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

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

2011For calendar year 2011 or tax year beginning **December-1**, 2011, and ending **November 20**, 2012

Name of foundation ARETE FOUNDATION		A Employer identification number 23-6779271			
Number and street (or P O box number if mail is not delivered to street address) 1845 WALNUT STREET		B Telephone number (see instructions) 215 717-3341			
City or town, state, and ZIP code PHILADELPHIA PA 19103		C If exemption application is pending, check here ► <input type="checkbox"/>			
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>			
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 102,148,629 (Part I, column (d) must be on cash basis.)		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			
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)	1,130,400			
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	85,222	85,222		
	4 Dividends and interest from securities	1,451,335	649,567		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	749,623			
	b Gross sales price for all assets on line 6a	28,633,952			
	7 Capital gain net income (from Part IV, line 2)		749,623		
	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)	-1,227	-1,227			
12 Total. Add lines 1 through 11	3,415,353	1,483,185			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	26,000			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest	99,314			
	18 Taxes (attach schedule) (see instructions)	474,244			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	44,345	43,927		
	24 Total operating and administrative expenses.	643,903	43,927		
Add lines 13 through 23					
25 Contributions, gifts, grants paid	5,931,087			5,931,087	
26 Total expenses and disbursements. Add lines 24 and 25	6,574,990	1,439,258		5,931,087	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	.3,159,637				
b Net investment income (if negative, enter -0-)		1,439,258			
c Adjusted net income (if negative, enter -0-)					

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9

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing	1,450,224	361,576	361,576
	2 Savings and temporary cash investments	30,381,024	15,478,913	15,478,913
Assets	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►	130,613	374,666	374,666
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	15,358,087	22,571,194	24,675,536
	b Investments—corporate stock (attach schedule)	5,307,089	5,507,074	6,575,745
	c Investments—corporate bonds (attach schedule)	1,885,000	1,885,000	1,885,000
	11 Investments—land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
Liabilities	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	27,543,467	33,710,304	52,797,193
	14 Land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
Net Assets or Fund Balances	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	82,055,504	79,888,727	102,148,629
	17 Accounts payable and accrued expenses	834,668	482,962	
	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 ► Security Purchase Payable)		1,291,250	
	23 Total liabilities (add lines 17 through 22)	834,668	1,774,212	
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	81,220,836	78,114,515	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	81,220,836	78,114,515	
	31 Total liabilities and net assets/fund balances (see instructions)	82,055,504	79,888,727	

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	81,220,836
2 Enter amount from Part I, line 27a	2	-3,159,637
3 Other increases not included in line 2 (itemize) ► LP Pass thrus- Sch K-1s Unrealized Gains	3	53,316
4 Add lines 1, 2, and 3	4	78,114,516
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	78,114,515

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 schedule					
a					
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					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(f) 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					
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	749,623	
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	438,144	

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			
2009			
2008			
2007			
2006			

2 Total of line 1, column (d)	2
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
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4
5 Multiply line 4 by line 3	5
6 Enter 1% of net investment income (1% of Part I, line 27b)	6
7 Add lines 5 and 6	7
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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	(attach copy of letter if necessary—see instructions)		
c	Date of ruling or determination letter: _____		1	28,785
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			
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3	28,785	
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	28,785	
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c	45,000	
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	45,000	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	16,215	
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ►	11		
	16,215	Refunded	►	

Part VII-A Statements Regarding Activities

	Yes	No
1a	✓	
1b	✓	
1c	✓	
2	✓	
3	✓	
4a	✓	
4b		
5	✓	
6	✓	
7	✓	
8a		
b		
9		
10	✓	

PENNSYLVANIA

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

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV

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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓
Website address ► none			
14	The books are in care of ► Sue Taylor Located at ► 1845 Walnut St 10th floor Philadelphia PA	Telephone no. ► 215 717-3341	ZIP+4 ► 19103
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. and enter the amount of tax-exempt interest received or accrued during the year	15	□
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes ✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly).		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input 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	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 ►□	1b	
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	✓
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	✓
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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	✓

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

5a	During the year did the foundation pay or incur any amount to:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Edward E. Cohen 1845 Walnut St. 10th floor Philadelphia, PA 19103	Trustee, As Required	0	0	0
Betsy Z. Cohen 1845 Walnut St 10th floor Philadelphia PA 19103	Trustee, As Required	0	0	0
Jonathan Z. Cohen 1845 Walnut St. 10th floor Philadelphia PA 19103	Trustee, As Required	0	0	0
Daniel G. Cohen 1845 Walnut St. 10th floor Philadelphia PA 19103	Trustee, As Required	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
.....				
.....				
.....				
.....				
.....				
Total number of other employees paid over \$50,000				► NONE

Part VII! 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."

