Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

**2012**

Open to public inspection

**For calendar year 2012 or tax year beginning , and ending**

| | |
|---|---|
| Name of foundation<br>THE ARCA FOUNDATION<br>C/O PNC BANK, N.A. - AGENT | **A Employer identification number**<br>13-2751798 |
| Number and street (or P O box number if mail is not delivered to street address)<br>1600 MARKET ST. -HAWTHORN, 29TH FL. — Room/suite | **B** Telephone number<br>215.585.4419 |
| City or town, state, and ZIP code<br>PHILADELPHIA, PA 19103-7240 | **C** If exemption application is pending, check here ▶ ☐ |
| **G** Check all that apply: ☐ Initial return ☐ Initial return of a former public charity<br>☐ Final return ☐ Amended return<br>☒ Address change ☐ Name change | **D** 1. Foreign organizations, check here ▶ ☐<br>2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐ |
| **H** Check type of organization: ☒ Section 501(c)(3) exempt private foundation<br>☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation | **E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐ |
| **I** Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 51,687,730.<br>**J** Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)* | **F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐ |

**Part I** **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

| | | (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 | 28,000. | | N/A | |
| | 2 Check ▶ ☐ if the foundation is not required to attach Sch B | | | | |
| | 3 Interest on savings and temporary cash investments | | | | |
| | 4 Dividends and interest from securities | 1,202,095. | 1,202,095. | | STATEMENT 1 |
| | 5a Gross rents | 57,600. | 57,600. | | STATEMENT 2 |
| | b Net rental income or (loss) 57,600. | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | 888,752. | | | |
| | b Gross sales price for all assets on line 6a 23,588,855. | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | 888,752. | | |
| | 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) | | | | |
| | 11 Other income | 3,211,451. | 0. | | STATEMENT 3 |
| | 12 **Total.** Add lines 1 through 11 | 5,387,898. | 2,148,447. | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc | 25,000. | 0. | | 25,000. |
| | 14 Other employee salaries and wages | 278,375. | 0. | | 278,375. |
| | 15 Pension plans, employee benefits | 10,470. | 0. | | 10,470. |
| | 16a Legal fees STMT 4 | 15,365. | 0. | | 15,365. |
| | b Accounting fees STMT 5 | 17,661. | 0. | | 17,661. |
| | c Other professional fees STMT 6 | 100,579. | 97,654. | | 2,925. |
| | 17 Interest | | | | |
| | 18 Taxes STMT 7 | 144,053. | 0. | | 38,797. |
| | 19 Depreciation and depletion | 59,898. | 0. | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | 42,958. | 0. | | 42,958. |
| | 22 Printing and publications | | | | |
| | 23 Other expenses STMT 8 | 80,984. | 0. | | 80,984. |
| | 24 **Total operating and administrative expenses.** Add lines 13 through 23 | 775,343. | 97,654. | | 512,535. |
| | 25 Contributions, gifts, grants paid | 2,183,650. | | | 2,183,650. |
| | 26 **Total expenses and disbursements.** Add lines 24 and 25 | 2,958,993. | 97,654. | | 2,696,185. |
| | 27 Subtract line 26 from line 12: | | | | |
| | a Excess of revenue over expenses and disbursements | 2,428,905. | | | |
| | b **Net investment income** (if negative, enter -0-) | | 2,050,793. | | |
| | c **Adjusted net income** (if negative, enter -0-) | | | N/A | |

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12-05-12 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2012)



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07561103 781457 13-2751798 2012.04030 THE ARCA FOUNDATION C/O PNC 13-27511

| Part II Balance Sheets (Attached schedules and amounts in the description column should be for end-of-year amounts only) | | Beginning of year (a) Book Value | End of year (b) Book Value | (c) Fair Market Value |
|---|---|---|---|---|
| **Assets** 1 Cash - non-interest-bearing | | 295,971. | 549,676. | 549,676. |
| 2 Savings and temporary cash investments | | 1,694,429. | 1,726,536. | 1,726,536. |
| 3 Accounts receivable ▶ | 39,196. | | | |
| Less: allowance for doubtful accounts ▶ | | 45,145. | 39,196. | 39,196. |
| 4 Pledges receivable ▶ | | | | |
| Less: allowance for doubtful accounts ▶ | | | | |
| 5 Grants receivable | | | | |
| 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | | |
| 7 Other notes and loans receivable ▶ | | | | |
| Less: allowance for doubtful accounts ▶ | | | | |
| 8 Inventories for sale or use | | | | |
| 9 Prepaid expenses and deferred charges | | 9,355. | 5,502. | 5,502. |
| 10a Investments - U.S. and state government obligations STMT 9 | | 7,885,111. | 9,643,730. | 9,643,730. |
| b Investments - corporate stock STMT 10 | | 30,563,393. | 32,363,886. | 32,363,886. |
| c Investments - corporate bonds STMT 11 | | 6,684,929. | 5,406,837. | 5,406,837. |
| 11 Investments - land, buildings, and equipment basis ▶ | 2,291,025. | | | |
| Less accumulated depreciation ▶ | 668,539. | 1,653,139. | 1,622,486. | 1,622,486. |
| 12 Investments - mortgage loans | | | | |
| 13 Investments - other | | | | |
| 14 Land, buildings, and equipment basis ▶ | | | | |
| Less accumulated depreciation ▶ | | | | |
| 15 Other assets (describe ▶ STATEMENT 12) | | 90,301. | 329,881. | 329,881. |
| 16 **Total assets** (to be completed by all filers) | | 48,921,773. | 51,687,730. | 51,687,730. |
| **Liabilities** 17 Accounts payable and accrued expenses | | 37,634. | 37,387. | |
| 18 Grants payable | | 205,000. | | |
| 19 Deferred revenue | | | | |
| 20 Loans from officers, directors, trustees, and other disqualified persons | | | | |
| 21 Mortgages and other notes payable | | | | |
| 22 Other liabilities (describe ▶ STATEMENT 13) | | 94,349. | 636,648. | |
| 23 **Total liabilities** (add lines 17 through 22) | | 336,983. | 674,035. | |
| **Net Assets or Fund Balances** **Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31.** | | | | |
| 27 Capital stock, trust principal, or current funds | | 48,584,790. | 51,013,695. | |
| 28 Paid-in or capital surplus, or land, bldg., and equipment fund | | 0. | 0. | |
| 29 Retained earnings, accumulated income, endowment, or other funds | | 0. | 0. | |
| 30 **Total net assets or fund balances** | | 48,584,790. | 51,013,695. | |
| 31 **Total liabilities and net assets/fund balances** | | 48,921,773. | 51,687,730. | |

**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 | 48,584,790. |
| 2 Enter amount from Part I, line 27a | 2 | 2,428,905. |
| 3 Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 Add lines 1, 2, and 3 | 4 | 51,013,695. |
| 5 Decreases not included in line 2 (itemize) ▶ | 5 | 0. |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 51,013,695. |

## 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 SCHEDULE ATTACHED - 7759131 | P | VARIOUS | VARIOUS |
| b | SEE SCHEDULE ATTACHED - 7759131 | P | VARIOUS | VARIOUS |
| c | SEE SCHEDULE ATTACHED - 7759131 | P | VARIOUS | VARIOUS |
| 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 | 9,641,555. | | 9,867,352. | <225,797.> |
| b | 13,946,934. | | 12,832,751. | 1,114,183. |
| c | 366. | | | 366. |
| 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 | | | | <225,797.> |
| b | | | | 1,114,183. |
| c | | | | 366. |
| 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 | 888,752. |
| 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). If (loss), enter -0- in Part I, line 8 | 3 | N/A |

## 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)) |
|---|---|---|---|
| 2011 | 2,710,251. | 48,619,883. | .055744 |
| 2010 | 2,622,299. | 45,639,410. | .057457 |
| 2009 | 2,458,446. | 40,865,766. | .060159 |
| 2008 | 3,447,189. | 50,722,190. | .067962 |
| 2007 | 4,190,533. | 60,752,813. | .068977 |

| | | | |
|---|---|---|---|
| 2 | **Total** of line 1, column (d) | 2 | .310299 |
| 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 | .062060 |
| 4 | Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 | 4 | 48,489,106. |
| 5 | Multiply line 4 by line 3 | 5 | 3,009,234. |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 20,508. |
| 7 | Add lines 5 and 6 | 7 | 3,029,742. |
| 8 | Enter qualifying distributions from Part XII, line 4 | 8 | 2,696,185. |

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

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

| | | | | |
|---|---|---|---|---|
| 1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions) | | | | |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b | | | 1 | 41,016. |
| c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b). | | | | |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | | 2 | 0. |
| 3 Add lines 1 and 2 | | | 3 | 41,016. |
| 4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | | 4 | 0. |
| 5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0- | | | 5 | 41,016. |
| 6 Credits/Payments: | | | | |
| a 2012 estimated tax payments and 2011 overpayment credited to 2012 | 6a | 39,821. | | |
| b Exempt foreign organizations - tax withheld at source | 6b | | | |
| c Tax paid with application for extension of time to file (Form 8868) | 6c | 23,000. | | |
| d Backup withholding erroneously withheld | 6d | | | |
| 7 Total credits and payments. Add lines 6a through 6d | | | 7 | 62,821. |
| 8 Enter any **penalty** for underpayment of estimated tax. Check here [X] 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 | |
| 10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶ | | | 10 | 21,805. |
| 11 Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 21,805. **Refunded** ▶ | | | 11 | 0. |

## Part VII-A Statements Regarding Activities

| | | Yes | No |
|---|---|---|---|
| 1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a | | X |
| b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? | 1b | | X |
| *If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities* | | | |
| c Did the foundation file **Form 1120-POL** for this year? | 1c | | X |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0. | | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0. | | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.* | 2 | | X |
| 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* | 3 | | X |
| 4a Did the foundation have unrelated business gross income of $1,000 or more during the year? | 4a | | X |
| b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A | 4b | | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.* | 5 | | X |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | X | |
| 7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.* | 7 | X | |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DC, NY | | | |
| b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation* | 8b | X | |
| 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV* | 9 | | X |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | 10 | | X |

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

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

Website address ▶ WWW.ARCAFOUNDATION.ORG

14 The books are in care of ▶ PNC BANK, N.A. - AGENT Telephone no. ▶ 215.585.4419

Located at ▶ 1600 MARKET ST. -HAWTHORN, 29TH FL., PHILA., PA ZIP+4 ▶ 19103-7240

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 N/A

| | | | Yes | No |
|---|---|---|---|---|
| 16 | At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? | 16 | | X |
| | See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶ | | | |

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

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

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the year did the foundation (either directly or indirectly): | | | |
| | (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No | | | |
| | (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No | | | |
| | (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No | | | |
| | (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No | | | |
| | (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☒ Yes ☐ No | | | |
| | (6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No | | | |
| b | If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? | 1b | | X |
| | 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 2012? | 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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ 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.) N/A | 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. ▶ ____, ____, ____, ____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No | | | |
| b | If "Yes," did it have excess business holdings in 2012 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 2012.)* N/A | 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 2012? | 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)? ☐ 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)? N/A **5b**

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

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

*If "Yes," attach the statement required by Regulations section 53 4945-5(d).*

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

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

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

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

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

**1 List all officers, directors, trustees, foundation managers and their compensation.**

| (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 14 | | 50,740. | 0. | 0. |

**2 Compensation of five highest-paid employees (other than those included on line 1). 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 |
|---|---|---|---|---|
| ANNA LEFER KUHN, 1308 19TH ST., NW, WASHINGTON, DC 20036 | EXECUTIVE DIRECTOR 40.00 | 130,000. | 6,500. | 0. |
| REBECCA FREEDMAN, 1308 19TH ST., NW, WASHINGTON, DE 20036 | GRANTS OFFICER 40.00 | 55,000. | 3,970. | 0. |

**Total** number of other employees paid over $50,000 ▶ 0

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

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

| (a) Name and address of each person paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| PNC BANK, N.A. - AGENT<br>ONE EAST PRATT STREET, BALTIMORE, MD 21202 | INVESTMENT MGMT. | 97,654. |
| | | |
| | | |
| | | |
| | | |
| **Total** number of others receiving over $50,000 for professional services ▶ | | 0 |

**Part IX-A** **Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc. | Expenses |
|---|---|
| 1 N/A | 0. |
| 2 | |
| 3 | |
| 4 | |

**Part IX-B** **Summary of Program-Related Investments**

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2. | Amount |
|---|---|
| 1 N/A | 0. |
| 2 | |
| All other program-related investments. See instructions.<br>3 N/A | 0. |
| **Total.** Add lines 1 through 3 ▶ | 0. |

Form **990-PF** (2012)

223561
12-05-12

## 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 | 48,813,540. |
| b | Average of monthly cash balances | 1b | 413,979. |
| c | Fair market value of all other assets | 1c | |
| d | **Total** (add lines 1a, b, and c) | 1d | 49,227,519. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0. | | |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | 0. |
| 3 | Subtract line 2 from line 1d | 3 | 49,227,519. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 738,413. |
| 5 | **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 48,489,106. |
| 6 | **Minimum investment return.** Enter 5% of line 5 | 6 | 2,424,455. |

## 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 | 2,424,455. |
| 2a | Tax on investment income for 2012 from Part VI, line 5 2a 41,016. | | |
| b | Income tax for 2012. (This does not include the tax from Part VI.) 2b | | |
| c | Add lines 2a and 2b | 2c | 41,016. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 2,383,439. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 2,383,439. |
| 6 | Deduction from distributable amount (see instructions) | 6 | 0. |
| 7 | **Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 | 2,383,439. |

## 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 | 2,696,185. |
| b | Program-related investments - total from Part IX-B | 1b | 0. |
| 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 | 2,696,185. |
| 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 | 5 | 0. |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 2,696,185. |

**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 2011 | (c) 2011 | (d) 2012 |
|---|---|---|---|---|
| 1 Distributable amount for 2012 from Part XI, line 7 | | | | 2,383,439. |
| 2 Undistributed income, if any, as of the end of 2012 | | | | |
| a Enter amount for 2011 only | | | 0. | |
| b Total for prior years: ____, ____, ____ | | 0. | | |
| 3 Excess distributions carryover, if any, to 2012: | | | | |
| a From 2007 1,228,924. | | | | |
| b From 2008 946,037. | | | | |
| c From 2009 437,098. | | | | |
| d From 2010 398,233. | | | | |
| e From 2011 354,875. | | | | |
| f **Total** of lines 3a through e | 3,365,167. | | | |
| 4 Qualifying distributions for 2012 from Part XII, line 4: ▶$ 2,696,185. | | | | |
| a Applied to 2011, 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) | 0. | | | |
| d Applied to 2012 distributable amount | | | | 2,383,439. |
| e Remaining amount distributed out of corpus | 312,746. | | | |
| 5 Excess distributions carryover applied to 2012 (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 | 3,677,913. | | | |
| 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 2011. Subtract line 4a from line 2a. Taxable amount - see instr. | | | 0. | |
| f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 | | | | 0. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 2007 not applied on line 5 or line 7 | 1,228,924. | | | |
| 9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a | 2,448,989. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2008 946,037. | | | | |
| b Excess from 2009 437,098. | | | | |
| c Excess from 2010 398,233. | | | | |
| d Excess from 2011 354,875. | | | | |
| e Excess from 2012 312,746. | | | | |

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

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

| | Tax year | Prior 3 years | | | |
|---|---|---|---|---|---|
| | (a) 2012 | (b) 2011 | (c) 2010 | (d) 2009 | (e) Total |
| 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).)

NONE

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 or e-mail of the person to whom applications should be addressed:

EXECUTIVE DIRECTOR, 202.822.9193
1308 19TH STREET NW, WASHINGTON, DC 20036

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

SEE "HOW TO APPLY" INFORMATION FROM FOUNDATION'S WEBSITE ATTACHED

c Any submission deadlines:

SEE "HOW TO APPLY" INFORMATION FROM FOUNDATION'S WEBSITE ATTACHED

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

SEE "HOW TO APPLY" INFORMATION FROM FOUNDATION'S WEBSITE ATTACHED

**Part XV Supplementary Information** (continued)

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

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|---|---|---|
| *a Paid during the year* | | | | |
| PER LIST OF GRANTEES ATTACHED | NONE | NONE | SEE ATTACHED | 2,158,250. |
| INSTITUTE FOR POLICY STUDIES<br>1112 16TH STREET NW, SUITE 600<br>WASHINGTON, DC 20036 | NONE | NONE | GENERAL SUPPORT | 2,000. |
| NONVIOLENCE INTERNATIONAL<br>4000 ALBEMARLE STREET NW, SUITE 401<br>WASHINGTON, DC 20016 | NONE | NONE | GENERAL SUPPORT | 2,200. |
| ALLIANCE FOR A JUST SOCIETY<br>3518 S. EDMUNDS STREET<br>SEATTLE, WA 98118 | NONE | NONE | GENERAL SUPPORT | 3,000. |
| BEND THE ARC: A JEWISH PARTNERSHIP FOR JUSTICE<br>330 7TH AVENUE, 19TH FLOOR<br>NEW YORK, NY 10001 | NONE | NONE | GENERAL SUPPORT | 1,000. |
| **Total** SEE CONTINUATION SHEET(S) | | | ▶ 3a | 2,183,650. |
| *b Approved for future payment*<br><br>NONE | | | | |
| | | | | |
| | | | | |
| **Total** | | | ▶ 3b | 0. |

## Part XVI-A Analysis of Income-Producing Activities

| Enter gross amounts unless otherwise indicated. | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income |
|---|---|---|---|---|---|
| | (a) Business code | (b) Amount | (c) Exclusion code | (d) Amount | |
| 1 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | | | |
| 4 Dividends and interest from securities | | | 14 | 1,202,095. | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | 16 | 57,600. | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | 18 | 3,211,451. | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | 888,752. | |
| 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. | | 5,359,898. | 0. |

**13 Total.** Add line 12, columns (b), (d), and (e) 13 5,359,898.

(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). |
|---|---|
| | |

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

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

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

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

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 |
|---|---|---|
| N/A | | |

**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 — Date: 11/5/13 — Title: Executive Director

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

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|
| ARTHUR S. AU, EA VP | | 11/3/2013 | | P00751564 |
| Firm's name ▶ PNC BANK, N.A. - AGENT | | | Firm's EIN ▶ 22-1146430 | |
| Firm's address ▶ 1600 MARKET ST., -HAWTHORN, 29TH FL. PHILADELPHIA, PA 19103-7240 | | | Phone no. 215.585.4419 | |

Form **990-PF** (2012)

223622
12-05-12

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

# Schedule of Contributors

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

OMB No 1545-0047

**2012**

**Name of the organization**
THE ARCA FOUNDATION
C/O PNC BANK, N.A. - AGENT

**Employer identification number**
13-2751798

**Organization type** (check one)

| Filers of: | Section: |
| --- | --- |
| Form 990 or 990-EZ | ☐ 501(c)( ) (enter number) organization |
| | ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation |
| | ☐ 527 political organization |
| Form 990-PF | ☒ 501(c)(3) exempt private foundation |
| | ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | ☐ 501(c)(3) taxable private foundation |

Check if your organization is covered by the **General Rule** or a **Special Rule.**
**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

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

**Special Rules**

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year ▶ $ ____________

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

| Name of organization | Employer identification number |
|---|---|
| THE ARCA FOUNDATION<br>C/O PNC BANK, N.A. - AGENT | 13-2751798 |

**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 | BRETT D. BAGLEY<br>4629 30TH STREET, NW<br>WASHINGTON, DC 20008 | $ 25,000. | Person [X]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| 2 | NANCY BAGLEY<br>2301 TRACY PLACE, NW<br>WASHINGTON, DC 85014 | $ 3,000. | Person [X]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |

| Name of organization | Employer identification number |
|---|---|
| THE ARCA FOUNDATION<br>C/O PNC BANK, N.A. - AGENT | 13-2751798 |

**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 |
|---|---|---|---|
| | | $ | |

| (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 |
|---|---|---|---|
| | | $ | |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---|---|---|---|
| | | $ | |

**Name of organization**
THE ARCA FOUNDATION
C/O PNC BANK, N.A. - AGENT

**Employer identification number**
13-2751798

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

REPORT: TMS-TX-23
BANK 12 PNC BANK (12)
REGION 46 BALTIMORE
OFFICE 001 PERSONAL

GAIN/LOSS FEDERAL REPORT
ACCOUNT 7759131 THE ARCA FOUNDATION IMA
FROM: 01/01/12 TO: 12/31/12


RUN DATE: 05/09/13

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| HERBALIFE LTD | | | | | | |
| 03/27/12 | 05/15/12 | 766.000 | 32,671.77 | 54,908.80 | 22,237.03-S | .00 |
| 03/27/12 | 05/15/12 | 462.000 | 19,581.11 | 33,117.31 | 13,536.20-S | .00 |
| 03/27/12 | 05/15/12 | 562.000 | 23,819.44 | 40,236.50 | 16,417.06-S | .00 |
| | TOTAL-SHORT | 1,790.000 | 76,072.32 | 128,262.61 | 52,190.29- | .00 |
| INVESCO LTD | | | | | | |
| ISIN BMG491BT1088 SEDOL B28XP76 | | | | | | |
| 03/14/12 | 07/26/12 | 1,372.000 | 29,212.38 | 35,705.34 | 6,492.96-S | .00 |
| 03/14/12 | 07/26/12 | 98.000 | 2,062.89 | 2,550.38 | 487.49-S | .00 |
| 03/14/12 | 07/26/12 | 4,780.000 | 100,618.66 | 123,943.49 | 23,324.83-S | .00 |
| 06/15/12 | 07/26/12 | 460.000 | 9,682.97 | 10,172.67 | 489.70-S | .00 |
| | TOTAL-SHORT | 6,710.000 | 141,576.90 | 172,371.88 | 30,794.98- | .00 |
| ADVANCE AUTO PARTS INC | | | | | | |
| CO GUARNT | | | | | | |
| 04.500% DUE 01/15/2022 | | | | | | |
| 01/11/12 | 03/29/12 | 20,000.000 | 20,662.80 | 19,993.60 | 669.20 S | .00 |
| | TOTAL-SHORT | 20,000.000 | 20,662.80 | 19,993.60 | 669.20 | .00 |
| AIR LIQUIDE | | | | | | |
| ADR | | | | | | |
| 05/18/09 | 07/10/12 | .900 | 19.24 | 12.99 | 6.25 L | .00 |
| | TOTAL-LONG | .900 | 19.24 | 12.99 | 6.25 | .00 |
| ALEXANDRIA REAL ESTATE EQUITIES | | | | | | |
| INC | | | | | | |
| 07/29/11 | 01/06/12 | 21.000 | 1,437.84 | 1,704.22 | 266.38-S | .00 |
| 08/02/11 | 01/06/12 | 2.000 | 136.94 | 158.38 | 21.44-S | .00 |
| | TOTAL-SHORT | 23.000 | 1,574.78 | 1,862.60 | 287.82- | .00 |
| ALLERGAN INC | | | | | | |
| 12/06/11 | 06/13/12 | 80.000 | 7,278.96 | 6,690.00 | 588.96 S | .00 |
| 05/12/09 | 06/13/12 | 300.000 | 27,296.12 | 14,377.38 | 12,918.74 L | .00 |
| 04/01/09 | 06/13/12 | 290.000 | 26,386.25 | 13,874.12 | 12,512.13 L | .00 |

GAIN/LOSS INFORMATION

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 670.000 | 60,961.33 | 34,941.50 | 588.96 | .00 |
| | TOTAL-LONG | | | | 25,430.87 | .00 |
| AMERICAN CAMPUS CMNTYS INC | | | | | | |
| 09/15/11 | 02/17/12 | 27.000 | 1,120.21 | 1,088.35 | 31.86 S | .00 |
| 09/27/11 | 02/17/12 | 25.000 | 1,037.23 | 944.97 | 92.26 S | .00 |
| 07/08/11 | 02/17/12 | 25.000 | 1,037.23 | 925.00 | 112.23 S | .00 |
| 08/04/11 | 02/17/12 | 63.000 | 2,613.82 | 2,276.54 | 337.28 S | .00 |
| 08/10/11 | 02/17/12 | 83.000 | 3,443.61 | 2,976.35 | 467.26 S | .00 |
| 07/01/11 | 02/17/12 | 85.000 | 3,526.59 | 3,045.86 | 480.73 S | .00 |
| 06/17/11 | 02/17/12 | 16.000 | 663.83 | 545.11 | 118.72 S | .00 |
| | TOTAL-SHORT | 324.000 | 13,442.52 | 11,802.18 | 1,640.34 | .00 |
| AMERICAN TOWER CORP | | | | | | |
| 07/13/12 | 08/15/12 | 31.000 | 2,207.52 | 2,228.90 | 21.38-S | .00 |
| 07/13/12 | 09/28/12 | 12.000 | 855.23 | 862.80 | 7.57-S | .00 |
| 07/18/12 | 09/28/12 | 19.000 | 1,354.11 | 1,355.46 | 1.35-S | .00 |
| | TOTAL-SHORT | 62.000 | 4,416.86 | 4,447.16 | 30.30- | .00 |
| AMERISOURCEBERGEN CORP | | | | | | |
| 12/06/11 | 03/13/12 | 200.000 | 7,568.30 | 7,340.96 | 227.34 S | .00 |
| 02/02/10 | 03/13/12 | 223.000 | 8,438.66 | 6,342.16 | 2,096.50 L | .00 |
| 02/02/10 | 03/13/12 | 1,463.000 | 55,443.92 | 41,608.01 | 13,835.91 L | .00 |
| 02/02/10 | 03/13/12 | 367.000 | 13,828.97 | 10,437.55 | 3,391.42 L | .00 |
| 02/02/10 | 03/13/12 | 191.000 | 7,226.98 | 5,432.08 | 1,794.90 L | .00 |
| 03/03/10 | 03/13/12 | 404.000 | 15,286.40 | 11,380.28 | 3,906.12 L | .00 |
| 03/03/10 | 03/14/12 | 606.000 | 23,152.24 | 17,070.41 | 6,081.83 L | .00 |
| | TOTAL-SHORT | 3,454.000 | 130,945.47 | 99,611.45 | 227.34 | .00 |
| | TOTAL-LONG | | | | 31,106.68 | .00 |
| AMERIPRISE FINANCIAL INC | | | | | | |
| 11/23/10 | 03/14/12 | 560.000 | 31,816.16 | 28,773.19 | 3,042.97 L | .00 |
| 12/06/11 | 03/14/12 | 230.000 | 13,067.35 | 10,718.97 | 2,348.38 S | .00 |
| 11/18/09 | 03/14/12 | 360.000 | 20,453.25 | 13,857.26 | 6,595.99 L | .00 |
| 11/18/09 | 03/14/12 | 1,740.000 | 99,272.69 | 66,976.78 | 32,295.91 L | .00 |
| 11/18/09 | 03/15/12 | 150.000 | 8,492.47 | 5,773.86 | 2,718.61 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 3,040.000 | 173,101.92 | 126,100.06 | 2,348.38 | .00 |
| | TOTAL-LONG | | | | 44,653.48 | .00 |
| AMGEN INC | | | | | | |
| SR UNSEC | | | | | | |
| 01.875% DUE 11/15/2014 | | | | | | |
| 11/07/11 | 01/03/12 | 25,000.000 | 25,273.00 | 24,994.75 | 278.25 S | .00 |
| | TOTAL-SHORT | 25,000.000 | 25,273.00 | 24,994.75 | 278.25 | .00 |
| ANADARKO PETROLEUM CORP | | | | | | |
| NTS | | | | | | |
| 08.700% DUE 03/15/2019 | | | | | | |
| 03/09/10 | 07/27/12 | 30,000.000 | 39,903.60 | 37,589.40 | 2,314.20 L | .00 |
| | TOTAL-LONG | 30,000.000 | 39,903.60 | 37,589.40 | 2,314.20 | .00 |
| ANHEUSER BUSH COS INC | | | | | | |
| NOTES | | | | | | |
| 05.500% DUE 01/15/2018 | | | | | | |
| 01/24/11 | 11/06/12 | 35,000.000 | 42,190.75 | 38,277.75 | 3,913.00 L | .00 |
| | TOTAL-LONG | 35,000.000 | 42,190.75 | 38,277.75 | 3,913.00 | .00 |
| APARTMENT INVT & MGMT CO | | | | | | |
| CL A REIT | | | | | | |
| 02/09/12 | 04/20/12 | 359.000 | 9,423.68 | 9,082.95 | 340.73 S | .00 |
| 02/09/12 | 05/02/12 | 155.000 | 4,200.42 | 3,921.61 | 278.81 S | .00 |
| 02/09/12 | 05/07/12 | 18.000 | 491.39 | 455.41 | 35.98 S | .00 |
| 02/23/12 | 05/07/12 | 101.000 | 2,757.24 | 2,484.55 | 272.69 S | .00 |
| | TOTAL-SHORT | 633.000 | 16,872.73 | 15,944.52 | 928.21 | .00 |
| APPLE INC | | | | | | |
| 02/22/12 | 10/10/12 | 20.000 | 12,832.03 | 10,257.50 | 2,574.53 S | .00 |
| 12/06/11 | 10/10/12 | 50.000 | 32,080.08 | 19,540.75 | 12,539.33 S | .00 |
| 04/01/09 | 10/10/12 | 100.000 | 64,160.15 | 10,800.93 | 53,359.22 L | .00 |
| 10/23/12 | 11/14/12 | 40.000 | 21,613.20 | 25,253.60 | 3,640.40-S | .00 |
| 04/01/09 | 11/14/12 | 120.000 | 64,839.60 | 12,961.12 | 51,878.48 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | | |
| | | TOTAL-SHORT | 330.000 | 195,525.06 | 78,813.90 | 11,473.46 | .00 |
| | | TOTAL-LONG | | | | 105,237.70 | .00 |
| ARM HOLDINGS PLC SPONSORED ADR | | | | | | | |
| 07/31/12 | 12/12/12 | | 341.000 | 12,546.27 | 8,872.75 | 3,673.52 S | .00 |
| 10/15/10 | 12/12/12 | | 13.000 | 478.30 | 244.39 | 233.91 L | .00 |
| | | TOTAL-SHORT | 354.000 | 13,024.57 | 9,117.14 | 3,673.52 | .00 |
| | | TOTAL-LONG | | | | 233.91 | .00 |
| AUTOZONE INC SR NTS CALL 8/15/20 @ 100 04.000% DUE 11/15/2020 | | | | | | | |
| 11/09/10 | 01/11/12 | | 10,000.000 | 10,312.30 | 10,006.50 | 305.80 L | .00 |
| 11/08/10 | 01/11/12 | | 10,000.000 | 10,312.30 | 9,956.00 | 356.30 L | .00 |
| 11/08/10 | 11/02/12 | | 15,000.000 | 16,443.00 | 14,934.00 | 1,509.00 L | .00 |
| | | TOTAL-LONG | 35,000.000 | 37,067.60 | 34,896.50 | 2,171.10 | .00 |
| AVALONBAY COMMUNITIES INC REIT | | | | | | | |
| 11/07/11 | 01/06/12 | | 8.000 | 1,029.73 | 1,029.40 | .33 S | .00 |
| 01/27/11 | 01/06/12 | | 4.000 | 514.87 | 464.68 | 50.19 S | .00 |
| | | TOTAL-SHORT | 12.000 | 1,544.60 | 1,494.08 | 50.52 | .00 |
| BANK OF AMERICA CREDIT CARD TR SERIES 2007-A8 CLASS A8 05.590% DUE 11/17/2014 | | | | | | | |
| 06/13/07 | 06/15/12 | | 150,000.000 | 150,000.00 | 149,943.81 | 56.19 L | .00 |
| | | TOTAL-LONG | 150,000.000 | 150,000.00 | 149,943.81 | 56.19 | .00 |
| BRE PROP INC CL A REIT | | | | | | | |
| 02/23/11 | 01/06/12 | | 13.000 | 654.07 | 591.57 | 62.50 S | .00 |
| 01/30/12 | 02/29/12 | | 31.000 | 1,508.11 | 1,600.48 | 92.37-S | .00 |
| 02/07/12 | 02/29/12 | | 50.000 | 2,432.43 | 2,568.37 | 135.94-S | .00 |
| 02/07/12 | 03/05/12 | | 3.000 | 148.32 | 154.10 | 5.78-S | .00 |
| 01/25/12 | 03/05/12 | | 19.000 | 939.34 | 967.26 | 27.92-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| 01/20/12 | 03/05/12 | | 28.000 | 1,384.30 | 1,391.87 | 7.57-S | .00 |
| 02/23/11 | 03/05/12 | | 7.000 | 346.07 | 318.54 | 27.53 L | .00 |
| 02/23/11 | 03/07/12 | | 40.000 | 1,948.37 | 1,820.22 | 128.15 L | .00 |
| 02/23/11 | 03/08/12 | | 38.000 | 1,854.00 | 1,729.20 | 124.80 L | .00 |
| 02/23/11 | 03/12/12 | | 22.000 | 1,092.06 | 1,001.12 | 90.94 L | .00 |
| 02/23/11 | 03/16/12 | | 59.000 | 2,918.68 | 2,684.82 | 233.86 L | .00 |
| 08/02/12 | 11/28/12 | | 53.000 | 2,545.54 | 2,674.14 | 128.60-S | .00 |
| | | TOTAL-SHORT | 363.000 | 17,771.29 | 17,501.69 | 335.68- | .00 |
| | | TOTAL-LONG | | | | 605.28 | .00 |
| BNP PARIBAS SEDOL B3TJ495 ISIN US05567LU545 03.600% DUE 02/23/2016 | | | | | | | |
| 08/18/11 | 04/16/12 | | 30,000.000 | 30,075.00 | 30,023.40 | 51.60 S | .00 |
| | | TOTAL-SHORT | 30,000.000 | 30,075.00 | 30,023.40 | 51.60 | .00 |
| BANK OF AMERICA CORP SR UNSEC 05.750% DUE 12/01/2017 | | | | | | | |
| 10/08/10 | 04/16/12 | | 25,000.000 | 26,579.00 | 27,285.25 | 706.25-L | .00 |
| 06/30/11 | 10/11/12 | | 55,000.000 | 63,784.60 | 58,668.50 | 5,116.10 L | .00 |
| | | TOTAL-LONG | 80,000.000 | 90,363.60 | 85,953.75 | 4,409.85 | .00 |
| BANK OF AMERICA AUTO TRUST SERIES 2012-1 CLASS A3 00.780% DUE 06/15/2016 | | | | | | | |
| 04/11/12 | 09/17/12 | | 75,000.000 | 75,439.46 | 74,997.32 | 442.14 S | .00 |
| | | TOTAL-SHORT | 75,000.000 | 75,439.46 | 74,997.32 | 442.14 | .00 |
| BANK OF MONTREAL SR UNSEC US06366QGN16 VAR% DUE 04/29/2014 | | | | | | | |
| 04/26/11 | 12/11/12 | | 105,000.000 | 105,565.95 | 105,000.00 | 565.95 L | .00 |

