
| 550 000 | 35 73 | 0 00 | 0 00 | 19,651 50 | 24,413 09 | -4,761 59 | 0 00 | -4,761 59 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|--|--------------------------------------|---------------------------|--------------|-----------|-----------|-------------------------------------|-----------|
| Shares/PAR value | | | | | | | |
| Equity Securities | | | | | | | |
| Common stock | | | | | | | |
| United States - USD | | | | | | | |
| MC DONALDS CORP COM CUSIP 580135101 | | | | | | | |
| 170 000 | 88 53 | 0 00 | 15,050 10 | 7,446 00 | 7,604 10 | 0 00 | 7,604 10 |
| NATIONAL OILWELL VARCO COM STK CUSIP 637071101 | | | | | | | |
| 320 000 | 64 44 | 0 00 | 20,620 80 | 13,014 40 | 7,606 40 | 0 00 | 7,606 40 |
| NIKE INC CL B CUSIP 654106103 | | | | | | | |
| 100 000 | 87 78 | 36 00 | 8,778 00 | 10,324 68 | -1,546 68 | 0 00 | -1,546 68 |
| NOBLE ENERGY INC COM CUSIP 655044105 | | | | | | | |
| 110 000 | 84 82 | 0 00 | 9,330 20 | 7,835 08 | 1,495 12 | 0 00 | 1,495 12 |
| NORFOLK SOUTHN CORP COM CUSIP 655844108 | | | | | | | |
| 210 000 | 71 77 | 0 00 | 15,071 70 | 14,175 99 | 895 71 | 0 00 | 895 71 |
| NORTHERN TR CORP COM CUSIP 665859104 | | | | | | | |
| 500 000 | 46 02 | 150 00 | 23,010 00 | 29,065 00 | -6,055 00 | 0 00 | -6,055 00 |
| NUCOR CORP COM CUSIP 670346105 | | | | | | | |
| 180 000 | 37 90 | 65 70 | 6,822 00 | 8,125 27 | -1,303 27 | 0 00 | -1,303 27 |
| OMNICOM GROUP INC COM CUSIP 681919106 | | | | | | | |
| 160 000 | 48 60 | 48 00 | 7,776 00 | 7,311 31 | 464 69 | 0 00 | 464 69 |
| ORACLE CORP COM CUSIP 66389X105 | | | | | | | |
| 640 000 | 29 70 | 0 00 | 19,008 00 | 17,754 88 | 1,253 12 | 0 00 | 1,253 12 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss | |
|---|-------------------|--------------------------------------|---------------------------|--------------|-----------|-----------|----------------------|-----------|
| | | | | | | | Translation | Total |
| Equity Securities | | | | | | | | |
| Common stock | | | | | | | | |
| United States - USD | | | | | | | | |
| PRECISION CASTPARTS CORP COM | CUSIP 740189105 | | | | | | | |
| 50 000 | 164 49 | | 1 50 | 8,224 50 | 8,598 30 | -373 80 | 0 00 | -373 80 |
| PROCTER & GAMBLE COM NPV CUSIP 742718109 | | | | | | | | |
| 300 000 | 61 25 | | 0 00 | 18,375 00 | 10,685 67 | 7,689 33 | 0 00 | 7,689 33 |
| QUALCOMM INC COM CUSIP 747525103 | | | | | | | | |
| 280 000 | 55 68 | | 0 00 | 15,590 40 | 14,749 25 | 841 15 | 0 00 | 841 15 |
| SCHLUMBERGER LTD COM COM CUSIP 806857108 | | | | | | | | |
| 150 000 | 64 91 | | 41 25 | 9,736 50 | 13,787 31 | -4,050 81 | 0 00 | -4,050 81 |
| SPECTRA ENERGY CORP COM STK CUSIP 847560109 | | | | | | | | |
| 340 000 | 29 06 | | 0 00 | 9,880 40 | 7,761 52 | 2,118 88 | 0 00 | 2,118 88 |
| UNITED TECHNOLOGIES CORP COM CUSIP 91307109 | | | | | | | | |
| 160 000 | 75 53 | | 0 00 | 12,084 80 | 5,020 80 | 7,064 00 | 0 00 | 7,064 00 |
| UNITEDHEALTH GROUP INC COM CUSIP 91324P102 | | | | | | | | |
| 400 000 | 58 50 | | 0 00 | 23,400 00 | 11,948 00 | 11,452 00 | 0 00 | 11,452 00 |
| US BANCORP CUSIP 902973304 | | | | | | | | |
| 600 000 | 32 16 | | 117 00 | 19,296 00 | 11,730 00 | 7,566 00 | 0 00 | 7,566 00 |
| V F CORP COM CUSIP 918204108 | | | | | | | | |