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 Contributions to Tax Exempt Educational Organizations (23)

0

2 Contributions to Tax Exempt Charitable Organizations (24)

0

3 Contributions to Tax Exempt Religious Organizations (3)

0

4 Contributions to Tax Exempt Literary (1) and Scientific Organizations (3)

0

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1

2

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All other program-related investments See instructions

3

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Total. Add lines 1 through 3

Form 990-PF (2011)

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	76,152,558
b Average of monthly cash balances	1b	21,066,338
c Fair market value of all other assets (see instructions)	1c	252,640
d Total (add lines 1a, b, and c)	1d	97,471,536
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	97,471,536
4 Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	1,462,073
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	96,009,463
6 Minimum investment return. Enter 5% of line 5	6	4,800,473

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	4,800,473
2a Tax on investment income for 2011 from Part VI, line 5	2a	28,785
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	28,785
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	4,771,688
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	4,771,688
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	4,771,688

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	5,931,087
b Program-related investments—total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	5,931,087
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,931,087

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				4,771,688
2. Undistributed income, if any, as of the end of 2011.				
a. Enter amount for 2010 only				
b. Total for prior years: 20____, 20____, 20____				
3. Excess distributions carryover, if any, to 2011:				
a. From 2006				
b. From 2007				
c. From 2008				
d. From 2009				
e. From 2010	3,049,575			
f. Total of lines 3a through e	3,049,575			
4. Qualifying distributions for 2011 from Part XII, line 4: ► \$ 5,931,087				
a. Applied to 2010, but not more than line 2a				0
b. Applied to undistributed income of prior years (Election required—see instructions)		0		
c. Treated as distributions out of corpus (Election required—see instructions)	5,931,087			
d. Applied to 2011 distributable amount				4,771,688
e. Remaining amount distributed out of corpus	0			
5. Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6. Enter the net total of each column as indicated below:				
a. Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	8,980,662			
b. Prior years' undistributed income. Subtract line 4b from line 2b		0		
c. Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d. Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e. Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				0
f. Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0
7. Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	4,771,688			
8. Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9. Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	4,208,974			
10. Analysis of line 9:				
a. Excess from 2007				
b. Excess from 2008				
c. Excess from 2009				
d. Excess from 2010	3,049,575			
e. Excess from 2011	1,159,399			

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

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).)

Jonathan Z. Cohen 1107 Fifth Ave Apt 7S New York, NY 10128

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:

Sue Taylor, Executive Director, Arete Foundation 1845 Walnut St. 10th floor Philadelphia, PA 19103

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

Detailed Letter Request from Individual or Exempt Organization along with any organizational documents and copy of I.R.S. Exempt Determination Letter

c Any submission deadlines.

NONE

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

NONE

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
See attached schedule				
Total				► 3a 5,931,087
b Approved for future payment				
The Metropolitan Opera Lincoln Center, New York, NY 10023		Exempt	Phase II Campaign/other	2,400,000
Lincoln Center Theater 150 W. 65th Street New York, NY 10023		Exempt	Capital & Board Campaigns	750,000
Yale University P.O. Box 2036 New Haven, CT 06521-2038		Exempt	General Operating Support	400,000
Total				► 3b 3,550,000

Part XVI-A . Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income	Excluded by section 512, 513, or 514	(e) Related or exempt function income (See instructions:)	
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount
1	Program service revenue:				
a					
b					
c					
d					
e					
f					
g	Fees and contracts from government agencies				
2	Membership dues and assessments			514	85,222
3	Interest on savings and temporary cash investments			514	1,451,335
4	Dividends and interest from securities				
5	Net rental income or (loss) from real estate:				
a	Debt-financed property				
b	Not debt-financed property				
6	Net rental income or (loss) from personal property				
7	Other investment income			514	-1,227
8	Gain or (loss) from sales of assets other than inventory			514	749,623
9	Net income or (loss) from special events				
10	Gross profit or (loss) from sales of inventory				
11	Other revenue: a				
b					
c					
d					
e					
12	Subtotal. Add columns (b), (d), and (e)		0	2,284,953	0
13	Total. Add line 12, columns (b), (d), and (e)			13	2,284,953
(See worksheet in line 12 instructions to verify calculations.)					

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

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

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	1a(1)	✓
	(2) Other assets	1a(2)	✓
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
	(3) Rental of facilities, equipment, or other assets	1b(3)	✓
	(4) Reimbursement arrangements	1b(4)	✓
	(5) Loans or loan guarantees	1b(5)	✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

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

b If "Yes," complete the following schedule.