GAIN/LOSS INFORMATION

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 105,000.000 | 105,565.95 | 105,000.00 | 565.95 | .00 |
| BANK OF NOVA SCOTIA | | | | | | |
| ISIN US064149A641 SEDOL B3NY5Y8 | | | | | | |
| 03.400% DUE 01/22/2015 | | | | | | |
| 06/11/10 | 02/02/12 | 5,000.000 | 5,310.20 | 5,081.35 | 228.85 L | .00 |
| | TOTAL-LONG | 5,000.000 | 5,310.20 | 5,081.35 | 228.85 | .00 |
| BEAR STEARNS CO INC | | | | | | |
| SR NOTES | | | | | | |
| 06.400% DUE 10/02/2017 | | | | | | |
| 11/30/11 | 03/05/12 | 10,000.000 | 11,656.30 | 10,920.50 | 735.80 S | .00 |
| | TOTAL-SHORT | 10,000.000 | 11,656.30 | 10,920.50 | 735.80 | .00 |
| BED BATH AND BEYOND | | | | | | |
| 06/15/12 | 09/21/12 | 50.000 | 3,097.23 | 3,622.25 | 525.02-S | .00 |
| 05/02/12 | 09/21/12 | 1,630.000 | 100,969.55 | 116,488.44 | 15,518.89-S | .00 |
| | TOTAL-SHORT | 1,680.000 | 104,066.78 | 120,110.69 | 16,043.91- | .00 |
| BORG WARNER INC. | | | | | | |
| 03/10/11 | 06/01/12 | 1,226.000 | 82,017.44 | 93,905.72 | 11,888.28-L | .00 |
| 03/10/11 | 06/01/12 | 464.000 | 31,407.88 | 35,540.17 | 4,132.29-L | .00 |
| 12/06/11 | 06/01/12 | 110.000 | 7,445.83 | 7,676.02 | 230.19-S | .00 |
| | TOTAL-SHORT | 1,800.000 | 120,871.15 | 137,121.91 | 230.19- | .00 |
| | TOTAL-LONG | | | | 16,020.57- | .00 |
| BOSTON PPTYS INC | | | | | | |
| REIT | | | | | | |
| 02/23/11 | 01/06/12 | 20.000 | 1,986.02 | 1,866.50 | 119.52 S | .00 |
| 02/23/11 | 01/30/12 | 17.000 | 1,740.66 | 1,586.53 | 154.13 S | .00 |
| 07/18/12 | 10/26/12 | 64.000 | 6,817.90 | 7,097.46 | 279.56-S | .00 |
| 04/26/12 | 10/26/12 | 52.000 | 5,539.54 | 5,528.12 | 11.42 S | .00 |
| 02/23/11 | 10/26/12 | 9.000 | 958.77 | 839.92 | 118.85 L | .00 |
| 10/14/11 | 10/26/12 | 18.000 | 1,917.53 | 1,647.53 | 270.00 L | .00 |
| 09/30/11 | 10/26/12 | 12.000 | 1,278.35 | 1,092.24 | 186.11 L | .00 |
| 01/19/11 | 10/26/12 | 34.000 | 3,622.01 | 3,046.23 | 575.78 L | .00 |
| 01/10/11 | 10/26/12 | 17.000 | 1,811.00 | 1,434.96 | 376.04 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| 01/28/05 | 10/26/12 | | 2.000 | 213.06 | 134.55 | 78.51 L | .00 |
| 01/28/05 | 11/28/12 | | 22.000 | 2,224.66 | 1,480.02 | 744.64 L | .00 |
| | | TOTAL-SHORT | 267.000 | 28,109.50 | 25,754.06 | 5.51 | .00 |
| | | TOTAL-LONG | | | | 2,349.93 | .00 |
| BRANDYWINE RLTY TR SH BEN INT NEW REIT | | | | | | | |
| 05/08/12 | 07/18/12 | | 217.000 | 2,652.74 | 2,588.81 | 63.93 S | .00 |
| 02/10/12 | 07/18/12 | | 2.000 | 24.45 | 22.72 | 1.73 S | .00 |
| 02/10/12 | 07/25/12 | | 281.000 | 3,165.11 | 3,192.75 | 27.64-S | .00 |
| 02/10/12 | 09/06/12 | | 195.000 | 2,418.07 | 2,215.61 | 202.46 S | .00 |
| 03/23/12 | 09/06/12 | | 42.000 | 520.81 | 466.20 | 54.61 S | .00 |
| 03/23/12 | 11/02/12 | | 50.000 | 589.49 | 555.00 | 34.49 S | .00 |
| 03/07/12 | 11/02/12 | | 427.000 | 5,034.21 | 4,633.46 | 400.75 S | .00 |
| | | TOTAL-SHORT | 1,214.000 | 14,404.88 | 13,674.55 | 730.33 | .00 |
| BRISTOL MYERS SQUIBB CO | | | | | | | |
| 12/06/11 | 08/20/12 | | 210.000 | 6,605.82 | 6,928.85 | 323.03-S | .00 |
| 09/29/11 | 08/20/12 | | 1,066.000 | 33,532.41 | 33,217.09 | 315.32 S | .00 |
| 09/29/11 | 08/20/12 | | 2,634.000 | 82,998.90 | 82,076.76 | 922.14 S | .00 |
| | | TOTAL-SHORT | 3,910.000 | 123,137.13 | 122,222.70 | 914.43 | .00 |
| BURLINGTON NORTH SANTA F SR UNSECURED 05.750% DUE 03/15/2018 | | | | | | | |
| 03/11/08 | 03/16/12 | | 60,000.000 | 70,704.00 | 59,860.20 | 10,843.80 L | .00 |
| | | TOTAL-LONG | 60,000.000 | 70,704.00 | 59,860.20 | 10,843.80 | .00 |
| CBL & ASSOC PPTYS INC REIT | | | | | | | |
| 10/20/11 | 01/11/12 | | 4.000 | 63.87 | 54.11 | 9.76 S | .00 |
| 10/20/11 | 01/12/12 | | 235.000 | 3,682.83 | 3,178.75 | 504.08 S | .00 |
| | | TOTAL-SHORT | 239.000 | 3,746.70 | 3,232.86 | 513.84 | .00 |
| CAMDEN PROPERTY REIT | | | | | | | |
| 08/04/09 | 01/04/12 | | 13.000 | 796.46 | 411.27 | 385.19 L | .00 |
| 08/04/09 | 01/13/12 | | 46.000 | 2,738.28 | 1,455.28 | 1,283.00 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 08/04/09 | 01/26/12 | 29.000 | 1,860.03 | 917.46 | 942.57 L | .00 |
| 08/04/09 | 01/30/12 | 25.000 | 1,597.22 | 790.91 | 806.31 L | .00 |
| 08/04/09 | 02/02/12 | 35.000 | 2,261.31 | 1,107.27 | 1,154.04 L | .00 |
| 08/04/09 | 02/09/12 | 102.000 | 6,458.46 | 3,226.91 | 3,231.55 L | .00 |
| 06/23/09 | 02/09/12 | 10.000 | 633.18 | 272.74 | 360.44 L | .00 |
| | TOTAL-LONG | 260.000 | 16,344.94 | 8,181.84 | 8,163.10 | .00 |
| CANON INC SPONS ADR | | | | | | |
| 03/19/10 | 07/31/12 | 1,246.000 | 41,842.98 | 56,627.34 | 14,784.36-L | .00 |
| | TOTAL-LONG | 1,246.000 | 41,842.98 | 56,627.34 | 14,784.36- | .00 |
| CAPITAL ONE BANK NTS 06.500% DUE 06/13/2013 | | | | | | |
| 10/20/10 | 01/04/12 | 15,000.000 | 15,844.95 | 16,617.30 | 772.35-L | .00 |
| 10/29/08 | 01/04/12 | 5,000.000 | 5,281.65 | 3,762.50 | 1,519.15 L | .00 |
| 10/29/08 | 01/26/12 | 15,000.000 | 15,840.15 | 11,287.50 | 4,552.65 L | .00 |
| | TOTAL-LONG | 35,000.000 | 36,966.75 | 31,667.30 | 5,299.45 | .00 |
| CAPITAL ONE FINANCIAL CO SR NTS 06.750% DUE 09/15/2017 | | | | | | |
| 01/26/12 | 04/17/12 | 35,000.000 | 41,676.95 | 40,504.45 | 1,172.50 S | .00 |
| | TOTAL-SHORT | 35,000.000 | 41,676.95 | 40,504.45 | 1,172.50 | .00 |
| CAPITAL ONE FINANCIAL CO SR NTS 03.150% DUE 07/15/2016 | | | | | | |
| 07/15/11 | 01/26/12 | 25,000.000 | 25,594.75 | 24,966.75 | 628.00 S | .00 |
| 07/14/11 | 01/26/12 | 35,000.000 | 35,832.65 | 34,912.15 | 920.50 S | .00 |
| | TOTAL-SHORT | 60,000.000 | 61,427.40 | 59,878.90 | 1,548.50 | .00 |
| CAPITAL ONE FINANCIAL CORP | | | | | | |
| 05/12/10 | 02/01/12 | 590.000 | 27,559.02 | 27,337.30 | 221.72 L | .00 |
| 12/06/11 | 02/01/12 | 150.000 | 7,006.53 | 6,851.18 | 155.35 S | .00 |
| 05/04/10 | 02/01/12 | 480.000 | 22,420.90 | 21,592.45 | 828.45 L | .00 |
| 01/12/10 | 02/01/12 | 2,026.000 | 94,634.87 | 84,695.31 | 9,939.56 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-SHORT | 3,246.000 | 151,621.32 | 140,476.24 | 155.35 | .00 |
| | TOTAL-LONG | | | | 10,989.73 | .00 |
| CARMAX AUTO OWNER TR<br>SERIES 2009-1 CLASS A3<br>04.120% DUE 03/15/2013 | | | | | | |
| 04/07/09 | 01/15/12 | 3,839.930 | 3,839.93 | 3,839.61 | .32 L | .00 |
| | 02/15/12 | .000 | .01 | .00 | .00 | .00 |
| 04/07/09 | 02/15/12 | 1,451.430 | 1,451.43 | 1,451.31 | .12 L | .00 |
| | TOTAL-LONG | 5,291.360 | 5,291.37 | 5,290.92 | .44 | .00 |
| CARNIVAL CORP<br>SEDOL 2523044<br>ISIN PA1436583006 | | | | | | |
| 09/08/10 | 05/08/12 | 709.000 | 22,399.43 | 24,393.00 | 1,993.57-L | .00 |
| | TOTAL-LONG | 709.000 | 22,399.43 | 24,393.00 | 1,993.57- | .00 |
| CATERPILLAR INC<br>NOTES<br>07.900% DUE 12/15/2018 | | | | | | |
| 09/01/10 | 02/01/12 | 25,000.000 | 34,177.25 | 32,919.75 | 1,257.50 L | .00 |
| | TOTAL-LONG | 25,000.000 | 34,177.25 | 32,919.75 | 1,257.50 | .00 |
| CATERPILLAR INC | | | | | | |
| 02/22/12 | 10/19/12 | 140.000 | 11,773.37 | 16,234.96 | 4,461.59-S | .00 |
| 02/21/12 | 10/19/12 | 130.000 | 10,932.42 | 15,026.41 | 4,093.99-S | .00 |
| 02/21/12 | 10/19/12 | 130.000 | 10,932.42 | 15,026.41 | 4,093.99-S | .00 |
| 02/01/12 | 10/19/12 | 1,210.000 | 101,755.57 | 134,205.58 | 32,450.01-S | .00 |
| 03/27/12 | 10/19/12 | 100.000 | 8,409.55 | 10,864.34 | 2,454.79-S | .00 |
| 06/15/12 | 10/19/12 | 120.000 | 10,091.46 | 10,394.60 | 303.14-S | .00 |
| | TOTAL-SHORT | 1,830.000 | 153,894.79 | 201,752.30 | 47,857.51- | .00 |
| CELANESE CORP-SERIES A | | | | | | |
| 12/06/11 | 04/04/12 | 200.000 | 9,030.52 | 9,112.98 | 82.46-S | .00 |
| 05/29/09 | 04/04/12 | 2,664.000 | 120,286.49 | 54,342.93 | 65,943.56 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L (GAIN/LOSS INFORMATION) | STATE G/L (GAIN/LOSS INFORMATION) |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 2,864.000 | 129,317.01 | 63,455.91 | 82.46- | .00 |
| | TOTAL-LONG | | | | 65,943.56 | .00 |
| CHASE ISSUANCE TRUST SERIES 2012-A3 CLASS A3 00.790% DUE 06/15/2017 | | | | | | |
| 06/20/12 | 09/17/12 | 150,000.000 | 151,125.00 | 150,146.49 | 978.51 S | .00 |
| | TOTAL-SHORT | 150,000.000 | 151,125.00 | 150,146.49 | 978.51 | .00 |
| CHEVRON CORPORATION | | | | | | |
| 12/06/11 | 12/14/12 | 90.000 | 9,698.27 | 9,286.65 | 411.62 L | .00 |
| 09/27/10 | 12/14/12 | 540.000 | 58,189.64 | 43,433.36 | 14,756.28 L | .00 |
| 08/04/10 | 12/14/12 | 220.000 | 23,706.89 | 17,354.56 | 6,352.33 L | .00 |
| | TOTAL-LONG | 850.000 | 91,594.80 | 70,074.57 | 21,520.23 | .00 |
| CHINA RESOURCES ENTER SPON ADR | | | | | | |
| 10/21/09 | 03/29/12 | 1,823.000 | 12,601.20 | 12,335.88 | 265.32 L | .00 |
| 11/03/09 | 03/29/12 | 1,789.000 | 12,366.19 | 12,093.64 | 272.55 L | .00 |
| | TOTAL-LONG | 3,612.000 | 24,967.39 | 24,429.52 | 537.87 | .00 |
| CITIGROUP INC SR UNSEC 06.010% DUE 01/15/2015 | | | | | | |
| 01/19/12 | 10/12/12 | 10,000.000 | 11,018.10 | 10,652.00 | 366.10 S | .00 |
| | TOTAL-SHORT | 10,000.000 | 11,018.10 | 10,652.00 | 366.10 | .00 |
| CITIBANK CR CARD ISSUANCE TR SERIES 2005-A4 CLASS A4 04.400% DUE 06/20/2014 | | | | | | |
| 06/07/07 | 06/20/12 | 90,000.000 | 90,000.00 | 85,380.47 | 4,619.53 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 90,000.000 | 90,000.00 | 85,380.47 | 4,619.53 | .00 |
| CITIBANK CREDIT CARD ISSUANCE TR SERIES 2009-A5 CLASS A5 02.250% DUE 12/23/2014 | | | | | | |
| 12/17/09 | 01/11/12 | 100,000.000 | 101,550.78 | 99,905.00 | 1,645.78 L | .00 |
| | TOTAL-LONG | 100,000.000 | 101,550.78 | 99,905.00 | 1,645.78 | .00 |
| CITIBANK NA FDIC GUAR 01.750% DUE 12/28/2012 | | | | | | |
| 01/14/11 | 12/28/12 | 20,000.000 | 20,000.00 | 20,414.60 | 414.60-L | .00 |
| | TOTAL-LONG | 20,000.000 | 20,000.00 | 20,414.60 | 414.60- | .00 |
| COMCAST CORP NOTES 05.700% DUE 05/15/2018 | | | | | | |
| 07/16/10 | 03/13/12 | 5,000.000 | 5,937.75 | 5,548.10 | 389.65 L | .00 |
| 07/16/10 | 07/25/12 | 10,000.000 | 11,990.00 | 11,096.20 | 893.80 L | .00 |
| 03/03/10 | 07/25/12 | 5,000.000 | 5,995.00 | 5,327.05 | 667.95 L | .00 |
| 03/03/10 | 08/21/12 | 45,000.000 | 53,890.20 | 47,943.45 | 5,946.75 L | .00 |
| | TOTAL-LONG | 65,000.000 | 77,812.95 | 69,914.80 | 7,898.15 | .00 |
| COMMONWEALTH REIT SR UNSEC 05.875% DUE 09/15/2020 | | | | | | |
| 09/27/10 | 08/14/12 | 15,000.000 | 15,562.95 | 14,932.65 | 630.30 L | .00 |
| 09/27/10 | 11/28/12 | 20,000.000 | 21,398.00 | 19,910.20 | 1,487.80 L | .00 |
| | TOTAL-LONG | 35,000.000 | 36,960.95 | 34,842.85 | 2,118.10 | .00 |
| CONOCOPHILLIPS | | | | | | |
| 12/06/11 | 06/01/12 | 120.000 | 6,134.63 | 6,646.76 | 512.13-S | .00 |
| 11/11/11 | 06/01/12 | 680.000 | 34,762.93 | 37,313.59 | 2,550.66-S | .00 |
| 12/01/11 | 06/01/12 | 270.000 | 13,802.93 | 14,701.19 | 898.26-S | .00 |
| 11/14/11 | 06/01/12 | 820.000 | 41,920.00 | 44,628.92 | 2,708.92-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | | |
| | | TOTAL-SHORT | 1,890.000 | 96,620.49 | 103,290.46 | 6,669.97- | .00 |
| CREDIT SUISSE SUB NOTES | | | | | | | |
| ISIN US22546 SEDOL B5PGKF2 | | | | | | | |
| 05.400% DUE 01/14/2020 | | | | | | | |
| 04/07/11 | 04/17/12 | | 20,000.000 | 20,120.00 | 20,272.60 | 152.60-L | .00 |
| | | TOTAL-LONG | 20,000.000 | 20,120.00 | 20,272.60 | 152.60- | .00 |
| CUMMINS INC | | | | | | | |
| 02/21/12 | 07/30/12 | | 150.000 | 13,588.78 | 18,521.76 | 4,932.98-S | .00 |
| 02/22/12 | 07/30/12 | | 120.000 | 10,871.02 | 14,668.05 | 3,797.03-S | .00 |
| 12/06/11 | 07/30/12 | | 40.000 | 3,623.68 | 3,817.40 | 193.72-S | .00 |
| 01/12/10 | 07/30/12 | | 822.000 | 74,466.52 | 43,749.80 | 30,716.72 L | .00 |
| 02/05/10 | 07/30/12 | | 274.000 | 24,822.17 | 13,631.01 | 11,191.16 L | .00 |
| | | TOTAL-SHORT | 1,406.000 | 127,372.17 | 94,388.02 | 8,923.73- | .00 |
| | | TOTAL-LONG | | | | 41,907.88 | .00 |
| DASSAULT SYSTEMS SA | | | | | | | |
| SPON ADR | | | | | | | |
| 11/03/09 | 02/13/12 | | 375.000 | 31,018.84 | 21,176.25 | 9,842.59 L | .00 |
| | | TOTAL-LONG | 375.000 | 31,018.84 | 21,176.25 | 9,842.59 | .00 |
| DEERE & COMPANY | | | | | | | |
| SR UNSEC CALL 12/9/41 @ 100 | | | | | | | |
| 03.900% DUE 06/09/2042 | | | | | | | |
| 06/05/12 | 08/15/12 | | 20,000.000 | 20,347.20 | 19,853.00 | 494.20 S | .00 |
| | | TOTAL-SHORT | 20,000.000 | 20,347.20 | 19,853.00 | 494.20 | .00 |
| DIAMONDROCK HOSPITALITY CO | | | | | | | |
| REIT | | | | | | | |
| 03/04/11 | 01/06/12 | | 125.000 | 1,221.16 | 1,441.56 | 220.40-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 125.000 | 1,221.16 | 1,441.56 | 220.40- | .00 |
| DIRECTV HOLDINGS/FING COM GTD CALL 11/15/20 @ 100 04.600% DUE 02/15/2021 | | | | | | |
| 08/10/10 | 08/07/12 | 5,000.000 | 5,514.10 | 4,996.70 | 517.40 L | .00 |
| | TOTAL-LONG | 5,000.000 | 5,514.10 | 4,996.70 | 517.40 | .00 |
| DISCOVERY COMMUNICTIONS COMP GUARNT 04.375% DUE 06/15/2021 | | | | | | |
| 06/13/11 | 03/05/12 | 10,000.000 | 10,976.90 | 9,937.70 | 1,039.20 S | .00 |
| 06/13/11 | 03/13/12 | 10,000.000 | 10,875.20 | 9,937.70 | 937.50 S | .00 |
| | TOTAL-SHORT | 20,000.000 | 21,852.10 | 19,875.40 | 1,976.70 | .00 |
| DOLLAR TREE INC | | | | | | |
| 12/06/11 | 06/01/12 | 90.000 | 9,022.72 | 7,476.75 | 1,545.97 S | .00 |
| 04/01/09 | 06/01/12 | 1,060.000 | 106,267.60 | 31,175.30 | 75,092.30 L | .00 |
| 06/15/12 | 10/17/12 | 240.000 | 9,697.37 | 13,146.49 | 3,449.12-S | .00 |
| 04/01/09 | 10/17/12 | 2,016.000 | 81,457.88 | 29,645.95 | 51,811.93 L | .00 |
| 05/12/09 | 10/17/12 | 750.000 | 30,304.27 | 10,607.48 | 19,696.79 L | .00 |
| | TOTAL-SHORT | 4,156.000 | 236,749.84 | 92,051.97 | 1,903.15- | .00 |
| | TOTAL-LONG | | | | 146,601.02 | .00 |
| DOMINION RESOURCES INC NOTES 06.400% DUE 06/15/2018 | | | | | | |
| 06/12/08 | 05/02/12 | 15,000.000 | 18,467.70 | 14,985.90 | 3,481.80 L | .00 |
| 06/12/08 | 05/03/12 | 20,000.000 | 24,634.60 | 19,981.20 | 4,653.40 L | .00 |
| 06/12/08 | 10/10/12 | 10,000.000 | 12,535.30 | 9,990.60 | 2,544.70 L | .00 |
| | TOTAL-LONG | 45,000.000 | 55,637.60 | 44,957.70 | 10,679.90 | .00 |
| DOUGLAS EMMETT INC-W/I | | | | | | |
| 04/19/12 | 05/18/12 | 74.000 | 1,599.54 | 1,676.80 | 77.26-S | .00 |
| 03/08/12 | 05/18/12 | 121.000 | 2,615.47 | 2,649.90 | 34.43-S | .00 |
| 03/08/12 | 05/22/12 | 107.000 | 2,304.74 | 2,343.30 | 38.56-S | .00 |
| 02/06/12 | 05/22/12 | 21.000 | 452.33 | 449.61 | 2.72 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 02/06/12 | 06/01/12 | 63.000 | 1,326.75 | 1,348.82 | 22.07-S | .00 |
| 01/30/12 | 06/01/12 | 133.000 | 2,800.91 | 2,767.44 | 33.47 S | .00 |
| 04/12/11 | 06/01/12 | 11.000 | 231.66 | 207.12 | 24.54 L | .00 |
| 02/08/11 | 06/01/12 | 37.000 | 779.20 | 680.71 | 98.49 L | .00 |
| 02/08/11 | 06/19/12 | 54.000 | 1,229.43 | 993.46 | 235.97 L | .00 |
| 02/08/11 | 06/26/12 | 184.000 | 4,018.91 | 3,385.14 | 633.77 L | .00 |
| | TOTAL-SHORT | 805.000 | 17,358.94 | 16,502.30 | 136.13- | .00 |
| | TOTAL-LONG | | | | 992.77 | .00 |
| DOVER CORP | | | | | | |
| 12/06/11 | 07/16/12 | 140.000 | 7,198.86 | 7,991.76 | 792.90-S | .00 |
| 10/05/10 | 07/16/12 | 560.000 | 28,795.45 | 30,357.04 | 1,561.59-L | .00 |
| 10/05/10 | 07/16/12 | 160.000 | 8,188.76 | 8,673.44 | 484.68-L | .00 |
| 08/17/10 | 07/16/12 | 300.000 | 15,353.93 | 14,370.87 | 983.06 L | .00 |
| 08/17/10 | 07/17/12 | 1,540.000 | 78,866.10 | 73,770.47 | 5,095.63 L | .00 |
| | TOTAL-SHORT | 2,700.000 | 138,403.10 | 135,163.58 | 792.90- | .00 |
| | TOTAL-LONG | | | | 4,032.42 | .00 |
| DOW CHEMICAL CO/THE SR UNSEC CALL 08/15/20 @ 100 04.250% DUE 11/15/2020 | | | | | | |
| 08/04/11 | 02/08/12 | 20,000.000 | 21,376.00 | 20,780.60 | 595.40 S | .00 |
| 06/29/11 | 02/08/12 | 15,000.000 | 16,032.00 | 14,730.00 | 1,302.00 S | .00 |
| | TOTAL-SHORT | 35,000.000 | 37,408.00 | 35,510.60 | 1,897.40 | .00 |
| DUPONT E I DE NEMOURS & CO | | | | | | |
| 02/02/11 | 02/14/12 | 600.000 | 29,733.69 | 31,114.98 | 1,381.29-L | .00 |
| 12/06/11 | 02/14/12 | 130.000 | 6,442.30 | 6,205.49 | 236.81 S | .00 |
| 08/17/10 | 02/14/12 | 2,120.000 | 105,059.03 | 88,322.59 | 16,736.44 L | .00 |
| | TOTAL-SHORT | 2,850.000 | 141,235.02 | 125,643.06 | 236.81 | .00 |
| | TOTAL-LONG | | | | 15,355.15 | .00 |
| DUKE REALTY CORP REIT | | | | | | |
| 02/15/12 | 03/19/12 | 84.000 | 1,229.75 | 1,153.32 | 76.43 S | .00 |
| 04/12/12 | 07/16/12 | 262.000 | 3,843.46 | 3,641.46 | 202.00 S | .00 |
| 02/15/12 | 07/16/12 | 18.000 | 264.05 | 247.14 | 16.91 S | .00 |
| 02/15/12 | 07/18/12 | 62.000 | 917.36 | 851.26 | 66.10 S | .00 |
| 01/31/11 | 07/18/12 | 83.000 | 1,228.07 | 1,134.79 | 93.28 L | .00 |

G A I N / L O S S I N F O R M A T I O N

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 01/31/11 | 07/24/12 | 202.000 | 2,845.11 | 2,761.79 | 83.32 L | .00 |
| 05/23/12 | 07/24/12 | 100.000 | 1,408.47 | 1,358.65 | 49.82 S | .00 |
| 03/23/11 | 07/24/12 | 82.000 | 1,154.94 | 1,111.92 | 43.02 L | .00 |
| 03/23/11 | 07/25/12 | 23.000 | 320.50 | 311.88 | 8.62 L | .00 |
| 01/27/12 | 07/25/12 | 70.000 | 975.43 | 940.77 | 34.66 S | .00 |
| | TOTAL-SHORT | 986.000 | 14,187.14 | 13,512.98 | 445.92 | .00 |
| | TOTAL-LONG | | | | 228.24 | .00 |
| EQT CORPORATION | | | | | | |
| 11/11/11 | 01/23/12 | 370.000 | 18,308.80 | 23,915.10 | 5,606.30-S | .00 |
| 09/19/11 | 01/23/12 | 440.000 | 21,772.63 | 27,345.25 | 5,572.62-S | .00 |
| 12/06/11 | 01/23/12 | 180.000 | 8,906.98 | 10,878.21 | 1,971.23-S | .00 |
| 07/19/11 | 01/23/12 | 1,060.000 | 52,452.25 | 63,590.35 | 11,138.10-S | .00 |
| 07/18/11 | 01/23/12 | 1,170.000 | 57,895.40 | 68,208.43 | 10,313.03-S | .00 |
| | TOTAL-SHORT | 3,220.000 | 159,336.06 | 193,937.34 | 34,601.28- | .00 |
| EATON CORP<br>MERGED 11/30/12<br>SEE G29183103 | | | | | | |
| 12/07/10 | 02/01/12 | 2,680.000 | 133,308.41 | 135,145.16 | 1,836.75-L | .00 |
| 12/06/11 | 02/01/12 | 130.000 | 6,466.45 | 5,981.89 | 484.56 S | .00 |
| | TOTAL-SHORT | 2,810.000 | 139,774.86 | 141,127.05 | 484.56 | .00 |
| | TOTAL-LONG | | | | 1,836.75- | .00 |
| ENRON CORP | | | | | | |
| 01/01/01 | 07/24/12 | .000 | 4,391.97 | .00 | 4,391.97 L | .00 |
| | TOTAL-LONG | .000 | 4,391.97 | .00 | 4,391.97 | .00 |
| EQUITY LIFESTYLE PROPERTIES<br>REIT | | | | | | |
| 09/14/11 | 02/08/12 | 16.000 | 1,084.78 | 1,128.05 | 43.27-S | .00 |
| 09/21/11 | 02/08/12 | 22.000 | 1,491.57 | 1,529.69 | 38.12-S | .00 |
| 09/09/11 | 02/08/12 | 19.000 | 1,288.18 | 1,307.09 | 18.91-S | .00 |
| 09/02/11 | 02/08/12 | 28.000 | 1,898.36 | 1,925.15 | 26.79-S | .00 |
| 09/26/11 | 02/08/12 | 16.000 | 1,084.78 | 1,042.24 | 42.54 S | .00 |
| 12/01/11 | 02/08/12 | 24.000 | 1,627.17 | 1,481.28 | 145.89 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 125.000 | 8,474.84 | 8,413.50 | 61.34 | .00 |
| EQUITY RESIDENTIAL SH BEN INT REIT | | | | | | |
| 12/16/11 | 01/06/12 | 19.000 | 1,064.77 | 1,067.20 | 2.43-S | .00 |
| 04/02/12 | 05/15/12 | 61.000 | 3,800.82 | 3,805.78 | 4.96-S | .00 |
| 01/26/12 | 05/15/12 | 1.000 | 62.31 | 59.37 | 2.94 S | .00 |
| 01/26/12 | 05/31/12 | 32.000 | 1,941.08 | 1,899.82 | 41.26 S | .00 |
| 02/21/12 | 05/31/12 | 52.000 | 3,154.25 | 3,000.67 | 153.58 S | .00 |
| 02/21/12 | 08/16/12 | 30.000 | 1,779.86 | 1,731.15 | 48.71 S | .00 |
| 02/02/11 | 08/16/12 | 25.000 | 1,483.22 | 1,361.91 | 121.31 L | .00 |
| 02/02/11 | 08/21/12 | 47.000 | 2,833.10 | 2,560.39 | 272.71 L | .00 |
| 02/02/11 | 09/06/12 | 41.000 | 2,489.88 | 2,233.53 | 256.35 L | .00 |
| 02/02/11 | 09/11/12 | 2.000 | 118.58 | 108.95 | 9.63 L | .00 |
| 12/14/11 | 09/11/12 | 48.000 | 2,845.85 | 2,611.94 | 233.91 S | .00 |
| 12/12/11 | 09/11/12 | 3.000 | 177.87 | 160.70 | 17.17 S | .00 |
| | TOTAL-SHORT | 361.000 | 21,751.59 | 20,601.41 | 490.18 | .00 |
| | TOTAL-LONG | | | | 660.00 | .00 |
| ERSTE GROUP BANK AG SPON ADR | | | | | | |
| 11/03/09 | 07/12/12 | 1,084.000 | 9,657.79 | 22,493.00 | 12,835.21-L | .00 |
| 05/17/10 | 07/12/12 | 885.000 | 7,884.82 | 17,015.54 | 9,130.72-L | .00 |
| 05/17/10 | 07/13/12 | 357.000 | 3,202.75 | 6,863.90 | 3,661.15-L | .00 |
| 05/18/09 | 07/13/12 | 1,150.000 | 10,317.00 | 13,282.50 | 2,965.50-L | .00 |
| 01/03/12 | 07/13/12 | 231.000 | 2,072.37 | 2,144.90 | 72.53-S | .00 |
| 12/29/11 | 07/13/12 | 985.000 | 8,836.73 | 8,651.85 | 184.88 S | .00 |
| | TOTAL-SHORT | 4,692.000 | 41,971.46 | 70,451.69 | 112.35 | .00 |
| | TOTAL-LONG | | | | 28,592.58- | .00 |
| ESSEX PPTY TR INC REIT | | | | | | |
| 01/28/05 | 01/06/12 | 6.000 | 841.28 | 489.80 | 351.48 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | | |
| | | TOTAL-LONG | 6.000 | 841.28 | 489.80 | 351.48 | .00 |
| EXELON GENERATION CO LLC<br>SR UNSEC CALL 4/1/41 @ 100<br>05.750% DUE 10/01/2041 | | | | | | | |
| 01/28/11 | 04/17/12 | | 10,000.000 | 11,248.40 | 9,307.40 | 1,941.00 L | .00 |
| 01/20/11 | 04/17/12 | | 35,000.000 | 39,369.40 | 32,304.30 | 7,065.10 L | .00 |
| | | TOTAL-LONG | 45,000.000 | 50,617.80 | 41,611.70 | 9,006.10 | .00 |
| EXTRA SPACE STORAGE INC | | | | | | | |
| 12/14/10 | 01/19/12 | | 53.000 | 1,318.62 | 921.67 | 396.95 L | .00 |
| 12/14/10 | 01/24/12 | | 44.000 | 1,114.54 | 765.16 | 349.38 L | .00 |
| 12/14/10 | 01/30/12 | | 22.000 | 564.51 | 382.58 | 181.93 L | .00 |
| 12/14/10 | 02/13/12 | | 169.000 | 4,481.52 | 2,938.91 | 1,542.61 L | .00 |
| 07/20/12 | 09/06/12 | | 34.000 | 1,165.30 | 1,074.06 | 91.24 S | .00 |
| 07/23/12 | 09/06/12 | | 38.000 | 1,302.39 | 1,190.47 | 111.92 S | .00 |
| | | TOTAL-SHORT | 360.000 | 9,946.88 | 7,272.85 | 203.16 | .00 |
| | | TOTAL-LONG | | | | 2,470.87 | .00 |
| FMC CORPORATION NEW | | | | | | | |
| 03/27/12 | 06/13/12 | | 300.000 | 15,304.61 | 15,776.54 | 471.93-S | .00 |
| 02/22/12 | 06/13/12 | | 100.000 | 5,101.53 | 4,939.25 | 162.28 S | .00 |
| 12/16/11 | 06/13/12 | | 250.000 | 12,753.84 | 10,579.99 | 2,173.85 S | .00 |
| 06/15/12 | 10/10/12 | | 210.000 | 11,317.49 | 10,555.44 | 762.05 S | .00 |
| 12/16/11 | 10/10/12 | | 640.000 | 34,491.38 | 27,084.77 | 7,406.61 S | .00 |
| | | TOTAL-SHORT | 1,500.000 | 78,968.85 | 68,935.99 | 10,032.86 | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #E90289<br>06.000% DUE 06/01/2017 | | | | | | | |
| 12/18/03 | 01/31/12 | | 1,044.980 | 1,044.98 | 1,134.70 | 89.72-L | .00 |
| 12/18/03 | 02/29/12 | | 884.300 | 884.30 | 960.22 | 75.92-L | .00 |
| 12/18/03 | 03/31/12 | | 863.300 | 863.30 | 937.42 | 74.12-L | .00 |
| 12/18/03 | 04/23/12 | | 53,313.000 | 57,478.08 | 57,890.37 | 412.29-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 56,105.580 | 60,270.66 | 60,922.71 | 652.05- | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #A51069<br>05.000% DUE 08/01/2036 | | | | | | |
| 08/01/06 | 01/31/12 | 4,001.270 | 4,001.27 | 3,788.70 | 212.57 L | .00 |
| 08/01/06 | 02/29/12 | 344.590 | 344.59 | 326.28 | 18.31 L | .00 |
| 08/01/06 | 03/31/12 | 213.440 | 213.44 | 202.10 | 11.34 L | .00 |
| 08/01/06 | 04/30/12 | 348.700 | 348.70 | 330.18 | 18.52 L | .00 |
| 08/01/06 | 05/31/12 | 4,094.170 | 4,094.17 | 3,876.67 | 217.50 L | .00 |
| 08/01/06 | 06/30/12 | 2,838.750 | 2,838.75 | 2,687.94 | 150.81 L | .00 |
| 08/01/06 | 07/31/12 | 134.790 | 134.79 | 127.63 | 7.16 L | .00 |
| 08/01/06 | 08/31/12 | 158.390 | 158.39 | 149.98 | 8.41 L | .00 |
| 08/01/06 | 09/30/12 | 3,437.097 | 3,437.09 | 3,254.50 | 182.59 L | .00 |
| 08/01/06 | 10/04/12 | 81,397.963 | 88,176.88 | 77,073.70 | 11,103.18 L | .00 |
| | TOTAL-LONG | 96,969.160 | 103,748.07 | 91,817.68 | 11,930.39 | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #A44372<br>05.000% DUE 04/01/2036 | | | | | | |
| 04/04/06 | 01/31/12 | 1,560.460 | 1,560.46 | 1,484.88 | 75.58 L | .00 |
| 04/04/06 | 02/29/12 | 1,948.230 | 1,948.23 | 1,853.86 | 94.37 L | .00 |
| 04/04/06 | 03/31/12 | 8,184.910 | 8,184.91 | 7,788.45 | 396.46 L | .00 |
| 04/04/06 | 04/30/12 | 887.670 | 887.67 | 844.67 | 43.00 L | .00 |
| 04/04/06 | 05/31/12 | 2,269.800 | 2,269.80 | 2,159.86 | 109.94 L | .00 |
| 04/04/06 | 06/30/12 | 4,343.920 | 4,343.92 | 4,133.51 | 210.41 L | .00 |
| 04/04/06 | 07/31/12 | 3,958.310 | 3,958.31 | 3,766.58 | 191.73 L | .00 |
| 04/04/06 | 08/31/12 | 3,187.020 | 3,187.02 | 3,032.65 | 154.37 L | .00 |
| 04/04/06 | 09/30/12 | 3,099.645 | 3,099.64 | 2,949.51 | 150.13 L | .00 |
| 04/04/06 | 10/04/12 | 78,365.595 | 84,891.98 | 74,569.77 | 10,322.21 L | .00 |
| | TOTAL-LONG | 107,805.560 | 114,331.94 | 102,583.74 | 11,748.20 | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #G02274<br>05.000% DUE 07/01/2036 | | | | | | |
| 07/20/06 | 01/31/12 | 3,015.240 | 3,015.24 | 2,828.67 | 186.57 L | .00 |
| 07/20/06 | 02/29/12 | 3,431.340 | 3,431.34 | 3,219.03 | 212.31 L | .00 |
| 07/20/06 | 03/31/12 | 2,922.850 | 2,922.85 | 2,742.00 | 180.85 L | .00 |
| 07/20/06 | 04/30/12 | 2,946.430 | 2,946.43 | 2,764.12 | 182.31 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 07/20/06 | 05/31/12 | 4,320.840 | 4,320.84 | 4,053.49 | 267.35 L | .00 |
| 07/20/06 | 06/30/12 | 4,279.100 | 4,279.10 | 4,014.33 | 264.77 L | .00 |
| 07/20/06 | 07/31/12 | 3,409.860 | 3,409.86 | 3,198.88 | 210.98 L | .00 |
| 07/20/06 | 08/31/12 | 3,809.640 | 3,809.64 | 3,573.92 | 235.72 L | .00 |
| 07/20/06 | 09/30/12 | 2,784.164 | 2,784.16 | 2,611.89 | 172.27 L | .00 |
| 07/20/06 | 10/04/12 | 81,696.296 | 88,500.06 | 76,641.34 | 11,858.72 L | .00 |
| | TOTAL-LONG | 112,615.760 | 119,419.52 | 105,647.67 | 13,771.85 | .00 |
| FEDERAL HOME LOAN MTG CORP | | | | | | |
| GOLD POOL #A75249 | | | | | | |
| 05.000% DUE 04/01/2038 | | | | | | |
| 04/18/08 | 01/31/12 | 2,558.550 | 2,558.55 | 2,497.38 | 61.17 L | .00 |
| 04/18/08 | 02/29/12 | 3,298.680 | 3,298.68 | 3,219.82 | 78.86 L | .00 |
| 04/18/08 | 03/31/12 | 1,957.390 | 1,957.39 | 1,910.60 | 46.79 L | .00 |
| 04/18/08 | 04/30/12 | 2,267.350 | 2,267.35 | 2,213.15 | 54.20 L | .00 |
| 04/18/08 | 05/31/12 | 2,967.950 | 2,967.95 | 2,897.00 | 70.95 L | .00 |
| 04/18/08 | 06/30/12 | 1,582.930 | 1,582.93 | 1,545.09 | 37.84 L | .00 |
| 04/18/08 | 07/31/12 | 2,028.490 | 2,028.49 | 1,980.00 | 48.49 L | .00 |
| 04/18/08 | 08/31/12 | 1,674.750 | 1,674.75 | 1,634.71 | 40.04 L | .00 |
| 04/18/08 | 09/30/12 | 1,229.051 | 1,229.05 | 1,199.67 | 29.38 L | .00 |
| 04/18/08 | 10/04/12 | 18,550.869 | 20,095.81 | 18,107.38 | 1,988.43 L | .00 |
| | TOTAL-LONG | 38,116.010 | 39,660.95 | 37,204.80 | 2,456.15 | .00 |
| FEDERAL HOME LOAN MTG CORP | | | | | | |
| GOLD POOL #G08198 | | | | | | |
| 05.000% DUE 05/01/2037 | | | | | | |
| 06/05/07 | 01/31/12 | 1,513.600 | 1,513.60 | 1,432.03 | 81.57 L | .00 |
| 06/05/07 | 02/29/12 | 1,900.830 | 1,900.83 | 1,798.39 | 102.44 L | .00 |
| 06/05/07 | 03/31/12 | 2,517.460 | 2,517.46 | 2,381.78 | 135.68 L | .00 |
| 06/05/07 | 04/30/12 | 2,034.690 | 2,034.69 | 1,925.03 | 109.66 L | .00 |
| 06/05/07 | 05/31/12 | 2,138.140 | 2,138.14 | 2,022.91 | 115.23 L | .00 |
| 06/05/07 | 06/30/12 | 1,506.710 | 1,506.71 | 1,425.51 | 81.20 L | .00 |
| 06/05/07 | 07/31/12 | 2,169.020 | 2,169.02 | 2,052.12 | 116.90 L | .00 |
| 06/05/07 | 08/31/12 | 2,145.920 | 2,145.92 | 2,030.27 | 115.65 L | .00 |
| 06/05/07 | 09/30/12 | 1,547.942 | 1,547.94 | 1,464.52 | 83.42 L | .00 |
| 06/05/07 | 10/04/12 | 36,056.164 | 39,058.96 | 34,112.94 | 4,946.02 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 53,530.476 | 56,533.27 | 50,645.50 | 5,887.77 | .00 |
| FEDERAL HOME LOAN MTG CORP | | | | | | |
| GOLD POOL #G04542 | | | | | | |
| 05.500% DUE 02/01/2038 | | | | | | |
| 09/16/08 | 01/31/12 | 689.700 | 689.70 | 699.61 | 9.91-L | .00 |
| 09/16/08 | 02/29/12 | 1,575.670 | 1,575.67 | 1,598.32 | 22.65-L | .00 |
| 09/16/08 | 03/31/12 | 1,266.290 | 1,266.29 | 1,284.49 | 18.20-L | .00 |
| 09/16/08 | 04/30/12 | 1,275.700 | 1,275.70 | 1,294.04 | 18.34-L | .00 |
| 09/16/08 | 05/31/12 | 2,204.120 | 2,204.12 | 2,235.80 | 31.68-L | .00 |
| 09/16/08 | 06/30/12 | 2,472.800 | 2,472.80 | 2,508.35 | 35.55-L | .00 |
| 09/16/08 | 07/31/12 | 1,473.680 | 1,473.68 | 1,494.86 | 21.18-L | .00 |
| 09/16/08 | 08/31/12 | 1,669.380 | 1,669.38 | 1,693.38 | 24.00-L | .00 |
| 09/16/08 | 09/30/12 | 2,681.439 | 2,681.43 | 2,719.99 | 38.56-L | .00 |
| 09/16/08 | 10/05/12 | 39,522.631 | 43,042.62 | 40,090.78 | 2,951.84 L | .00 |
| | TOTAL-LONG | 54,831.410 | 58,351.39 | 55,619.62 | 2,731.77 | .00 |
| FEDERAL HOME LOAN MTG CORP | | | | | | |
| POOL #1Q0232 | | | | | | |
| VAR % DUE 12/01/2036 | | | | | | |
| 01/08/08 | 01/31/12 | 902.240 | 902.24 | 916.48 | 14.24-L | .00 |
| 01/08/08 | 12/31/11 | 638.810 | 638.81 | 648.89 | 10.08-L | .00 |
| 01/08/08 | 02/29/12 | 553.740 | 553.74 | 562.48 | 8.74-L | .00 |
| 01/08/08 | 03/31/12 | 814.020 | 814.02 | 826.87 | 12.85-L | .00 |
| 01/08/08 | 04/30/12 | 605.880 | 605.88 | 615.44 | 9.56-L | .00 |
| 01/08/08 | 05/31/12 | 120.660 | 120.66 | 122.56 | 1.90-L | .00 |
| 01/08/08 | 06/30/12 | 161.240 | 161.24 | 163.78 | 2.54-L | .00 |
| 01/08/08 | 07/31/12 | 95.740 | 95.74 | 97.25 | 1.51-L | .00 |
| 01/08/08 | 08/31/12 | 520.180 | 520.18 | 528.39 | 8.21-L | .00 |
| 01/08/08 | 09/30/12 | 640.960 | 640.96 | 651.08 | 10.12-L | .00 |
| 01/08/08 | 10/31/12 | 1,441.050 | 1,441.05 | 1,463.79 | 22.74-L | .00 |
| 01/08/08 | 11/30/12 | 1,303.890 | 1,303.89 | 1,324.47 | 20.58-L | .00 |
| | TOTAL-LONG | 7,798.410 | 7,798.41 | 7,921.48 | 123.07- | .00 |
| FEDERAL HOME LOAN MTG CORP | | | | | | |
| POOL #1Q0407 | | | | | | |
| VAR % DUE 01/01/2036 | | | | | | |
| 02/25/08 | 01/31/12 | 1,901.130 | 1,901.13 | 1,930.24 | 29.11-L | .00 |
| 02/25/08 | 12/31/11 | 738.520 | 738.52 | 749.83 | 11.31-L | .00 |