| 140 000 | 133 45 | | 0 00 | 18,683 00 | 14,764 19 | 3,898 81 | 0 00 | 3,898 81 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|---|--------------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------------|
| Equity Securities | | | | | | | |
| Common stock | | | | | | | |
| United States - USD | | | | | | | |
| VERIZON COMMUNICATIONS COM CUSIP 92343V104 | 44.44 | 0.00 | 8,888.00 | 7,416.95 | 1,471.05 | 0.00 | 1,471.05 |
| WAL-MART STORES INC COM CUSIP 931142103 | 69.72 | 0.00 | 11,155.20 | 8,921.60 | 2,233.60 | 0.00 | 2,233.60 |
| WALT DISNEY CO CUSIP 254687106 | 48.50 | 0.00 | 22,310.00 | 15,733.45 | 6,576.55 | 0.00 | 6,576.55 |
| WELLS FARGO & CO NEW COM STK CUSIP 949746101 | 33.44 | 0.00 | 23,408.00 | 23,839.96 | -431.96 | 0.00 | -431.96 |
| WHOLE FOODS MKT INC COM CUSIP 966837106 | 95.32 | 21.00 | 14,298.00 | 5,990.17 | 8,307.83 | 0.00 | 8,307.83 |
| Total USD | | 1,021.45 | 860,645.00 | 698,951.37 | 161,693.63 | 0.00 | 161,693.63 |
| Total United States | | 1,021.45 | 860,645.00 | 698,951.37 | 161,693.63 | 0.00 | 161,693.63 |
| Total Common Stock | | 1,021.45 | 869,787.00 | 710,261.97 | 159,525.03 | 0.00 | 159,525.03 |
| Equity funds | | | | | | | |
| Emerging Markets Region - USD | | | | | | | |
| MFO DFA INVNT DIMENSIONS GROUP INC EMERGING MKTS CORE EQUITY PORT CUSIP 233203421 | 18.02 | 0.00 | 214,425.56 | 208,000.00 | 6,425.56 | 0.00 | 6,425.56 |
| Total USD | | 0.00 | 214,425.56 | 208,000.00 | 6,425.56 | 0.00 | 6,425.56 |
| Total Emerging Markets Region | | 0.00 | 214,425.56 | 208,000.00 | 6,425.56 | 0.00 | 6,425.56 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Unrealized gain/loss | | Total |
|---|-------------------|--------------------------------------|---------------------------|--------------|------------|----------------------|-------------|-----------|
| | | | | | | Market | Translation | |
| Equity Securities | | | | | | | | |
| Equity funds | | | | | | | | |
| International Region - USD | | | | | | | | |
| MFO NEUBERGER BERMAN EQUITY FDS INTL INSTITUTIONAL FD CUSIP 641224811 | | | | | | | | |
| 39,970,450 | | 8.73 | 0.00 | 348,942.02 | 348,542.28 | 399.74 | 0.00 | 399.74 |
| Total USD | | | 0.00 | 348,942.02 | 348,542.28 | 399.74 | 0.00 | 399.74 |
| Total International Region | | | 0.00 | 348,942.02 | 348,542.28 | 399.74 | 0.00 | 399.74 |
| United States - USD | | | | | | | | |
| MFB NORTHN MULTI-MANAGER MID CAP FD CUSIP 665162574 | | | | | | | | |
| 4,836,180 | | 11.58 | 0.00 | 56,002.96 | 52,712.72 | 3,290.24 | 0.00 | 3,290.24 |
| MFO DFA US SMALL CAP PORTFOLIO CUSIP 233203843 | | | | | | | | |
| 3,509,680 | | 22.12 | 0.00 | 77,634.12 | 77,563.83 | 70.29 | 0.00 | 70.29 |
| Total USD | | | 0.00 | 133,637.08 | 130,276.55 | 3,360.53 | 0.00 | 3,360.53 |
| Total United States | | | 0.00 | 133,637.08 | 130,276.55 | 3,360.53 | 0.00 | 3,360.53 |
| Total Equity Funds | | | 0.00 | 697,004.66 | 686,818.83 | 10,185.83 | 0.00 | 10,185.83 |
| Other equity | | | | | | | | |
| United States - USD | | | | | | | | |
| SIMON PROPERTY GROUP INC COM CUSIP 828806109 | | | | | | | | |
| 80,000 | | 155.66 | 0.00 | 12,452.80 | 6,859.53 | 5,593.27 | 0.00 | 5,593.27 |
| Total USD | | | 0.00 | 12,452.80 | 6,859.53 | 5,593.27 | 0.00 | 5,593.27 |
| Total United States | | | 0.00 | 12,452.80 | 6,859.53 | 5,593.27 | 0.00 | 5,593.27 |