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

**Sign
Here**

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

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

Paid Preparer Use Only	Print/Type preparer's name Donna M. Zanghi CPA	Preparer's signature 	Date 10/11/13	Check <input checked="" type="checkbox"/> if self-employed	PTIN P01479345
	Firm's name ► Donna M. Zanghi CPA	Firm's EIN ►			
	Firm's address ► 806 Augusta Circle Mount Laurel, NJ 08054-2755	Phone no 856 727-0959			

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

Schedule of Contributors

OMB No 1545-0047

2011

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

Name of the organization

ARETE FOUNDATION

Employer identification number

23-6779271

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 $\frac{1}{3}$ % 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
ARETE FOUNDATIONEmployer identification number
23-6779271**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	Jonathan Z. Cohen 1107 Fifth Avenue Apt 7S New York, NY 10128	\$ 1,130,400	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

ARETE FOUNDATION

Employer identification number

23-6779271

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	45,000 shares of Limited Partnership Units Atlas Energy, L.P. (NYSE- ATLS)	\$ 1,130,400	12/6/2011
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	\$	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received

ARETE FOUNDATION
FORM 990-PF
E.I.N. 23-6779271
TAX YEAR ENDING NOVEMBER 30, 2012

PART IV CAPITAL GAINS AND LOSSES

(a)	Shares/ Par Value	(b) How Acquired		c) Date Acquired	d) Date Sold	e) Gross Sale Price	g) Cost or Other Basis	h) Gain or (loss)
		P- Purchase	D- Donation					
MUNICIPAL BONDS								
Kentucky 5.375% 11/1/23	1,000,000	P		08/22/11	12/19/11	1,145,020	1,128,410	16,610
California State Univ 5% 11/1/25	1,000,000	P		09/28/11	01/17/12	1,162,060	1,117,550	44,510
Distict of Columbia WTR 5% 10/1/26	1,000,000	P		10/03/11	09/28/12	1,159,220	1,102,120	57,100
Seattle Wash Mun Lt 5% 2/1/21	1,000,000	P		10/11/11	01/17/12	1,225,070	1,186,410	38,660
Triborough Bridge	1,000,000	P		10/13/11	12/20/11	1,228,540	1,198,190	30,350
Philadelphia Pa Hos 4% 7/1/23	1,000,000	P		10/27/11	12/06/11	1,036,220	1,026,330	9,890
New York , NY TRA 5% 11/1/23	1,000,000	P		11/17/11	12/07/11	1,175,800	1,171,010	4,790
New Jersey St Transportation 5 25% 6/15/22	7,000,000	P		12/01/11	12/01/11	791,329	787,122	4,207
Chicago II 5\$ 1/1/24	1,000,000	P		12/02/11	09/10/12	1,080,000	1,060,410	19,590
Met Transprn Auth5% 11/15/21	1,000,000	P		12/07/11	12/16/11	1,174,130	1,155,870	18,260
Massachusetts St WTr 4% 8/1/22	250,000	P		12/08/11	12/19/11	268,280	263,315	4,965
Sthrn Ca Public Pwr 5 25% 7/1/26	1,000,000	P		12/09/11	12/16/11	1,146,020	1,136,780	9,240
Chicago II Brd Ed 12/1/25	1,000,000	P		12/16/11	02/01/12	516,470	516,470	-
New Jersey St Transportation	1,000,000	P		12/19/11	01/31/12	468,700	468,700	-
Columbia SC Wtrwks & 5% 2/1/25	1,000,000	P		12/20/11	02/17/12	1,210,180	1,183,800	26,380
Chicago II Transit A 5% 12/1/21	1,000,000	P		12/21/11	01/23/12	1,215,200	1,170,840	44,360
North Carolina St Gran 5% 3/1/15	1,000,000	P		01/26/12	01/26/12	1,131,510	1,129,860	1,650
New York City NY Mun 5% 6/15/27	800,000	P		01/30/12	02/06/12	965,992	950,896	15,096
New York NY 5% 8/1/30	-	P		03/08/12	05/10/12	579,665	579,495	170
Ene Cnty NY Indl De 5% 5/1/22	1,000,000	P		04/19/12	04/24/12	1,203,150	1,200,960	2,190
Anzona State Board of Rg 5% 6/1/21	250,000	P		04/25/12	05/03/12	305,240	303,303	1,937
New York St Dorm Authority 5% 10/1/22	1,000,000	P		06/07/12	06/07/12	1,292,400	1,286,990	5,410
New York NY 5% 8/1/18	800,000	P		06/07/12	07/13/12	964,952	964,936	16
New York St Thruway 5% 1/1/22	150,000	P		07/11/12	07/12/12	179,487	178,526	962
New York City NY Tran 5% 7/15/22	705,000	P		07/19/12	07/23/12	869,596	867,644	1,953
Met Transprn Authority 5% 11/15/22	450,000	P		09/28/12	09/28/12	546,521	542,070	4,451
Connecticut State 4% 9/15/27	1,000,000	P		10/04/12	10/09/12	1,116,280	1,098,980	17,300
New York NY 5% 8/1/22	1,000,000	P		10/23/12	11/01/12	1,252,960	1,251,960	1,000
New York-St Dorm Authority 5% 4/1/17	800,000	P		10/31/12	10/31/12	936,776	936,024	752
Met Transportation Authority 5% 11/15/31	1,000,000	P		11/15/12	11/20/12	1,179,980	1,168,860	11,120
Detroit MI Water Sewerage Dept	100,000	P		06/26/12	10/26/12	107,175	100,000	7,175
Cash in Lieu- Atlas Resource Partners Distribution		D		03/12/12	03/12/12	29	-	29
LP Pass Thru Schedule K-1s-								
Atlas Energy LP		D						144,998
CVC Global Credit Opportunities Fund LP		P						60,691
Castine Partners II, LP		P						143,812
						\$ 28,633,952	\$ 28,233,830	\$ 749,623
						Part 1 Line 6b		
						Short Term Gains	438,144	
						Long Term Gains	311,479	
							\$ 749,623	