| | | | | G A I N / L O S S | I N F O R M A T I O N | |
|---|---|---|---|---|---|---|
| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
| 02/25/08 | 02/29/12 | 905.420 | 905.42 | 919.28 | 13.86-L | .00 |
| 02/25/08 | 03/31/12 | 1,388.360 | 1,388.36 | 1,409.62 | 21.26-L | .00 |
| 02/25/08 | 04/30/12 | 1,273.210 | 1,273.21 | 1,292.71 | 19.50-L | .00 |
| 02/25/08 | 05/31/12 | 510.240 | 510.24 | 518.05 | 7.81-L | .00 |
| 02/25/08 | 06/30/12 | 1,408.650 | 1,408.65 | 1,430.22 | 21.57-L | .00 |
| 02/25/08 | 07/31/12 | 939.510 | 939.51 | 953.90 | 14.39-L | .00 |
| 02/25/08 | 08/31/12 | 1,736.310 | 1,736.31 | 1,762.90 | 26.59-L | .00 |
| 02/25/08 | 09/30/12 | 2,453.430 | 2,453.43 | 2,491.00 | 37.57-L | .00 |
| 02/25/08 | 10/31/12 | 3,093.350 | 3,093.35 | 3,140.72 | 47.37-L | .00 |
| 02/25/08 | 11/30/12 | 86.690 | 86.69 | 88.02 | 1.33-L | .00 |
| | TOTAL-LONG | 16,434.820 | 16,434.82 | 16,686.49 | 251.67- | .00 |
| FEDERAL HOME LOAN MTG CORP GOLD POOL #C72165 07.000% DUE 10/01/2032 | | | | | | |
| 12/19/03 | 01/31/12 | 184.990 | 184.99 | 202.64 | 17.65-L | .00 |
| 12/19/03 | 02/29/12 | 186.020 | 186.02 | 203.77 | 17.75-L | .00 |
| 12/19/03 | 03/31/12 | 10,479.060 | 10,479.06 | 11,478.91 | 999.85-L | .00 |
| 12/19/03 | 04/20/12 | 73,780.000 | 84,385.88 | 80,819.66 | 3,566.22 L | .00 |
| | TOTAL-LONG | 84,630.070 | 95,235.95 | 92,704.98 | 2,530.97 | .00 |
| FEDERAL HOME LN MTG CORP GOLD POOL #C01725 05.500 % DUE 12/01/2033 | | | | | | |
| 12/18/03 | 01/31/12 | 3,479.100 | 3,479.10 | 3,548.72 | 69.62-L | .00 |
| 12/18/03 | 02/29/12 | 3,588.980 | 3,588.98 | 3,660.79 | 71.81-L | .00 |
| 12/18/03 | 03/31/12 | 3,885.400 | 3,885.40 | 3,963.14 | 77.74-L | .00 |
| 12/18/03 | 04/30/12 | 3,470.930 | 3,470.93 | 3,540.38 | 69.45-L | .00 |
| 12/18/03 | 05/31/12 | 3,959.180 | 3,959.18 | 4,038.40 | 79.22-L | .00 |
| 12/18/03 | 06/30/12 | 3,462.030 | 3,462.03 | 3,531.30 | 69.27-L | .00 |
| 12/18/03 | 07/31/12 | 3,139.610 | 3,139.61 | 3,202.43 | 62.82-L | .00 |
| 12/18/03 | 08/31/12 | 3,060.030 | 3,060.03 | 3,121.26 | 61.23-L | .00 |
| 12/18/03 | 09/30/12 | 3,041.140 | 3,041.14 | 3,101.99 | 60.85-L | .00 |
| 12/18/03 | 10/31/12 | 3,609.600 | 3,609.60 | 3,681.83 | 72.23-L | .00 |
| 12/18/03 | 11/30/12 | 3,170.080 | 3,170.08 | 3,233.51 | 63.43-L | .00 |
| 12/18/03 | 12/31/12 | 2,768.380 | 2,768.38 | 2,823.77 | 55.39-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 40,634.460 | 40,634.46 | 41,447.52 | 813.06- | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #C04038<br>03.500% DUE 06/01/2042 | | | | | | |
| 06/14/12 | 06/30/12 | 227.420 | 227.42 | 238.72 | 11.30-S | .00 |
| 06/14/12 | 07/31/12 | 608.100 | 608.10 | 638.31 | 30.21-S | .00 |
| 06/14/12 | 08/31/12 | 969.930 | 969.93 | 1,018.12 | 48.19-S | .00 |
| 06/14/12 | 09/30/12 | 1,253.270 | 1,253.27 | 1,315.54 | 62.27-S | .00 |
| 06/14/12 | 10/31/12 | 2,405.380 | 2,405.38 | 2,524.90 | 119.52-S | .00 |
| 06/14/12 | 11/30/12 | 3,898.490 | 3,898.49 | 4,092.20 | 193.71-S | .00 |
| 06/14/12 | 12/31/12 | 966.150 | 966.15 | 1,014.16 | 48.01-S | .00 |
| | TOTAL-SHORT | 10,328.740 | 10,328.74 | 10,841.95 | 513.21- | .00 |
| FEDERAL HOME LOAN MTG CORP<br>GOLD POOL #B17389<br>05.500% DUE 12/01/2019 | | | | | | |
| 01/25/05 | 01/31/12 | 697.220 | 697.22 | 720.75 | 23.53-L | .00 |
| 01/25/05 | 02/29/12 | 699.440 | 699.44 | 723.05 | 23.61-L | .00 |
| 01/25/05 | 03/31/12 | 676.390 | 676.39 | 699.22 | 22.83-L | .00 |
| 01/25/05 | 04/30/12 | 701.900 | 701.90 | 725.59 | 23.69-L | .00 |
| 01/25/05 | 05/31/12 | 7,883.520 | 7,883.52 | 8,149.59 | 266.07-L | .00 |
| 01/25/05 | 06/30/12 | 635.810 | 635.81 | 657.27 | 21.46-L | .00 |
| 01/25/05 | 07/31/12 | 636.200 | 636.20 | 657.67 | 21.47-L | .00 |
| 01/25/05 | 08/31/12 | 639.180 | 639.18 | 660.75 | 21.57-L | .00 |
| 01/25/05 | 09/30/12 | 642.770 | 642.77 | 664.46 | 21.69-L | .00 |
| 01/25/05 | 10/11/12 | 55,291.990 | 59,300.68 | 57,158.09 | 2,142.59 L | .00 |
| | TOTAL-LONG | 68,504.420 | 72,513.11 | 70,816.44 | 1,696.67 | .00 |
| FEDERAL NATL MTG ASSN<br>POOL # 256059<br>05.500% DUE 12/01/2035 | | | | | | |
| 01/12/06 | 01/31/12 | 1,216.750 | 1,216.75 | 1,208.19 | 8.56 L | .00 |
| 01/12/06 | 02/29/12 | 1,854.350 | 1,854.35 | 1,841.31 | 13.04 L | .00 |
| 01/12/06 | 03/31/12 | 1,888.390 | 1,888.39 | 1,875.11 | 13.28 L | .00 |
| 01/12/06 | 04/30/12 | 1,893.870 | 1,893.87 | 1,880.55 | 13.32 L | .00 |
| 01/12/06 | 05/31/12 | 2,676.040 | 2,676.04 | 2,657.23 | 18.81 L | .00 |
| 01/12/06 | 06/30/12 | 2,884.340 | 2,884.34 | 2,864.06 | 20.28 L | .00 |
| 01/12/06 | 07/31/12 | 2,930.010 | 2,930.01 | 2,909.41 | 20.60 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 01/12/06 | 08/31/12 | 2,631.660 | 2,631.66 | 2,613.16 | 18.50 L | .00 |
| 01/12/06 | 09/30/12 | 1,621.860 | 1,621.86 | 1,610.46 | 11.40 L | .00 |
| 01/12/06 | 10/05/12 | 41,619.796 | 45,638.71 | 41,327.17 | 4,311.54 L | .00 |
| | TOTAL-LONG | 61,217.066 | 65,235.98 | 60,786.65 | 4,449.33 | .00 |
| FEDERAL NATL MTG ASSN POOL #256638 06.000% DUE 03/01/2037 | | | | | | |
| 06/05/07 | 01/31/12 | 421.160 | 421.16 | 419.32 | 1.84 L | .00 |
| 06/05/07 | 02/29/12 | 831.060 | 831.06 | 827.42 | 3.64 L | .00 |
| 06/05/07 | 03/31/12 | 769.830 | 769.83 | 766.46 | 3.37 L | .00 |
| 06/05/07 | 04/30/12 | 591.750 | 591.75 | 589.16 | 2.59 L | .00 |
| 06/05/07 | 05/31/12 | 677.880 | 677.88 | 674.91 | 2.97 L | .00 |
| 06/05/07 | 06/30/12 | 897.350 | 897.35 | 893.42 | 3.93 L | .00 |
| 06/05/07 | 07/31/12 | 974.590 | 974.59 | 970.33 | 4.26 L | .00 |
| 06/05/07 | 08/31/12 | 684.260 | 684.26 | 681.27 | 2.99 L | .00 |
| 06/05/07 | 09/30/12 | 570.060 | 570.06 | 567.57 | 2.49 L | .00 |
| 06/05/07 | 10/24/12 | 15,629.990 | 17,305.34 | 15,561.60 | 1,743.74 L | .00 |
| | TOTAL-LONG | 22,047.930 | 23,723.28 | 21,951.46 | 1,771.82 | .00 |
| FEDERAL REALTY INVT TRUST SH BEN INT NEW REIT | | | | | | |
| 07/12/11 | 01/06/12 | 7.000 | 631.75 | 624.68 | 7.07 S | .00 |
| 02/06/12 | 03/20/12 | 9.000 | 875.85 | 868.05 | 7.80 S | .00 |
| 01/30/12 | 03/20/12 | 15.000 | 1,459.75 | 1,423.47 | 36.28 S | .00 |
| 07/12/11 | 03/20/12 | 3.000 | 291.95 | 267.72 | 24.23 S | .00 |
| 07/14/11 | 03/20/12 | 16.000 | 1,557.07 | 1,394.70 | 162.37 S | .00 |
| 06/21/11 | 03/20/12 | 31.000 | 3,016.83 | 2,672.81 | 344.02 S | .00 |
| 07/01/11 | 03/20/12 | 22.000 | 2,140.97 | 1,890.23 | 250.74 S | .00 |
| 08/26/11 | 03/20/12 | 24.000 | 2,335.61 | 2,056.43 | 279.18 S | .00 |
| 06/29/11 | 03/20/12 | 12.000 | 1,167.80 | 1,017.55 | 150.25 S | .00 |
| 06/23/11 | 03/20/12 | 8.000 | 778.54 | 672.54 | 106.00 S | .00 |
| 06/23/11 | 03/21/12 | 10.000 | 976.50 | 840.67 | 135.83 S | .00 |
| 06/23/11 | 03/23/12 | 5.000 | 483.19 | 420.33 | 62.86 S | .00 |
| 06/16/11 | 03/23/12 | 13.000 | 1,256.31 | 1,082.90 | 173.41 S | .00 |
| 09/23/11 | 04/18/12 | 16.000 | 1,554.36 | 1,331.36 | 223.00 S | .00 |
| 06/15/11 | 04/18/12 | 25.000 | 2,428.70 | 2,059.10 | 369.60 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | | | GAIN / LOSS INFORMATION | | | |
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 216.000 | 20,955.18 | 18,622.54 | 2,332.64 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AH9719 | | | | | | |
| 04.500% DUE 04/01/2041 | | | | | | |
| 06/21/11 | 01/31/12 | 1,346.540 | 1,346.54 | 1,402.19 | 55.65-S | .00 |
| 06/21/11 | 02/29/12 | 2,454.880 | 2,454.88 | 2,556.34 | 101.46-S | .00 |
| 06/21/11 | 03/31/12 | 2,548.230 | 2,548.23 | 2,653.54 | 105.31-S | .00 |
| 06/21/11 | 04/30/12 | 1,344.210 | 1,344.21 | 1,399.76 | 55.55-S | .00 |
| 06/21/11 | 05/31/12 | 1,728.160 | 1,728.16 | 1,799.58 | 71.42-S | .00 |
| 06/21/11 | 06/30/12 | 1,760.290 | 1,760.29 | 1,833.04 | 72.75-L | .00 |
| 06/21/11 | 07/31/12 | 1,155.720 | 1,155.72 | 1,203.48 | 47.76-L | .00 |
| 06/21/11 | 08/31/12 | 1,866.120 | 1,866.12 | 1,943.24 | 77.12-L | .00 |
| 06/21/11 | 09/30/12 | 984.390 | 984.39 | 1,025.07 | 40.68-L | .00 |
| 06/21/11 | 10/31/12 | 2,471.200 | 2,471.20 | 2,573.33 | 102.13-L | .00 |
| 06/21/11 | 11/30/12 | 2,673.770 | 2,673.77 | 2,784.27 | 110.50-L | .00 |
| 06/21/11 | 12/31/12 | 3,282.120 | 3,282.12 | 3,417.76 | 135.64-L | .00 |
| | TOTAL-SHORT | 23,615.630 | 23,615.63 | 24,591.60 | 389.39- | .00 |
| | TOTAL-LONG | | | | 586.58- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AH2666 | | | | | | |
| 04.000% DUE 01/01/2026 | | | | | | |
| 12/21/11 | 01/31/12 | 2,745.390 | 2,745.39 | 2,897.24 | 151.85-S | .00 |
| 12/21/11 | 02/29/12 | 2,713.920 | 2,713.92 | 2,864.03 | 150.11-S | .00 |
| 12/21/11 | 03/31/12 | 3,564.260 | 3,564.26 | 3,761.41 | 197.15-S | .00 |
| 12/21/11 | 04/30/12 | 1,419.200 | 1,419.20 | 1,497.70 | 78.50-S | .00 |
| 12/21/11 | 05/31/12 | 3,322.760 | 3,322.76 | 3,506.55 | 183.79-S | .00 |
| 12/21/11 | 06/30/12 | 2,497.370 | 2,497.37 | 2,635.51 | 138.14-S | .00 |
| 12/21/11 | 07/31/12 | 5,190.570 | 5,190.57 | 5,477.67 | 287.10-S | .00 |
| 12/21/11 | 08/31/12 | 5,087.180 | 5,087.18 | 5,368.56 | 281.38-S | .00 |
| 12/21/11 | 09/30/12 | 3,444.720 | 3,444.72 | 3,635.26 | 190.54-S | .00 |
| 12/21/11 | 10/31/12 | 5,785.070 | 5,785.07 | 6,105.06 | 319.99-S | .00 |
| 12/21/11 | 11/30/12 | 2,389.590 | 2,389.59 | 2,521.76 | 132.17-S | .00 |
| 12/21/11 | 12/31/12 | 3,633.720 | 3,633.72 | 3,834.71 | 200.99-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 41,793.750 | 41,793.75 | 44,105.46 | 2,110.72- | .00 |
| | TOTAL-LONG | | | | 200.99- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AL0065 | | | | | | |
| 04.500% DUE 03/01/2041 | | | | | | |
| 05/07/12 | 05/31/12 | 2,018.860 | 2,018.86 | 2,168.38 | 149.52-S | .00 |
| 05/07/12 | 06/30/12 | 2,635.010 | 2,635.01 | 2,830.17 | 195.16-S | .00 |
| 05/07/12 | 07/31/12 | 3,493.770 | 3,493.77 | 3,752.53 | 258.76-S | .00 |
| 05/07/12 | 08/31/12 | 3,200.590 | 3,200.59 | 3,437.63 | 237.04-S | .00 |
| 05/07/12 | 09/30/12 | 2,521.820 | 2,521.82 | 2,708.59 | 186.77-S | .00 |
| 05/07/12 | 10/31/12 | 3,266.070 | 3,266.07 | 3,507.96 | 241.89-S | .00 |
| 05/07/12 | 11/30/12 | 3,230.810 | 3,230.81 | 3,470.09 | 239.28-S | .00 |
| 05/07/12 | 12/31/12 | 3,200.970 | 3,200.97 | 3,438.04 | 237.07-S | .00 |
| | TOTAL-SHORT | 23,567.900 | 23,567.90 | 25,313.39 | 1,745.49- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AO5940 | | | | | | |
| 03.500% DUE 06/01/2042 | | | | | | |
| 06/18/12 | 06/30/12 | 270.900 | 270.90 | 285.57 | 14.67-S | .00 |
| 06/18/12 | 07/31/12 | 836.860 | 836.86 | 882.17 | 45.31-S | .00 |
| 06/18/12 | 08/31/12 | 1,016.260 | 1,016.26 | 1,071.28 | 55.02-S | .00 |
| 06/18/12 | 09/30/12 | 2,263.060 | 2,263.06 | 2,385.58 | 122.52-S | .00 |
| 06/18/12 | 10/31/12 | 1,112.860 | 1,112.86 | 1,173.11 | 60.25-S | .00 |
| 06/18/12 | 11/30/12 | 3,535.890 | 3,535.89 | 3,727.33 | 191.44-S | .00 |
| 06/18/12 | 12/31/12 | 1,549.020 | 1,549.02 | 1,632.88 | 83.86-S | .00 |
| | TOTAL-SHORT | 10,584.850 | 10,584.85 | 11,157.92 | 573.07- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AO7627 | | | | | | |
| 03.000% DUE 06/01/2027 | | | | | | |
| 11/05/12 | 11/30/12 | 725.160 | 725.16 | 768.44 | 43.28-S | .00 |
| 11/05/12 | 12/31/12 | 695.250 | 695.25 | 736.75 | 41.50-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 1,420.410 | 1,420.41 | 1,505.19 | 84.78- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AQ0945 | | | | | | |
| 03.000% DUE 11/01/2042 | | | | | | |
| 11/20/12 | 11/30/12 | 252.330 | 252.33 | 264.83 | 12.50-S | .00 |
| 11/20/12 | 12/31/12 | 1,620.640 | 1,620.64 | 1,700.91 | 80.27-S | .00 |
| | TOTAL-SHORT | 1,872.970 | 1,872.97 | 1,965.74 | 92.77- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #725185 | | | | | | |
| 05.000% DUE 02/01/2019 | | | | | | |
| 03/10/04 | 01/31/12 | 3,172.630 | 3,172.63 | 3,295.31 | 122.68-L | .00 |
| 03/10/04 | 02/29/12 | 2,501.910 | 2,501.91 | 2,598.66 | 96.75-L | .00 |
| 03/10/04 | 03/31/12 | 2,690.780 | 2,690.78 | 2,794.83 | 104.05-L | .00 |
| 03/10/04 | 04/30/12 | 2,812.360 | 2,812.36 | 2,921.11 | 108.75-L | .00 |
| 03/10/04 | 05/31/12 | 2,521.830 | 2,521.83 | 2,619.35 | 97.52-L | .00 |
| 03/10/04 | 06/30/12 | 3,189.480 | 3,189.48 | 3,312.81 | 123.33-L | .00 |
| 03/10/04 | 07/31/12 | 2,398.140 | 2,398.14 | 2,490.87 | 92.73-L | .00 |
| 03/10/04 | 08/31/12 | 3,196.540 | 3,196.54 | 3,320.15 | 123.61-L | .00 |
| 03/10/04 | 09/30/12 | 3,344.870 | 3,344.87 | 3,474.21 | 129.34-L | .00 |
| 03/10/04 | 10/12/12 | 91,979.732 | 100,035.14 | 95,536.49 | 4,498.65 L | .00 |
| | TOTAL-LONG | 117,808.272 | 125,863.68 | 122,363.79 | 3,499.89 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL # 745753 | | | | | | |
| 04.500% DUE 11/01/2033 | | | | | | |
| 05/14/08 | 01/31/12 | 1,519.790 | 1,519.79 | 1,440.48 | 79.31 L | .00 |
| 05/14/08 | 02/29/12 | 1,303.860 | 1,303.86 | 1,235.82 | 68.04 L | .00 |
| 05/14/08 | 03/31/12 | 1,496.740 | 1,496.74 | 1,418.63 | 78.11 L | .00 |
| 05/14/08 | 04/30/12 | 1,396.380 | 1,396.38 | 1,323.51 | 72.87 L | .00 |
| 05/14/08 | 05/31/12 | 1,057.770 | 1,057.77 | 1,002.57 | 55.20 L | .00 |
| 05/14/08 | 06/30/12 | 999.070 | 999.07 | 946.93 | 52.14 L | .00 |
| 05/14/08 | 07/31/12 | 1,066.670 | 1,066.67 | 1,011.00 | 55.67 L | .00 |
| 05/14/08 | 08/31/12 | 1,416.110 | 1,416.11 | 1,342.21 | 73.90 L | .00 |
| 05/14/08 | 09/30/12 | 1,100.955 | 1,100.95 | 1,043.50 | 57.45 L | .00 |
| 05/14/08 | 10/04/12 | 33,794.535 | 36,572.02 | 32,030.88 | 4,541.14 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 45,151.880 | 47,929.36 | 42,795.53 | 5,133.83 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL # 753113 | | | | | | |
| 06.000% DUE 12/01/2033 | | | | | | |
| 12/17/03 | 01/31/12 | 253.500 | 253.50 | 268.19 | 14.69-L | .00 |
| 12/17/03 | 02/29/12 | 200.930 | 200.93 | 212.57 | 11.64-L | .00 |
| 12/17/03 | 03/31/12 | 12,760.370 | 12,760.37 | 13,499.80 | 739.43-L | .00 |
| 12/17/03 | 04/30/12 | 10,848.990 | 10,848.99 | 11,477.66 | 628.67-L | .00 |
| 12/17/03 | 05/31/12 | 5,852.720 | 5,852.72 | 6,191.87 | 339.15-L | .00 |
| 12/17/03 | 06/30/12 | 9,831.760 | 9,831.76 | 10,401.48 | 569.72-L | .00 |
| 12/17/03 | 07/31/12 | 144.950 | 144.95 | 153.35 | 8.40-L | .00 |
| 12/17/03 | 08/31/12 | 5,331.320 | 5,331.32 | 5,640.25 | 308.93-L | .00 |
| 12/17/03 | 09/30/12 | 118.430 | 118.43 | 125.29 | 6.86-L | .00 |
| 12/17/03 | 10/24/12 | 54,958.670 | 61,450.66 | 58,143.37 | 3,307.29 L | .00 |
| | TOTAL-LONG | 100,301.640 | 106,793.63 | 106,113.83 | 679.80 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL # 759236 | | | | | | |
| 05.500% DUE 01/01/2019 | | | | | | |
| 05/06/04 | 01/31/12 | 298.120 | 298.12 | 304.87 | 6.75-L | .00 |
| 05/06/04 | 02/29/12 | 557.620 | 557.62 | 570.24 | 12.62-L | .00 |
| 05/06/04 | 03/31/12 | 293.300 | 293.30 | 299.94 | 6.64-L | .00 |
| 05/06/04 | 04/30/12 | 310.880 | 310.88 | 317.92 | 7.04-L | .00 |
| 05/06/04 | 05/31/12 | 289.530 | 289.53 | 296.09 | 6.56-L | .00 |
| 05/06/04 | 06/30/12 | 1,268.510 | 1,268.51 | 1,297.23 | 28.72-L | .00 |
| 05/06/04 | 07/19/12 | 23,199.689 | 25,229.66 | 23,724.95 | 1,504.71 L | .00 |
| | TOTAL-LONG | 26,217.649 | 28,247.62 | 26,811.24 | 1,436.38 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL # 809882 | | | | | | |
| 05/20/05 | 01/31/12 | 396.240 | 396.24 | 400.70 | 4.46-L | .00 |
| 05/20/05 | 02/29/12 | 87.330 | 87.33 | 88.31 | .98-L | .00 |
| 05/20/05 | 03/31/12 | 1,981.660 | 1,981.66 | 2,003.95 | 22.29-L | .00 |
| 05/20/05 | 04/30/12 | 83.720 | 83.72 | 84.66 | .94-L | .00 |
| 05/20/05 | 05/31/12 | 108.610 | 108.61 | 109.83 | 1.22-L | .00 |
| 05/20/05 | 06/30/12 | 1,622.620 | 1,622.62 | 1,640.88 | 18.26-L | .00 |
| 05/20/05 | 07/31/12 | 1,879.640 | 1,879.64 | 1,900.79 | 21.15-L | .00 |
| 05/20/05 | 08/31/12 | 2,142.520 | 2,142.52 | 2,166.62 | 24.10-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 05/20/05 | 09/30/12 | 76.704 | 76.70 | 77.57 | .87-L | .00 |
| 05/20/05 | 10/05/12 | 35,288.686 | 39,027.08 | 35,685.71 | 3,341.37 L | .00 |
| | TOTAL-LONG | 43,667.730 | 47,406.12 | 44,159.02 | 3,247.10 | .00 |
| FEDERAL NATL MTG ASSN POOL #832351 VAR % DUE 08/01/2035 | | | | | | |
| 02/07/08 | 01/31/12 | 97.050 | 97.05 | 98.98 | 1.93-L | .00 |
| 02/07/08 | 02/29/12 | 2,666.780 | 2,666.78 | 2,719.70 | 52.92-L | .00 |
| 02/07/08 | 03/31/12 | 91.370 | 91.37 | 93.18 | 1.81-L | .00 |
| 02/07/08 | 04/30/12 | 1,595.090 | 1,595.09 | 1,626.74 | 31.65-L | .00 |
| 02/07/08 | 05/31/12 | 1,347.310 | 1,347.31 | 1,374.05 | 26.74-L | .00 |
| 02/07/08 | 06/30/12 | 1,648.710 | 1,648.71 | 1,681.43 | 32.72-L | .00 |
| 02/07/08 | 07/31/12 | 72.890 | 72.89 | 74.34 | 1.45-L | .00 |
| 02/07/08 | 08/31/12 | 1,314.870 | 1,314.87 | 1,340.96 | 26.09-L | .00 |
| 02/07/08 | 09/30/12 | 67.220 | 67.22 | 68.55 | 1.33-L | .00 |
| 02/07/08 | 10/31/12 | 68.510 | 68.51 | 69.87 | 1.36-L | .00 |
| 02/07/08 | 11/30/12 | 2,671.150 | 2,671.15 | 2,724.15 | 53.00-L | .00 |
| 02/07/08 | 12/31/12 | 62.480 | 62.48 | 63.72 | 1.24-L | .00 |
| | TOTAL-LONG | 11,703.430 | 11,703.43 | 11,935.67 | 232.24- | .00 |
| FEDERAL NATL MTG ASSN POOL #835760 04.500% DUE 09/01/2035 | | | | | | |
| 05/13/08 | 01/31/12 | 983.220 | 983.22 | 930.06 | 53.16 L | .00 |
| 05/13/08 | 02/29/12 | 1,304.200 | 1,304.20 | 1,233.69 | 70.51 L | .00 |
| 05/13/08 | 03/31/12 | 1,258.590 | 1,258.59 | 1,190.55 | 68.04 L | .00 |
| 05/13/08 | 04/30/12 | 1,214.750 | 1,214.75 | 1,149.08 | 65.67 L | .00 |
| 05/13/08 | 05/31/12 | 1,271.070 | 1,271.07 | 1,202.35 | 68.72 L | .00 |
| 05/13/08 | 06/30/12 | 1,279.940 | 1,279.94 | 1,210.74 | 69.20 L | .00 |
| 05/13/08 | 07/31/12 | 1,136.670 | 1,136.67 | 1,075.22 | 61.45 L | .00 |
| 05/13/08 | 08/31/12 | 1,419.740 | 1,419.74 | 1,342.99 | 76.75 L | .00 |
| 05/13/08 | 09/30/12 | 1,266.322 | 1,266.32 | 1,197.86 | 68.46 L | .00 |
| 05/13/08 | 10/04/12 | 20,671.958 | 22,370.93 | 19,554.38 | 2,816.55 L | .00 |
| | TOTAL-LONG | 31,806.460 | 33,505.43 | 30,086.92 | 3,418.51 | .00 |
| FEDERAL NATL MTG ASSN POOL #838633 05.500% DUE 11/01/2035 | | | | | | |
| 12/14/05 | 01/31/12 | 405.580 | 405.58 | 401.24 | 4.34 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 12/14/05 | 02/29/12 | 9,912.970 | 9,912.97 | 9,806.87 | 106.10 L | .00 |
| 12/14/05 | 03/31/12 | 162.150 | 162.15 | 160.41 | 1.74 L | .00 |
| 12/14/05 | 04/30/12 | 5,694.170 | 5,694.17 | 5,633.23 | 60.94 L | .00 |
| 12/14/05 | 05/31/12 | 153.420 | 153.42 | 151.78 | 1.64 L | .00 |
| 12/14/05 | 06/30/12 | 8,173.720 | 8,173.72 | 8,086.24 | 87.48 L | .00 |
| 12/14/05 | 07/31/12 | 4,735.040 | 4,735.04 | 4,684.36 | 50.68 L | .00 |
| 12/14/05 | 08/31/12 | 128.240 | 128.24 | 126.87 | 1.37 L | .00 |
| 12/14/05 | 09/30/12 | 128.785 | 128.78 | 127.41 | 1.37 L | .00 |
| 12/14/05 | 10/05/12 | 57,824.695 | 63,408.39 | 57,205.78 | 6,202.61 L | .00 |
| | TOTAL-LONG | 87,318.770 | 92,902.46 | 86,384.19 | 6,518.27 | .00 |
| FEDERAL NATL MTG ASSN POOL #866049 05.500% DUE 03/01/2036 | | | | | | |
| 04/19/06 | 01/31/12 | 168.490 | 168.49 | 164.15 | 4.34 L | .00 |
| 04/19/06 | 02/29/12 | 3,847.290 | 3,847.29 | 3,748.10 | 99.19 L | .00 |
| 04/19/06 | 03/31/12 | 167.260 | 167.26 | 162.95 | 4.31 L | .00 |
| 04/19/06 | 04/30/12 | 1,325.700 | 1,325.70 | 1,291.52 | 34.18 L | .00 |
| 04/19/06 | 05/31/12 | 204.170 | 204.17 | 198.91 | 5.26 L | .00 |
| 04/19/06 | 06/30/12 | 161.200 | 161.20 | 157.04 | 4.16 L | .00 |
| 04/19/06 | 07/31/12 | 1,369.060 | 1,369.06 | 1,333.76 | 35.30 L | .00 |
| 04/19/06 | 08/31/12 | 2,548.350 | 2,548.35 | 2,482.65 | 65.70 L | .00 |
| 04/19/06 | 09/30/12 | 164.620 | 164.62 | 160.38 | 4.24 L | .00 |
| 04/19/06 | 10/31/12 | 164.640 | 164.64 | 160.40 | 4.24 L | .00 |
| 04/19/06 | 11/30/12 | 173.210 | 173.21 | 168.74 | 4.47 L | .00 |
| 04/19/06 | 12/31/12 | 1,866.110 | 1,866.11 | 1,818.00 | 48.11 L | .00 |
| | TOTAL-LONG | 12,160.100 | 12,160.10 | 11,846.60 | 313.50 | .00 |
| FEDERAL NATL MTG ASSN POOL #881089 06.000% DUE 04/01/2036 | | | | | | |
| 07/18/06 | 01/31/12 | 64.180 | 64.18 | 63.30 | .88 L | .00 |
| 07/18/06 | 02/29/12 | 3,110.260 | 3,110.26 | 3,067.49 | 42.77 L | .00 |
| 07/18/06 | 03/31/12 | 60.090 | 60.09 | 59.26 | .83 L | .00 |
| 07/18/06 | 04/30/12 | 78.440 | 78.44 | 77.36 | 1.08 L | .00 |
| 07/18/06 | 05/31/12 | 62.260 | 62.26 | 61.40 | .86 L | .00 |
| 07/18/06 | 06/30/12 | 61.860 | 61.86 | 61.01 | .85 L | .00 |
| 07/18/06 | 07/31/12 | 62.900 | 62.90 | 62.04 | .86 L | .00 |
| 07/18/06 | 08/31/12 | 59.340 | 59.34 | 58.52 | .82 L | .00 |
| 07/18/06 | 09/30/12 | 81.350 | 81.35 | 80.23 | 1.12 L | .00 |
| 07/18/06 | 10/31/12 | 61.170 | 61.17 | 60.33 | .84 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 07/18/06 | 11/30/12 | 60.430 | 60.43 | 59.60 | .83 L | .00 |
| 07/18/06 | 12/31/12 | 60.760 | 60.76 | 59.92 | .84 L | .00 |
| | TOTAL-LONG | 3,823.040 | 3,823.04 | 3,770.46 | 52.58 | .00 |
| FEDERAL NATL MTG ASSN POOL # 931412 04.500% DUE 06/01/2024 | | | | | | |
| 06/23/09 | 01/31/12 | 3,860.040 | 3,860.04 | 3,933.62 | 73.58-L | .00 |
| 06/23/09 | 02/29/12 | 2,352.480 | 2,352.48 | 2,397.32 | 44.84-L | .00 |
| 06/23/09 | 03/31/12 | 4,103.360 | 4,103.36 | 4,181.58 | 78.22-L | .00 |
| 06/23/09 | 04/30/12 | 2,890.880 | 2,890.88 | 2,945.99 | 55.11-L | .00 |
| 06/23/09 | 05/31/12 | 3,032.310 | 3,032.31 | 3,090.11 | 57.80-L | .00 |
| 06/23/09 | 06/30/12 | 2,848.640 | 2,848.64 | 2,902.94 | 54.30-L | .00 |
| 06/23/09 | 07/31/12 | 2,766.280 | 2,766.28 | 2,819.01 | 52.73-L | .00 |
| 06/23/09 | 08/31/12 | 2,638.890 | 2,638.89 | 2,689.19 | 50.30-L | .00 |
| 06/23/09 | 09/30/12 | 2,535.240 | 2,535.24 | 2,583.57 | 48.33-L | .00 |
| 06/23/09 | 10/23/12 | 51,803.820 | 55,778.15 | 52,791.33 | 2,986.82 L | .00 |
| | TOTAL-LONG | 78,831.940 | 82,806.27 | 80,334.66 | 2,471.61 | .00 |
| FEDERAL NATL MTG ASSN POOL #931478 04.500% DUE 07/01/2024 | | | | | | |
| 12/09/10 | 01/31/12 | 3,377.560 | 3,377.56 | 3,544.33 | 166.77-L | .00 |
| 12/09/10 | 02/29/12 | 5,442.170 | 5,442.17 | 5,710.88 | 268.71-L | .00 |
| 12/09/10 | 03/31/12 | 3,854.930 | 3,854.93 | 4,045.27 | 190.34-L | .00 |
| 12/09/10 | 04/30/12 | 4,000.050 | 4,000.05 | 4,197.55 | 197.50-L | .00 |
| 12/09/10 | 05/31/12 | 4,542.010 | 4,542.01 | 4,766.27 | 224.26-L | .00 |
| 12/09/10 | 06/30/12 | 4,132.980 | 4,132.98 | 4,337.05 | 204.07-L | .00 |
| 12/09/10 | 07/31/12 | 4,297.510 | 4,297.51 | 4,509.70 | 212.19-L | .00 |
| 12/09/10 | 08/31/12 | 2,813.320 | 2,813.32 | 2,952.23 | 138.91-L | .00 |
| 12/09/10 | 09/30/12 | 3,306.780 | 3,306.78 | 3,470.05 | 163.27-L | .00 |
| 12/09/10 | 10/23/12 | 74,825.362 | 80,565.87 | 78,519.86 | 2,046.01 L | .00 |
| | TOTAL-LONG | 110,592.672 | 116,333.18 | 116,053.19 | 279.99 | .00 |
| FEDERAL NATL MTG ASSN POOL #932639 05.000% DUE 03/01/2040 | | | | | | |
| 12/20/10 | 01/31/12 | 3,193.330 | 3,193.33 | 3,355.99 | 162.66-L | .00 |
| 12/20/10 | 02/29/12 | 2,403.020 | 2,403.02 | 2,525.42 | 122.40-L | .00 |
| 12/20/10 | 03/31/12 | 4,061.950 | 4,061.95 | 4,268.86 | 206.91-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 12/20/10 | 04/30/12 | 3,215.150 | 3,215.15 | 3,378.92 | 163.77-L | .00 |
| 12/20/10 | 05/31/12 | 4,474.710 | 4,474.71 | 4,702.64 | 227.93-L | .00 |
| 12/20/10 | 06/30/12 | 3,266.200 | 3,266.20 | 3,432.57 | 166.37-L | .00 |
| 12/20/10 | 07/31/12 | 5,118.620 | 5,118.62 | 5,379.35 | 260.73-L | .00 |
| 12/20/10 | 08/31/12 | 4,334.840 | 4,334.84 | 4,555.65 | 220.81-L | .00 |
| 12/20/10 | 09/30/12 | 6,913.500 | 6,913.50 | 7,265.66 | 352.16-L | .00 |
| 12/20/10 | 10/31/12 | 3,250.980 | 3,250.98 | 3,416.58 | 165.60-L | .00 |
| 12/20/10 | 11/30/12 | 6,924.730 | 6,924.73 | 7,277.46 | 352.73-L | .00 |
| 12/20/10 | 12/31/12 | 7,454.880 | 7,454.88 | 7,834.61 | 379.73-L | .00 |
| | TOTAL-LONG | 54,611.910 | 54,611.91 | 57,393.71 | 2,781.80- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #964528 | | | | | | |
| 05.500% DUE 08/01/2038 | | | | | | |
| 02/07/11 | 01/31/12 | 1,255.480 | 1,255.48 | 1,332.97 | 77.49-S | .00 |
| 02/07/11 | 02/29/12 | 3,133.430 | 3,133.43 | 3,326.82 | 193.39-L | .00 |
| 02/07/11 | 03/31/12 | 2,038.980 | 2,038.98 | 2,164.82 | 125.84-L | .00 |
| 02/07/11 | 04/30/12 | 1,802.140 | 1,802.14 | 1,913.37 | 111.23-L | .00 |
| 02/07/11 | 05/31/12 | 3,655.450 | 3,655.45 | 3,881.06 | 225.61-L | .00 |
| 02/07/11 | 06/30/12 | 1,440.150 | 1,440.15 | 1,529.03 | 88.88-L | .00 |
| 02/07/11 | 07/31/12 | 3,438.380 | 3,438.38 | 3,650.59 | 212.21-L | .00 |
| 02/07/11 | 08/31/12 | 3,005.440 | 3,005.44 | 3,190.93 | 185.49-L | .00 |
| 02/07/11 | 09/30/12 | 3,151.938 | 3,151.93 | 3,346.47 | 194.54-L | .00 |
| 02/07/11 | 10/05/12 | 82,153.335 | 90,124.77 | 87,223.75 | 2,901.02 L | .00 |
| | TOTAL-SHORT | 105,074.723 | 113,046.15 | 111,559.81 | 77.49- | .00 |
| | TOTAL-LONG | | | | 1,563.83 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #974149 | | | | | | |
| 05.500% DUE 02/01/2038 | | | | | | |
| 04/18/08 | 01/31/12 | 937.760 | 937.76 | 938.93 | 1.17-L | .00 |
| 04/18/08 | 02/29/12 | 1,012.770 | 1,012.77 | 1,014.04 | 1.27-L | .00 |
| 04/18/08 | 03/31/12 | 888.590 | 888.59 | 889.70 | 1.11-L | .00 |
| 04/18/08 | 04/30/12 | 1,016.370 | 1,016.37 | 1,017.64 | 1.27-L | .00 |
| 04/18/08 | 05/31/12 | 1,557.550 | 1,557.55 | 1,559.50 | 1.95-L | .00 |
| 04/18/08 | 06/30/12 | 977.770 | 977.77 | 978.99 | 1.22-L | .00 |
| 04/18/08 | 07/31/12 | 1,032.060 | 1,032.06 | 1,033.35 | 1.29-L | .00 |
| 04/18/08 | 08/31/12 | 1,115.200 | 1,115.20 | 1,116.59 | 1.39-L | .00 |
| 04/18/08 | 09/30/12 | 1,014.618 | 1,014.61 | 1,015.89 | 1.28-L | .00 |
| 04/18/08 | 10/05/12 | 14,459.282 | 15,862.28 | 14,477.35 | 1,384.93 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 24,011.970 | 25,414.96 | 24,041.98 | 1,372.98 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #986648 | | | | | | |
| 06.000% DUE 09/01/2037 | | | | | | |
| 02/04/11 | 01/31/12 | 2,127.730 | 2,127.73 | 2,305.26 | 177.53-S | .00 |
| 02/04/11 | 02/29/12 | 1,388.850 | 1,388.85 | 1,504.73 | 115.88-L | .00 |
| 02/04/11 | 03/31/12 | 1,753.280 | 1,753.28 | 1,899.57 | 146.29-L | .00 |
| 02/04/11 | 04/30/12 | 3,960.370 | 3,960.37 | 4,290.81 | 330.44-L | .00 |
| 02/04/11 | 05/31/12 | 2,697.120 | 2,697.12 | 2,922.16 | 225.04-L | .00 |
| 02/04/11 | 06/30/12 | 1,391.270 | 1,391.27 | 1,507.35 | 116.08-L | .00 |
| 02/04/11 | 07/31/12 | 878.100 | 878.10 | 951.37 | 73.27-L | .00 |
| 02/04/11 | 08/31/12 | 692.710 | 692.71 | 750.51 | 57.80-L | .00 |
| 02/04/11 | 09/30/12 | 1,775.530 | 1,775.53 | 1,923.68 | 148.15-L | .00 |
| 02/04/11 | 10/31/12 | 2,743.930 | 2,743.93 | 2,972.88 | 228.95-L | .00 |
| 02/04/11 | 11/30/12 | 3,973.750 | 3,973.75 | 4,305.31 | 331.56-L | .00 |
| 02/04/11 | 12/31/12 | 8,738.700 | 8,738.70 | 9,467.84 | 729.14-L | .00 |
| | TOTAL-SHORT | 32,121.340 | 32,121.34 | 34,801.47 | 177.53- | .00 |
| | TOTAL-LONG | | | | 2,502.60- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AB1845 | | | | | | |
| 04.000% DUE 11/01/2040 | | | | | | |
| 08/16/11 | 01/31/12 | 4,795.090 | 4,795.09 | 5,006.37 | 211.28-S | .00 |
| 08/16/11 | 02/29/12 | 6,820.350 | 6,820.35 | 7,120.87 | 300.52-S | .00 |
| 08/16/11 | 03/31/12 | 5,924.980 | 5,924.98 | 6,186.05 | 261.07-S | .00 |
| 08/16/11 | 04/30/12 | 3,597.510 | 3,597.51 | 3,756.03 | 158.52-S | .00 |
| 08/16/11 | 05/31/12 | 5,282.980 | 5,282.98 | 5,515.76 | 232.78-S | .00 |
| 08/16/11 | 06/30/12 | 5,519.730 | 5,519.73 | 5,762.94 | 243.21-S | .00 |
| 08/16/11 | 07/31/12 | 7,654.380 | 7,654.38 | 7,991.65 | 337.27-S | .00 |
| 08/16/11 | 08/31/12 | 11,275.040 | 11,275.04 | 11,771.85 | 496.81-L | .00 |
| 08/16/11 | 09/30/12 | 9,409.450 | 9,409.45 | 9,824.05 | 414.60-L | .00 |
| 08/16/11 | 10/31/12 | 8,658.490 | 8,658.49 | 9,040.00 | 381.51-L | .00 |
| 08/16/11 | 11/30/12 | 8,464.470 | 8,464.47 | 8,837.44 | 372.97-L | .00 |
| 08/16/11 | 12/31/12 | 9,301.670 | 9,301.67 | 9,711.53 | 409.86-L | .00 |