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◆ Asset Detail - Base Currency

| Description / Asset ID Investment Mgr/ ID Shares/PAR value | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss | | Total |
|---|--------------------------------------|---------------------------|--------------|--------------|------------|----------------------|------|------------|
| | | | | | | Translation | | |
| Equity Securities | | | | | | | | |
| Total Other Equity | 80.000 | 0.00 | 12,452.80 | 6,859.53 | 5,593.27 | 0.00 | 0.00 | 5,593.27 |
| Total Equity Securities | 75,545.620 | 1,021.45 | 1,579,244.46 | 1,403,940.33 | 175,304.13 | 0.00 | 0.00 | 175,304.13 |
| Fixed Income Securities | | | | | | | | |
| Corporate/government | | | | | | | | |
| United States - USD | | | | | | | | |
| MFB NORTHERN FDS BD INDEX FD CUSIP 665162533 | 1,922 020 | 11 01 | 21,161 44 | 21,080 11 | 81 33 | 0 00 | 0 00 | 81 33 |
| Issue Date 25 Aug 08 | | | | | | | | |
| MFB NORTHN HI YIELD FXD INC FD CUSIP 665162699 | 28,014 500 | 7 23 | 202,544 83 | 198,695 86 | 3,848 97 | 0 00 | 0 00 | 3,848 97 |
| Issue Date 25 Aug 08 | | | | | | | | |
| Total USD | | 0 00 | 223,706 27 | 219,775 97 | 3,930 30 | 0 00 | 0 00 | 3,930 30 |
| Total United States | | 0 00 | 223,706 27 | 219,775 97 | 3,930 30 | 0 00 | 0 00 | 3,930 30 |
| Total Corporate/Government | 29,936.620 | 0.00 | 223,706.27 | 219,775.97 | 3,930.30 | 0.00 | 0.00 | 3,930.30 |
| Other bonds | | | | | | | | |
| United States - USD | | | | | | | | |
| MFC FLEXSHARES TR IBOXXX 5 YR TARGET DURATION TIPS INDEX FD CUSIP 339391605 | 770 000 | 25 89 | 19,935 30 | 19,989 20 | -53 90 | 0 00 | 0 00 | -53 90 |

*Generated by Northern Trust from reviewed periodic data on 21 Aug 12 B003

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|---|-------------------|--------------------------------------|---------------------------|--------------|------------|----------|-------------------------------------|----------|
| Fixed Income Securities | | | | | | | | |
| Other bonds | | | | | | | | |
| United States - USD | | | | | | | | |
| MFC FLEXSHARES TR TR IBOX 3 YR TARGET DURATION TIPS INDEX FD CUSIP 33939L506 | | 25.299 | 0.00 | 19,986.21 | 19,963.30 | 22.91 | 0.00 | 22.91 |
| Total USD | | | 0.00 | 39,921.51 | 39,952.50 | -30.99 | 0.00 | -30.99 |
| Total United States | | | 0.00 | 39,921.51 | 39,952.50 | -30.99 | 0.00 | -30.99 |
| Total Other Bonds | | | 0.00 | 39,921.51 | 39,952.50 | -30.99 | 0.00 | -30.99 |
| 1,560,000 | | | 0.00 | 263,627.78 | 259,728.47 | 3,899.31 | 0.00 | 3,899.31 |
| Total Fixed Income Securities | | | 0.00 | 263,627.78 | 259,728.47 | 3,899.31 | 0.00 | 3,899.31 |
| 31,496.520 | | | 0.00 | 111,668.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |
| Real Estate | | | | | | | | |
| Real estate funds | | | | | | | | |
| United States - USD | | | | | | | | |
| MFO DFA INV T DIMENSIONS GROUP INC INTL REAL ESTATE SECS PORT CUSIP 233203348 | | 5.02 | 0.00 | 56,009.44 | 52,997.00 | 3,012.44 | 0.00 | 3,012.44 |
| Total USD | | | 0.00 | 111,668.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |
| Total United States | | | 0.00 | 111,668.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |
| Total Real Estate Funds | | | 0.00 | 111,668.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |
| 13,269.540 | | | 0.00 | 111,668.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |

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◆ Asset Detail - Base Currency

| Description / Asset ID | Investment Mgr ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|--------------------------|-------------------|--------------------------------------|---------------------------|--------------|------------|----------|-------------------------------------|----------|
| Total Real Estate | | | | | | | | |
| | 13,269.540 | | 0.00 | 111,568.01 | 105,994.00 | 5,674.01 | 0.00 | 5,674.01 |

Commodities

Commodities

Global Region - USD

| | | | | | | | | |
|---|---------|--------|------|-----------|-----------|-----------|------|-----------|
| MFC SPDR GOLD TR GOLD SHS CUSIP 78463V107 | | | | | | | | |
| | 210,000 | 155.19 | 0.00 | 32,589.90 | 21,913.50 | 10,676.40 | 0.00 | 10,676.40 |
| Total USD | | | 0.00 | 32,589.90 | 21,913.50 | 10,676.40 | 0.00 | 10,676.40 |
| Total Global Region | | | 0.00 | 32,589.90 | 21,913.50 | 10,676.40 | 0.00 | 10,676.40 |

United States - USD

| | | | | | | | | |
|--|------------|------|------|-----------|-----------|-----------|------|-----------|
| MFO PIMCO FDS PAC INVT MGMT SER COMMODITY REALRETURN STRATEGY FD INSTL CUSIP 722005667 | | | | | | | | |
| | 11,287.110 | 6.42 | 0.00 | 72,463.24 | 79,401.53 | -6,938.29 | 0.00 | -6,938.29 |
| Total USD | | | 0.00 | 72,463.24 | 79,401.53 | -6,938.29 | 0.00 | -6,938.29 |
| Total United States | | | 0.00 | 72,463.24 | 79,401.53 | -6,938.29 | 0.00 | -6,938.29 |

Total Commodities

| | | | | | | | | |
|--|------------|--|------|------------|------------|----------|------|----------|
| | 11,497.110 | | 0.00 | 105,053.14 | 101,315.03 | 3,738.11 | 0.00 | 3,738.11 |
|--|------------|--|------|------------|------------|----------|------|----------|

Total Commodities

| | | | | | | | | |
|--|------------|--|------|------------|------------|----------|------|----------|
| | 11,497.110 | | 0.00 | 105,053.14 | 101,315.03 | 3,738.11 | 0.00 | 3,738.11 |
|--|------------|--|------|------------|------------|----------|------|----------|

Cash and Short Term Investments

Short term

Reporting

30 JUN 12

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◆ Asset Detail - Base Currency

| Description / Asset ID | Exchange rate/ local market price | Accrued income/expense | Market Value | Cost | Market | Unrealized gain/loss Translation | Total |
|--|--------------------------------------|---------------------------|---------------------|---------------------|-------------------|-------------------------------------|-------------------|
| Cash and Short Term Investments | | | | | | | |
| Short term | | | | | | | |
| USD - United States dollar | 1.00 | 0.00 | 17,637.51 | 17,637.51 | 0.00 | 0.00 | 0.00 |
| Total short term - all currencies | | 0.00 | 17,637.51 | 17,637.51 | 0.00 | 0.00 | 0.00 |
| Total short term - all countries | | 0.00 | 17,637.51 | 17,637.51 | 0.00 | 0.00 | 0.00 |
| Total Short Term | | 0.00 | 17,637.51 | 17,637.51 | 0.00 | 0.00 | 0.00 |
| Total Cash and Short Term Investments | | | | | | | |
| | | 0.00 | 17,637.51 | 17,637.51 | 0.00 | 0.00 | 0.00 |
| Total | | 1,021.45 | 2,077,230.90 | 1,888,615.34 | 188,615.56 | 0.00 | 188,615.56 |

Please note that this report has been prepared using best available data. This report may also contain information provided by third parties, derived by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction. Northern Trust assumes no responsibility for the accuracy, timeliness or completeness of any such information. Northern Trust assumes no responsibility for the consequences of investment decisions made in reliance on information contained in this report. If you have questions regarding third party data or direction as it relates to this report, please contact your Northern Trust relationship team.

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