Schedule 1

ARETE FOUNDATION

FORM 990-PF

TAX YEAR ENDED NOVEMBER 30, 2012

EIN: 23-6779271

PART I:

Line 11: Other income

Pass thru Schedule K-1s: Partnerships-
Other portfolio loss

\$ (1,227)

Operating and Adminstrative Expenses

	Description	
Line 16c:	Other professional fees:	\$ 5,000
	Tax return preparation	5,000
	Advisory fees	
		<u>\$ 10,000</u>

Line 23: Other expenses

Bank charges	\$ 418
Pass thru Schedule K-1s: Partnerships-	
Investment expenses	43,927
	<u>\$ 44,345</u>

ARETE FOUNDATION
FORM-990-PF
E.I.N. 23-6779271
TAX YEAR ENDING NOVEMBER 30, 2012

PART IV CAPITAL GAINS AND LOSSES

(a)	(b) How Acquired							
	Shares/ Par Value	P- Purchase D- Donation	c) Date Acquired	d) Date Sold	e) Gross Sale Price	g) Cost or Other Basis	h) Gain or (loss)	
MUNICIPAL BONDS								
Kentucky 5 375% 11/1/23	1,000,000	P	08/22/11	12/19/11	1,145,020	1,128,410	16,610	
California State Univ 5% 11/1/25	1,000,000	P	09/28/11	01/17/12	1,162,060	1,117,550	44,510	
Distrcit of Columbia WTR 5% 10/1/26	1,000,000	P	10/03/11	09/28/12	1,159,220	1,102,120	57,100	
Seattle Wash Mun Lt 5% 2/1/21	1,000,000	P	10/11/11	01/17/12	1,225,070	1,186,410	38,660	
Triborough Bridge	1,000,000	P	10/13/11	12/20/11	1,228,540	1,198,190	30,350	
Philadelphia Pa Hos 4% 7/1/23	1,000,000	P	10/27/11	12/06/11	1,036,220	1,026,330	9,890	
New York , NY TRA 5% 11/1/23	1,000,000	P	11/17/11	12/07/11	1,175,800	1,171,010	4,790	
New Jersey St Transportation 5 25% 6/15/22	7,000,000	P	12/01/11	12/01/11	791,329	787,122	4,207	
Chicago II 5% 1/1/24	1,000,000	P	12/02/11	09/10/12	1,080,000	1,060,410	19,590	
Met Transprtn Auth5% 11/15/21	1,000,000	P	12/07/11	12/16/11	1,174,130	1,155,870	18,260	
Massachusetts St WTr 4% 8/1/22	250,000	P	12/08/11	12/19/11	268,280	263,315	4,965	
Sthm Ca Public Pwr 5 25% 7/1/26	1,000,000	P	12/09/11	12/16/11	1,146,020	1,136,780	9,240	
Chicago II Brd Ed 12/1/25	1,000,000	P	12/16/11	02/01/12	516,470	516,470	-	
New Jersey St Transportation	1,000,000	P	12/19/11	01/31/12	468,700	468,700	-	
Columbia SC Wtrwks & 5% 2/1/25	1,000,000	P	12/20/11	02/17/12	1,210,180	1,183,800	26,380	
Chicago II Transit A 5% 12/1/21	1,000,000	P	12/21/11	01/23/12	1,215,200	1,170,840	44,360	
North Carolina St Gran 5% 3/1/15	1,000,000	P	01/26/12	01/26/12	1,131,510	1,129,860	1,650	
New York City NY Mun 5% 6/15/27	800,000	P	01/30/12	02/06/12	965,992	950,896	15,096	
New York NY 5% 8/1/30	-	P	03/08/12	05/10/12	579,665	579,495	170	
Ene Cnty NY Indl De 5% 5/1/22	1,000,000	P	04/19/12	04/24/12	1,203,150	1,200,960	2,190	
Arizona State Board of Rg 5% 6/1/21	250,000	P	04/25/12	05/03/12	305,240	303,303	1,937	
New York St Domn Authonty 5% 10/1/22	1,000,000	P	06/07/12	06/07/12	1,292,400	1,286,990	5,410	
New York NY 5% 8/1/18	800,000	P	06/07/12	07/13/12	964,952	964,936	16	
New York St Thruway 5% 1/1/22	150,000	P	07/11/12	07/12/12	179,487	178,526	962	
New York City NY Tran 5% 7/15/22	705,000	P	07/19/12	07/23/12	869,596	867,644	1,953	
Met Transprtn Authority 5% 11/15/22	450,000	P	09/28/12	09/28/12	546,521	542,070	4,451	
Connecticut State 4% 9/15/27	1,000,000	P	10/04/12	10/09/12	1,116,280	1,098,980	17,300	
New York NY 5% 8/1/22	1,000,000	P	10/23/12	11/01/12	1,252,960	1,251,960	1,000	
New York St Domn Authonty 5% 4/1/17	800,000	P	10/31/12	10/31/12	-936,776	936,024	-752	
Met Transportation Authority 5% 11/15/31	1,000,000	P	11/15/12	11/20/12	1,179,980	1,168,860	11,120	
Detroit MI Water Sewerage Dept	100,000	P	06/26/12	10/26/12	107,175	100,000	7,175	
Cash in Lieu- Atlas Resource Partners Distribution		D	03/12/12	03/12/12	29	-	29	
LP Pass Thru Schedule K-1s-								
Atlas Energy LP		D					144,998	
CVC Global Credit Opportunities Fund LP		P					60,691	
Castine Partners II, LP		P					143,812	
					\$ 28,633,952	\$ 28,233,830	\$ 749,623	
					Part 1 Line 6b			
						Short Term Gains	438,144	
						Long Term Gains	311,479	
							\$ 749,623	