G A I N / L O S S I N F O R M A T I O N

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 86,704.140 | 86,704.14 | 90,524.54 | 1,744.65- | .00 |
| | TOTAL-LONG | | | | 2,075.75- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AB2077 | | | | | | |
| 04.000% DUE 01/01/2041 | | | | | | |
| 04/15/11 | 01/31/12 | 750.100 | 750.10 | 740.55 | 9.55 S | .00 |
| 04/15/11 | 02/29/12 | 1,004.570 | 1,004.57 | 991.78 | 12.79 S | .00 |
| 04/15/11 | 03/31/12 | 1,417.280 | 1,417.28 | 1,399.23 | 18.05 S | .00 |
| 04/15/11 | 04/30/12 | 885.310 | 885.31 | 874.04 | 11.27 L | .00 |
| 04/15/11 | 05/31/12 | 1,369.220 | 1,369.22 | 1,351.78 | 17.44 L | .00 |
| 04/15/11 | 06/30/12 | 1,188.160 | 1,188.16 | 1,173.03 | 15.13 L | .00 |
| 04/15/11 | 07/31/12 | 1,411.670 | 1,411.67 | 1,393.69 | 17.98 L | .00 |
| 04/15/11 | 08/31/12 | 2,255.360 | 2,255.36 | 2,226.64 | 28.72 L | .00 |
| 04/15/11 | 09/30/12 | 1,716.220 | 1,716.22 | 1,694.37 | 21.85 L | .00 |
| 04/15/11 | 10/31/12 | 1,374.240 | 1,374.24 | 1,356.74 | 17.50 L | .00 |
| 04/15/11 | 11/30/12 | 2,066.530 | 2,066.53 | 2,040.21 | 26.32 L | .00 |
| 04/15/11 | 12/31/12 | 2,509.120 | 2,509.12 | 2,477.17 | 31.95 L | .00 |
| | TOTAL-SHORT | 17,947.780 | 17,947.78 | 17,719.23 | 40.39 | .00 |
| | TOTAL-LONG | | | | 188.16 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AB2333 | | | | | | |
| 04.000% DUE 02/01/2041 | | | | | | |
| 02/23/11 | 01/31/12 | 981.970 | 981.97 | 964.56 | 17.41 S | .00 |
| 02/23/11 | 02/29/12 | 991.740 | 991.74 | 974.15 | 17.59 L | .00 |
| 02/23/11 | 03/31/12 | 2,474.530 | 2,474.53 | 2,430.65 | 43.88 L | .00 |
| 02/23/11 | 04/30/12 | 2,739.290 | 2,739.29 | 2,690.71 | 48.58 L | .00 |
| 02/23/11 | 05/31/12 | 1,040.280 | 1,040.28 | 1,021.83 | 18.45 L | .00 |
| 02/23/11 | 06/30/12 | 3,807.560 | 3,807.56 | 3,740.04 | 67.52 L | .00 |
| 02/23/11 | 07/31/12 | 3,756.200 | 3,756.20 | 3,689.59 | 66.61 L | .00 |
| 02/23/11 | 08/31/12 | 5,541.920 | 5,541.92 | 5,443.64 | 98.28 L | .00 |
| 02/23/11 | 09/30/12 | 3,511.680 | 3,511.68 | 3,449.40 | 62.28 L | .00 |
| 02/23/11 | 10/31/12 | 4,519.000 | 4,519.00 | 4,438.86 | 80.14 L | .00 |
| 02/23/11 | 11/30/12 | 3,610.570 | 3,610.57 | 3,546.54 | 64.03 L | .00 |
| 02/23/11 | 12/31/12 | 3,403.030 | 3,403.03 | 3,342.68 | 60.35 L | .00 |

| ACQUISITION DATE (CONT'D) | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-SHORT | 36,377.770 | 36,377.77 | 35,732.65 | 17.41 | .00 |
| | TOTAL-LONG | | | | 627.71 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AB4525 | | | | | | |
| 04.000% DUE 02/01/2042 | | | | | | |
| 05/15/12 | 05/31/12 | 2,150.540 | 2,150.54 | 2,291.67 | 141.13-S | .00 |
| 05/15/12 | 06/30/12 | 4,080.800 | 4,080.80 | 4,348.60 | 267.80-S | .00 |
| 05/15/12 | 07/31/12 | 4,974.590 | 4,974.59 | 5,301.05 | 326.46-S | .00 |
| 05/15/12 | 08/31/12 | 8,103.440 | 8,103.44 | 8,635.23 | 531.79-S | .00 |
| 05/15/12 | 09/30/12 | 5,788.340 | 5,788.34 | 6,168.20 | 379.86-S | .00 |
| 05/15/12 | 10/31/12 | 5,251.880 | 5,251.88 | 5,596.53 | 344.65-S | .00 |
| 05/15/12 | 11/30/12 | 7,665.170 | 7,665.17 | 8,168.20 | 503.03-S | .00 |
| 05/15/12 | 12/31/12 | 6,925.640 | 6,925.64 | 7,380.14 | 454.50-S | .00 |
| | TOTAL-SHORT | 44,940.400 | 44,940.40 | 47,889.62 | 2,949.22- | .00 |
| FEDERAL NALT MTG ASSN | | | | | | |
| POOL #AC5118 | | | | | | |
| 05.000% DUE 11/01/2039 | | | | | | |
| 06/10/10 | 01/31/12 | 211.060 | 211.06 | 222.83 | 11.77-L | .00 |
| 06/10/10 | 02/29/12 | 738.860 | 738.86 | 780.07 | 41.21-L | .00 |
| 06/10/10 | 03/31/12 | 1,002.430 | 1,002.43 | 1,058.35 | 55.92-L | .00 |
| 06/10/10 | 04/30/12 | 357.120 | 357.12 | 377.04 | 19.92-L | .00 |
| 06/10/10 | 05/31/12 | 1,342.110 | 1,342.11 | 1,416.97 | 74.86-L | .00 |
| 06/10/10 | 06/30/12 | 746.740 | 746.74 | 788.39 | 41.65-L | .00 |
| 06/10/10 | 07/31/12 | 856.410 | 856.41 | 904.18 | 47.77-L | .00 |
| 06/10/10 | 08/31/12 | 702.940 | 702.94 | 742.15 | 39.21-L | .00 |
| 06/10/10 | 09/30/12 | 1,122.870 | 1,122.87 | 1,185.51 | 62.64-L | .00 |
| 06/10/10 | 10/31/12 | 460.430 | 460.43 | 486.11 | 25.68-L | .00 |
| 06/10/10 | 11/30/12 | 1,008.850 | 1,008.85 | 1,065.13 | 56.28-L | .00 |
| 06/10/10 | 12/31/12 | 835.570 | 835.57 | 882.18 | 46.61-L | .00 |
| | TOTAL-LONG | 9,385.390 | 9,385.39 | 9,908.91 | 523.52- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #AC5822 | | | | | | |
| 04.500% DUE 05/01/2040 | | | | | | |
| 11/30/11 | 01/31/12 | 2,806.120 | 2,806.12 | 2,976.90 | 170.78-S | .00 |
| 11/30/11 | 02/29/12 | 3,406.440 | 3,406.44 | 3,613.75 | 207.31-S | .00 |
| 11/30/11 | 03/31/12 | 5,967.540 | 5,967.54 | 6,330.72 | 363.18-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 11/30/11 | 04/30/12 | 3,463.880 | 3,463.88 | 3,674.69 | 210.81-S | .00 |
| 11/30/11 | 05/31/12 | 3,814.690 | 3,814.69 | 4,046.85 | 232.16-S | .00 |
| 11/30/11 | 06/30/12 | 1,948.790 | 1,948.79 | 2,067.39 | 118.60-S | .00 |
| 11/30/11 | 07/31/12 | 4,938.950 | 4,938.95 | 5,239.53 | 300.58-S | .00 |
| 11/30/11 | 08/31/12 | 3,447.020 | 3,447.02 | 3,656.80 | 209.78-S | .00 |
| 11/30/11 | 09/30/12 | 4,883.160 | 4,883.16 | 5,180.34 | 297.18-S | .00 |
| 11/30/11 | 10/04/12 | 109,420.529 | 118,550.30 | 116,079.81 | 2,470.49 S | .00 |
| | TOTAL-SHORT | 144,097.119 | 153,226.89 | 152,866.78 | 360.11 | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #MA0790 | | | | | | |
| 04.500% DUE 06/01/2041 | | | | | | |
| 12/08/11 | 01/31/12 | 3,489.620 | 3,489.62 | 3,719.72 | 230.10-S | .00 |
| 12/08/11 | 02/29/12 | 4,897.120 | 4,897.12 | 5,220.02 | 322.90-S | .00 |
| 12/08/11 | 03/31/12 | 5,168.170 | 5,168.17 | 5,508.95 | 340.78-S | .00 |
| 12/08/11 | 04/30/12 | 2,614.380 | 2,614.38 | 2,786.77 | 172.39-S | .00 |
| 12/08/11 | 05/31/12 | 5,019.060 | 5,019.06 | 5,350.00 | 330.94-S | .00 |
| 12/08/11 | 06/30/12 | 4,686.940 | 4,686.94 | 4,995.99 | 309.05-S | .00 |
| 12/08/11 | 07/31/12 | 3,933.430 | 3,933.43 | 4,192.79 | 259.36-S | .00 |
| 12/08/11 | 08/31/12 | 7,816.710 | 7,816.71 | 8,332.12 | 515.41-S | .00 |
| 12/08/11 | 09/30/12 | 4,332.260 | 4,332.26 | 4,617.92 | 285.66-S | .00 |
| 12/08/11 | 10/31/12 | 4,925.030 | 4,925.03 | 5,249.77 | 324.74-S | .00 |
| 12/08/11 | 11/30/12 | 6,241.470 | 6,241.47 | 6,653.02 | 411.55-S | .00 |
| 12/08/11 | 12/31/12 | 3,276.510 | 3,276.51 | 3,492.55 | 216.04-L | .00 |
| | TOTAL-SHORT | 56,400.700 | 56,400.70 | 60,119.62 | 3,502.88- | .00 |
| | TOTAL-LONG | | | | 216.04- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | |
| POOL #MA0907 | | | | | | |
| 04.000% DUE 10/01/2041 | | | | | | |
| 11/30/11 | 01/31/12 | 1,464.280 | 1,464.28 | 1,528.34 | 64.06-S | .00 |
| 11/30/11 | 02/29/12 | 2,362.290 | 2,362.29 | 2,465.64 | 103.35-S | .00 |
| 11/30/11 | 03/31/12 | 3,689.540 | 3,689.54 | 3,850.96 | 161.42-S | .00 |
| 11/30/11 | 04/30/12 | 1,975.260 | 1,975.26 | 2,061.68 | 86.42-S | .00 |
| 11/30/11 | 05/31/12 | 3,241.140 | 3,241.14 | 3,382.94 | 141.80-S | .00 |
| 11/30/11 | 06/30/12 | 2,477.960 | 2,477.96 | 2,586.37 | 108.41-S | .00 |
| 11/30/11 | 07/31/12 | 4,422.250 | 4,422.25 | 4,615.72 | 193.47-S | .00 |
| 11/30/11 | 08/31/12 | 5,205.090 | 5,205.09 | 5,432.81 | 227.72-S | .00 |
| 11/30/11 | 09/30/12 | 4,113.570 | 4,113.57 | 4,293.54 | 179.97-S | .00 |
| 11/30/11 | 10/31/12 | 5,009.350 | 5,009.35 | 5,228.51 | 219.16-S | .00 |
| 11/30/11 | 11/30/12 | 4,392.230 | 4,392.23 | 4,584.39 | 192.16-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| 11/30/11 | 12/31/12 | | 3,779.980 | 3,779.98 | 3,945.35 | 165.37-L | .00 |
| | | TOTAL-SHORT | 42,132.940 | 42,132.94 | 43,976.25 | 1,677.94- | .00 |
| | | TOTAL-LONG | | | | 165.37- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | | |
| POOL #MA0912 | | | | | | | |
| 03.500% DUE 10/01/2026 | | | | | | | |
| 11/08/12 | 11/30/12 | | 3,522.940 | 3,522.94 | 3,743.67 | 220.73-S | .00 |
| 11/08/12 | 12/31/12 | | 2,106.730 | 2,106.73 | 2,238.73 | 132.00-S | .00 |
| | | TOTAL-SHORT | 5,629.670 | 5,629.67 | 5,982.40 | 352.73- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | | |
| POOL #AD6938 | | | | | | | |
| 04.500% DUE 06/01/2040 | | | | | | | |
| 06/10/10 | 01/31/12 | | 4,685.520 | 4,685.52 | 4,820.23 | 134.71-L | .00 |
| 06/10/10 | 02/29/12 | | 7,453.940 | 7,453.94 | 7,668.24 | 214.30-L | .00 |
| 06/10/10 | 03/31/12 | | 9,546.720 | 9,546.72 | 9,821.19 | 274.47-L | .00 |
| 06/10/10 | 04/30/12 | | 2,074.190 | 2,074.19 | 2,133.82 | 59.63-L | .00 |
| 06/10/10 | 05/31/12 | | 2,042.050 | 2,042.05 | 2,100.76 | 58.71-L | .00 |
| 06/10/10 | 06/30/12 | | 3,312.200 | 3,312.20 | 3,407.43 | 95.23-L | .00 |
| 06/10/10 | 07/31/12 | | 4,629.180 | 4,629.18 | 4,762.27 | 133.09-L | .00 |
| 06/10/10 | 08/31/12 | | 4,783.490 | 4,783.49 | 4,921.02 | 137.53-L | .00 |
| 06/10/10 | 09/30/12 | | 3,726.580 | 3,726.58 | 3,833.72 | 107.14-L | .00 |
| 06/10/10 | 10/31/12 | | 10,714.110 | 10,714.11 | 11,022.14 | 308.03-L | .00 |
| 06/10/10 | 11/30/12 | | 3,229.490 | 3,229.49 | 3,322.34 | 92.85-L | .00 |
| 06/10/10 | 12/31/12 | | 2,100.250 | 2,100.25 | 2,160.63 | 60.38-L | .00 |
| | | TOTAL-LONG | 58,297.720 | 58,297.72 | 59,973.79 | 1,676.07- | .00 |
| FEDERAL NATL MTG ASSN | | | | | | | |
| POOL #AE0981 | | | | | | | |
| 03.500% DUE 03/01/2041 | | | | | | | |
| 10/17/11 | 01/31/12 | | 2,409.890 | 2,409.89 | 2,447.17 | 37.28-S | .00 |
| 10/17/11 | 02/29/12 | | 2,825.690 | 2,825.69 | 2,869.40 | 43.71-S | .00 |
| 10/17/11 | 03/31/12 | | 3,065.310 | 3,065.31 | 3,112.73 | 47.42-S | .00 |
| 10/17/11 | 04/30/12 | | 2,250.450 | 2,250.45 | 2,285.26 | 34.81-S | .00 |
| 10/17/11 | 05/31/12 | | 2,283.440 | 2,283.44 | 2,318.76 | 35.32-S | .00 |
| 10/17/11 | 06/30/12 | | 3,573.250 | 3,573.25 | 3,628.52 | 55.27-S | .00 |
| 10/17/11 | 07/31/12 | | 4,986.920 | 4,986.92 | 5,064.06 | 77.14-S | .00 |
| 10/17/11 | 08/31/12 | | 6,183.000 | 6,183.00 | 6,278.64 | 95.64-S | .00 |
| 10/17/11 | 09/30/12 | | 6,037.990 | 6,037.99 | 6,131.39 | 93.40-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 10/17/11 | 10/31/12 | 5,738.750 | 5,738.75 | 5,827.52 | 88.77-L | .00 |
| 10/17/11 | 11/30/12 | 5,890.350 | 5,890.35 | 5,981.47 | 91.12-L | .00 |
| 10/17/11 | 12/31/12 | 6,265.810 | 6,265.81 | 6,362.73 | 96.92-L | .00 |
| | TOTAL-SHORT | 51,510.850 | 51,510.85 | 52,307.65 | 519.99- | .00 |
| | TOTAL-LONG | | | | 276.81- | .00 |
| FEDERAL NATL MTG ASSN<br>POOL #AE6344<br>04.500% DUE 11/01/2040 | | | | | | |
| 12/17/10 | 01/31/12 | 2,189.900 | 2,189.90 | 2,234.81 | 44.91-L | .00 |
| 12/17/10 | 02/29/12 | 1,369.560 | 1,369.56 | 1,397.65 | 28.09-L | .00 |
| 12/17/10 | 03/31/12 | 2,568.150 | 2,568.15 | 2,620.82 | 52.67-L | .00 |
| 12/17/10 | 04/30/12 | 1,953.340 | 1,953.34 | 1,993.40 | 40.06-L | .00 |
| 12/17/10 | 05/31/12 | 2,115.200 | 2,115.20 | 2,158.58 | 43.38-L | .00 |
| 12/17/10 | 06/30/12 | 1,486.930 | 1,486.93 | 1,517.42 | 30.49-L | .00 |
| 12/17/10 | 07/31/12 | 3,236.360 | 3,236.36 | 3,302.73 | 66.37-L | .00 |
| 12/17/10 | 08/31/12 | 4,304.340 | 4,304.34 | 4,392.61 | 88.27-L | .00 |
| 12/17/10 | 09/30/12 | 2,483.651 | 2,483.65 | 2,534.58 | 50.93-L | .00 |
| 12/17/10 | 10/04/12 | 117,905.093 | 129,161.35 | 120,323.04 | 8,838.31 L | .00 |
| | TOTAL-LONG | 139,612.524 | 150,868.78 | 142,475.64 | 8,393.14 | .00 |
| GE CAPITAL CREDIT CARD MASTER<br>SERIES 2010-3 CLASS A<br>02.210% DUE 06/15/2016 | | | | | | |
| 06/17/10 | 01/18/12 | 145,000.000 | 147,905.67 | 144,984.05 | 2,921.62 L | .00 |
| | TOTAL-LONG | 145,000.000 | 147,905.67 | 144,984.05 | 2,921.62 | .00 |
| GE CAPITAL CREDIT CARD MASTER<br>SERIES 2012-1 CLASS A<br>01.030% DUE 01/16/2018 | | | | | | |
| 01/18/12 | 09/17/12 | 145,000.000 | 146,608.60 | 144,988.17 | 1,620.43 S | .00 |
| | TOTAL-SHORT | 145,000.000 | 146,608.60 | 144,988.17 | 1,620.43 | .00 |
| GOVT NATL MTG ASSN<br>POOL # 724216<br>04.500% DUE 08/15/2039 | | | | | | |
| 11/22/10 | 01/31/12 | 1,393.620 | 1,393.62 | 1,474.52 | 80.90-L | .00 |
| 11/22/10 | 02/29/12 | 2,143.860 | 2,143.86 | 2,268.30 | 124.44-L | .00 |
| 11/22/10 | 03/31/12 | 2,085.740 | 2,085.74 | 2,206.81 | 121.07-L | .00 |

| | | | | GAIN / LOSS | INFORMATION | |
|---|---|---|---|---|---|---|
| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
| 11/22/10 | 04/30/12 | 1,731.010 | 1,731.01 | 1,831.49 | 100.48-L | .00 |
| 11/22/10 | 05/31/12 | 1,610.590 | 1,610.59 | 1,704.08 | 93.49-L | .00 |
| 11/22/10 | 06/30/12 | 1,996.390 | 1,996.39 | 2,112.27 | 115.88-L | .00 |
| 11/22/10 | 07/31/12 | 1,699.200 | 1,699.20 | 1,797.83 | 98.63-L | .00 |
| 11/22/10 | 08/31/12 | 2,554.700 | 2,554.70 | 2,702.99 | 148.29-L | .00 |
| 11/22/10 | 09/30/12 | 2,068.530 | 2,068.53 | 2,188.60 | 120.07-L | .00 |
| 11/22/10 | 10/31/12 | 2,073.650 | 2,073.65 | 2,194.02 | 120.37-L | .00 |
| 11/22/10 | 11/30/12 | 4,216.840 | 4,216.84 | 4,461.61 | 244.77-L | .00 |
| 11/22/10 | 12/31/12 | 1,969.680 | 1,969.68 | 2,084.01 | 114.33-L | .00 |
| | TOTAL-LONG | 25,543.810 | 25,543.81 | 27,026.53 | 1,482.72- | .00 |
| GENERAL ELEC CAP CORP NTS 04.625% DUE 01/07/2021 | | | | | | |
| 01/04/11 | 04/18/12 | 15,000.000 | 16,059.60 | 14,943.00 | 1,116.60 L | .00 |
| | TOTAL-LONG | 15,000.000 | 16,059.60 | 14,943.00 | 1,116.60 | .00 |
| GENERAL ELEC CAP CORP FDIC GUARANTEED 02.125% DUE 12/21/2012 | | | | | | |
| 01/14/11 | 12/21/12 | 5,000.000 | 5,000.00 | 5,139.40 | 139.40-L | .00 |
| | TOTAL-LONG | 5,000.000 | 5,000.00 | 5,139.40 | 139.40- | .00 |
| GENERAL GROWTH PROPERTIES W/I | | | | | | |
| 05/01/12 | 08/24/12 | 143.000 | 2,774.61 | 2,569.21 | 205.40 S | .00 |
| 04/26/12 | 08/24/12 | 77.000 | 1,494.02 | 1,366.75 | 127.27 S | .00 |
| 06/22/12 | 08/24/12 | 94.000 | 1,823.87 | 1,640.30 | 183.57 S | .00 |
| 07/26/11 | 08/24/12 | 119.000 | 2,308.94 | 2,040.40 | 268.54 L | .00 |
| | TOTAL-SHORT | 433.000 | 8,401.44 | 7,616.66 | 516.24 | .00 |
| | TOTAL-LONG | | | | 268.54 | .00 |
| GOLDMAN SACHS GROUP INC SR NOTES 06.150% DUE 04/01/2018 | | | | | | |
| 08/26/10 | 03/02/12 | 10,000.000 | 10,897.00 | 10,955.60 | 58.60-L | .00 |
| 08/26/10 | 03/21/12 | 15,000.000 | 16,191.30 | 16,433.40 | 242.10-L | .00 |
| 02/05/10 | 08/23/12 | 10,000.000 | 11,297.50 | 10,597.40 | 700.10 L | .00 |
| 03/01/10 | 08/23/12 | 10,000.000 | 11,297.50 | 10,583.70 | 713.80 L | .00 |
| 03/01/10 | 09/14/12 | 25,000.000 | 29,367.25 | 26,459.25 | 2,908.00 L | .00 |

| | | | | G A I N / L O S S | I N F O R M A T I O N | |
|---|---|---|---|---|---|---|
| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
| 04/26/10 | 09/14/12 | 20,000.000 | 23,493.80 | 20,585.40 | 2,908.40 L | .00 |
| | TOTAL-LONG | 90,000.000 | 102,544.35 | 95,614.75 | 6,929.60 | .00 |
| GOLDMAN SACHS GROUP INC | | | | | | |
| FDIC GUARANTEED | | | | | | |
| 03.250% DUE 06/15/2012 | | | | | | |
| 01/14/11 | 06/15/12 | 75,000.000 | 75,000.00 | 77,907.00 | 2,907.00-L | .00 |
| | TOTAL-LONG | 75,000.000 | 75,000.00 | 77,907.00 | 2,907.00- | .00 |
| GOOGLE INC-CL A | | | | | | |
| 12/06/11 | 02/14/12 | 30.000 | 18,204.05 | 18,628.05 | 424.00-S | .00 |
| 12/01/11 | 02/14/12 | 40.000 | 24,272.07 | 24,545.54 | 273.47-S | .00 |
| 05/12/09 | 02/14/12 | 50.000 | 30,340.09 | 20,070.50 | 10,269.59 L | .00 |
| 04/01/09 | 02/14/12 | 20.000 | 12,136.03 | 7,057.60 | 5,078.43 L | .00 |
| 02/22/12 | 11/02/12 | 30.000 | 20,723.04 | 18,300.45 | 2,422.59 S | .00 |
| 04/01/09 | 11/02/12 | 130.000 | 89,799.84 | 45,874.39 | 43,925.45 L | .00 |
| | TOTAL-SHORT | 300.000 | 195,475.12 | 134,476.53 | 1,725.12 | .00 |
| | TOTAL-LONG | | | | 59,273.47 | .00 |
| HCP INC | | | | | | |
| REIT | | | | | | |
| 04/25/11 | 01/06/12 | 45.000 | 1,817.18 | 1,737.89 | 79.29 S | .00 |
| 03/14/11 | 01/06/12 | 5.000 | 201.91 | 188.95 | 12.96 S | .00 |
| 03/14/11 | 02/28/12 | 59.000 | 2,333.41 | 2,229.57 | 103.84 S | .00 |
| 03/14/11 | 03/07/12 | 43.000 | 1,696.32 | 1,624.95 | 71.37 S | .00 |
| 03/14/11 | 03/09/12 | 44.000 | 1,717.73 | 1,662.73 | 55.00 S | .00 |
| 03/14/11 | 03/15/12 | 31.000 | 1,249.60 | 1,171.47 | 78.13 L | .00 |
| 03/14/11 | 03/20/12 | 32.000 | 1,296.94 | 1,209.26 | 87.68 L | .00 |
| 03/14/11 | 04/10/12 | 77.000 | 2,950.61 | 2,909.79 | 40.82 L | .00 |
| 04/19/11 | 04/10/12 | 11.000 | 421.52 | 415.25 | 6.27 S | .00 |
| 04/19/11 | 04/27/12 | 19.000 | 784.50 | 717.25 | 67.25 L | .00 |
| 03/21/11 | 04/27/12 | 19.000 | 784.50 | 715.54 | 68.96 L | .00 |
| 03/21/11 | 05/22/12 | 30.000 | 1,229.40 | 1,129.79 | 99.61 L | .00 |
| 03/21/11 | 08/17/12 | 8.000 | 359.91 | 301.28 | 58.63 L | .00 |
| 04/06/11 | 08/17/12 | 22.000 | 989.76 | 826.52 | 163.24 L | .00 |
| 04/06/11 | 08/31/12 | 31.000 | 1,417.29 | 1,164.65 | 252.64 L | .00 |
| 04/06/11 | 09/19/12 | 32.000 | 1,446.37 | 1,202.22 | 244.15 L | .00 |
| 04/11/11 | 09/19/12 | 7.000 | 316.39 | 261.03 | 55.36 L | .00 |
| 04/11/11 | 11/06/12 | 23.000 | 1,006.46 | 857.66 | 148.80 L | .00 |
| 07/27/11 | 11/06/12 | 59.000 | 2,581.79 | 2,197.74 | 384.05 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| 06/01/11 | 11/06/12 | | 10.000 | 437.59 | 372.20 | 65.39 L | .00 |
| 06/01/11 | 12/07/12 | | 37.000 | 1,670.51 | 1,377.13 | 293.38 L | .00 |
| 03/23/11 | 12/07/12 | | 31.000 | 1,399.62 | 1,143.90 | 255.72 L | .00 |
| 06/03/11 | 12/07/12 | | 52.000 | 2,347.75 | 1,908.90 | 438.85 L | .00 |
| 03/02/11 | 12/07/12 | | 121.000 | 5,463.03 | 4,395.92 | 1,067.11 L | .00 |
| 03/02/11 | 12/19/12 | | 69.000 | 3,089.06 | 2,506.76 | 582.30 L | .00 |
| 06/10/11 | 12/19/12 | | 30.000 | 1,343.07 | 1,058.69 | 284.38 L | .00 |
| | | TOTAL-SHORT | 947.000 | 40,352.22 | 35,287.04 | 328.73 | .00 |
| | | TOTAL-LONG | | | | 4,736.45 | .00 |
| HARLEY DAVIDSON MOTORCYCLE TR SER 2007-2 CLASS A4 05.120% DUE 08/15/2013 | | | | | | | |
| 05/15/07 | 01/15/12 | | 4,706.770 | 4,706.77 | 4,706.64 | .13 L | .00 |
| 05/15/07 | 02/15/12 | | 4,762.570 | 4,762.57 | 4,762.43 | .14 L | .00 |
| 05/15/07 | 03/15/12 | | 5,109.020 | 5,109.02 | 5,108.88 | .14 L | .00 |
| 05/15/07 | 04/15/12 | | 5,202.580 | 5,202.58 | 5,202.43 | .15 L | .00 |
| 05/15/07 | 05/15/12 | | 709.470 | 709.47 | 709.45 | .02 L | .00 |
| | | TOTAL-LONG | 20,490.410 | 20,490.41 | 20,489.83 | .58 | .00 |
| HARTFORD FINL SVCS GRP SR NOTES 06.300% DUE 03/15/2018 | | | | | | | |
| 02/28/08 | 03/09/12 | | 15,000.000 | 16,379.40 | 14,999.55 | 1,379.85 L | .00 |
| 02/28/08 | 10/23/12 | | 10,000.000 | 11,975.40 | 9,999.70 | 1,975.70 L | .00 |
| | | TOTAL-LONG | 25,000.000 | 28,354.80 | 24,999.25 | 3,355.55 | .00 |
| HEALTHCARE REALTY TRUST REIT | | | | | | | |
| 03/22/12 | 07/19/12 | | 58.000 | 1,406.66 | 1,253.30 | 153.36 S | .00 |
| 05/04/12 | 07/19/12 | | 20.000 | 485.05 | 429.59 | 55.46 S | .00 |
| 05/04/12 | 08/01/12 | | 30.000 | 736.00 | 644.39 | 91.61 S | .00 |
| 04/20/12 | 08/01/12 | | 17.000 | 417.07 | 361.91 | 55.16 S | .00 |
| | | TOTAL-SHORT | 125.000 | 3,044.78 | 2,689.19 | 355.59 | .00 |
| HEALTH CARE REIT INC REIT | | | | | | | |
| 08/19/10 | 01/06/12 | | 19.000 | 1,030.39 | 854.39 | 176.00 L | .00 |
| 08/19/10 | 01/31/12 | | 15.000 | 855.73 | 674.51 | 181.22 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 08/04/09 | 01/31/12 | 43.000 | 2,453.11 | 1,792.17 | 660.94 L | .00 |
| 08/04/09 | 02/06/12 | 28.000 | 1,595.42 | 1,167.00 | 428.42 L | .00 |
| 08/04/09 | 02/08/12 | 50.000 | 2,862.61 | 2,083.92 | 778.69 L | .00 |
| 08/04/09 | 02/13/12 | 28.000 | 1,599.90 | 1,167.00 | 432.90 L | .00 |
| 08/04/09 | 02/14/12 | 25.000 | 1,422.22 | 1,041.96 | 380.26 L | .00 |
| 08/04/09 | 02/16/12 | 28.000 | 1,558.18 | 1,166.99 | 391.19 L | .00 |
| 08/04/09 | 02/17/12 | 16.000 | 887.20 | 666.85 | 220.35 L | .00 |
| 08/04/09 | 02/28/12 | 28.000 | 1,517.86 | 1,167.00 | 350.86 L | .00 |
| 08/04/09 | 03/09/12 | 50.000 | 2,716.96 | 2,083.92 | 633.04 L | .00 |
| 08/04/09 | 04/18/12 | 17.000 | 917.82 | 708.53 | 209.29 L | .00 |
| 08/04/09 | 04/26/12 | 34.000 | 1,926.75 | 1,417.07 | 509.68 L | .00 |
| | TOTAL-LONG | 381.000 | 21,344.15 | 15,991.31 | 5,352.84 | .00 |
| HERSHA HOSPITALITY TRUST REIT | | | | | | |
| 11/15/10 | 02/07/12 | 187.000 | 1,034.09 | 1,174.36 | 140.27-L | .00 |
| 05/16/11 | 02/07/12 | 340.000 | 1,880.17 | 2,077.40 | 197.23-S | .00 |
| 10/20/10 | 02/07/12 | 65.000 | 359.44 | 396.03 | 36.59-L | .00 |
| 10/20/10 | 03/21/12 | 254.000 | 1,310.62 | 1,547.57 | 236.95-L | .00 |
| 10/20/10 | 03/21/12 | 145.000 | 749.77 | 883.46 | 133.69-L | .00 |
| | TOTAL-SHORT | 991.000 | 5,334.09 | 6,078.82 | 197.23- | .00 |
| | TOTAL-LONG | | | | 547.50- | .00 |
| HIGHWOODS PPTYS INC REIT | | | | | | |
| 08/05/10 | 03/07/12 | 35.000 | 1,099.41 | 1,134.11 | 34.70-L | .00 |
| 07/30/10 | 03/07/12 | 65.000 | 2,041.76 | 2,046.85 | 5.09-L | .00 |
| 08/26/11 | 03/07/12 | 33.000 | 1,036.59 | 1,034.87 | 1.72 S | .00 |
| 08/20/10 | 03/07/12 | 103.000 | 3,235.41 | 3,109.56 | 125.85 L | .00 |
| 06/10/10 | 03/07/12 | 145.000 | 4,554.70 | 4,339.10 | 215.60 L | .00 |
| | TOTAL-SHORT | 381.000 | 11,967.87 | 11,664.49 | 1.72 | .00 |
| | TOTAL-LONG | | | | 301.66 | .00 |
| HONDA AUTO RECEIVABLES OWNER TR SERIES 2009-2 CLASS A3 02.790% DUE 01/15/2013 | | | | | | |
| 05/05/09 | 01/15/12 | 2,397.410 | 2,397.41 | 2,397.33 | .08 L | .00 |
| 05/05/09 | 02/15/12 | 2,319.630 | 2,319.63 | 2,319.55 | .08 L | .00 |
| 05/05/09 | 03/15/12 | 230.550 | 230.55 | 230.54 | .01 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 4,947.590 | 4,947.59 | 4,947.42 | .17 | .00 |
| HOST HOTELS & RESORTS INC REIT | | | | | | |
| 02/18/11 | 09/28/12 | 26.000 | 417.55 | 491.58 | 74.03-L | .00 |
| 01/19/11 | 09/28/12 | 77.000 | 1,236.59 | 1,402.23 | 165.64-L | .00 |
| 01/19/11 | 10/03/12 | 77.000 | 1,203.03 | 1,402.22 | 199.19-L | .00 |
| 04/29/11 | 10/03/12 | 94.000 | 1,468.63 | 1,632.78 | 164.15-L | .00 |
| | TOTAL-LONG | 274.000 | 4,325.80 | 4,928.81 | 603.01- | .00 |
| HOYA CORP SPONSORED ADR | | | | | | |
| 11/03/09 | 11/27/12 | 932.000 | 18,003.23 | 21,743.56 | 3,740.33-L | .00 |
| 08/01/12 | 11/27/12 | 457.000 | 8,827.76 | 10,235.20 | 1,407.44-S | .00 |
| 05/18/09 | 11/27/12 | 1,152.000 | 22,252.92 | 22,164.48 | 88.44 L | .00 |
| | TOTAL-SHORT | 2,541.000 | 49,083.91 | 54,143.24 | 1,407.44- | .00 |
| | TOTAL-LONG | | | | 3,651.89- | .00 |
| HYUNDAI AUTO RECEIVABLES TR SERIES 2011-A CLASS A4 01.780% DUE 12/15/2015 | | | | | | |
| 01/20/11 | 09/17/12 | 110,000.000 | 112,281.64 | 109,981.16 | 2,300.48 L | .00 |
| | TOTAL-LONG | 110,000.000 | 112,281.64 | 109,981.16 | 2,300.48 | .00 |
| INTEL CORP | | | | | | |
| 12/06/11 | 09/21/12 | 490.000 | 11,320.75 | 12,409.20 | 1,088.45-S | .00 |
| 06/03/11 | 09/21/12 | 1,440.000 | 33,269.16 | 31,528.51 | 1,740.65 L | .00 |
| | TOTAL-SHORT | 1,930.000 | 44,589.91 | 43,937.71 | 1,088.45- | .00 |
| | TOTAL-LONG | | | | 1,740.65 | .00 |
| INTERNATIONAL BUSINESS MACHS CORP | | | | | | |
| 12/06/11 | 11/02/12 | 80.000 | 15,578.15 | 15,326.00 | 252.15 S | .00 |
| 05/12/09 | 11/02/12 | 120.000 | 23,367.22 | 12,330.55 | 11,036.67 L | .00 |
| 04/01/09 | 11/02/12 | 110.000 | 21,419.95 | 10,717.23 | 10,702.72 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 310.000 | 60,365.32 | 38,373.78 | 252.15 | .00 |
| | TOTAL-LONG | | | | 21,739.39 | .00 |
| INTERNATIONAL PAPER CO | | | | | | |
| 04/04/12 | 08/08/12 | 1,029.000 | 33,650.32 | 36,137.87 | 2,487.55-S | .00 |
| 04/04/12 | 08/08/12 | 127.000 | 4,160.10 | 4,460.16 | 300.06-S | .00 |
| 04/04/12 | 08/08/12 | 2,464.000 | 80,712.42 | 85,894.79 | 5,182.37-S | .00 |
| 06/15/12 | 08/08/12 | 290.000 | 9,499.43 | 8,344.66 | 1,154.77 S | .00 |
| | TOTAL-SHORT | 3,910.000 | 128,022.27 | 134,837.48 | 6,815.21- | .00 |
| ISHARES CORE S&P 500 ETF | | | | | | |
| 01/05/09 | 08/01/12 | 3,612.000 | 499,672.88 | 336,069.15 | 163,603.73 L | .00 |
| | TOTAL-LONG | 3,612.000 | 499,672.88 | 336,069.15 | 163,603.73 | .00 |
| JPMORGAN CHASE & CO NOTES 04.625% DUE 05/10/2021 | | | | | | |
| 05/05/11 | 04/16/12 | 50,000.000 | 52,454.50 | 49,944.50 | 2,510.00 S | .00 |
| | TOTAL-SHORT | 50,000.000 | 52,454.50 | 49,944.50 | 2,510.00 | .00 |
| JOHNSON & JOHNSON BONDS 05.950% DUE 08/15/2037 | | | | | | |
| 07/26/11 | 05/25/12 | 20,000.000 | 27,164.40 | 23,368.20 | 3,796.20 S | .00 |
| 07/26/11 | 06/05/12 | 5,000.000 | 6,946.15 | 5,842.05 | 1,104.10 S | .00 |
| 07/26/11 | 06/05/12 | 10,000.000 | 13,892.30 | 11,667.60 | 2,224.70 S | .00 |
| | TOTAL-SHORT | 35,000.000 | 48,002.85 | 40,877.85 | 7,125.00 | .00 |
| JOHNSON & JOHNSON | | | | | | |
| 05/16/11 | 10/10/12 | 830.000 | 56,541.15 | 55,185.20 | 1,355.95 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 830.000 | 56,541.15 | 55,185.20 | 1,355.95 | .00 |
| JOY GLOBAL INC | | | | | | |
| 07/18/11 | 05/09/12 | 884.000 | 57,680.50 | 84,822.72 | 27,142.22-S | .00 |
| 07/18/11 | 05/09/12 | 416.000 | 27,171.39 | 39,916.57 | 12,745.18-S | .00 |
| 12/06/11 | 05/09/12 | 100.000 | 6,531.58 | 8,946.49 | 2,414.91-S | .00 |
| | TOTAL-SHORT | 1,400.000 | 91,383.47 | 133,685.78 | 42,302.31- | .00 |
| JPMORGAN CHASE & CO FDIC GTD 02.125% DUE 12/26/2012 | | | | | | |
| 01/14/11 | 12/26/12 | 5,000.000 | 5,000.00 | 5,142.35 | 142.35-L | .00 |
| | TOTAL-LONG | 5,000.000 | 5,000.00 | 5,142.35 | 142.35- | .00 |
| JUPITER TELECOM INSPON ADR | | | | | | |
| 11/03/09 | 05/15/12 | 37.000 | 2,493.34 | 2,277.85 | 215.49 L | .00 |
| 05/18/09 | 05/15/12 | 93.000 | 6,267.03 | 4,398.90 | 1,868.13 L | .00 |
| 05/18/09 | 05/16/12 | 344.000 | 23,535.71 | 16,271.20 | 7,264.51 L | .00 |
| | TOTAL-LONG | 474.000 | 32,296.08 | 22,947.95 | 9,348.13 | .00 |
| KILROY RLTY CORP REIT | | | | | | |
| 06/19/12 | 07/19/12 | 57.000 | 2,750.66 | 2,714.69 | 35.97 S | .00 |
| 04/18/12 | 07/19/12 | 40.000 | 1,930.28 | 1,864.00 | 66.28 S | .00 |
| 03/08/12 | 07/19/12 | 19.000 | 916.89 | 849.62 | 67.27 S | .00 |
| | TOTAL-SHORT | 116.000 | 5,597.83 | 5,428.31 | 169.52 | .00 |
| KIMCO REALTY CORP REIT | | | | | | |
| 10/14/10 | 01/30/12 | 150.000 | 2,725.58 | 2,501.24 | 224.34 L | .00 |
| 10/14/10 | 02/06/12 | 63.000 | 1,176.85 | 1,050.52 | 126.33 L | .00 |
| 03/16/12 | 07/19/12 | 79.000 | 1,523.09 | 1,551.50 | 28.41-S | .00 |
| 03/16/12 | 07/20/12 | 1.000 | 19.06 | 19.64 | .58-S | .00 |
| 03/15/12 | 07/20/12 | 124.000 | 2,363.39 | 2,415.50 | 52.11-S | .00 |
| 03/15/12 | 07/24/12 | 27.000 | 507.05 | 525.96 | 18.91-S | .00 |
| 03/23/12 | 07/24/12 | 97.000 | 1,821.62 | 1,870.16 | 48.54-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 04/18/12 | 07/24/12 | 1.000 | 18.78 | 18.61 | .17 S | .00 |
| 04/18/12 | 08/16/12 | 65.000 | 1,303.90 | 1,209.65 | 94.25 S | .00 |
| 04/18/12 | 09/06/12 | 42.000 | 861.82 | 781.62 | 80.20 S | .00 |
| 10/14/10 | 09/06/12 | 61.000 | 1,251.70 | 1,017.17 | 234.53 L | .00 |
| 10/14/10 | 09/19/12 | 148.000 | 3,097.48 | 2,467.88 | 629.60 L | .00 |
| 09/23/10 | 09/19/12 | 128.000 | 2,678.90 | 2,104.32 | 574.58 L | .00 |
| 09/23/10 | 10/24/12 | 171.000 | 3,402.82 | 2,811.24 | 591.58 L | .00 |
| 09/23/10 | 11/02/12 | 267.000 | 5,232.60 | 4,389.48 | 843.12 L | .00 |
| | TOTAL-SHORT | 1,424.000 | 27,984.64 | 24,734.49 | 26.07 | .00 |
| | TOTAL-LONG | | | | 3,224.08 | .00 |
| KINDER MORGAN ENER PART SR UNSEC 06.950% DUE 01/15/2038 | | | | | | |
| 07/08/11 | 04/17/12 | 15,000.000 | 17,520.00 | 16,752.30 | 767.70 S | .00 |
| 04/14/10 | 04/17/12 | 10,000.000 | 11,680.00 | 10,949.30 | 730.70 L | .00 |
| | TOTAL-SHORT | 25,000.000 | 29,200.00 | 27,701.60 | 767.70 | .00 |
| | TOTAL-LONG | | | | 730.70 | .00 |
| PHILIPS ELECTRONICS NV ISIN US500472AF27 SEDOL B7PDB65 03.750% DUE 03/15/2022 | | | | | | |
| 03/13/12 | 09/06/12 | 15,000.000 | 16,114.05 | 15,108.30 | 1,005.75 S | .00 |
| 03/05/12 | 09/06/12 | 20,000.000 | 21,485.40 | 19,909.00 | 1,576.40 S | .00 |
| | TOTAL-SHORT | 35,000.000 | 37,599.45 | 35,017.30 | 2,582.15 | .00 |
| KRAFT FOODS INC SR UNSEC 05.375% DUE 02/10/2020 | | | | | | |
| 08/07/12 | 10/15/12 | 15,000.000 | 18,451.05 | 17,939.40 | 511.65 S | .00 |
| 08/07/12 | 10/18/12 | 15,000.000 | 18,375.30 | 17,939.40 | 435.90 S | .00 |
| | TOTAL-SHORT | 30,000.000 | 36,826.35 | 35,878.80 | 947.55 | .00 |
| KRAFT FOODS GROUP INC | | | | | | |
| 12/01/11 | 11/29/12 | 183.333 | 8,385.99 | 7,022.82 | 1,363.17 S | .00 |
| 12/06/11 | 11/29/12 | 79.999 | 3,659.30 | 3,061.77 | 597.53 S | .00 |
| 08/19/11 | 11/29/12 | 896.666 | 41,015.19 | 31,745.97 | 9,269.22 L | .00 |
| 10/24/12 | 11/29/12 | .002 | .09 | .00 | .09 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 1,160.000 | 53,060.57 | 41,830.56 | 1,960.79 | .00 |
| | TOTAL-LONG | | | | 9,269.22 | .00 |
| KROGER CO<br>SR NTS<br>06.400% DUE 08/15/2017 | | | | | | |
| 01/09/08 | 07/25/12 | 20,000.000 | 23,990.60 | 20,734.80 | 3,255.80 L | .00 |
| 01/09/08 | 11/29/12 | 30,000.000 | 36,389.10 | 31,102.20 | 5,286.90 L | .00 |
| | TOTAL-LONG | 50,000.000 | 60,379.70 | 51,837.00 | 8,542.70 | .00 |
| LAUDER ESTEE COS INC<br>CL A | | | | | | |
| 12/06/11 | 08/08/12 | 160.000 | 8,625.85 | 9,071.60 | 445.75-S | .00 |
| 04/07/11 | 08/08/12 | 3,240.000 | 174,673.56 | 154,309.21 | 20,364.35 L | .00 |
| | TOTAL-SHORT | 3,400.000 | 183,299.41 | 163,380.81 | 445.75- | .00 |
| | TOTAL-LONG | | | | 20,364.35 | .00 |
| LB-UBS COMMERICAL MTG TR<br>SERIES 2003-C7 CLASS A2<br>04.064% DUE 09/17/2027 | | | | | | |
| 04/10/06 | 01/11/12 | 202.910 | 202.91 | 195.35 | 7.56 L | .00 |
| 04/10/06 | 02/11/12 | 2,923.440 | 2,923.44 | 2,814.49 | 108.95 L | .00 |
| 04/10/06 | 03/11/12 | 77.140 | 77.14 | 74.27 | 2.87 L | .00 |
| | TOTAL-LONG | 3,203.490 | 3,203.49 | 3,084.11 | 119.38 | .00 |
| LOWE'S COMPANIES INC<br>NOTES<br>05.800% DUE 04/15/2040 | | | | | | |
| 04/12/10 | 02/15/12 | 20,000.000 | 24,056.60 | 20,173.60 | 3,883.00 L | .00 |
| 04/12/10 | 02/15/12 | 5,000.000 | 6,014.15 | 5,035.55 | 978.60 L | .00 |
| 04/12/10 | 02/16/12 | 10,000.000 | 11,972.20 | 10,071.10 | 1,901.10 L | .00 |
| | TOTAL-LONG | 35,000.000 | 42,042.95 | 35,280.25 | 6,762.70 | .00 |
| THE MACERICH COMPANY | | | | | | |
| 08/24/10 | 01/06/12 | 14.000 | 724.45 | 544.82 | 179.63 L | .00 |
| 08/24/10 | 01/24/12 | 33.000 | 1,786.59 | 1,284.21 | 502.38 L | .00 |

| | | | | | GAIN/LOSS INFORMATION | | |
|---|---|---|---|---|---|---|---|
| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | | STATE G/L |
| (CONT'D) | | | | | | | |
| | TOTAL-LONG | 47.000 | 2,511.04 | 1,829.03 | 682.01 | | .00 |
| MACY'S INC | | | | | | | |
| 12/06/11 | 10/17/12 | 380.000 | 15,516.04 | 12,461.91 | 3,054.13 | S | .00 |
| 05/16/11 | 10/17/12 | 1,280.000 | 52,264.56 | 36,065.15 | 16,199.41 | L | .00 |
| | TOTAL-SHORT | 1,660.000 | 67,780.60 | 48,527.06 | 3,054.13 | | .00 |
| | TOTAL-LONG | | | | 16,199.41 | | .00 |
| MARTIN MARIETTA MATERIAL SR UNSUB 06.250% DUE 05/01/2037 | | | | | | | |
| 11/04/08 | 06/12/12 | 10,000.000 | 9,725.00 | 5,550.00 | 4,175.00 | L | .00 |
| 11/04/08 | 06/12/12 | 30,000.000 | 29,250.00 | 16,650.00 | 12,600.00 | L | .00 |
| | TOTAL-LONG | 40,000.000 | 38,975.00 | 22,200.00 | 16,775.00 | | .00 |
| MATTEL INC | | | | | | | |
| 12/06/11 | 05/02/12 | 200.000 | 6,754.19 | 5,802.98 | 951.21 | S | .00 |
| 05/24/10 | 05/02/12 | 5,600.000 | 189,117.28 | 121,257.36 | 67,859.92 | L | .00 |
| | TOTAL-SHORT | 5,800.000 | 195,871.47 | 127,060.34 | 951.21 | | .00 |
| | TOTAL-LONG | | | | 67,859.92 | | .00 |
| MCDONALD'S CORP | | | | | | | |
| 12/06/11 | 05/02/12 | 110.000 | 10,701.84 | 10,515.40 | 186.44 | S | .00 |
| 08/05/11 | 05/02/12 | 1,590.000 | 154,690.17 | 134,854.58 | 19,835.59 | S | .00 |
| | TOTAL-SHORT | 1,700.000 | 165,392.01 | 145,369.98 | 20,022.03 | | .00 |
| MERCEDES-BENZ AUTO LEASE TRUST SERIES 2012-A CLASS A3 00.880% DUE 11/17/2014 | | | | | | | |
| 03/15/12 | 09/18/12 | 110,000.000 | 110,554.30 | 109,993.93 | 560.37 | S | .00 |
| | TOTAL-SHORT | 110,000.000 | 110,554.30 | 109,993.93 | 560.37 | | .00 |
| METLIFE INC SR UNSEC SERIES A 06.817% DUE 08/15/2018 | | | | | | | |
| 08/12/08 | 04/16/12 | 35,000.000 | 42,779.45 | 35,122.50 | 7,656.95 | L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-LONG | 35,000.000 | 42,779.45 | 35,122.50 | 7,656.95 | .00 |
| MICROSOFT CORP | | | | | | |
| 11/02/09 | 11/02/12 | 2,777.000 | 82,001.03 | 77,438.87 | 4,562.16 L | .00 |
| 12/06/11 | 11/02/12 | 410.000 | 12,106.74 | 10,534.91 | 1,571.83 S | .00 |
| 05/12/09 | 11/02/12 | 850.000 | 25,099.34 | 16,821.50 | 8,277.84 L | .00 |
| 04/01/09 | 11/02/12 | 683.000 | 20,168.06 | 13,099.94 | 7,068.12 L | .00 |
| | TOTAL-SHORT | 4,720.000 | 139,375.17 | 117,895.22 | 1,571.83 | .00 |
| | TOTAL-LONG | | | | 19,908.12 | .00 |
| MID AMER APT CMNTYS INC | | | | | | |
| 09/16/11 | 02/08/12 | 15.000 | 968.23 | 1,034.40 | 66.17-S | .00 |
| 09/14/11 | 02/08/12 | 21.000 | 1,355.53 | 1,444.58 | 89.05-S | .00 |
| 09/14/11 | 02/09/12 | 36.000 | 2,325.27 | 2,476.42 | 151.15-S | .00 |
| 06/06/11 | 02/09/12 | 28.000 | 1,808.55 | 1,885.23 | 76.68-S | .00 |
| 08/10/11 | 02/09/12 | 41.000 | 2,648.23 | 2,608.23 | 40.00 S | .00 |
| 05/27/10 | 02/09/12 | 32.000 | 2,066.91 | 1,766.57 | 300.34 L | .00 |
| 08/20/10 | 02/09/12 | 44.000 | 2,841.99 | 2,396.41 | 445.58 L | .00 |
| | TOTAL-SHORT | 217.000 | 14,014.71 | 13,611.84 | 343.05- | .00 |
| | TOTAL-LONG | | | | 745.92 | .00 |
| MIDAMERICAN ENERGY HLDGS BDS SERIES WI 06.125% DUE 04/01/2036 | | | | | | |
| 02/04/10 | 11/29/12 | 10,000.000 | 12,858.40 | 10,178.90 | 2,679.50 L | .00 |
| | TOTAL-LONG | 10,000.000 | 12,858.40 | 10,178.90 | 2,679.50 | .00 |
| MONDELEZ INTERNATIONAL | | | | | | |
| 12/01/11 | 11/29/12 | 550.000 | 14,080.78 | 13,083.86 | 996.92 S | .00 |
| 12/06/11 | 11/29/12 | 240.000 | 6,144.34 | 5,704.23 | 440.11 S | .00 |
| 08/19/11 | 11/29/12 | 2,690.000 | 68,867.84 | 59,144.29 | 9,723.55 L | .00 |
| | TOTAL-SHORT | 3,480.000 | 89,092.96 | 77,932.38 | 1,437.03 | .00 |
| | TOTAL-LONG | | | | 9,723.55 | .00 |
| MORGAN STANLEY SR UNSEC 02.875% DUE 07/28/2014 | | | | | | |
| 10/19/11 | 03/19/12 | 55,000.000 | 54,551.75 | 52,072.35 | 2,479.40 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-SHORT | 55,000.000 | 54,551.75 | 52,072.35 | 2,479.40 | .00 |
| MORGAN STANLEY CAPITAL I SERIES 2007-HQ11 CLASS A2 05.359% DUE 02/12/2044 | | | | | | |
| 01/16/08 | 01/01/12 | 1,154.870 | 1,154.87 | 1,180.94 | 26.07-L | .00 |
| 01/16/08 | 02/01/12 | 7,259.810 | 7,259.81 | 7,423.72 | 163.91-L | .00 |
| 01/16/08 | 03/01/12 | 23,326.640 | 23,326.64 | 23,853.31 | 526.67-L | .00 |
| 01/16/08 | 05/01/12 | 1,881.060 | 1,881.06 | 1,923.53 | 42.47-L | .00 |
| 01/16/08 | 09/01/12 | 397.430 | 397.43 | 406.40 | 8.97-L | .00 |
| 01/16/08 | 10/01/12 | 2,209.590 | 2,209.59 | 2,259.48 | 49.89-L | .00 |
| 01/16/08 | 12/01/12 | 77,273.800 | 77,273.80 | 79,018.51 | 1,744.71-L | .00 |
| | TOTAL-LONG | 113,503.200 | 113,503.20 | 116,065.89 | 2,562.69- | .00 |
| MTN GROUP LTD SPONS ADR | | | | | | |
| 11/20/09 | 02/08/12 | 1,420.000 | 24,894.68 | 22,546.76 | 2,347.92 L | .00 |
| | TOTAL-LONG | 1,420.000 | 24,894.68 | 22,546.76 | 2,347.92 | .00 |
| NATIONAL OILWELL VARCO INC | | | | | | |
| 02/22/12 | 12/14/12 | 200.000 | 12,987.89 | 17,400.90 | 4,413.01-S | .00 |
| 01/23/12 | 12/14/12 | 250.000 | 16,234.86 | 18,961.03 | 2,726.17-S | .00 |
| 12/06/11 | 12/14/12 | 160.000 | 10,390.31 | 11,547.63 | 1,157.32-L | .00 |
| 11/11/11 | 12/14/12 | 90.000 | 5,844.55 | 6,385.85 | 541.30-L | .00 |
| 08/04/10 | 12/14/12 | 400.000 | 25,975.78 | 16,685.32 | 9,290.46 L | .00 |
| | TOTAL-SHORT | 1,100.000 | 71,433.39 | 70,980.73 | 7,139.18- | .00 |
| | TOTAL-LONG | | | | 7,591.84 | .00 |
| NATIONAL RETAIL PPTYS INC | | | | | | |
| 09/01/11 | 02/02/12 | 54.000 | 1,465.53 | 1,479.93 | 14.40-S | .00 |
| 09/02/11 | 02/02/12 | 20.000 | 542.79 | 538.60 | 4.19 S | .00 |
| 09/02/11 | 02/17/12 | 30.000 | 800.78 | 807.89 | 7.11-S | .00 |
| 08/29/11 | 02/17/12 | 91.000 | 2,429.02 | 2,417.78 | 11.24 S | .00 |
| 09/26/11 | 02/17/12 | 37.000 | 987.62 | 979.38 | 8.24 S | .00 |
| 09/07/11 | 02/17/12 | 75.000 | 2,001.94 | 1,954.49 | 47.45 S | .00 |
| 12/19/11 | 02/17/12 | 68.000 | 1,815.09 | 1,763.91 | 51.18 S | .00 |
| 09/22/11 | 02/17/12 | 102.000 | 2,722.63 | 2,641.80 | 80.83 S | .00 |
| 10/04/11 | 02/17/12 | 47.000 | 1,254.55 | 1,210.18 | 44.37 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 524.000 | 14,019.95 | 13,793.96 | 225.99 | .00 |
| NEWS AMERICA HOLDINGS | | | | | | |
| DEBENTURES | | | | | | |
| 08.450% DUE 08/01/2034 | | | | | | |
| 10/01/08 | 11/28/12 | 10,000.000 | 14,080.70 | 9,544.70 | 4,536.00 L | .00 |
| | TOTAL-LONG | 10,000.000 | 14,080.70 | 9,544.70 | 4,536.00 | .00 |
| NEXEN INC | | | | | | |
| NOTES | | | | | | |
| 05.875% DUE 03/10/2035 | | | | | | |
| 07/23/10 | 03/23/12 | 10,000.000 | 10,380.10 | 10,021.30 | 358.80 L | .00 |
| 09/15/11 | 12/19/12 | 10,000.000 | 12,280.90 | 9,777.00 | 2,503.90 L | .00 |
| 02/23/10 | 12/19/12 | 5,000.000 | 6,140.45 | 4,690.95 | 1,449.50 L | .00 |
| | TOTAL-LONG | 25,000.000 | 28,801.45 | 24,489.25 | 4,312.20 | .00 |
| NISOURCE FINANCE CORP | | | | | | |
| NOTES | | | | | | |
| 06.400% DUE 03/15/2018 | | | | | | |
| 10/25/10 | 02/14/12 | 10,000.000 | 11,803.40 | 11,653.60 | 149.80 L | .00 |
| 10/25/10 | 02/14/12 | 10,000.000 | 11,772.60 | 11,653.60 | 119.00 L | .00 |
| 05/05/11 | 02/14/12 | 10,000.000 | 11,772.60 | 11,356.50 | 416.10 S | .00 |
| | TOTAL-SHORT | 30,000.000 | 35,348.60 | 34,663.70 | 416.10 | .00 |
| | TOTAL-LONG | | | | 268.80 | .00 |
| NISSAN AUTO LEASE TRUST | | | | | | |
| SERIES 2010-A CLASS A3 | | | | | | |
| 01.390% DUE 01/15/2016 | | | | | | |
| 05/19/10 | 01/15/12 | 17,850.710 | 17,850.71 | 17,848.13 | 2.58 L | .00 |
| 05/19/10 | 02/15/12 | 19,475.820 | 19,475.82 | 19,473.00 | 2.82 L | .00 |
| 05/19/10 | 03/15/12 | 25,504.870 | 25,504.87 | 25,501.19 | 3.68 L | .00 |
| 05/19/10 | 04/15/12 | 25,887.800 | 25,887.80 | 25,884.06 | 3.74 L | .00 |
| 05/19/10 | 05/15/12 | 10,699.590 | 10,699.59 | 10,698.04 | 1.55 L | .00 |

GAIN/LOSS INFORMATION

| ACQUISITION DATE (CONT'D) | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-LONG | 99,418.790 | 99,418.79 | 99,404.42 | 14.37 | .00 |
| NOBLE ENERGY INC | | | | | | |
| 02/22/12 | 06/13/12 | 100.000 | 8,262.95 | 10,352.35 | 2,089.40-S | .00 |
| 01/23/12 | 06/13/12 | 1,110.000 | 91,718.80 | 112,887.22 | 21,168.42-S | .00 |
| | TOTAL-SHORT | 1,210.000 | 99,981.75 | 123,239.57 | 23,257.82- | .00 |
| NORFOLK SOUTHERN CORP | | | | | | |
| 07/17/12 | 09/21/12 | 550.000 | 35,846.82 | 40,458.83 | 4,612.01-S | .00 |
| 07/16/12 | 09/21/12 | 1,310.000 | 85,380.61 | 96,357.84 | 10,977.23-S | .00 |
| | TOTAL-SHORT | 1,860.000 | 121,227.43 | 136,816.67 | 15,589.24- | .00 |
| NORTHEAST UTILITIES | | | | | | |
| 12/06/11 | 05/15/12 | 130.000 | 4,674.71 | 4,467.39 | 207.32 S | .00 |
| 01/18/11 | 05/15/12 | 250.000 | 8,989.82 | 8,138.52 | 851.30 L | .00 |
| 01/18/11 | 05/15/12 | 1,500.000 | 53,743.20 | 48,831.15 | 4,912.05 L | .00 |
| 01/18/11 | 05/16/12 | 90.000 | 3,216.30 | 2,929.87 | 286.43 L | .00 |
| 01/14/11 | 05/16/12 | 406.000 | 14,509.10 | 12,971.05 | 1,538.05 L | .00 |
| 01/14/11 | 05/16/12 | 724.000 | 25,775.92 | 23,130.64 | 2,645.28 L | .00 |
| | TOTAL-SHORT | 3,100.000 | 110,909.05 | 100,468.62 | 207.32 | .00 |
| | TOTAL-LONG | | | | 10,233.11 | .00 |
| NOVARTIS AG SPONSORED ADR | | | | | | |
| 04/11/11 | 09/21/12 | 517.000 | 31,460.92 | 28,763.28 | 2,697.64 L | .00 |
| | TOTAL-LONG | 517.000 | 31,460.92 | 28,763.28 | 2,697.64 | .00 |
| OHIO ST UNIV GEN RCPTS BUILD AMERICA BONDS 04.910% DUE 06/01/2040 | | | | | | |
| 09/15/10 | 06/06/12 | 20,000.000 | 24,301.80 | 20,000.00 | 4,301.80 L | .00 |
| 01/28/11 | 06/06/12 | 10,000.000 | 12,150.90 | 8,952.90 | 3,198.00 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 30,000.000 | 36,452.70 | 28,952.90 | 7,499.80 | .00 |
| ONEOK PARTNERS LP<br>COM GTD CALL 8/1/40 @ 100<br>06.125% DUE 02/01/2041 | | | | | | |
| 01/21/11 | 11/05/12 | 15,000.000 | 18,919.65 | 14,904.00 | 4,015.65 L | .00 |
| | TOTAL-LONG | 15,000.000 | 18,919.65 | 14,904.00 | 4,015.65 | .00 |
| ORACLE CORP | | | | | | |
| 12/06/11 | 01/09/12 | 250.000 | 6,729.62 | 7,938.73 | 1,209.11-S | .00 |
| 04/01/09 | 01/09/12 | 3,020.000 | 81,293.82 | 56,021.00 | 25,272.82 L | .00 |
| | TOTAL-SHORT | 3,270.000 | 88,023.44 | 63,959.73 | 1,209.11- | .00 |
| | TOTAL-LONG | | | | 25,272.82 | .00 |
| PETROLEO BRASILIERO SA<br>SPONSORED ADR | | | | | | |
| 11/03/09 | 10/03/12 | 525.000 | 11,660.77 | 21,224.07 | 9,563.30-L | .00 |
| 02/02/11 | 10/03/12 | 626.000 | 13,904.09 | 21,228.10 | 7,324.01-L | .00 |
| 06/25/09 | 10/03/12 | 390.000 | 8,662.29 | 12,633.66 | 3,971.37-L | .00 |
| | TOTAL-LONG | 1,541.000 | 34,227.15 | 55,085.83 | 20,858.68- | .00 |
| PHILLIPS 66 | | | | | | |
| 12/06/11 | 05/09/12 | 60.000 | 1,903.69 | 2,095.83 | 192.14-S | .00 |
| 11/11/11 | 05/09/12 | 340.000 | 10,787.59 | 11,765.61 | 978.02-S | .00 |
| 12/01/11 | 05/09/12 | 135.000 | 4,283.30 | 4,635.54 | 352.24-S | .00 |
| 11/14/11 | 05/09/12 | 85.000 | 2,696.90 | 2,917.42 | 220.52-S | .00 |
| 11/14/11 | 05/09/12 | 325.000 | 10,311.66 | 11,154.84 | 843.18-S | .00 |
| | TOTAL-SHORT | 945.000 | 29,983.14 | 32,569.24 | 2,586.10- | .00 |
| PIEDMONT OFFICE REALTY TRU A | | | | | | |
| 06/29/11 | 02/17/12 | 51.000 | 912.88 | 1,048.05 | 135.17-S | .00 |
| 08/02/11 | 02/17/12 | 50.000 | 894.98 | 985.98 | 91.00-S | .00 |
| 09/01/11 | 02/17/12 | 76.000 | 1,360.38 | 1,441.72 | 81.34-S | .00 |
| 08/10/11 | 02/17/12 | 47.000 | 841.28 | 871.38 | 30.10-S | .00 |
| 08/25/11 | 02/17/12 | 145.000 | 2,595.46 | 2,675.34 | 79.88-S | .00 |
| 08/26/11 | 02/17/12 | 56.000 | 1,002.38 | 1,032.07 | 29.69-S | .00 |
| 09/14/11 | 02/17/12 | 63.000 | 1,127.68 | 1,147.22 | 19.54-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-SHORT | 488.000 | 8,735.04 | 9,201.76 | 466.72- | .00 |
| PLUM CREEK TIMBER CO INC | | | | | | |
| 01/27/11 | 01/04/12 | 41.000 | 1,500.70 | 1,724.25 | 223.55-S | .00 |
| 01/27/11 | 01/06/12 | 22.000 | 823.85 | 925.21 | 101.36-S | .00 |
| 01/27/11 | 05/10/12 | 26.000 | 1,007.48 | 1,093.43 | 85.95-L | .00 |
| 01/27/11 | 07/23/12 | 126.000 | 5,012.17 | 5,298.91 | 286.74-L | .00 |
| 01/14/11 | 07/23/12 | 6.000 | 238.67 | 239.94 | 1.27-L | .00 |
| 01/14/11 | 07/25/12 | 68.000 | 2,694.17 | 2,719.31 | 25.14-L | .00 |
| 01/14/11 | 07/31/12 | 16.000 | 648.95 | 639.84 | 9.11 L | .00 |
| 01/05/11 | 07/31/12 | 19.000 | 770.62 | 719.49 | 51.13 L | .00 |
| 01/05/11 | 08/16/12 | 56.000 | 2,242.19 | 2,120.61 | 121.58 L | .00 |
| 01/05/11 | 08/29/12 | 56.000 | 2,292.59 | 2,120.62 | 171.97 L | .00 |
| 01/05/11 | 09/05/12 | 28.000 | 1,152.45 | 1,060.31 | 92.14 L | .00 |
| 01/05/11 | 09/05/12 | 25.000 | 1,022.23 | 946.70 | 75.53 L | .00 |
| | TOTAL-SHORT | 489.000 | 19,406.07 | 19,608.62 | 324.91- | .00 |
| | TOTAL-LONG | | | | 122.36 | .00 |
| PRICE T ROWE GROUP INC | | | | | | |
| 02/21/12 | 08/29/12 | 490.000 | 30,084.98 | 30,520.19 | 435.21-S | .00 |
| 02/22/12 | 08/29/12 | 200.000 | 12,279.59 | 12,274.98 | 4.61 S | .00 |
| 02/01/12 | 08/29/12 | 1,546.000 | 94,921.19 | 90,661.92 | 4,259.27 S | .00 |
| 02/01/12 | 08/29/12 | 214.000 | 13,134.90 | 12,549.58 | 585.32 S | .00 |
| | TOTAL-SHORT | 2,450.000 | 150,420.66 | 146,006.67 | 4,413.99 | .00 |
| PROCTER & GAMBLE CO | | | | | | |
| 12/06/11 | 01/23/12 | 220.000 | 14,293.57 | 14,263.59 | 29.98 S | .00 |
| 02/02/10 | 01/23/12 | 618.000 | 40,151.92 | 38,827.27 | 1,324.65 L | .00 |
| 11/18/09 | 01/23/12 | 242.000 | 15,722.92 | 15,066.90 | 656.02 L | .00 |
| | TOTAL-SHORT | 1,080.000 | 70,168.41 | 68,157.76 | 29.98 | .00 |
| | TOTAL-LONG | | | | 1,980.67 | .00 |
| PROGRESS ENERGY INC<br>SR UNSEC<br>07.050% DUE 03/15/2019 | | | | | | |
| 10/22/10 | 09/25/12 | 5,000.000 | 6,325.15 | 6,231.50 | 93.65 L | .00 |

GAIN/LOSS INFORMATION

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 5,000.000 | 6,325.15 | 6,231.50 | 93.65 | .00 |
| PROLOGIS INC | | | | | | |
| 02/09/11 | 04/12/12 | 110.000 | 3,656.39 | 3,714.47 | 58.08-L | .00 |
| 02/09/11 | 05/08/12 | 46.000 | 1,614.91 | 1,553.33 | 61.58 L | .00 |
| | TOTAL-LONG | 156.000 | 5,271.30 | 5,267.80 | 3.50 | .00 |
| PUBLIC STORAGE REITS | | | | | | |
| 05/11/11 | 01/04/12 | 2.000 | 265.31 | 238.92 | 26.39 S | .00 |
| 07/13/11 | 01/04/12 | 5.000 | 663.27 | 596.65 | 66.62 S | .00 |
| 07/13/11 | 01/06/12 | 6.000 | 797.27 | 715.98 | 81.29 S | .00 |
| 07/13/11 | 02/07/12 | 2.000 | 277.29 | 238.66 | 38.63 S | .00 |
| 05/31/11 | 02/07/12 | 11.000 | 1,525.12 | 1,281.94 | 243.18 S | .00 |
| 05/31/11 | 03/09/12 | 2.000 | 261.66 | 233.08 | 28.58 S | .00 |
| 05/23/11 | 03/09/12 | 11.000 | 1,439.10 | 1,253.56 | 185.54 S | .00 |
| 05/23/11 | 03/23/12 | 4.000 | 543.91 | 455.84 | 88.07 S | .00 |
| 06/16/11 | 03/23/12 | 8.000 | 1,087.82 | 889.97 | 197.85 S | .00 |
| 06/16/11 | 05/09/12 | 4.000 | 557.59 | 444.98 | 112.61 S | .00 |
| 04/05/11 | 05/09/12 | 34.000 | 4,739.49 | 3,775.92 | 963.57 L | .00 |
| 04/05/11 | 05/10/12 | 19.000 | 2,633.81 | 2,110.07 | 523.74 L | .00 |
| 02/16/11 | 05/10/12 | 9.000 | 1,247.59 | 992.07 | 255.52 L | .00 |
| 02/16/11 | 05/16/12 | 11.000 | 1,495.97 | 1,212.53 | 283.44 L | .00 |
| 04/18/11 | 05/16/12 | 9.000 | 1,223.97 | 991.43 | 232.54 L | .00 |
| 04/14/11 | 05/16/12 | 10.000 | 1,359.97 | 1,097.80 | 262.17 L | .00 |
| 04/07/11 | 05/16/12 | 8.000 | 1,087.98 | 877.43 | 210.55 L | .00 |
| 04/07/11 | 05/17/12 | 5.000 | 664.79 | 548.39 | 116.40 L | .00 |
| 03/04/11 | 05/17/12 | 19.000 | 2,526.18 | 2,074.04 | 452.14 L | .00 |
| 03/04/11 | 05/18/12 | 22.000 | 2,904.44 | 2,401.51 | 502.93 L | .00 |
| 02/04/11 | 05/21/12 | 35.000 | 4,570.20 | 3,813.24 | 756.96 L | .00 |
| 02/04/11 | 05/23/12 | 12.000 | 1,563.21 | 1,307.40 | 255.81 L | .00 |
| 04/13/11 | 05/23/12 | 19.000 | 2,475.07 | 2,052.15 | 422.92 L | .00 |
| | TOTAL-SHORT | 267.000 | 35,911.01 | 29,603.56 | 1,068.76 | .00 |
| | TOTAL-LONG | | | | 5,238.69 | .00 |
| QUALCOMM | | | | | | |
| 02/22/12 | 07/26/12 | 300.000 | 17,456.13 | 18,766.47 | 1,310.34-S | .00 |
| 02/14/12 | 07/26/12 | 330.000 | 19,201.74 | 20,261.21 | 1,059.47-S | .00 |
| 02/15/11 | 07/26/12 | 170.000 | 9,891.81 | 9,968.89 | 77.08-L | .00 |

| | | | | G A I N / L O S S | I N F O R M A T I O N | |
|---|---|---|---|---|---|---|
| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
| 02/15/11 | 07/26/12 | 20.000 | 1,163.74 | 1,172.81 | 9.07-L | .00 |
| 02/15/11 | 09/21/12 | 460.000 | 29,644.73 | 26,974.63 | 2,670.10 L | .00 |
| 06/03/11 | 09/21/12 | 30.000 | 1,933.35 | 1,721.78 | 211.57 L | .00 |
| | TOTAL-SHORT | 1,310.000 | 79,291.50 | 78,865.79 | 2,369.81- | .00 |
| | TOTAL-LONG | | | | 2,795.52 | .00 |
| RAYONIER INC | | | | | | |
| 10/14/11 | 01/11/12 | 43.000 | 1,944.70 | 1,698.29 | 246.41 S | .00 |
| 10/14/11 | 01/13/12 | 6.000 | 271.32 | 236.97 | 34.35 S | .00 |
| 01/14/11 | 01/13/12 | 22.000 | 994.86 | 836.09 | 158.77 S | .00 |
| 01/14/11 | 02/10/12 | 22.000 | 983.17 | 836.09 | 147.08 L | .00 |
| | TOTAL-SHORT | 93.000 | 4,194.05 | 3,607.44 | 439.53 | .00 |
| | TOTAL-LONG | | | | 147.08 | .00 |
| REGENCY CENTERS CORP | | | | | | |
| 01/20/10 | 01/11/12 | 6.000 | 231.23 | 220.20 | 11.03 L | .00 |
| 11/18/09 | 01/11/12 | 73.000 | 2,813.34 | 2,472.61 | 340.73 L | .00 |
| 11/18/09 | 01/30/12 | 47.000 | 1,943.46 | 1,591.96 | 351.50 L | .00 |
| 12/07/09 | 01/30/12 | 25.000 | 1,033.75 | 838.69 | 195.06 L | .00 |
| 12/07/09 | 02/02/12 | 38.000 | 1,600.15 | 1,274.80 | 325.35 L | .00 |
| 08/15/12 | 08/16/12 | 28.000 | 1,354.89 | 1,338.40 | 16.49 S | .00 |
| 08/15/12 | 09/25/12 | 5.000 | 243.79 | 239.00 | 4.79 S | .00 |
| 05/10/12 | 09/25/12 | 32.000 | 1,560.29 | 1,504.64 | 55.65 S | .00 |
| 03/20/12 | 09/25/12 | 37.000 | 1,804.08 | 1,648.72 | 155.36 S | .00 |
| 03/23/12 | 09/25/12 | 8.000 | 390.07 | 355.02 | 35.05 S | .00 |
| 03/23/12 | 11/09/12 | 23.000 | 1,070.40 | 1,020.70 | 49.70 S | .00 |
| 03/16/12 | 11/09/12 | 34.000 | 1,582.33 | 1,506.16 | 76.17 S | .00 |
| 03/16/12 | 11/26/12 | 32.000 | 1,487.38 | 1,417.57 | 69.81 S | .00 |
| 05/22/12 | 11/26/12 | 38.000 | 1,766.27 | 1,677.32 | 88.95 S | .00 |
| 12/07/09 | 11/26/12 | 45.000 | 2,091.63 | 1,509.64 | 581.99 L | .00 |
| 12/10/09 | 11/26/12 | 6.000 | 278.88 | 200.39 | 78.49 L | .00 |
| 12/10/09 | 12/06/12 | 49.000 | 2,303.64 | 1,636.48 | 667.16 L | .00 |
| 06/23/09 | 12/06/12 | 20.000 | 940.26 | 663.09 | 277.17 L | .00 |
| 11/24/09 | 12/06/12 | 58.000 | 2,726.77 | 1,902.22 | 824.55 L | .00 |
| | TOTAL-SHORT | 604.000 | 27,222.61 | 23,017.61 | 551.97 | .00 |
| | TOTAL-LONG | | | | 3,653.03 | .00 |

REPUBLIC SERVICES INC
COMP GUARNT
05.700% DUE 05/15/2041

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 05/03/11 | 04/19/12 | 15,000.000 | 17,565.30 | 15,023.40 | 2,541.90 S | .00 |
| 05/02/11 | 04/19/12 | 5,000.000 | 5,855.10 | 4,971.45 | 883.65 S | .00 |
| | TOTAL-SHORT | 20,000.000 | 23,420.40 | 19,994.85 | 3,425.55 | .00 |
| ROUSE PROPERTIES INC | | | | | | |
| 01/13/12 | 01/19/12 | .449 | 4.92 | 5.17 | .25-S | .00 |
| 01/13/12 | 01/19/12 | 47.000 | 516.99 | 541.21 | 24.22-S | .00 |
| | TOTAL-SHORT | 47.449 | 521.91 | 546.38 | 24.47- | .00 |
| SL GREEN REALTY CORP | | | | | | |
| 11/15/10 | 01/30/12 | 7.000 | 510.78 | 450.03 | 60.75 L | .00 |
| 09/18/09 | 01/30/12 | 25.000 | 1,824.22 | 1,077.36 | 746.86 L | .00 |
| 09/18/09 | 02/01/12 | 22.000 | 1,636.81 | 948.07 | 688.74 L | .00 |
| | TOTAL-LONG | 54.000 | 3,971.81 | 2,475.46 | 1,496.35 | .00 |
| SEARIVER MARITIME FINL HLDGS INC DEB GTD DEFD INT DUE 09/01/2012 | | | | | | |
| 10/01/08 | 09/01/12 | 65,000.000 | 65,000.00 | 54,328.95 | 10,671.05 L | .00 |
| 07/09/07 | 09/01/12 | 100,000.000 | 100,000.00 | 75,144.00 | 24,856.00 L | .00 |
| | TOTAL-LONG | 165,000.000 | 165,000.00 | 129,472.95 | 35,527.05 | .00 |
| SENIOR HOUSING PPTY TRUST | | | | | | |
| 06/22/11 | 01/10/12 | 62.000 | 1,398.32 | 1,509.69 | 111.37-S | .00 |
| 06/22/11 | 01/10/12 | 1.000 | 22.52 | 24.35 | 1.83-S | .00 |
| 06/16/11 | 01/10/12 | 30.000 | 675.53 | 690.59 | 15.06-S | .00 |
| 06/16/11 | 01/11/12 | 30.000 | 674.79 | 690.60 | 15.81-S | .00 |
| 06/10/11 | 01/11/12 | 54.000 | 1,214.62 | 1,235.63 | 21.01-S | .00 |
| 06/10/11 | 01/13/12 | 51.000 | 1,113.36 | 1,166.98 | 53.62-S | .00 |
| 06/10/11 | 01/19/12 | 56.000 | 1,240.20 | 1,281.39 | 41.19-S | .00 |
| 08/03/11 | 01/19/12 | 66.000 | 1,461.67 | 1,481.69 | 20.02-S | .00 |
| | TOTAL-SHORT | 350.000 | 7,801.01 | 8,080.92 | 279.91- | .00 |
| SIMON PROPERTY GROUP INC | | | | | | |
| 07/13/04 | 01/06/12 | 13.000 | 1,655.10 | 780.39 | 874.71 L | .00 |
| 07/13/04 | 01/10/12 | 28.000 | 3,573.73 | 1,680.85 | 1,892.88 L | .00 |
| 07/13/04 | 01/30/12 | 21.000 | 2,835.37 | 1,260.63 | 1,574.74 L | .00 |
| 07/13/04 | 02/07/12 | 16.000 | 2,193.40 | 960.48 | 1,232.92 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 07/13/04 | 02/08/12 | 8.000 | 1,097.82 | 480.24 | 617.58 L | .00 |
| 05/10/12 | 09/27/12 | 7.000 | 1,063.17 | 1,082.69 | 19.52-S | .00 |
| 05/09/12 | 09/27/12 | 5.000 | 759.41 | 771.07 | 11.66-S | .00 |
| 07/13/04 | 09/27/12 | 17.000 | 2,581.99 | 1,020.51 | 1,561.48 L | .00 |
| 07/13/04 | 09/28/12 | 21.000 | 3,175.76 | 1,260.63 | 1,915.13 L | .00 |
| 07/13/04 | 12/17/12 | 27.000 | 4,173.25 | 1,620.82 | 2,552.43 L | .00 |
| | TOTAL-SHORT | 163.000 | 23,109.00 | 10,918.31 | 31.18- | .00 |
| | TOTAL-LONG | | | | 12,221.87 | .00 |
| SIMON PROPERTY GROUP LP NTS 05.875% DUE 03/01/2017 | | | | | | |
| 10/29/10 | 02/06/12 | 15,000.000 | 17,549.40 | 17,140.65 | 408.75 L | .00 |
| 09/01/11 | 02/06/12 | 5,000.000 | 5,849.80 | 5,693.45 | 156.35 S | .00 |
| 09/01/11 | 02/06/12 | 5,000.000 | 5,844.55 | 5,693.45 | 151.10 S | .00 |
| 08/09/10 | 02/06/12 | 10,000.000 | 11,689.10 | 11,316.90 | 372.20 L | .00 |
| 02/22/10 | 02/06/12 | 10,000.000 | 11,689.10 | 10,278.80 | 1,410.30 L | .00 |
| | TOTAL-SHORT | 45,000.000 | 52,621.95 | 50,123.25 | 307.45 | .00 |
| | TOTAL-LONG | | | | 2,191.25 | .00 |
| JM SMUCKER CO/THE-NEW COM WI | | | | | | |
| 12/06/11 | 02/21/12 | 110.000 | 8,003.80 | 8,383.49 | 379.69-S | .00 |
| 01/12/10 | 02/21/12 | 1,489.000 | 108,342.30 | 93,059.52 | 15,282.78 L | .00 |
| 02/02/10 | 02/21/12 | 428.000 | 31,142.05 | 26,657.85 | 4,484.20 L | .00 |
| | TOTAL-SHORT | 2,027.000 | 147,488.15 | 128,100.86 | 379.69- | .00 |
| | TOTAL-LONG | | | | 19,766.98 | .00 |
| SOVRAN SELF STORAGE INC | | | | | | |
| 11/03/10 | 01/04/12 | 36.000 | 1,549.19 | 1,448.69 | 100.50 L | .00 |
| 05/02/12 | 07/17/12 | 29.000 | 1,622.80 | 1,527.92 | 94.88 S | .00 |
| 05/02/12 | 09/17/12 | 5.000 | 287.74 | 263.44 | 24.30 S | .00 |
| 03/29/12 | 09/17/12 | 28.000 | 1,611.35 | 1,389.08 | 222.27 S | .00 |
| 05/24/12 | 09/17/12 | 22.000 | 1,266.06 | 1,091.33 | 174.73 S | .00 |
| 02/23/12 | 09/17/12 | 44.000 | 2,532.11 | 2,121.93 | 410.18 S | .00 |
| 11/03/10 | 09/17/12 | 46.000 | 2,647.21 | 1,851.10 | 796.11 L | .00 |
| 05/13/10 | 09/17/12 | 8.000 | 460.39 | 319.59 | 140.80 L | .00 |
| 05/13/10 | 09/19/12 | 50.000 | 2,878.94 | 1,997.46 | 881.48 L | .00 |
| 05/13/10 | 12/24/12 | 29.000 | 1,813.38 | 1,158.53 | 654.85 L | .00 |
| 05/17/10 | 12/24/12 | 36.000 | 2,251.09 | 1,435.94 | 815.15 L | .00 |
| 08/20/10 | 12/24/12 | 25.000 | 1,563.25 | 911.61 | 651.64 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| | TOTAL-SHORT | 358.000 | 20,483.51 | 15,516.62 | 926.36 | .00 |
| | TOTAL-LONG | | | | 4,040.53 | .00 |
| STARWOOD HOTELS & RESORTS WORLDWIDE INC | | | | | | |
| 03/28/11 | 01/12/12 | 18.000 | 933.96 | 994.32 | 60.36-S | .00 |
| 11/02/10 | 01/12/12 | 14.000 | 726.41 | 763.14 | 36.73-L | .00 |
| 02/07/12 | 04/04/12 | 25.000 | 1,377.12 | 1,420.50 | 43.38-S | .00 |
| 03/19/12 | 04/04/12 | 19.000 | 1,046.62 | 1,060.58 | 13.96-S | .00 |
| 02/14/12 | 04/04/12 | 41.000 | 2,258.48 | 2,261.15 | 2.67-S | .00 |
| 11/02/10 | 04/04/12 | 50.000 | 2,754.25 | 2,725.49 | 28.76 L | .00 |
| 02/29/12 | 04/04/12 | 18.000 | 991.53 | 971.64 | 19.89 S | .00 |
| 08/24/12 | 09/25/12 | 100.000 | 5,847.10 | 5,320.78 | 526.32 S | .00 |
| | TOTAL-SHORT | 285.000 | 15,935.47 | 15,517.60 | 425.84 | .00 |
| | TOTAL-LONG | | | | 7.97- | .00 |
| SUNCOR ENERGY INC SEDOL B39T1S3 ISIN US86722TAA07 06.100% DUE 06/01/2018 | | | | | | |
| 07/27/10 | 02/16/12 | 35,000.000 | 42,337.40 | 40,125.75 | 2,211.65 L | .00 |
| | TOTAL-LONG | 35,000.000 | 42,337.40 | 40,125.75 | 2,211.65 | .00 |
| SUNSTONE HOTEL INVS INC NEW | | | | | | |
| 06/20/12 | 07/19/12 | 184.000 | 1,858.36 | 1,930.82 | 72.46-S | .00 |
| 06/20/12 | 07/26/12 | 103.000 | 1,017.59 | 1,080.84 | 63.25-S | .00 |
| 10/28/11 | 07/26/12 | 36.000 | 355.66 | 257.81 | 97.85 S | .00 |
| 10/28/11 | 08/07/12 | 121.000 | 1,259.58 | 866.51 | 393.07 S | .00 |
| 09/07/11 | 08/07/12 | 13.000 | 135.33 | 72.14 | 63.19 S | .00 |
| 09/07/11 | 08/20/12 | 72.000 | 741.59 | 399.57 | 342.02 S | .00 |
| 09/13/11 | 08/20/12 | 74.000 | 762.18 | 400.36 | 361.82 S | .00 |
| 09/13/11 | 08/24/12 | 184.000 | 1,878.67 | 995.50 | 883.17 S | .00 |
| | TOTAL-SHORT | 787.000 | 8,008.96 | 6,003.55 | 2,005.41 | .00 |
| TANGER FACTORY OUTLET | | | | | | |
| 10/13/11 | 01/10/12 | 12.000 | 353.09 | 318.45 | 34.64 S | .00 |
| 10/13/11 | 01/13/12 | 67.000 | 1,878.81 | 1,778.00 | 100.81 S | .00 |
| 10/13/11 | 01/19/12 | 15.000 | 428.69 | 398.06 | 30.63 S | .00 |
| 10/03/11 | 01/19/12 | 101.000 | 2,886.54 | 2,535.56 | 350.98 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 195.000 | 5,547.13 | 5,030.07 | 517.06 | .00 |
| TARGET CORP | | | | | | |
| 12/06/11 | 01/09/12 | 140.000 | 6,787.66 | 7,483.69 | 696.03-S | .00 |
| 09/19/11 | 01/09/12 | 2,670.000 | 129,450.32 | 139,946.71 | 10,496.39-S | .00 |
| | TOTAL-SHORT | 2,810.000 | 136,237.98 | 147,430.40 | 11,192.42- | .00 |
| TAUBMAN CTRS INC | | | | | | |
| 01/11/12 | 03/08/12 | 17.000 | 1,179.95 | 1,070.81 | 109.14 S | .00 |
| 01/11/12 | 03/29/12 | 21.000 | 1,515.32 | 1,322.77 | 192.55 S | .00 |
| 09/21/11 | 03/29/12 | 1.000 | 72.16 | 55.23 | 16.93 S | .00 |
| 09/21/11 | 04/30/12 | 21.000 | 1,622.85 | 1,159.82 | 463.03 S | .00 |
| 09/21/11 | 05/01/12 | 12.000 | 935.38 | 662.76 | 272.62 S | .00 |
| 08/09/11 | 05/01/12 | 4.000 | 311.79 | 205.47 | 106.32 S | .00 |
| 08/09/11 | 05/04/12 | 16.000 | 1,248.61 | 821.90 | 426.71 S | .00 |
| 08/09/11 | 05/08/12 | 15.000 | 1,161.73 | 770.53 | 391.20 S | .00 |
| 08/09/11 | 05/10/12 | 19.000 | 1,465.25 | 976.00 | 489.25 S | .00 |
| | TOTAL-SHORT | 126.000 | 9,513.04 | 7,045.29 | 2,467.75 | .00 |
| TELEFONICA EMISIONES SAU<br>ISIN US87938WAN39 SEDOL B457NGO<br>03.992% DUE 02/16/2016 | | | | | | |
| 02/07/11 | 09/07/12 | 35,000.000 | 34,693.75 | 35,000.00 | 306.25-L | .00 |
| | TOTAL-LONG | 35,000.000 | 34,693.75 | 35,000.00 | 306.25- | .00 |
| TEVA PHARMACEUT FIN BV<br>COMPANY GUARNT<br>02.400% DUE 11/10/2016 | | | | | | |
| 11/07/11 | 02/01/12 | 30,000.000 | 31,091.40 | 29,974.80 | 1,116.60 S | .00 |
| | TOTAL-SHORT | 30,000.000 | 31,091.40 | 29,974.80 | 1,116.60 | .00 |
| THERMO FISHER SCIENTIFIC<br>SR NTS<br>03.200% DUE 05/01/2015 | | | | | | |
| 02/03/11 | 01/09/12 | 50,000.000 | 53,233.00 | 50,899.50 | 2,333.50 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 50,000.000 | 53,233.00 | 50,899.50 | 2,333.50 | .00 |
| TIME WARRNER INC | | | | | | |
| NT | | | | | | |
| 06.625% DUE 05/15/2029 | | | | | | |
| 12/14/10 | 12/11/12 | 10,000.000 | 12,787.70 | 10,863.50 | 1,924.20 L | .00 |
| | TOTAL-LONG | 10,000.000 | 12,787.70 | 10,863.50 | 1,924.20 | .00 |
| TOYOTA MOTOR CREDIT CORP | | | | | | |
| SERIES MTN SR UNSEC | | | | | | |
| 02.050% DUE 01/12/2017 | | | | | | |
| 01/09/12 | 09/12/12 | 35,000.000 | 36,261.75 | 34,942.25 | 1,319.50 S | .00 |
| | TOTAL-SHORT | 35,000.000 | 36,261.75 | 34,942.25 | 1,319.50 | .00 |
| UDR INC | | | | | | |
| 07/13/11 | 01/06/12 | 34.000 | 843.27 | 877.57 | 34.30-S | .00 |
| 05/09/12 | 09/28/12 | 58.000 | 1,447.10 | 1,561.32 | 114.22-S | .00 |
| | TOTAL-SHORT | 92.000 | 2,290.37 | 2,438.89 | 148.52- | .00 |
| USAA AUTO OWNER TRUST | | | | | | |
| SERIES 2009-1 CLASS A3 | | | | | | |
| 03.020% DUE 06/17/2013 | | | | | | |
| 04/15/09 | 01/14/12 | 49.310 | 49.31 | 49.30 | .01 L | .00 |
| | TOTAL-LONG | 49.310 | 49.31 | 49.30 | .01 | .00 |
| USA TREASURY NOTE | | | | | | |
| 04.500% DUE 02/15/2036 | | | | | | |
| 12/16/11 | 03/16/12 | 25,000.000 | 30,198.24 | 32,923.83 | 2,725.59-S | .00 |
| 10/05/11 | 03/16/12 | 10,000.000 | 12,079.30 | 13,014.46 | 935.16-S | .00 |
| 06/06/12 | 06/21/12 | 15,000.000 | 20,447.46 | 20,360.16 | 87.30 S | .00 |
| 06/06/12 | 08/30/12 | 15,000.000 | 20,281.64 | 20,360.15 | 78.51-S | .00 |
| 06/12/12 | 08/30/12 | 10,000.000 | 13,521.10 | 13,464.06 | 57.04 S | .00 |
| 06/12/12 | 10/01/12 | 5,000.000 | 6,696.88 | 6,732.03 | 35.15-S | .00 |