Schedule 1

ARETE FOUNDATION

FORM 990-PF

TAX YEAR ENDED NOVEMBER 30, 2012

EIN: 23-6779271

PART I:

Line 11: Other income

Pass thru Schedule K-1s: Partnerships-
Other portfolio loss \$ (1,227)

Operating and Adminstrative Expenses

	Description	
Line 16c:	Other professional fees:	\$ 5,000
	Tax return preparation	5,000
	Advisory fees	<u><u>\$ 10,000</u></u>

Line 23: Other expenses

Bank charges	\$ 418
Pass thru Schedule K-1s: Partnerships-	
Investment expenses	<u>43,927</u>
	<u><u>\$ 44,345</u></u>

ARETE FOUNDATION
FORM 990-PF
EIN 23-6779271
TAX YEAR ENDING NOVEMBER 30, 2012

PART II: BALANCE SHEETS

	Book Value 11/30/2011	Book Value 11/30/2012	Fair Market Value 11/30/2012
--	--------------------------	--------------------------	------------------------------------

Line 10a- Investments in State and Local Obligations

Various

\$ 15,358,087 \$ 22,571,194 \$ 24,675,536

Line 10b- Investments in Corporate Stocks

Resource America, Inc -	641,607 shares- common stock	\$ 3,438,089	\$ 3,438,089	\$ 4,407,840
Resource Capital Corporation-	300,000 shares- common stock	1,425,000	1,425,000	1,776,000
Resource Capital Corporation-	8,510 shares- preferred stock	-	199,985	217,005
The Bancorp, Inc -	15,000 shares- common stock	444,000	444,000	174,900
		\$ 5,307,089	\$ 5,507,074	\$ 6,575,745

Line 10c- Investments- Corporate Bonds

Resource America, Inc Senior Notes- 9%, Due 10/15/2013	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000
--	--------------	--------------	--------------

Line 13- Investments- Other:

TD Bank N A. Certificate of Deposit	\$ 254,822	\$ 255,162	\$ 255,162
Resource America, Inc Warrants	-	-	911,047
Granduer Peak Global Opportunities Fund-			
208,333 shares	-	500,000	508,333
Independent Franchise Partners Equity Fund			
97,466 shares	-	1,000,000	1,107,214
RAIT Financial Trust-			
126,801 common shares of beneficial interest	2,082,574	2,082,574	234,582
Investment in Limited Partnerships			
Castine Partners II, LP	2,181,164	2,231,747	2,231,747
CVC Credit Opportunity Fund LP	1,193,022	1,178,536	1,178,536
Scopus Partners, LP	-	500,000	502,392
Atlas Energy, LP-			
1,133,685 and 1,178,685 units- common limited partner interests	21,831,885	21,650,477	39,839,553
Atlas Resource Partners, LP-			
270,342 units- common limited partner interests	-	4,311,808	6,028,627
	\$ 27,543,467	\$ 33,710,304	\$ 52,797,193

PART III: ANALYSIS OF CHANGES IN NET ASSETS OR FUND BALANCES

Line 5-

Unrealized Losses/UBTI Schedule K-1 Passthrus Partnership investments

\$ 53,316

PART VII-A: LIST OF SUBSTANTIAL CONTRIBUTORS

Line 10- 1 Jonathan Z. Cohen
1107 Fifth Ave, Apt 7S
New York, NY 10128

PART VIII. Information about Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

(a) Name and address	(b) Title and Average Hours	(c) Compensation	(d) Contributions to employee plans
Sue Taylor 1845 Walnut St 10th fl Philadelphia, PA 19103	Executive Director, As required	\$ 26,000	\$ -

ARETE FOUNDATION
FORM 990-PF
EIN 23-6779271

PART XV SUPPLEMENTARY INFORMATION-
PART 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	Purpose of Grant/Contribution	AMOUNT
A) PAID DURING THE YEAR					
American Academy in Rome 7 East 60th St New York, NY 10022	Not Applicable		EXEMPT	Educational General Operating Support, Challenge Grant, Tribute Dinner	\$ 275,000
American Cancer Society 132 W 32nd St New York, NY 10001	Not Applicable		EXEMPT	Scientific Support for Bike-A-Thon	\$ 500
American Philological Association University of Pennsylvania 220 S. 40th Street, Suite 201E Philadelphia, PA 19104-6304	Not Applicable		EXEMPT	Educational Gatekeeper to Gateway Campaign	\$ 22,186
American Poetry Review 117 South 17th Street Suite 910 Philadelphia, PA 19103	Not Applicable		EXEMPT	Literary General Operating Support	\$ 25,000
American School of Classical Studies at Athens 6-8 Charlton Street Princeton, NJ 08540	Not Applicable		EXEMPT	Educational Research Fellowship, Gennadius Library Support-Dinner, ASCSA Fellowship Program, Board Support	\$ 158,500
Asia Society 725 Park Avenue New York, NY 10021-5088	Not Applicable		EXEMPT	Educational Study Tour Support, Annual Awards Dinner, Annual Fund, Gala Week, Art Fair Support, and Chairman's Circle Membership	\$ 295,000
Big Tree Boating P O Box 273 Islesboro, ME 04848	Not Applicable		EXEMPT	Chantable General Operating Support	\$ 250
Brooklyn Academy of Music Peter Jay Sharp Building 30 Lafayette Ave Brooklyn, NY 11217-1486	Not Applicable		EXEMPT	Educational General Operating Support	\$ 50,000
Bryn Mawr Film Institute 824 Lancaster Ave Bryn Mawr, PA 19010	Not Applicable		EXEMPT	Educational The Theater Three Challenge Campaign	\$ 25,000
Center City Opera Theater P O Box 63848 Philadelphia, PA 19117	Not Applicable		EXEMPT	Chantable Electronic Media Promotional Support	\$ 8,000
				Page Total \$	859,436

ARETE FOUNDATION
FORM 990-PF
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**PART XV SUPPLEMENTARY INFORMATION
PART 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	Purpose of Grant/Contribution	AMOUNT
A) PAID DURING THE YEAR				
Center for Maine Contemporary Art 162 Russell Avenue P O Box 1477 Rockport, ME 04856	Not Applicable	EXEMPT	Educational Annual Fund	\$ 5,000
Classical Stage Company 136 East 13th Street New York, NY 10003	Not Applicable	EXEMPT	Charitable General Operating Support	\$ 10,000
Columbia University Center for the Ancient Mediterranean 624 Fayerweather Hall 1180 Amsterdam Avenue New York, NY 10027	Not Applicable	EXEMPT	Educational Support for Summer Travel Program	\$ 25,000
Conservation Foundation of the Gulf Coast 400 Palmetto Avenue PO Box 902 Osprey, FL 34229-0902	Not Applicable	EXEMPT	Educational Policy Institute Support	\$ 50,000
Fleisher Art Memorial 719 Catherine St Philadelphia, PA 19147-2811	Not Applicable	EXEMPT	Educational General Operating Support	\$ 2,000
Foreign Policy Association 470 Park Avenue South New York, NY 10016	Not Applicable	EXEMPT	Charitable Annual Dinner Support	\$ 30,000
Hellenic University Club of Philadelphia 1046 W Olney Avenue Philadelphia, PA 19141	Not Applicable	EXEMPT	Charitable Awards Dinner Support	\$ 1,000
Islesboro Community Center P O Box 267 Islesboro, ME 04848	Not Applicable	EXEMPT	Charitable Support for Construction Fundraising Campaign	\$ 10,000
Island Institute 386 Main Street Rockland, ME 04841	Not Applicable	EXEMPT	Educational General Support	\$ 10,000
Islesboro Islands Trust P O Box 182 Islesboro, ME 04848	Not Applicable	EXEMPT	Charitable General Operating Support, Support for Broadpoint Land Acquisition	\$ 105,000
				Page Total \$ 248,000