GAIN/LOSS FEDERAL REPORT
ACCOUNT 7759131 THE ARCA FOUNDATION IMA
FROM: 01/01/12 TO: 12/31/12



| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | GAIN/LOSS INFORMATION FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 80,000.000 | 103,224.62 | 106,854.69 | 3,630.07- | .00 |
| US TREASURY NOTES | | | | | | |
| 04.250 % DUE 08/15/2013 | | | | | | |
| 07/19/12 | 11/05/12 | 25,000.000 | 25,777.35 | 26,077.15 | 299.80-S | .00 |
| 10/05/12 | 11/05/12 | 45,000.000 | 46,399.22 | 46,546.88 | 147.66-S | .00 |
| 10/05/12 | 11/08/12 | 60,000.000 | 61,830.47 | 62,062.50 | 232.03-S | .00 |
| 10/05/12 | 11/20/12 | 15,000.000 | 15,439.45 | 15,515.62 | 76.17-S | .00 |
| | TOTAL-SHORT | 145,000.000 | 149,446.49 | 150,202.15 | 755.66- | .00 |
| USA TREASURY NOTES | | | | | | |
| 01.125% DUE 01/15/2012 | | | | | | |
| 08/25/11 | 01/10/12 | 480,000.000 | 480,056.26 | 482,025.02 | 1,968.76-S | .00 |
| | TOTAL-SHORT | 480,000.000 | 480,056.26 | 482,025.02 | 1,968.76- | .00 |
| USA TREASURY NOTES | | | | | | |
| 01.375% DUE 04/15/2012 | | | | | | |
| 06/30/11 | 04/11/12 | 85,000.000 | 85,006.64 | 85,803.51 | 796.87-S | .00 |
| 08/19/11 | 04/11/12 | 75,000.000 | 75,005.86 | 75,626.95 | 621.09-S | .00 |
| 08/19/11 | 04/11/12 | 95,000.000 | 95,007.42 | 95,786.71 | 779.29-S | .00 |
| | TOTAL-SHORT | 255,000.000 | 255,019.92 | 257,217.17 | 2,197.25- | .00 |
| USA TREASURY BOND | | | | | | |
| 01.875% DUE 06/15/2012 | | | | | | |
| 06/10/11 | 06/15/12 | 120,000.000 | 120,000.00 | 121,982.81 | 1,982.81-L | .00 |
| 12/08/11 | 06/15/12 | 40,000.000 | 40,000.00 | 40,373.44 | 373.44-S | .00 |
| 01/09/12 | 06/15/12 | 295,000.000 | 295,000.00 | 297,304.69 | 2,304.69-S | .00 |
| | TOTAL-SHORT | 455,000.000 | 455,000.00 | 459,660.94 | 2,678.13- | .00 |
| | TOTAL-LONG | | | | 1,982.81- | .00 |
| USA TREASURY NOTE | | | | | | |
| 01.750% DUE 08/15/2012 | | | | | | |
| 02/29/12 | 08/15/12 | 320,000.000 | 320,000.00 | 322,375.01 | 2,375.01-S | .00 |
| 05/24/12 | 08/15/12 | 155,000.000 | 155,000.00 | 155,581.25 | 581.25-S | .00 |
| 06/28/12 | 08/15/12 | 85,000.000 | 85,000.00 | 85,182.61 | 182.61-S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 560,000.000 | 560,000.00 | 563,138.87 | 3,138.87- | .00 |
| USA TREASURY NOTE 02.375% DUE 08/31/2014 | | | | | | |
| 09/17/12 | 11/08/12 | 80,000.000 | 83,028.13 | 83,284.38 | 256.25-S | .00 |
| | TOTAL-SHORT | 80,000.000 | 83,028.13 | 83,284.38 | 256.25- | .00 |
| USA TREASURY NOTES 03.000% DUE 09/30/2016 | | | | | | |
| 02/01/12 | 05/07/12 | 15,000.000 | 16,505.28 | 16,620.70 | 115.42-S | .00 |
| 04/16/12 | 05/07/12 | 30,000.000 | 33,010.55 | 32,957.81 | 52.74 S | .00 |
| 04/20/12 | 05/07/12 | 15,000.000 | 16,505.27 | 16,477.15 | 28.12 S | .00 |
| 04/20/12 | 05/15/12 | 50,000.000 | 55,074.22 | 54,923.83 | 150.39 S | .00 |
| 03/21/12 | 05/15/12 | 15,000.000 | 16,522.27 | 16,280.27 | 242.00 S | .00 |
| 09/07/12 | 11/20/12 | 35,000.000 | 38,352.34 | 38,565.63 | 213.29-S | .00 |
| | TOTAL-SHORT | 160,000.000 | 175,969.93 | 175,825.39 | 144.54 | .00 |
| USA TREASURY NOTES 01.375% DUE 10/15/2012 | | | | | | |
| 06/15/12 | 10/15/12 | 150,000.000 | 150,000.00 | 150,609.38 | 609.38-S | .00 |
| | TOTAL-SHORT | 150,000.000 | 150,000.00 | 150,609.38 | 609.38- | .00 |
| USA TREASURY NOTES 01.125% DUE 12/15/2012 | | | | | | |
| 06/14/12 | 11/29/12 | 35,000.000 | 35,013.67 | 35,169.53 | 155.86-S | .00 |
| 06/14/12 | 12/15/12 | 565,000.000 | 565,000.00 | 567,736.75 | 2,736.75-S | .00 |
| 08/14/12 | 12/15/12 | 280,000.000 | 280,000.00 | 280,907.82 | 907.82-S | .00 |
| | TOTAL-SHORT | 880,000.000 | 880,013.67 | 883,814.10 | 3,800.43- | .00 |
| USA TREASURY NOTES 01.375% DUE 01/15/2013 | | | | | | |
| 01/10/12 | 05/15/12 | 85,000.000 | 85,670.70 | 86,055.86 | 385.16-S | .00 |
| 01/10/12 | 06/20/12 | 15,000.000 | 15,101.37 | 15,186.33 | 84.96-S | .00 |
| 07/12/10 | 06/20/12 | 70,000.000 | 70,473.04 | 70,839.45 | 366.41-L | .00 |
| 07/12/10 | 12/31/12 | 100,000.000 | 100,046.88 | 101,199.22 | 1,152.34-L | .00 |
| 05/19/10 | 12/31/12 | 45,000.000 | 45,021.10 | 45,318.16 | 297.06-L | .00 |
| 05/14/10 | 12/31/12 | 85,000.000 | 85,039.84 | 85,537.89 | 498.05-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| 07/27/12 | 12/31/12 | | 20,000.000 | 20,009.38 | 20,111.72 | 102.34-S | .00 |
| | | TOTAL-SHORT | 420,000.000 | 421,362.31 | 424,248.63 | 572.46- | .00 |
| | | TOTAL-LONG | | | | 2,313.86- | .00 |
| USA TREASURY NOTES 00.875% DUE 02/29/2012 | | | | | | | |
| 07/12/11 | 02/29/12 | | 245,000.000 | 245,000.00 | 246,177.15 | 1,177.15-S | .00 |
| 08/18/11 | 02/29/12 | | 80,000.000 | 80,000.00 | 80,340.62 | 340.62-S | .00 |
| | | TOTAL-SHORT | 325,000.000 | 325,000.00 | 326,517.77 | 1,517.77- | .00 |
| USA TREASURY NOTES 01.375% DUE 05/15/2013 | | | | | | | |
| 01/10/12 | 04/11/12 | | 75,000.000 | 75,917.00 | 76,189.46 | 272.46-S | .00 |
| 01/10/12 | 05/07/12 | | 80,000.000 | 80,931.25 | 81,268.75 | 337.50-S | .00 |
| 01/10/12 | 06/14/12 | | 15,000.000 | 15,156.45 | 15,237.89 | 81.44-S | .00 |
| 01/10/12 | 06/18/12 | | 65,000.000 | 65,670.31 | 66,030.86 | 360.55-S | .00 |
| 04/23/12 | 06/18/12 | | 30,000.000 | 30,309.38 | 30,370.31 | 60.93-S | .00 |
| | | TOTAL-SHORT | 265,000.000 | 267,984.39 | 269,097.27 | 1,112.88- | .00 |
| USA TREASURY NOTE 00.625% DUE 07/31/2012 | | | | | | | |
| 04/11/12 | 07/31/12 | | 255,000.000 | 255,000.00 | 255,388.47 | 388.47-S | .00 |
| | | TOTAL-SHORT | 255,000.000 | 255,000.00 | 255,388.47 | 388.47- | .00 |
| USA TREASURY NOTES 02.625% DUE 08/15/2020 | | | | | | | |
| 02/01/12 | 04/17/12 | | 15,000.000 | 16,082.81 | 16,261.52 | 178.71-S | .00 |
| 12/16/11 | 04/17/12 | | 40,000.000 | 42,887.50 | 43,071.88 | 184.38-S | .00 |
| | | TOTAL-SHORT | 55,000.000 | 58,970.31 | 59,333.40 | 363.09- | .00 |
| USA TREASURY NOTES 01.875% DUE 10/31/2017 | | | | | | | |
| 02/06/12 | 06/14/12 | | 45,000.000 | 47,413.48 | 47,267.58 | 145.90 S | .00 |
| 04/16/12 | 06/14/12 | | 25,000.000 | 26,340.82 | 26,148.44 | 192.38 S | .00 |
| 04/17/12 | 06/14/12 | | 35,000.000 | 36,877.15 | 36,580.47 | 296.68 S | .00 |
| 01/10/12 | 06/14/12 | | 30,000.000 | 31,608.98 | 31,314.84 | 294.14 S | .00 |
| 01/10/12 | 06/18/12 | | 85,000.000 | 89,794.53 | 88,725.39 | 1,069.14 S | .00 |
| 01/10/12 | 08/09/12 | | 5,000.000 | 5,269.92 | 5,219.14 | 50.78 S | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 01/10/12 | 11/05/12 | 20,000.000 | 21,149.22 | 20,876.56 | 272.66 S | .00 |
| | TOTAL-SHORT | 245,000.000 | 258,454.10 | 256,132.42 | 2,321.68 | .00 |
| USA TREASURY NOTES | | | | | | |
| 02.625% DUE 01/31/2018 | | | | | | |
| 04/16/12 | 05/15/12 | 30,000.000 | 32,894.53 | 32,627.34 | 267.19 S | .00 |
| 04/16/12 | 06/18/12 | 5,000.000 | 5,494.14 | 5,437.89 | 56.25 S | .00 |
| 08/23/12 | 11/05/12 | 20,000.000 | 21,918.75 | 21,942.97 | 24.22-S | .00 |
| 09/14/12 | 11/05/12 | 40,000.000 | 43,837.50 | 43,798.44 | 39.06 S | .00 |
| 11/06/12 | 11/20/12 | 35,000.000 | 38,398.83 | 38,342.77 | 56.06 S | .00 |
| 09/14/12 | 11/20/12 | 5,000.000 | 5,485.55 | 5,474.80 | 10.75 S | .00 |
| 10/23/12 | 11/20/12 | 10,000.000 | 10,971.09 | 10,927.73 | 43.36 S | .00 |
| | TOTAL-SHORT | 145,000.000 | 159,000.39 | 158,551.94 | 448.45 | .00 |
| USA TREASURY NOTES | | | | | | |
| 00.500% DUE 11/30/2012 | | | | | | |
| 07/30/12 | 08/20/12 | 146,000.000 | 146,148.28 | 146,176.79 | 28.51-S | .00 |
| 07/30/12 | 11/30/12 | 104,000.000 | 104,000.00 | 104,125.94 | 125.94-S | .00 |
| 08/31/12 | 11/30/12 | 160,000.000 | 160,000.00 | 160,143.74 | 143.74-S | .00 |
| | TOTAL-SHORT | 410,000.000 | 410,148.28 | 410,446.47 | 298.19- | .00 |
| USA TREASURY NOTES | | | | | | |
| 01.375% DUE 01/31/2019 | | | | | | |
| 02/29/12 | 08/09/12 | 40,000.000 | 40,476.56 | 39,812.50 | 664.06 S | .00 |
| 02/29/12 | 11/20/12 | 45,000.000 | 45,910.55 | 44,789.06 | 1,121.49 S | .00 |
| | TOTAL-SHORT | 85,000.000 | 86,387.11 | 84,601.56 | 1,785.55 | .00 |
| USA TREASURY NOTES | | | | | | |
| 02.000% DUE 02/15/2022 | | | | | | |
| 02/15/12 | 03/05/12 | 10,000.000 | 9,998.05 | 10,060.94 | 62.89-S | .00 |
| | TOTAL-SHORT | 10,000.000 | 9,998.05 | 10,060.94 | 62.89- | .00 |
| UNITEDHEALTH GROUP INC | | | | | | |
| 12/06/11 | 11/14/12 | 170.000 | 8,721.18 | 8,249.23 | 471.95 S | .00 |
| 05/11/09 | 11/14/12 | 730.000 | 37,449.77 | 20,209.69 | 17,240.08 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-SHORT | 900.000 | 46,170.95 | 28,458.92 | 471.95 | .00 |
| | TOTAL-LONG | | | | 17,240.08 | .00 |
| VANGUARD FTSE ALL WORLD EX-US INDEX FUND ETF | | | | | | |
| 01/06/11 | 08/01/12 | 36,426.000 | 1499,191.34 | 1739,392.49 | 240,201.15-L | .00 |
| | TOTAL-LONG | 36,426.000 | 1499,191.34 | 1739,392.49 | 240,201.15- | .00 |
| VENTAS INC | | | | | | |
| 05/05/11 | 01/06/12 | 11.000 | 591.73 | 610.50 | 18.77-S | .00 |
| 02/11/11 | 01/06/12 | 27.000 | 1,452.42 | 1,486.47 | 34.05-S | .00 |
| 02/06/12 | 04/20/12 | 21.000 | 1,191.09 | 1,231.65 | 40.56-S | .00 |
| 02/06/12 | 04/20/12 | 20.000 | 1,136.19 | 1,173.00 | 36.81-S | .00 |
| 02/17/12 | 04/20/12 | 24.000 | 1,363.43 | 1,374.24 | 10.81-S | .00 |
| 02/17/12 | 09/18/12 | 5.000 | 314.89 | 286.30 | 28.59 S | .00 |
| 02/24/12 | 09/18/12 | 24.000 | 1,511.49 | 1,342.56 | 168.93 S | .00 |
| 02/11/11 | 09/18/12 | 49.000 | 3,085.95 | 2,697.67 | 388.28 L | .00 |
| 04/10/12 | 09/18/12 | 11.000 | 692.76 | 603.46 | 89.30 S | .00 |
| 04/10/12 | 09/28/12 | 14.000 | 866.58 | 768.04 | 98.54 S | .00 |
| 06/01/11 | 09/28/12 | 24.000 | 1,485.57 | 1,312.59 | 172.98 L | .00 |
| | TOTAL-SHORT | 230.000 | 13,692.10 | 12,886.48 | 244.36 | .00 |
| | TOTAL-LONG | | | | 561.26 | .00 |
| VANGUARD MID CAP ETF | | | | | | |
| 01/06/11 | 05/01/12 | 2,455.000 | 198,997.84 | 184,566.90 | 14,430.94 L | .00 |
| | TOTAL-LONG | 2,455.000 | 198,997.84 | 184,566.90 | 14,430.94 | .00 |
| VANGUARD VALUE ETF | | | | | | |
| 04/25/11 | 05/01/12 | 34,186.000 | 1953,720.30 | 1949,600.23 | 4,120.07 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L (GAIN/LOSS INFORMATION) | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 34,186.000 | 1953,720.30 | 1949,600.23 | 4,120.07 | .00 |
| VANGUARD SMALL CAP ETF | | | | | | |
| 01/06/11 | 05/01/12 | 3,811.000 | 296,958.27 | 280,806.67 | 16,151.60 L | .00 |
| | TOTAL-LONG | 3,811.000 | 296,958.27 | 280,806.67 | 16,151.60 | .00 |
| VIACOM INC SR SEC ST CONVENTION 03.500% DUE 04/01/2017 | | | | | | |
| 03/24/11 | 02/22/12 | 30,000.000 | 32,236.80 | 29,741.70 | 2,495.10 S | .00 |
| 03/24/11 | 03/05/12 | 10,000.000 | 10,784.00 | 9,913.90 | 870.10 S | .00 |
| | TOTAL-SHORT | 40,000.000 | 43,020.80 | 39,655.60 | 3,365.20 | .00 |
| VODAFONE GROUP PLC SPONSORED ADR NEW | | | | | | |
| 08/05/11 | 07/25/12 | 1,425.000 | 39,249.89 | 38,949.24 | 300.65 S | .00 |
| 08/05/11 | 07/25/12 | 3,555.000 | 98,194.72 | 97,168.10 | 1,026.62 S | .00 |
| 12/06/11 | 07/25/12 | 230.000 | 6,352.96 | 6,280.04 | 72.92 S | .00 |
| | TOTAL-SHORT | 5,210.000 | 143,797.57 | 142,397.38 | 1,400.19 | .00 |
| VOLKSWAGEN AUTO LOAN ENHANCED SER 2011-1 CLASS A4 01.980% DUE 09/20/2017 | | | | | | |
| 03/24/11 | 09/17/12 | 145,000.000 | 149,316.01 | 144,972.49 | 4,343.52 L | .00 |
| | TOTAL-LONG | 145,000.000 | 149,316.01 | 144,972.49 | 4,343.52 | .00 |
| VORNADO REALTY TRUST | | | | | | |
| 01/28/05 | 01/10/12 | 44.000 | 3,460.61 | 3,428.12 | 32.49 L | .00 |
| 01/28/05 | 01/30/12 | 26.000 | 2,075.04 | 2,025.70 | 49.34 L | .00 |
| 01/28/05 | 02/02/12 | 35.354 | 2,913.47 | 2,754.49 | 158.98 L | .00 |
| 12/14/09 | 02/02/12 | 2.564 | 211.29 | 179.48 | 31.81 L | .00 |
| 10/10/08 | 02/02/12 | 5.082 | 418.80 | 347.96 | 70.84 L | .00 |
| 10/10/08 | 02/17/12 | 24.918 | 2,111.77 | 1,706.14 | 405.63 L | .00 |
| 09/18/09 | 02/17/12 | .082 | 6.95 | 5.57 | 1.38 L | .00 |
| 09/18/09 | 03/09/12 | 28.000 | 2,243.67 | 1,901.76 | 341.91 L | .00 |
| 09/18/09 | 04/18/12 | 12.918 | 1,075.47 | 877.39 | 198.08 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| 09/14/09 | 04/18/12 | 2.130 | 177.33 | 129.51 | 47.82 L | .00 |
| 09/11/09 | 04/18/12 | 31.000 | 2,580.87 | 1,859.29 | 721.58 L | .00 |
| 08/27/09 | 04/18/12 | 26.952 | 2,243.86 | 1,551.60 | 692.26 L | .00 |
| 08/27/09 | 05/02/12 | 45.048 | 3,923.30 | 2,593.37 | 1,329.93 L | .00 |
| 09/02/09 | 05/02/12 | 26.000 | 2,264.38 | 1,409.77 | 854.61 L | .00 |
| 09/03/09 | 05/02/12 | 49.000 | 4,267.48 | 2,653.97 | 1,613.51 L | .00 |
| 06/12/09 | 05/02/12 | 6.945 | 604.85 | 334.03 | 270.82 L | .00 |
| 04/22/09 | 05/02/12 | 20.000 | 1,741.83 | 902.96 | 838.87 L | .00 |
| 06/23/09 | 05/02/12 | 30.000 | 2,612.74 | 1,269.85 | 1,342.89 L | .00 |
| 03/12/09 | 05/02/12 | 10.007 | 871.52 | 320.98 | 550.54 L | .00 |
| | TOTAL-LONG | 426.000 | 35,805.23 | 26,251.94 | 9,553.29 | .00 |
| WACHOVIA BANK COMMERCIAL MTG TR SERIES 2004-C10 CLASS A4 04.748% DUE 02/15/2041 | | | | | | |
| 08/01/08 | 01/01/12 | 1,167.250 | 1,167.25 | 1,110.89 | 56.36 L | .00 |
| 08/01/08 | 02/01/12 | 1,612.230 | 1,612.23 | 1,534.39 | 77.84 L | .00 |
| 08/01/08 | 03/01/12 | 2,691.800 | 2,691.80 | 2,561.84 | 129.96 L | .00 |
| 08/01/08 | 04/01/12 | 235.830 | 235.83 | 224.44 | 11.39 L | .00 |
| 08/01/08 | 05/01/12 | 263.410 | 263.41 | 250.69 | 12.72 L | .00 |
| 08/01/08 | 06/01/12 | 237.580 | 237.58 | 226.11 | 11.47 L | .00 |
| 08/01/08 | 07/01/12 | 266.520 | 266.52 | 253.65 | 12.87 L | .00 |
| 08/01/08 | 08/01/12 | 235.010 | 235.01 | 223.66 | 11.35 L | .00 |
| 08/01/08 | 09/01/12 | 1,248.590 | 1,248.59 | 1,188.31 | 60.28 L | .00 |
| 08/01/08 | 10/01/12 | 254.930 | 254.93 | 242.62 | 12.31 L | .00 |
| 08/01/08 | 11/01/12 | 235.240 | 235.24 | 223.88 | 11.36 L | .00 |
| 08/01/08 | 12/01/12 | 257.320 | 257.32 | 244.90 | 12.42 L | .00 |
| | TOTAL-LONG | 8,705.710 | 8,705.71 | 8,285.38 | 420.33 | .00 |
| WACHOVIA BANK COMMERICAL MTG TR SER 2007-C31 CLASS A2 05.421% DUE 04/15/2047 | | | | | | |
| 05/12/08 | 01/01/12 | 10.100 | 10.10 | 10.11 | .01-L | .00 |
| 05/12/08 | 02/01/12 | 4,967.450 | 4,967.45 | 4,971.14 | 3.69-L | .00 |
| 05/12/08 | 03/01/12 | 1,481.310 | 1,481.31 | 1,482.41 | 1.10-L | .00 |
| 05/12/08 | 04/01/12 | 3,798.610 | 3,798.61 | 3,801.43 | 2.82-L | .00 |
| 05/12/08 | 05/01/12 | 2,053.940 | 2,053.94 | 2,055.46 | 1.52-L | .00 |
| 05/12/08 | 09/01/12 | 3,940.600 | 3,940.60 | 3,943.53 | 2.93-L | .00 |
| 05/12/08 | 11/01/12 | 7,302.880 | 7,302.88 | 7,308.30 | 5.42-L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | |
| | TOTAL-LONG | 23,554.890 | 23,554.89 | 23,572.38 | 17.49- | .00 |
| WAL-MART DE MEXICO S A B DE C V SPONSORED ADR REPSTG SER V SHS | | | | | | |
| 05/18/09 | 04/23/12 | 949.000 | 27,268.90 | 14,163.82 | 13,105.08 L | .00 |
| 05/18/09 | 05/09/12 | 932.000 | 23,681.03 | 13,910.10 | 9,770.93 L | .00 |
| | TOTAL-LONG | 1,881.000 | 50,949.93 | 28,073.92 | 22,876.01 | .00 |
| WAL-MART STORES INC | | | | | | |
| 12/06/11 | 03/27/12 | 100.000 | 6,113.34 | 5,856.45 | 256.89 S | .00 |
| 04/01/09 | 03/27/12 | 1,856.000 | 113,463.59 | 97,736.96 | 15,726.63 L | .00 |
| 04/01/09 | 03/27/12 | 521.000 | 31,848.68 | 27,435.86 | 4,412.82 L | .00 |
| 05/12/09 | 03/27/12 | 400.000 | 24,451.96 | 20,374.68 | 4,077.28 L | .00 |
| | TOTAL-SHORT | 2,877.000 | 175,877.57 | 151,403.95 | 256.89 | .00 |
| | TOTAL-LONG | | | | 24,216.73 | .00 |
| WATSON PHARMACEUTICALS I SR UNSECD 03.250% DUE 10/01/2022 | | | | | | |
| 09/27/12 | 10/03/12 | 15,000.000 | 15,327.75 | 14,874.75 | 453.00 S | .00 |
| | TOTAL-SHORT | 15,000.000 | 15,327.75 | 14,874.75 | 453.00 | .00 |
| WELLS FARGO & COMPANY FDIC GTD SER FRN VAR% DUE 06/15/2012 | | | | | | |
| 09/30/10 | 06/15/12 | 75,000.000 | 75,000.00 | 75,351.00 | 351.00-L | .00 |
| | TOTAL-LONG | 75,000.000 | 75,000.00 | 75,351.00 | 351.00- | .00 |
| WESTPAC BANKING CORP SR UNSEC ISIN US961214BN23 03.000% DUE 08/04/2015 | | | | | | |
| 08/16/10 | 08/06/12 | 50,000.000 | 52,526.50 | 50,614.50 | 1,912.00 L | .00 |
| 07/26/10 | 08/06/12 | 20,000.000 | 21,010.60 | 19,908.00 | 1,102.60 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | | |
| | | TOTAL-LONG | 70,000.000 | 73,537.10 | 70,522.50 | 3,014.60 | .00 |
| WEYERHAEUSER CO | | | | | | | |
| 03/16/11 | 01/04/12 | | 52.000 | 987.05 | 1,269.29 | 282.24-S | .00 |
| 03/16/11 | 04/10/12 | | 58.000 | 1,182.02 | 1,415.75 | 233.73-L | .00 |
| 03/16/11 | 04/17/12 | | 149.000 | 3,096.15 | 3,637.02 | 540.87-L | .00 |
| 02/22/11 | 04/17/12 | | 52.000 | 1,080.54 | 1,259.29 | 178.75-L | .00 |
| 02/22/11 | 05/10/12 | | 83.000 | 1,671.12 | 2,010.02 | 338.90-L | .00 |
| 09/14/12 | 09/28/12 | | 54.000 | 1,428.29 | 1,482.30 | 54.01-S | .00 |
| 09/14/12 | 10/18/12 | | 63.000 | 1,787.90 | 1,729.35 | 58.55 S | .00 |
| 09/05/12 | 10/18/12 | | 55.000 | 1,560.86 | 1,376.09 | 184.77 S | .00 |
| 09/05/12 | 11/21/12 | | 7.000 | 183.35 | 175.14 | 8.21 S | .00 |
| 08/21/12 | 11/21/12 | | 65.000 | 1,702.57 | 1,587.92 | 114.65 S | .00 |
| 02/22/11 | 11/21/12 | | 86.000 | 2,252.62 | 2,082.67 | 169.95 L | .00 |
| | | TOTAL-SHORT | 724.000 | 16,932.47 | 18,024.84 | 29.93 | .00 |
| | | TOTAL-LONG | | | | 1,122.30- | .00 |
| WORLD OMNI AUTO RECEIVABLES TR SERIES 2009-A CLASS A3 03.330% DUE 05/15/2013 | | | | | | | |
| 04/07/09 | 01/15/12 | | 2,031.420 | 2,031.42 | 2,031.05 | .37 L | .00 |
| 04/07/09 | 02/17/12 | | 693.100 | 693.09 | 692.97 | .12 L | .00 |
| | | TOTAL-LONG | 2,724.520 | 2,724.51 | 2,724.02 | .49 | .00 |
| WORLD OMNI AUTO RECEIVABLES TR SERIES 2011-A CLASS A4 01.910% DUE 04/15/2016 | | | | | | | |
| 03/02/11 | 09/18/12 | | 145,000.000 | 148,126.56 | 144,993.55 | 3,133.01 L | .00 |
| | | TOTAL-LONG | 145,000.000 | 148,126.56 | 144,993.55 | 3,133.01 | .00 |
| XCEL ENERGY INC SR UNSEC CALL 11/15/19 @100 04.70% DUE 05/15/2020 | | | | | | | |
| 05/10/10 | 06/19/12 | | 15,000.000 | 17,270.40 | 14,951.40 | 2,319.00 L | .00 |
| 05/10/10 | 06/22/12 | | 5,000.000 | 5,732.60 | 4,983.80 | 748.80 L | .00 |

| ACQUISITION DATE | TRANSACTION DATE | | UNITS | PROCEEDS | TAX COST | FEDERAL G/L | STATE G/L |
|---|---|---|---|---|---|---|---|
| (CONT'D) | | | | | | | |
| | TOTAL-LONG | | 20,000.000 | 23,003.00 | 19,935.20 | 3,067.80 | .00 |
| | LISTED SALES-TOTAL | SHORT | 6740,659.132 | 9641,554.74 | 9867,352.39 | | |
| | | LONG | 5420,923.208 | 13946,933.82 | 12832,750.88 | | |
| | CAPITAL GAIN DISTRIBUTIONS | | | | | 366.00 L | .00 L |
| | GRAND TOTAL-SHORT | | 12161,582.340 | 23588,488.57 | 22700,103.27 | 225,797.65- | |
| | -LONG | | | | | 1114,548.94 | |
| | CARRYOVER(CURRENT ) | | | | | .00 S | |
| | | | | | | .00 M | |
| | | | | | | .00 L | |

**The Arca Foundation**
Summary of Fixed Assets
Year End: 12/31/2012

| Fixed Asset | Cost | Accumulated Depreciation | Current Depreciation | Disposals | Balance |
|---|---|---|---|---|---|
| Construction | 1,274,423.64 | (307,578.68) | (32,030.63) | | 934,814.33 |
| Furniture & Equipment | 141,602.90 | (118,923.64) | (11,040.90) | 1,554.87 | 13,193.23 |
| Land | 218,750.00 | | | | 218,750.00 |
| Building | 656,250.00 | (183,693.78) | (16,826.92) | | 455,729.30 |
| **Subtotal:** | 2,291,026.54 | (610,196.10) | (59,898.45) | 1,554.87 | 1,622,486.86 |

**The Arca Foundation**
Construction Depreciation
Year End 12/31/2012

| Date | Building *39 year depreciation* | *SL* | Cost | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12/31/2001 | 2001 Bldg Improvements | 39 | 415,156 06 | | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 10,645 03 | 298,060 73 |
| 2/28/2002 | Starvopoulos | 39 | 54,235 66 | | 1,274 77 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 1,390 66 | 39,054 29 |
| 4/30/2002 | Starvopoulos | 39 | 132,702 45 | | 2,551 97 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 3,402 63 | 96,124 18 |
| 6/15/2002 | Starvopoulos | 39 | 175,556 69 | | 2,625 85 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 4,501 45 | 127,916 34 |
| 7/15/2002 | Starvopoulos | 39 | 82,001 62 | | 1,051 30 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 2,102 61 | 59,924 22 |
| 7/15/2002 | N gen (wiring) | 39 | 11,408 00 | | 146 26 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 292 51 | 8,336 64 |
| 8/15/2002 | Starvopoulos | 39 | 130,636 42 | | 1,395 69 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 3,349 65 | 95,744 23 |
| 9/18/2002 | Starvopoulos | 39 | 142,527 17 | | 1,218 18 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 3,654 54 | 104,763 59 |
| 9/15/2002 | Kemco | 39 | 3,963 00 | | 33 87 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 101 62 | 2,912 93 |
| 11/15/2002 | Starvopoulos | 39 | 55,087 47 | | 235 42 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 1,412 50 | 40,727 05 |
| 12/31/2002 | Starvopoulos | 39 | 31,506 10 | | 67 32 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 807 85 | 23,360 28 |
| 10/15/2007 | Kennedy Home Improve | 39 | 12,750 00 | | | | | | | 75 89 | 326 92 | 326 92 | 326 92 | 326 92 | 326 92 | 11,039 51 |
| 4/4/2012 | ADR Design | 39 | 26,893 00 | | | | | | | | | | | | 42 66 | 26,850 34 |
| | **Subtotal** | | 1,274,423 64 | | 21,245 66 | 31,661 05 | 31,661 05 | 31,661 05 | 31,661 05 | 31,736 94 | 31,987 97 | 31,987 97 | 31,987 97 | 31,987 97 | 32,030 63 | 934,814 33 |
| | **Accumulated Total** | | | | 21,245 66 | 52,906 71 | 84,567 76 | 116,228 81 | 147,889 86 | 179,626 80 | 211,614 77 | 243,602 74 | 275,590 71 | 307,578 68 | 339,609 31 | |
| 2001 | Building | | 656,250 00 | 15,424 58 | 16,826 92 | 16,826 92 | 16,826 92 | 16,826 92 | 16826 92 | 16,826 92 | 16,826 92 | 16,826 92 | 16,826 92 | 16,826 92 | 16,826 92 | 455,729 30 |
| | **Accumulated Total** | | | 15,424 58 | 32,251 50 | 49,078 42 | 65,905 34 | 82,732 26 | 99,559 18 | 116,386 10 | 133,213 02 | 150,039 94 | 166,866 86 | 183,693 78 | 200,520 70 | |
| | **TOTAL.** | | | **15,424.58** | **53,497 16** | **101,985 13** | **150,473 10** | **198,961.07** | **247,449 04** | **296,012.90** | **344,827.79** | **393,642.68** | **442,457.57** | **491,272.46** | **540,130.01** | |

**The Arca Foundation**
Software Depreciation
Year End: 12/31/2012

| Date | Description | Cost | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | Balance |
|---|---|---|---|---|---|---|---|---|---|
| 10/19/1999 | Office 2000 | 1,196.00 | 83.05 | 398.67 | 398.67 | 315.61 | | | 0.00 |
| 10/19/1999 | Quicken | 36.96 | 2.58 | 12.32 | 12.32 | 9.74 | | | 0.00 |
| 12/31/2001 | Virus Protection | 319.00 | | | | 106.33 | 106.33 | 106.34 | 0.00 |
| | **Subtotal:** | 1,551.96 | 85.63 | 410.99 | 410.99 | 431.68 | 106.33 | 106.34 | 0.00 |
| | **Disposals:** | (1,551.96) | | | | | | | |
| | **Total:** | 0.00 | | | | | | | |

**The Arca Foundation**
Furniture Depreciation
Year End 12/31/2012

| Date | Equipment Purchase *5 year SL depreciation* | Disposals | Cost | Additions | Disposals | TOTAL | Accumulated Depreciation | Current Depreciation Annual | Disposals | Total Depreciation | Remaining Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11/19/1996 | Virginia Schofield Painting | | 1,300 00 | | | 1,300 00 | 1,300 00 | 0 00 | | 1,300 00 | 0 00 |
| 12/18/1996 | Unison | | 1,649.00 | | | 1,649 00 | 1,649 00 | 0 00 | | 1,649 00 | 0 00 |
| 12/31/1996 | Office Equipment | | 515 00 | | | 515 00 | 515 00 | 0 00 | | 515 00 | 0 00 |
| 3/27/1997 | Glass Top Coffee Table | | 1,100 00 | | | 1,100 00 | 1,100.00 | 0 00 | | 1,100 00 | 0 00 |
| 4/23/1997 | Unison Institute | | 2,254 00 | | | 2,254 00 | 2,254 00 | 0 00 | | 2,254 00 | 0 00 |
| 7/18/1997 | J Shenk (Leather Couch) | | 1,189 00 | | | 1,189 00 | 1,189.00 | 0 00 | | 1,189 00 | 0 00 |
| 7/23/1998 | Computer - AMEX | | 3,766 46 | | | 3,766 46 | 3,766 46 | 0 00 | | 3,766 46 | 0 00 |
| 12/29/2000 | Canon Fax LC 9000 | | 900 00 | | | 900 00 | 900 00 | 0 00 | | 900 00 | 0 00 |
| 4/15/2004 | Digital Recorder | | 2,125 00 | | | 2,125 00 | 2,125 00 | 0 00 | | 2,125 00 | 0 00 |
| 12/31/2004 | 2 Dell computers (1-laptop) | | 2,287 00 | | 0 00 | 2,287 00 | 2,287 00 | 0 00 | 0 00 | 2,287 00 | 0 00 |
| | **Subtotal:** | 0 00 | 17,085 46 | 0 00 | 0 00 | 17,085 46 | 17,085 46 | 0 00 | 0 00 | 17,085 46 | 0 00 |
| 2/15/2002 | Security & Access System | | 4,000 00 | | | 4,000 00 | 4,000 00 | 0 00 | | 4,000 00 | 0 00 |
| 4/15/2002 | Screen, Projector | | 9,165 00 | | | 9,165 00 | 9,165 00 | 0 00 | | 9,165 00 | 0 00 |
| 9/15/2002 | Telephones (n gen) | | 6,227 00 | | | 6,227 00 | 6,227 00 | 0 00 | | 6,227 00 | 0 00 |
| 9/15/2002 | TV for Security | | 1,254 95 | | | 1,254 95 | 1,254 95 | 0 00 | | 1,254 95 | 0 00 |
| 9/27/2002 | Conference Table | | 11,946 00 | | | 11,946 00 | 11,946 00 | 0 00 | | 11,946 00 | 0 00 |
| 10/22/2002 | Waveworks Highback Organizer | | 715.00 | | | 715 00 | 715 00 | 0.00 | | 715 00 | 0 00 |
| 10/31/2002 | Escalade Right Return Reception | | 1,005 00 | | (1,005.00) | 0 00 | 1,005 00 | 0 00 | (1,005 00) | 0 00 | 0 00 |
| 10/31/2002 | Escalade Table Desk | | 991.00 | | | 991 00 | 991 00 | 0 00 | | 991 00 | 0 00 |
| 10/31/2002 | Escalade Free Standing Storage Credenza | | 1,255 00 | | | 1,255 00 | 1,255 00 | 0 00 | | 1,255 00 | 0 00 |
| 10/31/2002 | High Back Wood Base Chair | | 518 50 | | | 518 50 | 518 50 | 0 00 | | 518 50 | 0 00 |
| 10/31/2002 | 42" Round Table Autum | | 610 00 | | | 610 00 | 610 00 | 0 00 | | 610 00 | 0 00 |
| 10/31/2002 | Escalade 36 x 72 Bookcase | | 945 00 | | | 945.00 | 945 00 | 0 00 | | 945 00 | 0 00 |
| 10/31/2002 | 14 High Back Wood Base Chairs | | 13,391 00 | | | 13,391 00 | 13,391 00 | 0 00 | | 13,391 00 | 0 00 |
| 10/31/2002 | Escalade Single Ped Desk Left Arc Top | | 1,271 50 | | | 1,271 50 | 1,271 50 | 0 00 | | 1,271 50 | 0 00 |
| 10/31/2002 | Escalade 22x72 Right File/File Ped Credenza | | 920 50 | | | 920 50 | 920 50 | 0 00 | | 920 50 | 0 00 |
| 10/31/2002 | 2 Escalada 36x72 Bookcase/Storage | | 1,890 00 | | | 1,890 00 | 1,890 00 | 0 00 | | 1,890 00 | 0 00 |
| 10/31/2002 | Left Pedestal Desk | | 1,510 00 | | | 1,510 00 | 1,510 00 | 0 00 | | 1,510 00 | 0 00 |
| 10/31/2002 | Escalade Right Return Reception | | 1,005 00 | | | 1,005 00 | 1,005 00 | 0 00 | | 1,005 00 | 0 00 |
| 10/31/2002 | High Back Wood Base Chair | | 518 50 | | | 518 50 | 518 50 | 0 00 | | 518 50 | 0 00 |
| 11/15/2002 | Jefferson Series Credenza | | 1,190 00 | | | 1,190 00 | 1,190 00 | 0 00 | | 1,190 00 | 0 00 |
| 11/15/2002 | Kemco (balance of Alarm system) | | 4,945 00 | | | 4,945 00 | 4,945 00 | 0 00 | | 4,945 00 | 0 00 |
| 12/5/2002 | Hecht Co (Oriental Rug) | | 752 21 | | | 752 21 | 752 21 | 0 00 | | 752 21 | 0 00 |
| 12/12/2002 | Onkyo TX-SR600 Audio Video | | 560 00 | | | 560 00 | 560 00 | 0 00 | | 560 00 | 0 00 |
| 3/15/2003 | Chairs, Walnut Table | | 549 87 | | (549 87) | 0 00 | 549 87 | 0 00 | (549 87) | 0 00 | 0 00 |
| 2/15/2004 | Foliographics | | 572 30 | | | 572 30 | 572 3 | 0 00 | | 572 30 | 0 00 |
| 4/15/2005 | Pictures & Rugs | | 4,083 40 | | | 4,083 40 | 4083 4 | 0 00 | | 4,083 40 | 0 00 |
| 7/15/2008 | Perisan Rug for conference room | | 12,785 00 | | | 12,785 00 | 8,842 96 | 2,557 00 | | 11,399 96 | 1,385 04 |
| 8/15/2008 | 2 iMacs & software | | 3,950 83 | | | 3,950 83 | 2,666 82 | 790 17 | | 3,456 99 | 493 84 |
| 11/15/2008 | Server Hardware/software and installation | | 15,192 00 | | | 15,192 00 | 9,495 00 | 3,038 40 | | 12,533 40 | 2,658 60 |
| 10/15/2009 | Base Grant Process Software (Npower) | | 20,000 00 | 0 00 | | 20,000 00 | 9,041 67 | 4,000 00 | | 13,041 67 | 6,958 33 |
| 2/28/2012 | Macbook Air (Anna Lefer Kuhn) | | | 2,352 75 | | 2,352 75 | 0 00 | 655 33 | | 655 33 | 1,697 42 |
| | **Subtotal:** | 0 00 | 123,719 56 | 2,352 75 | (1,554.87) | 124,517 44 | 101,838 18 | 11,040 90 | (1,554 87) | 111,324 21 | 11,495 81 |
| | **TOTAL:** | 0 00 | 140,805 02 | 2,352 75 | (1,554.87) | 141,602 90 | 118,923 64 | 11,040 90 | (1,554 87) | 128,409 67 | 11,495 81 |

**THE ARCA FOUNDATION**
**FINANCIAL STATEMENTS**
**DECEMBER 31, 2012 and 2011**
***(Together with Independent Auditors' Report)***

BERT SMITH & Co.

***Certified Public Accountants and Management Consultants***

**THE ARCA FOUNDATION**
FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

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BERTSMITH &Co.

**INDEPENDENT AUDITORS' REPORT**

Board of Directors
The Arca Foundation
Washington, D.C.

***Report on the Financial Statements***

We have audited the accompanying statements of financial position of The Arca Foundation (the Foundation) as of December 31, 2012 and 2011 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arca Foundation as of December 31, 2012 and 2011, and the changes in its net assets and its cash flow for the years then ended in accordance with auditing standards generally accepted in the United States of America.

Bert Smith & Co.

Washington, D.C.
April 29, 2013

**THE ARCA FOUNDATION**
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| **Assets** | | |
| Cash | $ 549,676 | $ 295,971 |
| Interest and Dividends Receivable | 12,007 | 21,492 |
| Federal Excise Tax Refund Receivable | 1,577 | 13,597 |
| Other Receivable | 25,612 | 10,056 |
| Investments, at Fair Value | 49,140,989 | 46,827,862 |
| Investment Receivables | 329,881 | 90,301 |
| Prepaid Assets and Deposits | 5,502 | 9,355 |
| Property and Equipment, net | 1,622,486 | 1,653,139 |
| **Total Assets** | $ 51,687,730 | $ 48,921,773 |
| **Liabilities and Net Assets** | | |
| **Liabilities** | | |
| Accounts Payable | $ 36,445 | $ 31,402 |
| Accrued Liabilities and Other Liabilities | 942 | 6,232 |
| Grants Payable | - | 205,000 |
| Investment Payables | 491,959 | 13,896 |
| Tenant Security Deposit | 4,800 | 4,800 |
| Federal Deferred Excise Tax Liability | 139,889 | 75,653 |
| **Total Liabilities** | 674,035 | 336,983 |
| **Net Assets - Unrestricted** | 51,013,695 | 48,584,790 |
| **Total Liabilities and Net Assets** | $ 51,687,730 | $ 48,921,773 |

*The accompanying notes are an integral part of these financial statements.*

**THE ARCA FOUNDATION**
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | 2012 | 2011 |
|---|---|---|
| **Revenue, (Losses) Gains, and Other** | | |
| Realized Gains (Losses) from Sale of Investments, net | $ 883,993 | $ 2,589,102 |
| Dividends | 684,820 | 661,548 |
| Interest | 517,275 | 573,628 |
| Rental Income | 57,600 | 31,713 |
| Contributions | 28,000 | 60,000 |
| Other | 4,947 | 1,948 |
| Unrealized Gains (Losses) on Investments, net | 3,211,263 | (3,417,905) |
| **Total Revenue, Gains (Losses) and Other** | 5,387,898 | 500,034 |
| **Expenses** | | |
| Salaries and Benefits | 288,845 | 362,114 |
| Investment Advisory Fees | 97,654 | 89,639 |
| Travel Costs | 20,937 | 19,789 |
| Meetings and Conferences | 22,021 | 21,771 |
| Repairs and Maintenance | 23,173 | 26,323 |
| Depreciation | 59,898 | 59,200 |
| Consultants/Temporaries | 2,925 | 11,209 |
| Miscellaneous | 15,002 | 20,151 |
| Board Stipend | 25,000 | 25,000 |
| Utilities | 9,540 | 8,951 |
| Property Taxes | 23,175 | 20,768 |
| Auditing and Accounting | 17,661 | 17,500 |
| Legal | 15,365 | 15,365 |
| Payroll Taxes | 15,622 | 16,639 |
| Insurance | 14,243 | 14,997 |
| Dues and Postage | 2,082 | 2,702 |
| Furniture and Equipment Rental | 7,616 | 8,592 |
| Office Supplies and Expenses | 1,871 | 2,238 |
| Telephone | 7,457 | 6,359 |
| **Total Expenses** | 670,087 | 749,307 |
| **Change in Unrestricted Net Assets Before Grant and Federal Excise Tax Expense** | 4,717,811 | (249,273) |
| Grant Expenses | (2,183,650) | (2,109,783) |
| **Change in Unrestricted Net Assets Before Federal Excise Tax** | 2,534,161 | (2,359,056) |
| Federal Excise Tax Expense | (105,256) | (63,373) |
| **Change in Unrestricted Net Assets** | 2,428,905 | (2,422,429) |
| **Unrestricted Net Assets, Beginning of Year** | 48,584,790 | 51,007,219 |
| **Unrestricted Net Assets, End of Year** | $ 51,013,695 | $ 48,584,790 |

*The accompanying notes are an integral part of these financial statements.*

**THE ARCA FOUNDATION**
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Change in Unrestricted Net Assets | $ 2,428,905 | $ (2,422,429) |
| *Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Used in Operating Activities:* | | |
| Depreciation | 59,898 | 59,200 |
| Net Realized and Unrealized (Gains)/Losses on Investments | (4,095,256) | 828,803 |
| (Increase) Decrease in Federal Excise Tax Refund | 12,020 | (13,597) |
| (Increase) Decrease in Interest and Dividend Receivables | 9,485 | (4,119) |
| Increase in Investments Receivable | (239,580) | (90,301) |
| Decrease (Increase) in Other Receivables | (15,556) | 15,000 |
| Decrease (Increase) in Prepaid Expenses and Deposits | 3,853 | 19,770 |
| Increase (Decrease) in Accounts Payable | 5,043 | 5,560 |
| (Decrease) Increase in Accrued Liabilities and Other | (5,290) | (3,499) |
| Increase in Security Deposit | - | 4,800 |
| (Decrease) Increase in Deferred Tax Liability | 64,236 | (12,030) |
| Increase in Investment Purchases Payable | 478,063 | 13,896 |
| Increase in Grants Payable | (205,000) | 205,000 |
| Total Adjustments | (3,928,084) | 1,028,483 |
| **Net Cash Used in Operating Activities** | (1,499,179) | (1,393,946) |
| **Cash Flows from Investing Activities** | | |
| Purchase of Investments | (34,265,516) | (41,353,280) |
| Proceeds from Sale of Investments | 36,047,646 | 42,998,398 |
| Purchase of Equipment | (29,246) | - |
| **Net Cash Provided by Investing Activities** | 1,752,884 | 1,645,118 |
| **Net Increase (Decrease) in Cash** | 253,705 | 251,172 |
| **Cash, Beginning of Year** | 295,971 | 44,799 |
| **Cash, End of Year** | $ 549,676 | $ 295,971 |

*The accompanying notes are an integral part of these financial statements*

**THE ARCA FOUNDATION**
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 and 2011

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- ***Nature of Entity***

The Arca Foundation, formerly known as the Nancy Reynolds Bagley Foundation (the Foundation), is a private, not-for-profit, charitable organization based in Washington, D.C. The Foundation was established in 1952.

The purpose of the Foundation is to support not-for-profit organizations in the United States whose work encourages a more open foreign policy based on respect for international law, human rights and the sovereignty of all nations. The Foundation also supports projects concerned with domestic social change. The Foundation's main source of revenue is investment income.

- ***Basis of Presentation***

Financial presentation follows the recommendations of the Financial Accounting Standards Board. Under those standards for Not-for-profit Organizations, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted net assets, and permanently restricted net assets. The Foundation has no restricted or permanently restricted net assets.

- ***Basis of Accounting***

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Under this basis, revenue is recognized when accrued and expenses are recognized as incurred.

- ***Cash***

Cash represents demand deposits on hand at financial institutions.

- ***Investments***

Investments are carried at fair value. Investments receivables and payables represent unsettled trades. Unrealized gains and losses on investments resulting in market fluctuations are included in the statement of activities in the period in which the fluctuations occur. Realized gains and losses on the sale of securities are determined on the basis of cost of certificates delivered from specific lots, or the "identified cost" basis. Dividend income is recorded on the dividend date. Interest income is recorded on the accrual basis of accounting.

- ***Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- *Level 1* - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- *Level 2* - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, including:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset or liability; and
  - Inputs that are derived principally from or corroborated by other observable market data.
- *Level 3* - Valuations based on inputs that are unobservable and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The Foundation held no Level 3 securities during 2012 or 2011.

The following is a description of the valuation methodologies and inputs used for assets measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

- Investments in equity securities are valued at the quoted prices in an active market are classified within Level 1 of the fair value hierarchy.
- Securities with fixed maturities (debt securities) and certificates of deposits are based on observable market information rather than market quotes and are disclosed in Level 2 of the hierarchy.

- ***Concentration of Credit Risk***

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and investments held at a creditworthy financial institution. By policy, these investments are kept within limits designed to prevent risks caused by concentration.

- ***Risks and Uncertainties***

Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

- ***Property and Equipment***

Property and equipment is recorded at cost. The Foundation capitalizes all expenditures for furniture and equipment over $2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the asset cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities. Repairs and maintenance are charged to expense when incurred.

| | |
|---|---|
| Building and Building Improvements | 39 years |
| Furniture and Equipment | 3-5 years |

- ***Unrestricted Net Assets***

  Unrestricted net assets are available for use in general operations.

- ***Grants Payable***

  Grant awards are disbursed to organizations upon approval of the Board, and subsequent notification to the trustee. The Foundation records grants payable upon approval and fulfillment of conditions, if applicable.

- ***Contributions***

  The Foundation reports contributions as revenue when received or unconditionally promised. Contributions from unrelated parties are only accepted by the Foundation if they are unrestricted.

- ***Tax-exempt Status***

  The Foundation is classified as a private foundation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and the applicable laws of the District of Columbia. As such, the Foundation is not subject to federal or state income taxes. However, the Foundation is subject to federal excise taxes on net investment income.

  The Foundation follows the policy of providing for federal excise taxes on net appreciation (both realized and unrealized) on investments. The deferred provision for federal excise tax represents taxes provided on net unrealized appreciation (depreciation) on investments.

  The provision for ASC 740, *Income Taxes* requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. The policy prescribes the recognition threshold and measurement principles for tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Foundation believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements in 2012 and 2011.

  Tax years from 2009 through the current year remain open for examination by the Federal and State tax authorities.

- ***Use of Estimates***

  Management uses estimates and assumptions in preparing financial statements in conformity with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

- ***Reclassification***

  Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation with no effect on previously reported net assets or change in net assets.

## NOTE 2. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash and investments.

The Foundation maintains cash balances which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash.

## NOTE 3. INVESTMENTS

The estimated fair value and the cost of the Foundation's investments as of December 31 are as follows:

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Fair Value | Cost | Fair Value | Cost |
| **Cash Equivalents** | $ 1,726,536 | $ 1,726,536 | $ 1,694,429 | $ 1,694,429 |
| **Fixed Income** | | | | |
| Corporate Bonds | 4,395,370 | 4,067,999 | 5,540,435 | 5,279,328 |
| US Treasury Bonds | 6,345,240 | 6,198,719 | 2,836,125 | 2,694,726 |
| Agency Bonds | 3,256,290 | 3,124,155 | 4,973,272 | 4,753,637 |
| Municipal Bonds | 42,200 | 37,646 | 75,714 | 66,696 |
| Mutual Funds | 512,247 | 500,000 | 497,272 | 500,000 |
| Mortgages | 499,220 | 416,237 | 647,222 | 567,245 |
| Total Fixed Income | 15,050,567 | 14,344,756 | 14,570,040 | 13,861,632 |
| **Equities** | | | | |
| Stocks | | | | |
| Industrials | 1,289,200 | 1,060,914 | 1,042,565 | 896,489 |
| Consumer Discretionary | 1,742,516 | 1,409,665 | 1,428,779 | 1,162,436 |
| Consumer Staples | 1,975,425 | 1,621,159 | 1,617,757 | 1,345,171 |
| Energy | 1,723,016 | 1,457,348 | 1,544,935 | 1,321,487 |
| Financial | 3,096,380 | 2,614,084 | 1,971,929 | 1,761,957 |
| Materials | 876,469 | 740,951 | 556,983 | 474,414 |
| Information Technology | 2,719,479 | 1,721,669 | 2,588,343 | 1,804,913 |
| Utilities | 353,149 | 242,218 | 427,943 | 315,416 |
| Health Care | 2,112,017 | 1,634,619 | 1,745,545 | 1,408,211 |
| Telecommunication Services | 437,125 | 382,839 | 365,187 | 334,200 |
| Other | 269,341 | 245,579 | 223,197 | 221,416 |
| Total Stocks | 16,594,117 | 13,131,045 | 13,513,163 | 11,046,110 |
| ETF - Equity | 14,784,771 | 11,944,212 | 17,050,230 | 16,443,062 |
| Mutual Funds - Equity | 984,998 | 1,000,000 | - | - |
| Total Equities | 32,363,886 | 26,075,257 | 30,563,393 | 27,489,172 |
| **Total** | **$49,140,989** | **$ 42,146,549** | **$46,827,862** | **$43,045,233** |

Investments measured at fair value on a recurring basis as of December 31 are as follows:

| | 2012 Fair Value | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 |
|---|---|---|---|
| **Cash Equivalents** | $ 1,726,536 | $ - | $ 1,726,536 |
| **Fixed Income** | | | |
| Corporate Bonds | 4,395,370 | - | 4,395,370 |
| US Treasury Bonds | 6,345,240 | - | 6,345,240 |
| Agency Bonds | 3,256,290 | - | 3,256,290 |
| Municipal Bonds | 42,200 | - | 42,200 |
| Mutual Funds | 512,247 | - | 512,247 |
| Mortgages | 499,220 | - | 499,220 |
| **Equities** | | | |
| Stocks | | | |
| Industrials | 1,289,200 | 1,289,200 | - |
| Consumer Discretionary | 1,742,516 | 1,742,516 | - |
| Consumer Staples | 1,975,425 | 1,975,425 | - |
| Energy | 1,723,016 | 1,723,016 | - |
| Financial | 3,096,380 | 3,096,380 | - |
| Materials | 876,469 | 876,469 | - |
| Information Technology | 2,719,479 | 2,719,479 | - |
| Utilities | 353,149 | 353,149 | - |
| Health Care | 2,112,017 | 2,112,017 | - |
| Telecommunication Services | 437,125 | 437,125 | - |
| Other | 269,341 | 269,341 | - |
| ETF - Equity | 14,784,771 | 14,784,771 | - |
| Mutual Funds - Equity | 984,998 | - | 984,998 |
| **Total** | **$ 49,140,989** | **$ 31,378,888** | **$ 17,762,101** |

| | 2011 Fair Value | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 |
|---|---|---|---|
| **Cash Equivalents** | $ 1,694,429 | $ - | $ 1,694,429 |
| **Fixed Income** | | | |
| Corporate Bonds | 5,540,435 | - | 5,540,435 |
| US Treasury Bonds | 2,836,125 | - | 2,836,125 |
| Agency Bonds | 4,973,272 | - | 4,973,272 |
| Municipal Bonds | 75,714 | - | 75,714 |
| Mutual Funds | 497,272 | - | 497,272 |
| Mortgages | 647,222 | - | 647,222 |
| **Equities** | | | |
| Stocks | | | |
| Industrials | 1,042,565 | 1,042,565 | - |
| Consumer Discretionary | 1,428,779 | 1,428,779 | - |
| Consumer Staples | 1,617,757 | 1,617,757 | - |
| Energy | 1,544,935 | 1,544,935 | - |
| Financial | 1,971,929 | 1,971,929 | - |
| Materials | 556,983 | 556,983 | - |
| Information Technology | 2,588,343 | 2,588,343 | - |
| Utilities | 427,943 | 427,943 | - |
| Health Care | 1,745,545 | 1,745,545 | - |
| Telecommunication Services | 365,187 | 365,187 | - |
| Other | 223,197 | 223,197 | - |
| ETF - Equity | 17,050,230 | 17,050,230 | - |
| Mutual Funds - Equity | - | - | - |
| **Total** | **$ 46,827,862** | **$ 30,563,393** | **$ 16,264,469** |

The Foundation did not have any significant transfers in and out of Level 1 or Level 2.

## NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, consisted of the following:

| | 2012 | 2011 |
|---|---|---|
| Land | $ 218,750 | $ 218,750 |
| Building | 656,250 | 656,250 |
| Building Improvements | 1,274,423 | 1,247,531 |
| Furniture and Equipment | 141,602 | 140,805 |
| Total | 2,291,025 | 2,263,336 |
| Less: Accumulated Depreciation | 668,539 | (610,197) |
| **Total** | $ 1,622,486 | $ 1,653,139 |

Depreciation expense for the years ended December 31, 2012 and 2011 was $59,898 and $59,200, respectively.

## NOTE 5. FUNCTIONAL EXPENSES

The following is a breakdown of the Foundation's functional expenses for the years ended December 31:

| | 2012 | 2011 |
|---|---|---|
| **Program:** | | |
| Grants Program | $ 2,409,734 | $ 2,283,563 |
| **Support:** | | |
| Management and General | 549,259 | 638,900 |
| **Total** | $ 2,958,993 | $ 2,922,463 |

**Grant Program:** The Foundation's general purpose is to support not-for-profit organizations within the United States whose work encourages a more open foreign policy based on respect for international law, human rights and the sovereignty of all nations. The Foundation also supports projects concerned with domestic social changes.

**Management and General:** This supporting service category includes the functions necessary to secure proper administrative functioning of the Foundation, maintain an adequate work environment, and manage the financial responsibilities of the Foundation.

## NOTE 6. FEDERAL EXCISE TAXES

The Foundation is subject to federal excise tax imposed on private foundations on net investment income. The current excise tax rate is two percent. The federal excise tax expense is based on a 2% rate for fiscal years 2012 and 2011.

The deferred tax liability arises from unrealized appreciation (depreciation) on investments. The deferred federal excise taxes on unrealized appreciation (depreciation) on investments were recorded at 2% excise tax rate in 2012 and 2% in 2011. The deferred portion of income tax expense will only be paid when the unrealized gains become realized.

Federal excise tax expense consists of the following at December 31:

| Federal Excise Tax Expense/(Benefit) | 2012 | 2011 |
|---|---|---|
| Current | $ 41,020 | $ 75,403 |
| Change in Deferred | 64,236 | (12,030) |
| **Total Federal Excise Tax Expense /(Benefit)** | $ 105,256 | $ 63,373 |

## NOTE 7. EMPLOYEE BENEFITS

The Foundation maintains a defined contribution pension plan (the Plan) in accordance with Section 403(b) of the Internal Revenue Code. The Foundation contributes 5% of each eligible employee's annual compensation to the Plan. Foundation employees may also contribute to the Plan. Employees are vested after one year of employment. The amount of employer pension expense was $10,470 and $7,766 for the year ended December 31, 2012 and 2011, respectively. The Plan is administered by Nationwide.

## NOTE 8. RELATED PARTY TRANSACTION

During the years ended December 31, 2012 and 2011, the Foundation made grant disbursements of $369,550 and $298,100, respectively, to organizations that have common board members with the Foundation. The Foundation also received contributions from a donor related to the President and Vice President of the Foundation in the amount of $25,000 in 2012 and $50,000 in 2011 and from the Vice President in the amount of $3,000 and $-0- in 2012 and 2011, respectively.

## NOTE 9. LEASE ARRANGEMENTS

The Foundation leases space at its headquarters under a one-year lease that expires April 30, 2012 and a three-year lease that expires May 31, 2014. The annual rents for the one-year and three-year leases are $12,000 and $45,600, respectively. Both leases include utilities, cleaning service, and use of kitchens and conference rooms. The total rental income received under these leases was $57,600 and $31,713 for the years ended December 31, 2012 and 2011, respectively.

The approximate future minimum rental payments to be received from the tenants under the operating leases are as follows:

| Year Ended December 31 | Amount |
|---|---|
| 2013 | $ 49,600 |
| 2014 | 19,000 |
| Total Future Minimum Rental | $ 68,600 |

## NOTE 10. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

| | 2012 | 2011 |
|---|---|---|
| Cash Paid during the Year for Income Taxes | $ 29,000 | $ 89,000 |

**NOTE 11. SUBSEQUENT EVENTS**

The Foundation's management has evaluated subsequent events through April 29, 2013, the date that the financial statements were available for issuance. Management has determined that there are no material subsequent events which would require adjustment to the financial statements.

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | Fair Value | | Cost | |
|---|---|---|---|---|---|
| | **Cash Equivalents** | | | | |
| | Cash Equivalents | | | | |
| 248,068 | Fidelity Money Market Institutional Class FD#059 | $ | 248,067.90 | $ | 248,067.90 |
| | Total Short-Term Investments | $ | 248,067.90 | $ | 248,067.90 |
| | **Mutual Funds-Money Market** | | | | |
| | **Financial** | | | | |
| 24,417 | Fidelity Money Market Institutional Class FD#059 | $ | **24,416.98** | $ | 24,416.98 |
| 127,991 | Fidelity Money Market Institutional Class FD#059 | $ | **127,990.98** | $ | 127,990.98 |
| 35,995 | Fidelity Money Market Institutional Class FD#059 | $ | **35,995.18** | $ | 35,995.18 |
| 115,122 | Fidelity Money Market Institutional Class FD#062 | $ | **115,121.75** | $ | 115,121.75 |
| 603,287 | Fidelity Money Market Institutional Class FD#063 | $ | **603,287.40** | $ | 603,287.40 |
| 571,655 | Fidelity Money Market Institutional Class FD#059 | $ | **571,655.39** | $ | 571,655.39 |
| | Total Mutual Funds - Money Market | $ | **1,478,467.68** | $ | 1,478,467.68 |
| | Total Cash and Cash Equivalents | $ | **1,726,535.58** | $ | 1,726,535.58 |
| | **Fixed Income** | | | | |
| | **Treasury Bonds and Notes** | | | | |
| 620,000 | USA Treasury Note 4.5% February 15, 2036 | $ | **815,975.80** | $ | 699,731.24 |
| 125,000 | USA Treasury Notes 3.75% August 15, 2041 | $ | **146,913.75** | $ | 139,036.72 |
| 1,130,000 | USA Treasury Note 4.250% August 15, 2013 | $ | **1,158,555.10** | $ | 1,168,314.44 |
| 765,000 | USA Treasury Note 2.375% August 31, 2014 | $ | **792,073.35** | $ | 796,331.05 |
| 620,000 | USA Treasury Notes 1 375% January 15, 2013 | $ | **620,266.60** | $ | 622,198.42 |
| 300,000 | USA Treasury Notes 1 375% March 15, 2013 | $ | **300,762.00** | $ | 302,036.71 |
| 30,000 | USA Treasury Notes 1 375% May 15, 2013 | $ | **30,139.50** | $ | 30,370.32 |
| 145,000 | USA Treasury Notes 1.125% June 15, 2013 | $ | **145,656.85** | $ | 145,911.92 |
| 150,000 | USA Treasury Notes 1.250% October 31, 2015 | $ | **153,808.50** | $ | 153,978 51 |
| 985,000 | USA Treasury Notes 1.000% January 15, 2014 | $ | **993,234.60** | $ | 993,663 12 |
| 90,000 | USA Treasury Notes 2.625% January 31, 2018 | $ | **98,494.20** | $ | 98,838 28 |
| 175,000 | USA Treasury Notes 1 375% January 31, 2019 | $ | **178,172.75** | $ | 172,418.75 |
| 300,000 | USA Treasury Notes 1.625% August 15, 2022 | $ | **298,032.00** | $ | 294,925.77 |
| 340,000 | USA Treasury Notes 2 625% August 15, 2020 | $ | **373,364.20** | $ | 341,171 67 |
| 450,000 | USA Treasury Notes 3 000% (Pending Trades - Purchase) September 30, 2016 | $ | **491,958.99** | $ | 491,958.99 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 250,000 | USA Treasury Notes 1.375% (Pending Trades - Sale) 1/150/2013 | $ | (252,167.00) | $ | (252,167.00) |
| | Total Treasury Bonds and Notes | $ | 6,345,241.19 | $ | 6,198,718.91 |
| | **U.S. Agency Bonds** | | | | |
| 140,637 | Federal Home Loan MTG Corp 6/1/2042 | $ | **149,977.14** | $ | 147,625.33 |
| 40,752 | Federal Home Loan Mortgage Corp (P# 1Q0232 VAR% December 1, 2036 | $ | **43,340.28** | $ | 41,395.22 |
| 39,375 | Federal Home Loan Mortgage Corp (P #1Q0407) VAR% January 1, 2036 | $ | **42,024.28** | $ | 39,978.04 |
| 87,920 | Federal Home Loan Mortgage Corp (GP #C01725) 5.5% December 1, 2033 | $ | **95,664.94** | $ | 89,679 31 |
| 88,554 | Federal National Mortgage Assn (Pool #AH9719) 4.5% April 1, 2041 | $ | **96,131.94** | $ | 92,214.15 |
| 105,528 | Federal National Mortgage Assn (Pool #AH2666) 4% January 1, 2026 | $ | **113,032.76** | $ | 111,364.64 |
| 116,852 | Federal NATL MTG Assn (Pool AL0065) 4.50% 3/1/2041 | $ | **126,631.51** | $ | 125,506.53 |
| 170,964 | Federal NATL MTG Assn (Pool AO5940) 3.50% 6/1/2042 | $ | **182,791.47** | $ | 180,220.27 |
| 144,169 | Federal NATL MTG Assn (Pool AO7627) 3.00% 6/1/2027 | $ | **152,374.11** | $ | 152,774 55 |
| 149,748 | Federal NATL MTG Assn (Pool AQ0945) 11/1/2042 | $ | **157,067.34** | $ | 157,164.85 |
| 25,814 | Federal National Mortgage Assn (Pool #832351) VAR% August 1, 2035 | $ | **27,065.75** | $ | 26,326.27 |
| 72,753 | Federal National Mortgage Assn (Pool #866049) 5.5% March 1, 2036 | $ | **83,390.65** | $ | 70,877.08 |
| 34,116 | Federal National Mortgage Assn (Pool #881089) 6% April 1, 2036 | $ | **38,961.02** | $ | 33,647 38 |
| 179,610 | Federal National Mortgage Assn (Pool #932639) 5% March 1, 2040 | $ | **198,715.45** | $ | 188,759.19 |
| 82,045 | Federal National Mortgage Assn (Pool #986648) 6.0% September 1, 2037 | $ | **89,824.01** | $ | 88,890.95 |
| 186,205 | Federal National Mortgage Assn (Pool #AB1845) 4.0% November 1, 2040 | $ | **199,809.58** | $ | 194,410 09 |
| 122,768 | Federal National Mortgage Assn (Pool #AB2077) 4.0% January 1, 2041 | $ | **135,420.01** | $ | 121,204.21 |
| 101,628 | Federal National Mortgage Assn (Pool #AB2333) 4 0% February 1, 2041 | $ | **109,053.14** | $ | 99,825.86 |
| 38,178 | Federal National Mortgage Assn (Pool #AC5118) 4.0% November 1, 2039 | $ | **42,382.66** | $ | 40,308.11 |
| 139,246 | Federal National Mortgage Assn (Pool #MA0790) 4.5% June 1, 2041 | $ | **151,160.86** | $ | 148,427.12 |
| 140,021 | Federal National Mortgage Assn (Pool #MA0907) 4.0% October 1, 2041 | $ | **150,294.79** | $ | 146,147.36 |
| 139,643 | Federal NATL MTG Assn (Pool #AB4525) 4.0% 2/1/2042 | $ | **151,547.67** | $ | 148,807.18 |
| 135,430 | Federal NATL MTG Assn (Pool #MA0912) 3.5% 10/2/2026 | $ | **143,749.16** | $ | 143,915.23 |
| 336,794 | Federal NATL MTG Assn (Pool #AD6928) 4 500% | $ | **374,979.29** | $ | 346,476 45 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
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| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| | 6/1/2040 | | | | |
| 97,744 | Government National Mortgage Assn (Pool #724216) 4.5% 08/15/2039 | $ | **107,577.11** | $ | 103,417.79 |
| 165,563 | Federal NATL MTG Assn (Pool #AE0981) 3 50% 3/1/2041 | $ | **176,656.17** | $ | 168,124.49 |
| | Various Pending Trades | $ | **(83,333.00)** | $ | (83,333.00) |
| | Total U S. Agency Bonds | $ | **3,256,290.09** | $ | 3,124,154.65 |
| | **Municipal Bonds** | | | | |
| 35,000 | Texas ST Transvf Commn 5.178% Apnl 1, 2030 | $ | **42,200.20** | $ | 37,646.06 |
| | Total Municipal Bonds | $ | **42,200.20** | $ | 37,646.06 |
| | **U.S. Corporate Bonds** | | | | |
| 20,000 | AMB Property LP 6.625% December 1, 2019 | $ | **23,830.80** | $ | 19,894.00 |
| 20,000 | AMB Property LP 4.5% August 15, 2017 | $ | **21,810.00** | $ | 19,784.20 |
| 45,000 | Abbey National Treasury Service 4 00% Apnl 27, 2016 | $ | **47,582.10** | $ | 45,056.60 |
| 20,000 | Advance Auto Parts INC 5.75% May 1, 2020 | $ | **21,549.60** | $ | 22,387.60 |
| 20,000 | American Express 7% March 19, 2018 | $ | **25,268.60** | $ | 22,616.60 |
| 40,000 | Ameriprise Financial Inc. 7 3% June 28, 2019 | $ | **51,718.80** | $ | 46,002.80 |
| 25,000 | AMGEN Inc 1.875% November 15, 2014 | $ | **26,760.50** | $ | 24,716.50 |
| 50,000 | Amphenol Corp 4.00% February 1, 2022 | $ | **52,874.00** | $ | 50,487.55 |
| 35,000 | AON Corp 3 5% September 30, 2015 | $ | **36,862.00** | $ | 34,882.75 |
| 35,000 | Arcelomittal 7% October 15, 2039 | $ | **32,900.00** | $ | 35,509 90 |
| 55,000 | Bank Of Amenca CORP July 1, 2020 | $ | 65,209.65 | $ | 63,824 20 |
| 40,000 | Bank Of Nova Scotia 1.375% December 18, 2017 | $ | **40,055.60** | $ | 39,955.60 |
| 55,000 | Bellsouth Cap Funding 7.875% February 2, 2030 | $ | **72,479.00** | $ | 66,394.70 |
| 65,000 | Berkshire Hathaway FIN 4.25% January 15, 2021 | $ | **74,577.10** | $ | 64,965 55 |
| 40,000 | Boardwalk Pipelines LP 3.375% February 1, 2023 | $ | **39,286.00** | $ | 39,989.20 |
| 35,000 | Borgwarner Inc 4.625% September 15, 2020 | $ | **38,514.00** | $ | 34,342.00 |
| 55,000 | Boston Properties LP 4.125 May 15, 2021 | $ | **59,775.65** | $ | 54,593.00 |
| 40,000 | Burlington North Santa F 5.75% March 15, 2018 | $ | **49,312.80** | $ | 45,212 00 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 35,000 | CRH Amenca Inc 4.125% January 15, 2016 | $ | **36,442.00** | $ | 34,890.85 |
| 60,000 | Capital one Financial Co. 6 750% 09/15/2017 | $ | **73,276.80** | $ | 68,870 95 |
| 34,000 | Caterpillar Financial Asset Tr 5.450% April 15, 2018 | $ | **40,613.00** | $ | 40,302.58 |
| 145,000 | CenterPoint Energy Transition 2.1606% October 15, 2021 | $ | **151,250.95** | $ | 146,919.36 |
| 35,000 | Citigroup Inc 4 875% May 7, 2014 | $ | **37,208.85** | $ | 37,042.40 |
| 55,000 | Citigroup Inc 6.01% January 15, 2015 | $ | **60,099.05** | $ | 58,497 25 |
| 55,000 | RaboBank Nederland UTREC January 19, 2017 | $ | **59,085.95** | $ | 56,576 85 |
| 30,000 | Corning INC 4.750% March 15, 2042 | $ | **31,592.70** | $ | 29,955.90 |
| 35,000 | Credit Suisse Sub Notes 5.40% 01/14/2020 | $ | **39,353.65** | $ | 35,477.05 |
| 50,000 | Digital Realty Trust LP 4 50% 07/15/2015 | $ | **53,200.50** | $ | 51,183.10 |
| 40,000 | Darden Restaurants INC. 3.350% November 1, 2022 | $ | **38,705.20** | $ | 40,057.45 |
| 45,000 | Deere John Capital CORP 2.800% January 27, 2023 | $ | **46,048.95** | $ | 45,787.50 |
| 70,000 | Directv Holdings/Fing 4 6% February 15, 2021 | $ | **75,777.80** | $ | 69,133.30 |
| 25,000 | Discovery Communications 4.375% June 15, 2020 | $ | **27,912.50** | $ | 27,851.00 |
| 35,000 | Dominion Resources Inc. 8.875% January 15, 2019 | $ | **47,903.80** | $ | 34,990.20 |
| 5,000 | Dow Chemical Co/The 4.25% 11/15/2020 | $ | **5,558.55** | $ | 4,910 00 |
| 35,000 | Duke Energy Carolinas 4.000% September 30, 2042 | $ | **35,277.90** | $ | 35,616.00 |
| 45,000 | EQT Corp 8.125% 06/01/2019 | $ | **55,702.35** | $ | 54,321.30 |
| 70,000 | Exelon Generation CO LLC 4.00% 10/01/2020 | $ | **73,586.10** | $ | 72,386.35 |
| 40,000 | First Niagira Fin Group 6.75% March 19, 2020 | $ | **47,334.80** | $ | 42,100.05 |
| 50,000 | FreePort- McMorgan C & G 3.550% 3/1/2022 | $ | **49,589.00** | $ | 49,835.90 |
| 60,000 | GTE Corp 6 94% Apnl 15, 2028 | $ | **79,823.40** | $ | 67,883.40 |
| 35,000 | General Elec Cap Corp 5.625% 09/15/2017 | $ | **41,290.20** | $ | 38,647 00 |
| 15,000 | General Elec Cap Corp 5.5% 01/08/2020 | $ | **17,755.65** | $ | 16,186 05 |
| 30,000 | General Electric Cap Corp. 4.625% 01/07/2021 | $ | **34,029.00** | $ | 29,769.60 |
| 5,000 | General Electric Co. 4.125% 10/9/2042 | $ | **5,143.25** | $ | 4,971.85 |
| 40,000 | GlaxoSmithKline Capital 2 850% | $ | **41,546.00** | $ | 39,831 00 |

The Arca Foundation
Supplementary Schedule of Investments
December 31, 2012

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| | 5/8/2022 | | | | |
| 50,000 | HSBC Holdings PLC SR Unsec. 5 100% | $ | **59,044.00** | $ | 49,891.50 |
| | 04/05/2021 | | | | |
| 15,000 | Hartford FNL SVCS GRP 6.300% | $ | **17,870.70** | $ | 14,999.55 |
| | 3/15/2013 | | | | |
| 45,000 | Hasbro Inc 6.3% | $ | **52,177.05** | $ | 49,670.80 |
| | September 15, 2017 | | | | |
| 45,000 | Health Care REIT Inc. | $ | **50,109.75** | $ | 44,645.15 |
| | 01/15/2022 | | | | |
| 30,000 | Hess Corp 5.6% | $ | **35,480.40** | $ | 30,723.30 |
| | February 15, 2041 | | | | |
| 70,000 | Hewlett Packard Co. 3.00% | $ | **70,448.00** | $ | 69,848.80 |
| | 09/15/2016 | | | | |
| 40,000 | Intel CORP 2.700% | $ | **39,944.00** | $ | 40,174.80 |
| | 12/15/2022 | | | | |
| 30,000 | INTL Paper Co. 7.5% | $ | **39,260.40** | $ | 36,065.40 |
| | 08/15/2021 | | | | |
| 25,000 | JPMorgan Chase & Co 6.125% | $ | **29,207.00** | $ | 24,609.75 |
| | June 27, 2017 | | | | |
| 10,000 | JPMorgan Chase & Co. 6 300% | $ | **12,337.60** | $ | 11,718 50 |
| | 4/23/2019 | | | | |
| 70,000 | JPMorgan Chase & Co 4.625% | $ | **79,811.90** | $ | 69,918.25 |
| | 5/10/2021 | | | | |
| 10,000 | Johnson & Johnson Bonds 5.95% | $ | **13,868.00** | $ | 11,667.60 |
| | 08/15/2037 | | | | |
| 50,000 | Johnson Controls Inc 5% | $ | **56,826.00** | $ | 55,486.40 |
| | March 30, 2020 | | | | |
| 35,000 | KLA Instruments Corp 6.9% | $ | **42,043.40** | $ | 40,152.40 |
| | May 1, 2018 | | | | |
| 30,000 | Kerr McGee Corp 7.875% | $ | **39,849.60** | $ | 40,674 30 |
| | 9/15/2031 | | | | |
| 40,000 | Kinder Morgan Ener Part 6.95% | $ | **52,634.80** | $ | 43,224.00 |
| | January 15, 2038 | | | | |
| 40,000 | L-3 Communications Corp 4.95% | $ | **45,132.40** | $ | 40,654.15 |
| | 02/15/2021 | | | | |
| 35,000 | Marriott International | $ | **36,022.35** | $ | 34,627.50 |
| | 3/1/2019 | | | | |
| 35,000 | Mellon Funding Corp. 5 50% | $ | **41,100.15** | $ | 38,355.80 |
| | 11/15/2018 | | | | |
| 50,000 | Merrill Lynch & Co 6 875% | $ | **60,272.50** | $ | 54,250 00 |
| | April 25, 2018 | | | | |
| 35,000 | Metlife Inc VAR% | $ | **37,423.05** | $ | 33,250.00 |
| | 12/15/2066 | | | | |
| 30,000 | MidAmerican Energy HLDGS 6.125% | $ | **37,870.20** | $ | 30,536.70 |
| | 4/1/2036 | | | | |
| 15,000 | Morgan Stanley 4.875% | $ | **15,530.85** | $ | 14,946.90 |
| | 11/1/2022 | | | | |
| 90,000 | Morgan Stanley 4.750% | $ | **98,186.40** | $ | 89,841.90 |
| | 3/22/2017 | | | | |
| 45,000 | NBC Universal Media, LLC 5.150% | $ | **53,345.70** | $ | 52,337.70 |
| | 4/30/2020 | | | | |
| 50,000 | News America Holdings 8.45% | $ | **69,100.50** | $ | 47,723.50 |
| | August 1, 2034 | | | | |