ARETE FOUNDATION
FORM 980-PF
EIN. 23-6779271

PART XV: SUPPLEMENTARY INFORMATION
PART 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	Purpose of Grant/Contribution	AMOUNT
A) PAID DURING THE YEAR				
Juvenile Diabetes Research Foundation 255 City Line Avenue Suite 104 Philadelphia, PA 19004	Not Applicable	EXEMPT	Scientific Walk for a Cure Support	\$ 5,000
Lincoln Center Theater 150 W 65th Street New York, NY 10023	Not Applicable	EXEMPT	Charitable Capital Campaign, Board Campaign	\$ 550,000
Machine Israel of Philadelphia Lubavitcher Center 7622 Castor Ave Philadelphia, PA 19152	Not Applicable	EXEMPT	Religious General Operating Support	\$ 200,000
Maine Community Foundation 245 Main Street Ellsworth, ME 04605	Not Applicable	EXEMPT	Charitable Support for Islesboro Central School Construction Fund	\$ 83,891
Main Line Arts Center 746 Panmure Road Haverford, PA 19041	Not Applicable	EXEMPT	Charitable Art 75 Campaign Support	\$ 25,000
Maine Media Workshops 70 Camden St Rockport, ME 04856	Not Applicable	EXEMPT	Charitable Support for New Vision Campaign, Planning Grant	\$ 57,000
Maine Public Broadcasting Network 63 Texas Ave Bangor, Maine 04401	Not Applicable	EXEMPT	Educational General Operating Support	\$ 10,000
NYCharities.Org, Inc 50 Broadway Suite 803A New York, NY 10004	Not Applicable	EXEMPT	Charitable General Operating Support	\$ 1,000
New York City Opera 20 Lincoln Center New York, NY 10023	Not Applicable	EXEMPT	Charitable General Operating Support, Spring Gala Support	\$ 37,500
New York Public Radio 160 Varick Street New York, NY 10013	Not Applicable	EXEMPT	Charitable Gala Support	\$ 12,500
				Page Total \$ 981,891

ARETE FOUNDATION TAX YEAR ENDED NOVEMBER 30, 2012
 FORM 990-PF
 EIN: 23-6779271

PART XV. SUPPLEMENTARY INFORMATION-
PART 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	AMOUNT	Purpose of Grant/Contribution
A) PAID DURING THE YEAR				
Operation Understanding 30 So 15th Street Philadelphia, PA 19102	Not Applicable	EXEMPT	\$ 5,000	Charitable Support- Annual Reception
Outward Bound Center for Peacebuilding 24-46 Northern Blvd Long Island City, NY 11101	Not Applicable	EXEMPT	\$ 25,000	Charitable General Operating Support
Robert F Kennedy Center for Justice and Human Rights 1367 Connecticut Avenue NW Suite 200 Washington, DC 20036	Not Applicable	EXEMPT	\$ 50,000	Charitable Support for Compass Program
Roundabout Theatre Company 231 West 39th Street Suite 1200 New York, NY 10018	Not Applicable	EXEMPT	\$ 150,000	Charitable Support for Spring Gala Event, Annual Fund
Rush Philanthropic Arts Foundation, Inc 512 Seventh Avenue, 43rd floor New York, NY 10018	Not Applicable	EXEMPT	\$ 50,000	Charitable Support for Annual Art for Life Benefit
Park Avenue Synagogue 50 East 87th Street New York, NY 10128-1099	Not Applicable	EXEMPT	\$ 62,000	Religious General Operating Support
Perslman Jewish Day School 49 Haverford Road Wynnewood, PA 19086	Not Applicable	EXEMPT	\$ 50,000	Educational General Operating Support
Pripet Ridding Program c/o Anchin, Block and Anchin LLP 1375 Broadway New York, NY 10018	Not Applicable	EXEMPT	\$ 3,300	Charitable Support for Equestrian Program- Maine
Sante Fe Opera 301 Opera Drive Sante Fe, NM 87506-2823	Not Applicable	EXEMPT	\$ 50,000	Charitable General Operating Support
The Barnes Foundation 230 North 21st St 1st flr Philadelphia, PA 19103	Not Applicable	EXEMPT	\$ 75,000	Educational Opening Gala, Chairman's Circle Gift
				Page Total \$ 520,300

ARETE FOUNDATION
FORM 990-PF
EIN: 23-6779271

**PART XV: SUPPLEMENTARY INFORMATION
PART 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	Purpose of Grant/Contribution	AMOUNT	
				EXEMPT	Charitable Boardman Cottage Permanent Fund
The Beacon Project P O Box 1135 Islesboro, ME 04848	Not Applicable	EXEMPT	Educational 125th Anniversary Campaign, Annual Fund, and Benefit 2011-2012	\$ 25,000	\$ 187,500
The Brearley School 610 East 83rd Street New York, NY 10028	Not Applicable	EXEMPT	Educational Support for Momentum Campaign- Directors Discretionary Fund	\$ 26,000	\$ 26,000
The Farnsworth Art Museum 16 Museum Street Rockland, ME 04841	Not Applicable	EXEMPT	Charitable General Operating Support	\$ 75,000	\$ 75,000
The Independence Alliance for Minority Affairs 1545 Wilshire Boulevard- Suite 711 Los Angeles, CA 90017	Not Applicable	EXEMPT	Religious Support for Annual Dinner	\$ 50,000	\$ 50,000
The Jewish Theological Seminary of America 3080 Broadway New York, NY 10027	Not Applicable	EXEMPT	Educational General Operating Support	\$ 25,000	\$ 25,000
The Lawrenceville School Hogate Hall Box 6125 Lawrenceville, NJ 08648	Not Applicable	EXEMPT	Educational Support for 2011-2012 Chairman's Council	\$ 50,000	\$ 50,000
The Metropolitan Museum of Art 1000 Fifth Avenue New York, NY 10028-0198	Not Applicable	EXEMPT	Charitable Support for Holiday Tree, Gala Event, Pledge For Phase II Campaign for the Met, Rush Tickets Program Support	\$ 2,475,460	\$ 2,475,460
The Metropolitan Opera Association, Inc Lincoln Center New York, NY 10023	Not Applicable	EXEMPT	Educational General Operating Support	\$ 5,000	\$ 5,000
The Museum of Arts and Design 2 Columbus Circle New York, NY	Not Applicable	EXEMPT	Educational Support for Strategic Planning Review, Chairman's Council, General Operating Support	\$ 32,500	\$ 32,500
The Philadelphia Museum of Art P O Box 7646 Philadelphia, PA 19101-7646	Not Applicable				
				Page Total	\$ 2,951,460

ARETE FOUNDATION TAX YEAR ENDED NOVEMBER 30, 2012
 FORM 990-PF
 EIN: 23-6779271

PART XV SUPPLEMENTARY INFORMATION-
PART 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	Purpose of Grant/Contribution	AMOUNT
A) PAID DURING THE YEAR				
The University of Pennsylvania 3451 Walnut Street 433 Franklin Building Philadelphia, PA 19104-3309	Not Applicable	EXEMPT	Scientific <i>Abramson Cancer Center Directors Fund</i>	\$ 200,000
The University of Pennsylvania School of Arts and Sciences 3615 Market St Fl 2 Philadelphia, PA 19104	Not Applicable	EXEMPT	Educational <i>Endow Scholarship Fund Annual Fund</i>	\$ 40,000
University of Chicago 1427 East 60th Street Suite 120 Chicago, IL 60637	Not Applicable	EXEMPT	Educational <i>Educational Grant</i>	\$ 30,000
Yale University P O Box 2038 New Haven, CT 06521-2038	Not Applicable	EXEMPT	Educational <i>General Operating Support</i>	\$ 100,000
				Page Total \$ 370,000
				\$ 5,931,087
TOTAL CASH CONTRIBUTIONS				

**Application for Extension of Time To File an
Exempt Organization Return**

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ►
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ►

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	Number, street, and room or suite no. If a P O box, see instructions.	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► _____

Telephone No. ► _____ FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box ► . If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until _____, 20_____, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► calendar year 20____ or

► tax year beginning _____, 20_____, and ending _____, 20_____.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions

3a	\$
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- 3b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.

3b	\$
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- 3c **Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.

3c	\$
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Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions Arete Foundation	Employer identification number (EIN) or 23-6779271
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 1845 Walnut St 10th floor	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Philadelphia PA 19103	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ► **Sue Taylor**
Telephone No. ► **215 717-3341** FAX No. ►
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **October 15**, 20 **13**.

5 For calendar year , or other tax year beginning **December 1**, 20 **11**, and ending **November 30**, 20 **12**.

6 If the tax year entered in line 5 is for less than 12 months, check reason. Initial return Final return
 Change in accounting period

7 State in detail why you need the extension

Additional tax information needed from third parties needed to complete the return

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$ 28,785
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$ 45,000
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$ 0

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ►

Title ►

Date ►