**The Arca Foundation**
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**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 30,000 | Nexen Inc 5 875% March 10, 2035 | $ | **37,085.10** | $ | 28,145.70 |
| 35,000 | Nextera Energy Capital 4 50% 6/1/2021 | $ | **38,887.45** | $ | 39,284.70 |
| 20,000 | Oneok Partners LP 6.125% 02/01/2041 | $ | **23,978.20** | $ | 19,703.60 |
| 35,000 | PPL Capital Fundıng INC 3 50% 12/1/2022 | $ | **35,626.50** | $ | 35,325 85 |
| 55,000 | Petrobras Intl Fın Co. 3 875% 01/27/2016 | $ | **58,025.00** | $ | 55,424 30 |
| 35,000 | Principal Financial Group NTS 8 875% 05/15/2019 | $ | **46,964.40** | $ | 45,652.85 |
| 30,000 | Progress Energy Inc 7.05% March 15, 2019 | $ | **37,702.80** | $ | 37,389 00 |
| 45,000 | Prudentıal Fınancial Inc 5 375% June 21, 2020 | $ | **52,606.35** | $ | 47,829.00 |
| 35,000 | Puget Sound Energy Inc 5.757% October 1, 2039 | $ | **44,338.35** | $ | 35,798.00 |
| 35,000 | Realty Income Corp 5.75% January 15, 2021 | $ | **41,091.40** | $ | 34,791.40 |
| 35,000 | Reinsurance GRP of Amer 6.45% November 15, 2019 | $ | **40,807.55** | $ | 36,882.65 |
| 30,000 | Republic Services Inc. 5.7% 05/15/2041 | $ | **35,875.80** | $ | 32,284.35 |
| 75,000 | Royal Bank Of Canada 1.20% 9/19/2017 | $ | **75,180.00** | $ | 74,992 50 |
| 35,000 | Ryder System Inc. 3.15% 03/02/2015 | $ | **36,148.00** | $ | 35,034 10 |
| 40,000 | Safeway INC 4.750% 12/1/2021 | $ | **41,211.60** | $ | 38,945.80 |
| 20,000 | Telefonica Emısiones SAU 3.992% 02/16/2016 | $ | **20,810.00** | $ | 19,793 80 |
| 40,000 | Time Warner Inc 6.625% May 15, 2029 | $ | **51,042.40** | $ | 43,454 00 |
| 35,000 | Toledo Edison Company 7.25% May 1, 2020 | $ | **44,490.95** | $ | 41,658.05 |
| 25,000 | Unıted Technologies CORP 4.50% 6/1/2042 | $ | **27,779.00** | $ | 24,691 75 |
| 55,000 | Wal-Mart Stores Inc 5.625% April 1, 2040 | $ | **71,337.20** | $ | 54,714 55 |
| 35,000 | Weatherford Intl LTD 5.125% September 15, 2020 | $ | **38,569.65** | $ | 35,150.80 |
| 40,000 | WellPoint INC. 1/15/2023 | $ | **41,040.00** | $ | 39,865.20 |
| 50,000 | Wells Fargo Company 5.625% December 11, 2017 | $ | **59,635.00** | $ | 56,458 50 |
| 35,000 | Westpac Banking Corp 2.0% August 14, 2015 | $ | **36,052.10** | $ | 34,975 15 |
| 35,000 | Williams Partners LP 4 125% November 15, 2020 | $ | **38,005.80** | $ | 34,996.85 |
| 45,000 | Xerox Corporation 6.4% March 15, 2016 | $ | **50,709.15** | $ | 50,152.50 |

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| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| | Total U.S Corporate Bonds | $ | **4,395,370.55** | $ | 4,067,998.59 |
| | **Mutual Funds - Fixed Income** | | | | |
| 51,638 | Fidelity Advisor Floating High (FFRIX) | $ | **512,246.99** | $ | 500,000.00 |
| | Total Mutual Funds | $ | **512,246.99** | $ | 500,000.00 |
| | **Mortgages** | | | | |
| 51,923 | Morgan Stanley Capital I 2007-HQ11 Class A2 5.359% February 12, 2044 | $ | **52,028.03** | $ | 52,870.68 |
| 25,000 | Morgan Stanley Capital I 2007-HQ11 Class A31 5.439% February 12, 2044 | $ | **26,145.50** | $ | 24,972.66 |
| 114,361 | Wachovia Bank Commercial Mtg Tr 2002-C1 Class A3 4.748% February 15,2041 | $ | **118,385.13** | $ | 108,839 29 |
| 205,000 | Wachovia Bank Comml Mtg Tr Series 2006-C28 Class A3 5.679% 10/15/2048 | $ | **222,226.15** | $ | 161,381 05 |
| 78,204 | Wachovia Bank Commercial Mtg Tr Ser 2007-C31 Class A2 5.421% 4/15/2047 | $ | **80,435.10** | $ | 68,172.93 |
| | Total Mortgages | $ | **499,219.91** | $ | 416,236.61 |
| | Total Fixed Income | $ | **15,050,568.93** | $ | 14,344,754 82 |
| | ***Consumer Discretionary*** | | | | |
| 771 | Bed bath and Beyond (BBBY) | $ | **43,106.61** | $ | 49,034 22 |
| 6,510 | Comcast Corp. (CMCSA) | $ | **243,213.60** | $ | 154,048 39 |
| 2,500 | Disney Walt Co. (DIS) | $ | **124,475.00** | $ | 111,972.68 |
| 743 | Disney Walt Co (DIS) | $ | **36,993.97** | $ | 37,291.10 |
| 3,600 | Limited Brands Inc (LTD) | $ | **169,416.00** | $ | 103,041.75 |
| 7,050 | Gannett INC (GCI) | $ | **126,970.50** | $ | 131,765.35 |
| 4,390 | Home Depot INC (HD) | $ | **271,521.50** | $ | 194,915.61 |
| 1,007 | Harley Davidson INC (HOG) | $ | **49,171.81** | $ | 41,990.89 |
| 4,870 | Macy's Inc (M) | $ | **190,027.40** | $ | 140,822.98 |
| 1,987 | Nokian Tyres OYJ (NKRKY) | $ | **40,038.05** | $ | 40,559 89 |
| 1,390 | PVH Corp (PVH) | $ | **154,303.90** | $ | 135,783 53 |
| 1,700 | Ross Stores INC (ROST) | $ | **91,953.00** | $ | 105,410.42 |
| 1,500 | Polaris INDS INC (PII) | $ | **126,225.00** | $ | 122,390.64 |
| 93 | Starwood Hotels & Resorts (HOT) | $ | **5,334.48** | $ | 4,856 89 |
| 957 | WPP PLC (WPPGY) | $ | **69,765.30** | $ | 35,780.79 |
| | Total Consumer Discretionary | $ | **1,742,516.12** | $ | 1,409,665 13 |
| | ***Consumer Staples*** | | | | |
| 419 | Bungee Limited (BG) | $ | **30,457.11** | $ | 23,535.23 |
| 605 | Anheuser Busch Inbev (BUD) | $ | **52,883.05** | $ | 45,082.42 |
| 2,100 | Anheuser Busch Inbev (BUD) | $ | **183,561.00** | $ | 148,367.95 |
| 1,975 | CVS Caremark Corporation (CVS) | $ | **95,491.25** | $ | 89,487.05 |
| 754 | Coca Cola Corp. (KO) | $ | **27,332.50** | $ | 29,911.14 |
| 6,360 | Coca Cola Corp. (KO) | $ | **230,550.00** | $ | 193,775.45 |
| 941 | Costco Wholesale Corp (COST) | $ | **92,904.93** | $ | 89,856.00 |
| 421 | Diageo PLC (DEO) | $ | **49,080.18** | $ | 45,063.84 |

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| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 3,340 | The Hershey Company (HSY) | $ | **241,214.80** | $ | 162,951.99 |
| 2,378 | Loreal Co (LRLCY) | $ | **66,536.44** | $ | 39,084 22 |
| 1,027 | LVMH Moet Hennessy Louis (LVMUY) | $ | **38,707.63** | $ | 16,298.49 |
| 1,760 | Mccormick & Co. INC (MKC) | $ | **111,812.80** | $ | 113,763.41 |
| 1,657 | Nestle S.A. (NSRGY) | $ | **107,986.69** | $ | 67,428 36 |
| 343 | Philip Morrıs Internat- W/I (PM) | $ | **28,688.52** | $ | 31,470 22 |
| 2,180 | Phılıp Morrıs Internat- W/I (PM) | $ | **182,335.20** | $ | 199,330.00 |
| 3,109 | Procter & Gamble Co (PG) | $ | **211,070.01** | $ | 169,882 27 |
| 862 | Unilever PLC W/I (UL) | $ | **33,376.64** | $ | 21,148 32 |
| 2,100 | Whole Foods MKT Inc (WFM) | $ | **191,436.00** | $ | 134,722.70 |
| | Total Consumer Staples | $ | **1,975,424.75** | $ | 1,621,159.06 |
| | *Energy* | | | | |
| 2,190 | ***Ensco PLC Class A (ESV)*** | $ | **129,823.20** | $ | 125,918.48 |
| 186 | Transocean LTD (RIG) | $ | **8,306.76** | $ | 8,961.46 |
| 2,745 | BG Group PLC (BRGYY) | $ | **45,868.95** | $ | 47,223.20 |
| 1,258 | Canadian Natural Resources (CNQ) | $ | **36,318.46** | $ | 39,626.87 |
| 2,750 | Chevron Corporation (CVX) | $ | **297,385.00** | $ | 209,046.83 |
| 732 | Devon Energy CORP NEW (DVN) | $ | **38,093.28** | $ | 43,583.21 |
| 695 | EOG RES INC (EOG) | $ | **83,949.05** | $ | 75,796.70 |
| 4,854 | Exxon Mobıl Corp (XOM) | $ | **420,113.70** | $ | 347,152.45 |
| 1,948 | Gazprom OAO (OGZPY) | $ | **18,954.04** | $ | 20,794.90 |
| 1,009 | Imperial Oil LTD New (IMO) | $ | **43,387.00** | $ | 36,667.11 |
| 1,830 | National Oılwell Varco Inc (NOV) | $ | **125,080.50** | $ | 76,335.34 |
| 823 | Occidental Petroleum CORP (OXY) | $ | **63,050.03** | $ | 74,668.49 |
| 1,410 | Petroleo Brasiliero SA (PBRA) | $ | **27,452.70** | $ | 32,417.03 |
| 636 | SASOL LTD (SSL) | $ | **27,532.44** | $ | 22,869.12 |
| 1,139 | Schlumberger LTD (SLB) | $ | **78,930.42** | $ | 70,002.72 |
| 6,410 | Suncor Energy INC (SU) | $ | **211,401.80** | $ | 174,506.54 |
| 4,555 | Schneider Elect SA - UNSP ADR (SBGSY) | $ | **67,368.45** | $ | 51,777.61 |
| | Total Energy | $ | **1,723,015.78** | $ | 1,457,348.06 |
| | ***Financials*** | | | | |
| 4,252 | AIA Group LTD (AAGIY) | $ | **67,309.16** | $ | 59,328 39 |
| 519 | Acadia Realty Trust (AKR) | $ | **13,016.52** | $ | 8,605.78 |
| 5,122 | Allianz Se Spon ADR (AZSEY) | $ | **70,786.04** | $ | 53,214.47 |
| 357 | Alexandria Real Estate Equities (ARE) | $ | **24,747.24** | $ | 21,097 64 |
| 74 | Alleghany Corp DEL (Y) | $ | **24,821.08** | $ | 25,495.96 |
| 1,554 | American Express Co (AXP) | $ | **89,323.92** | $ | 88,935 26 |
| 3,069 | American Express Co (AXP) | $ | **176,406.12** | $ | 137,603 69 |
| 303 | Amerıprıse Fınancial Inc-W/I (AMP) | $ | **18,976.89** | $ | 16,461.96 |
| 536 | Avalonbay Communities Inc (AVB) | $ | **72,676.24** | $ | 56,642 08 |
| 3,323 | Bank of New York Mellon Corp (BK) | $ | **85,401.10** | $ | 74,435.20 |
| 264 | Boston PPTYS INC (BXP) | $ | **27,933.84** | $ | 16,722.47 |
| 780 | Berkshire Hathaway INC (BRKB) | $ | **69,966.00** | $ | 66,058.12 |
| 522 | CBL & Associates PPTYS Inc (CBL) | $ | **11,071.62** | $ | 11,414.36 |
| 2,040 | Capital One Fınancial Corp (COF) | $ | **118,177.20** | $ | 125,308.71 |
| 2,470 | Chubb Corp (CB) | $ | **186,040.40** | $ | 113,793.18 |
| 870 | CubeSmart (CUBE) | $ | **12,675.90** | $ | 11,461.50 |
| 905 | DBS Group Hldgs LTD (DBSDY) | $ | **44,399.30** | $ | 36,812.92 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 3,241 | DCT Industrial Trust Inc (DCT) | $ | **21,034.09** | $ | 17,800 61 |
| 2,748 | DDR Corp (DDR) | $ | **43,033.68** | $ | 39,542 92 |
| 1,217 | Diamondrock Hospitality Co (DRH) | $ | **10,953.00** | $ | 11,845 20 |
| 354 | Digital Rlty Tr Inc (DLR) | $ | **24,033.06** | $ | 10,602.67 |
| 3,180 | Discover Financial W/I (DFS) | $ | **122,589.00** | $ | 113,624.05 |
| 1,780 | Duke Realty Corp (DRE) | $ | **24,688.60** | $ | 22,960 61 |
| 614 | Equity Residential (EQR) | $ | **34,795.38** | $ | 18,697 50 |
| 1,950 | Equity Residential (EQR) | $ | **110,506.50** | $ | 89,117.15 |
| 338 | Essex Ppty Tr Inc (ESS) | $ | **49,567.70** | $ | 37,328 37 |
| 10,330 | Fifth Third Bancorp (FITB) | $ | **157,016.00** | $ | 149,013 06 |
| 1,427 | General Growth Properties W/I (GGP) | $ | **28,325.95** | $ | 21,754.94 |
| 109 | HCP Inc (HCP) | $ | **4,922.44** | $ | 3,786.39 |
| 622 | HSBC Hldgs PLC (HBC) | $ | **33,009.54** | $ | 31,030.68 |
| 611 | Healthcare Realty Trust (HR) | $ | **14,670.11** | $ | 11,940.00 |
| 837 | Health Care Reit Inc (HCN) | $ | **51,299.73** | $ | 44,615.48 |
| 3,031 | Host Hotels & Resorts INC (HST) | $ | **47,495.77** | $ | 40,197.60 |
| 282 | Hudson Pacific Properties IN (HIPP) | $ | **5,938.92** | $ | 4,375.67 |
| 1,520 | ICIC Bank LTD (IBN) | $ | **66,287.20** | $ | 60,578.89 |
| 4,151 | Itau Unibanco Banco Holding (ITUB) | $ | **68,325.46** | $ | 70,553.59 |
| 531 | Kilroy Rlty Corp (KRC) | $ | **25,153.47** | $ | 18,941.17 |
| 1,594 | Loews Corporation (L) | $ | **64,955.50** | $ | 64,461 20 |
| 1,390 | M & T BK Corp (MTB) | $ | **136,873.30** | $ | 124,373.77 |
| 843 | The Macerich Company (MAC) | $ | **49,123.23** | $ | 31,114.15 |
| 3,500 | Moody's Corp (MCO) | $ | **176,120.00** | $ | 138,166.11 |
| 531 | Pebblebrook Hotel Trust (PEB) | $ | **12,266.10** | $ | 11,152 32 |
| 549 | Piedmont Office Realty TRU A (PDM) | $ | **9,909.45** | $ | 9,672.79 |
| 301 | Post Properties INC (PPS) | $ | **15,034.95** | $ | 14,722.48 |
| 1,905 | Progressive CORP OHIO (PGR) | $ | **40,195.50** | $ | 37,814 25 |
| 1,430 | Prologis (PLD) | $ | **52,180.70** | $ | 38,876.62 |
| 90 | Public Storage (PSA) | $ | **13,046.40** | $ | 13,216.14 |
| 844 | Retail Opportunity Investment (ROIC) | $ | **10,846.24** | $ | 9,459.15 |
| 269 | SL Green Realty Corp (SLG) | $ | **20,618.85** | $ | 13,023 30 |
| 354 | Senior Housing PPTY Trust (SNH) | $ | **8,368.56** | $ | 7,911.62 |
| 552 | Simon Property Group Inc (SPG) | $ | **87,327.34** | $ | 31,989.63 |
| 1,453 | Svenska Handelsb A (SVNLY) | $ | **26,197.59** | $ | 24,264.66 |
| 2,132 | Tesco Plc (TSCDY) | $ | **35,348.56** | $ | 38,244 01 |
| 12,667 | Turkiye Garanti Bankasi (TKGBY) | $ | **65,868.40** | $ | 67,204 54 |
| 1,730 | UDR Inc (UDR) | $ | **41,139.40** | $ | 43,467.86 |
| 780 | Ventas Inc (VTR) | $ | **50,481.60** | $ | 34,124.97 |
| 2,661 | Wells Fargo & Company (WFC) | $ | **90,952.98** | $ | 89,937.81 |
| 366 | Vornado Realty Trust (VNO) | $ | **29,309.28** | $ | 29,188.19 |
| 25 | The Macerich Company (MAC) Invesco Institutional | $ | **1,481.17** | $ | 446.88 |
| 9 | Simon Property Group INC (SPG) Invesco Institutional | $ | **1,361.15** | $ | 455.28 |
| | | $ | 3,096,380.42 | $ | 2,614,985.97 |
| | ***Health Care*** | | | | |
| 3,519 | Covidien PLC (COV) | $ | **203,187.06** | $ | 164,820 98 |
| 1,903 | Qiagen NV (GGEN) | $ | **34,537.55** | $ | 34,916.47 |
| 1,599 | Allergan Inc (AGN) | $ | **146,676.27** | $ | 81,836.91 |
| 1,780 | CSL LTD (CMXHY) | $ | **50,463.00** | $ | 24,845 60 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 1,064 | Cochlear LTD | $ | **44,081.52** | $ | 34,029.92 |
| 1,390 | Cooper COS INC (COO) | $ | **128,547.20** | $ | 135,000.06 |
| 642 | Express Scripts HLDG CO (ESRX) | $ | **34,668.00** | $ | 39,328 86 |
| 2,020 | Fresenius Medical Care AG & Co (FMS) | $ | **69,286.00** | $ | 52,247 04 |
| 3,480 | Johnson & Johnson (JNJ) | $ | **243,948.00** | $ | 205,021 82 |
| 2,327 | Merck & Co Inc (MRK) | $ | **95,267.38** | $ | 87,039.97 |
| 5,260 | Mylan INC (MYL) | $ | **144,387.00** | $ | 125,395.74 |
| 818 | Pfizer Inc (PFE) | $ | **20,514.62** | $ | 19,550.12 |
| 10,137 | Pfizer Inc (PFE) | $ | **254,225.82** | $ | 159,405.78 |
| 5,110 | Resmed INC (RMD) | $ | **212,422.70** | $ | 162,253.48 |
| 1,477 | Roche Holding LTD Sponsored ADR (RHHBY) | $ | **74,588.50** | $ | 52,484.95 |
| 1,600 | Shire PLC (SHPGY) | $ | **147,488.00** | $ | 119,282 56 |
| 2,102 | Sonova HLDG AG (SONVY) | $ | **46,979.70** | $ | 38,801.58 |
| 2,032 | Sysmex CORP (SSMXY) | $ | **46,736.00** | $ | 40,752 23 |
| 2,102 | UnitedHealth Group Inc (UNH) | $ | **114,012.48** | $ | 57,604 89 |
| | Total Health Care | $ | **2,112,016.80** | $ | 1,634,618 96 |
| | ***Industrials*** | | | | |
| 1,852 | Atlas Copco AB (ATLKY) | $ | **51,596.72** | $ | 17,556 96 |
| 2,660 | Boeing Co. (BA) | $ | **200,457.60** | $ | 194,737.89 |
| 567 | Canadian National Railway Co. (CNI) | $ | **51,602.67** | $ | 40,081.07 |
| 15,704 | General Electric Co (GE) | $ | **329,626.96** | $ | 305,911.13 |
| 1,990 | Pall CORP (PLL) | $ | **119,917.40** | $ | 125,962.65 |
| 1,700 | 3M Company (MMM) | $ | **157,845.00** | $ | 148,565.70 |
| 1,700 | Union Pacific Corp (UNP) | $ | **213,724.00** | $ | 128,116.78 |
| 2,005 | United Technologies Corp (UTX) | $ | **164,430.05** | $ | 99,982.02 |
| | Total Industrials | $ | **1,289,200.40** | $ | 1,060,914.20 |
| | ***Information Techonology*** | | | | |
| 1,920 | Accenture PLC Class A (ACN) | $ | **127,680.00** | $ | 131,323.47 |
| 627 | Agilent Technologies (A)(IPO) | $ | **25,669.38** | $ | 25,462.16 |
| 847 | Apple Inc (AAPL) | $ | **450,749.68** | $ | 116,061 63 |
| 2,946 | Arm Holdings PLC (ARMH) | $ | **111,447.18** | $ | 41,051.88 |
| 10,300 | Cisco Systems Inc (CSCO) | $ | **202,384.70** | $ | 197,588.62 |
| 894 | Dassault Systems SA (DASTY) | $ | **101,102.46** | $ | 40,307.65 |
| 7,854 | EMC Corp (EMC) | $ | **198,706.20** | $ | 145,217 30 |
| 4,410 | Ebay Inc (EBAY) | $ | **224,896.77** | $ | 156,969.82 |
| 2,868 | Fanuc LTD (FANUY) | $ | **89,108.76** | $ | 39,076.48 |
| 86 | Google Inc-CL A (GOOG) | $ | **60,834.68** | $ | 55,278.22 |
| 174 | Google Inc-CL A (GOOG) | $ | **123,084.12** | $ | 61,401.10 |
| 464 | Hewlett-Packard (HPQ) | $ | **6,612.00** | $ | 8,866.99 |
| 5,718 | Intel Corp (INTC) | $ | **117,905.16** | $ | 95,700.38 |
| 872 | International Business Machs (IBM) | $ | **167,031.60** | $ | 84,958.44 |
| 4,235 | Microsoft Corp (MSFT) | $ | **113,112.62** | $ | 81,227 30 |
| 495 | Microsoft Corp (MSFT) | $ | **13,220.96** | $ | 15,122.20 |
| 433 | Oracle Corp (ORCL) | $ | **14,427.56** | $ | 13,578.66 |
| 4,152 | Oracle Corp (ORCL) | $ | **138,344.64** | $ | 79,552 07 |
| 3,460 | Qualcomm Inc (QCOM) | $ | **214,032.14** | $ | 187,766 88 |
| 920 | Texas Instruments INC (TXN) | $ | **28,418.80** | $ | 27,287.11 |

**The Arca Foundation**
**Supplementary Schedule of Investments**
**December 31, 2012**

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 1,540 | SAP AG Sponsored ADR (SAP) | $ | **123,785.20** | $ | 71,078.65 |
| 3,900 | Taiwan Semiconductor MTG Co (TSM) | $ | **66,924.00** | $ | 46,791.95 |
| | Total Information Technology | $ | **2,719,478.61** | $ | 1,721,668.96 |
| | ***Materials*** | | | | |
| 1,330 | Agrium INC (AGU) | $ | **132,828.43** | $ | **129,316.43** |
| 4,222 | Air Liquide (AIQUY) | $ | **107,449.90** | $ | 69,166 18 |
| 214 | Air Products & Chemicals INC (APD) | $ | **17,980.28** | $ | 17,847.11 |
| 680 | CF Industries Holdings INC (CF) | $ | **138,148.80** | $ | 111,845.48 |
| 2,610 | Eastman Chem Co. (EMN) | $ | **177,610.50** | $ | 140,540.44 |
| 1,970 | FMC Corporation New | $ | **115,284.40** | $ | 85,703.66 |
| 5,466 | Lonza Group AG (LZAGY) | $ | **29,571.06** | $ | 41,581.97 |
| 290 | MonSanto Co. (MON) | $ | **27,448.50** | $ | 25,714.27 |
| 388 | Potash CORP Saskatchewan INC (POT) | $ | **15,787.72** | $ | 16,501.60 |
| 1,175 | Potash CORP Saskatchewan INC (POT) | $ | **47,810.75** | $ | 50,544.21 |
| 481 | Rayonier Inc (RYN) | $ | **24,930.23** | $ | 20,176.56 |
| 1,496 | Weyerhaeuser Co (WY) | $ | **41,618.72** | $ | 32,013.18 |
| | Total Materials | $ | **876,469.29** | $ | 740,951.09 |
| | ***Telecommunication Services*** | | | | |
| 8,158 | AT&T Inc (T) | $ | **275,006.18** | $ | 251,508.67 |
| 2,180 | America Movil S A B DE C V (AMX) | $ | **50,445.20** | $ | 43,899.80 |
| 1,038 | American Tower CORP (AMT) | $ | **80,206.26** | $ | 64,137.13 |
| 1,467 | MTN Group LTD (MTNOY) | $ | **31,467.15** | $ | 23,293.03 |
| | Total Telecommuication Services | $ | **437,124.79** | $ | 382,838.63 |
| | ***Utilities*** | | | | |
| 2,400 | Oge Energy Corp (OGE) | $ | **135,144.00** | $ | 113,448.04 |
| 5,916 | Wisconsin Energy Corp (WEC) | $ | **218,004.60** | $ | 128,770.43 |
| | Total Utilities | $ | **353,148.60** | $ | 242,218.47 |
| | ***Other*** | | | | |
| 767 | JGC Corp Ubsponsored ADR (JGCCY) | $ | **48,006.53** | $ | 42,608.76 |
| 22,129 | LI & Fung LTD (LFUGY) | $ | **79,221.82** | $ | 93,364.56 |
| 2,121 | Swatch Group LTD (SWGAY) | $ | **53,873.40** | $ | 38,846.75 |
| 1,873 | Xinyi Glass HLDGE LTD (XYIGY) | $ | **23,468.69** | $ | 20,510.36 |
| 6,210 | Uni Charm Corp (UNCHY) | $ | **64,770.30** | $ | 50,248.91 |
| | Total Unclassified | $ | **269,340.74** | $ | 245,579 34 |
| | ***ETF - Equity*** | | | | |
| 48,238 | Ishares TR S&P 500 Index FD (IVV) | $ | **6,904,787.32** | $ | 4,476,241 64 |
| 58,120 | Vanguard FTSE All World EX-US(VEU | $ | **2,658,990.00** | $ | 2,775,311 37 |
| 31,067 | Vanguard Mid Cap (VO) | $ | **2,561,163.48** | $ | 2,270,103.00 |
| 32,878 | Vanguard Small Cap (VB) | $ | **2,659,830.20** | $ | 2,422,556.25 |
| | Total ETF - Equity | $ | **14,784,771.00** | $ | 11,944,212.26 |

The Arca Foundation
Supplementary Schedule of Investments
December 31, 2012

| Principal/ Shares | Investment Security | | Fair Value | | Cost |
|---|---|---|---|---|---|
| 46,882 | ***Mutual Funds- Equity*** | | | | |
| | T Rowe Pnce Real Estate Fund (TRREX) | $ | **984,997.65** | $ | 1,000,000.00 |
| | **Total Equities** | **$** | **32,363,884.95** | $ | 26,076,160.13 |
| | **Total Investments** | **$** | **49,140,989.46** | $ | 42,147,450 53 |

site map

THE Arca FOUNDATION

creating real change
by empowering people to help shape public policy

# 2012 Grantees

# 2012 Grantees

- Domestic
- International
- Musgrove
- Philanthopy
- Travel

## Domestic Grantees

Spring 2012

**The Agenda Project**
New York, NY
**$30,000**
To support wall street accountability work

**Alliance for a Just Society**
Seattle, WA
**$50,000**
General Support

**Alliance for a Just Society**
Seattle, WA
**$75,000**
To support the New Bottom Line's work on the Home Defenders League

**Alliance for a Just Society**
Seattle, WA
**$35,000**
To support the New Bottom Line campaign's Communications Hub

**Brave New Foundation 501C3**
Culver City, CA
**$25,000**
To support development of *War Costs*

**Coaltion for DC Representation (DC Vote)**
Washington, DC
**$50,000**
General Support

**Friends of the Earth**
Washington, DC
**$20,000**
To support fossil fuel subsidies work

**Institute for Policy Studies**
Washington, DC
**$50,000**
To support the Program on Inequality and the Common Good's grassroots democracy network, "The Other 98%"

**Iris Arts & Education Group Inc.**
Berkeley, CA
**$20,000**
To support the Heist Community Engagement Campaign

**Leadership Center for the Common Good**

Washington, DC
**$100,000**
To support bank accountability work

**Leadership Conference Education Fund Inc.**
Washington, DC
**$75,000**
To support the Americans for Financial Reform

**Movement Strategy Center**
Oakland, CA
**$50,000**
To support Rebuild the Dream Innovation Fund

**New Organizing Institute Education Fund**
Washington, DC
**$75,000**
To support the economic justice program

**New Organizing Institute Education Fund**
Washington, DC
**$50,000**
To support Citizen Engagement Laboratory's economic justic work

**ProgressiveCongress.org**
Washington, DC
**$50,000**
General Support

**Public Accountability Initiative**
Buffalo, NY
**$25,000**
General Support

**Public Campaign**
Washington, DC
**$50,000**
To support corporate and issue accountability work

**Public Interest Projects**
Washington, DC
**$40,000**
To support Corporate Disclosure Resource Center

**Tides Foundation**
San Francisco, CA
**$50,000**
To support the Path to Power Fund's work on state banks

**USAction Education Fund**
Washington, DC
**$50,000**
To support the Progressive Economic Narrative project

Fall 2012

**ACCE Institute**
Los Angeles, CA
**$75,000**
General Support

**Center for Economic and Policy Research**
Washington, DC
**$50,000**
To support policy research and public education on financial reform

**Center for Working Families**
Brooklyn, NY
**$50,000**
To support the Higher Ed Opportunity Campaign

**Demos: A Network for Ideas & Action**
New York, NY
**$50,000.00**
To support the Challenging Wall Street Power project

**Fund for Constitutional Government**
Washington, DC
**$40,000**
To support Tax Justice Network USA

**Institute for America's Future**
Washington, DC
**$50,000**
General Support

**International Documentary Association**
Los Angeles, CA
**$20,000**
To support distribution of View Film's documentary film *American Winter*

**National People's Action**
Chicago, IL
**$50,000**
General Support

**New York Communities Organizing Fund, Inc. (NYCOFI)**
New York, NY
**$50,000**
To support the Securing Foreclosure Relief in New York project

**Public Interest Pictures**
Culver City, CA
**$25,000**
To support Bal Maiden Films in promotion/distribution costs of the film WE ARE WISCONSIN

## International Grantees

Spring 2012

**J Street Education Fund**
Washington, DC
**$100,000**
General Support

**Latin America Working Group Education Fund**
Washington, DC
**$15,000**
General Support

**National Security Archive Fund**
Washington, DC
**$75,000**
General Support

**Nonviolence International**
Washington, DC
**$30,000**
To support Waging Nonviolence

**Project on Government Oversight**
Washington, DC
**$50,000**
General Support

**Taxpayers for Common Sense**
Washington, DC
**$50,000**
To support national security work

**US Campaign for Burma**
Washington, DC
**$15,000**
For general support

**Washington Office on Latin America**
Washington, DC
**$25,000**
To support the Regional Security Policy Program

**Women's Action for New Directions Education Fund Inc.**

Arlington, MA
**$50,000**
To support media and messaging training on budget issues

Fall 2012

**Center for Arms Control and Non-Proliferation**
Washington, DC
**$50,000**
To support the Pentagon Budget Campaign

**Center for International Policy**
Washington, DC
**$75,000**
To support Win Without War

**The Henry L. Stimson Center**
Washington, DC
**$20,000**
To support the Budgeting for Foreign Affairs and Defense Program

**National Security Initiative**
Washington, DC
**$50,000**
General Support

**New Organizing Institute Education Fund**
Washington, DC
**$25,000**
To support SumOfUs for the purposes of internet education and advocacy on issues of human rights, poverty eradication and consumer rights

## Musgrove Grantees

**Leadership Center for the Common Good**
Washington, DC
**$30,000**
To support the Home Defenders League Strategic Convening

**Center for Arms Control and Non-Proliferation**
Washington, DC
**$30,000**
To support a retreat to explore transpartisan strategies to build support for rational cuts to the Pentagon budget by the new administration and Congress in 2013 and beyond

## Philanthropy Grantees

**Community Partners**
Los Angeles, CA
**$500**
To support the Funders Network on Trade & Globalization

**National Committee for Responsive Philanthropy**
Washington, DC
**$1,500**
For general support

**Neighborhood Funders Group**
Washington, DC
**$1000**
For general support

**Fund for Constitutional Government**
Washington, DC
**$500**
For support of the Peace and Security Funders Group

**Public Interest Projects**
New York, NY
**$2,500**
To support the Funders Committee for Civic Participation

**Proteus Fund**
Amherst, MA
**$500**

To support the International Human Rights Funders Group

**Women Donors Network**
San Francisco, CA
**$3500**
For general support

## Travel Grantees

**American University**
*(Center for Peacebuiding and Development)*
Washington, DC
**$1500**

**Center for International Policy**
Washington, DC
**$650**

**Digital Democracy**
New York, NY
**$2600**

**Friends Committee on National Legislation**
Washington, DC
**$2500**

**Leadership Center for the Common Good**
Washington, DC
**$5000**

**Mujeres Unidas y Activas**
*(National Domestic Workers Alliance)*
San Francisco, CA
**$5000**

**National People's Action**
Chicago, IL
**$5000**

**New Organizing Institute Education Fund**
*(Dream Defenders)*
Washington, DC
**$1000**

**Pushback Network**
Durham, NC
**$2000**

**The Nation Institute**
Washington, DC
**$1000**

**Tides Center**
*(Health Care for America Eucation Fund)*
San Francisco, CA
**$2000**

site map

THE Arca FOUNDATION

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by empowering people to help shape public policy

# How To Apply

The Arca Foundatıon only accepts proposals submıtted through ıts online application system The Foundatıon's next applicatıon deadine ıs Monday, February 3, 2014 by 5 00 PM EST. Informatıon on what applıcants are generally expected to submıt can be found here.

The Foundation now has 3 separate applicatıon portals and applıcants may:

- Submıt a **GENERAL SUPPORT** request
- Submıt a **PROJECT SUPPORT** request
- Submıt a request if your organizatıon does not have a 501c3 and is applying for fundıng through a **FISCAL SPONSOR**

**The Foundation DOES NOT accept Letters of Inquiry and will not consider requests sent by mail or email.**

Informatıon on what applicants are expected to submit can be found on the Proposal FAQs page

The Arca Foundatıon ıs only able to consider proposals submıtted through our onlıne applıcatıon system for eıther the February 1 or August 1 deadlıne

For questıons or concerns, please e-maıl proposals@arcafoundation org.

**Application Troubleshooting**

The onlıne applıcation is fairly simple but applıcants sometimes have trouble transıtıoning from registerıng to applyıng. Please review the followıng steps to easıly troubleshoot the Arca Foundation's online application process:

SCENARIO ONE. If you have regıstered as a new user and are havıng trouble accessing the actual applıcation, please take the following steps.

1 On thıs webpage, scroll up to the applıcation lınks and click on the appropriate lınk.
2. Select "New Applicatıon" (you have regıstered but have yet to begın the actual application).
3 Respond (agaın) to the elıgıbılıty quız questıons
4 Select "Contınue".
5. Log on wıth your username. At thıs poınt, you should be navıgated to the applıcatıon.

SCENARIO TWO. If you have regıstered and begun your applicatıon but are havıng trouble re-accessıng the applıcatıon, please take the following steps:

1. Navıgate to the applıcation log ın screen by clıcking here.
2. Log ın with your username and password
3. Clıck "edıt" in the appropriate lısted applıcatıon under the "Open Items" tab.

site map

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# Review Process

Arca's Board of Directors meets twice a year. The Arca Foundation approves grants at its semiannual Board meetings, usually held in June and December of each year Proposal deadlines are 5 00 pm on February 1 and August 1 for the spring and fall cycles, respectively. Out-of-cycle and emergency proposals are not considered unless solicited by the Foundation When deadlines fall on a weekend or holiday, the deadline will be the following business day at 4:00 pm. Proposals received after the deadline will not be considered.

Applicants will receive an email notifying them that the Foundation has received their proposal. We will request further information if needed. Applicants will be informed of the Board's decision two to three weeks after the Board meeting

The Foundation does not consider requests in the following categories:

Scholarship funds
Scholarly research
Individuals
Government programs
Capital projects/endowments
Groups outside the United States

# Timeline

## Spring Proposal

**February 1:**

Proposal Deadline; email acknowledgement sent

**March - May:**

Review and Process Proposals

Arca will make contact if we require more information

**May:**

Board Meeting, Decisions are Made

**Early June:**

Checks and Grant Agreements are Mailed

## Fall Proposal

**Aug 1:**

Proposal Deadline, email acknowledgement sent

**September - November:**

Review and Process Proposals

Arca will make contact if we require more information.

**November:**

Board Meeting, Decisions are Made

**Early December:**

Checks and Grant Agreements are Mailed

site map

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# Proposal Frequently Asked Questions

Arca has 3 different application portals:

- A portal for applicants submitting **GENERAL SUPPORT** requests
- A portal for applicants submitting **PROJECT SUPPORT** requests
- A portal for applicants that do not have a 501c3 and are applying for funding through a **FISCAL SPONSOR**

**What elements should be included in my proposal?**

Below, please find questions to be addressed and information to be provided in your proposal narrative along with lists of the materials you will need to upload in support of your proposal

**1) If you are submitting a GENERAL SUPPORT PROPOSAL, please prepare the following narrative and documents:**

PROPOSAL NARRATIVE (6 page maximum)

Section One *Organization Mission*

- Provide a brief and general statement of the organization's overall mission

Section Two: *Request.* Please discuss the following:

- Your past major program activities and accomplishments
- Your major activities and goals for the coming year
- A timeline for proposed activities
- A discussion of potential challenges
- Current/potential partners
- How you will utilize funding to leverage additional support

Section Three: *Evaluation.*

- Explain what method of evaluation will be employed and what benchmarks will be used to track the progress of the grant

Section Four: *Organization Structure & Administration.*

- Identify the role and responsibilities of key board members, staff, volunteers and members. If you have a regular relationship with accountants and/or lawyers, please identify them in this section.

General Support Proposal Attachments (Supplemental Materials)

1. The most recent IRS letter documenting the organization's 501(c)(3) status
2. Biographical Sketches of Key Staff
3. Board of Directors List, including titles and affiliations
4. 2013/2014 Comparative Organization Budget in requested format (link to sample budget)
5. 2013 and 2014 Funders: please include the purpose and amount of funding and whether or not funding is pending or committed

**2) If you are submitting a PROJECT SUPPORT PROPOSAL, please prepare the following:**

PROPOSAL NARRATIVE (6 page maximum)

Section One *Organization Mission*

- Provide a brief and general statement of the organization's overall mission

Section Two. *Request* Please discuss the following:

- A brief and short statement of the goals and purposes of the specific project for which you are requesting funding.
- The specific activities you will carry out to achieve the goals of this project
- A timeline for proposed activities
- A discussion of potential challenges
- Current/potential partners
- How you will utilize funding to leverage additional support

Section Three: *Evaluation.*

- Explain what method of evaluation will be employed and what benchmarks will be used to track the progress of the grant.

Section Four: *Organization Structure & Administration*

- Identify the role and responsibilities of key board members, staff, volunteers and members. If you have a regular relationship with accountants and/or lawyers, please identify them in this section.

General Support Proposal Attachments (Supplemental Materials)

1. The most recent IRS letter documenting the organization's 501(c)(3) status
2. Biographical Sketches of Key Staff

3. Board of Directors List, including titles and affiliations
4. 2013/2014 Comparative Organization Budget in requested format (link to sample budget)
5. Project Budget (no specified format)
6. 2013 and 2014 Funders: please include the purpose and amount of funding and whether or not funding is pending or committed
7. Lobbying Expenditure Form

**3) If you are submitting a <u>FISCAL SPONSOR PROPOSAL</u>, please prepare the following:**

<u>PROPOSAL NARRATIVE (6 page maximum)</u>

Section One: *Organization (FISCAL SPONSOR) Mission*

- Provide a brief and general statement of the organization's overall mission (the fiscal sponsor organization)

Section Two: *Request.* Please discuss the following

- A brief and short statement of the goals and purposes of the specific project/sub-grantee for which the fiscal sponsor is requesting funding
- The specific activities you will carry out to achieve the goals of this project/sub-grantee
- A timeline for proposed activities
- A discussion of potential challenges
- Current/potential partners
- How you will utilize funding to leverage additional support

Section Three *Evaluation*

- Explain what method of evaluation will be employed and what benchmarks will be used to track the progress of the grant

Section Four *Organization Structure & Administration*

- Will the project be administered as a project of the Fiscal Sponsor or as a sub-grant to another entity?
- Has the entity applied for a 501(c)3 exemption of its own or does the entity intend to do so?
- If the project will be administered through a sub-grant to another entity, what steps will the grantee (Fiscal Sponsor) take to monitor or to ensure that the goals of the project are fulfilled as proposed?
- Identify the role and responsibilities of key board members, staff, volunteers and members. If you have a regular relationship with accountants and/or lawyers, please identify them in this section

<u>Fiscal Sponsor Proposal Attachments (Supplemental Materials)</u>

1. Fiscal Sponsor's most recent IRS letter documenting the organization's 501(c)(3) status
2. Letter of Agreement between Fiscal Sponsor and Project/Sub-Grantee
3. Fiscal Sponsor's 2013/2014 Organization Budget (most recent available)
4. Fiscal Sponsor's Board of Directors List
5. Project/Sub-Grantee Bios of Key Staff
6. Project/Sub-Grantee Board of Advisors
7. Project/Sub-Grantee 2013/2014 Comparative Budget (link to sample budget)
8. Project/Sub-Grantee 2013 and 2014 Funders: please include the purpose and amount of funding and whether or not funding is pending or committed
9. Lobbying Expenditure Form (to be signed by Fiscal Sponsor representative, NOT by Project of Sub-Grantee Staff)

**What is the average size of Arca's grants?**

The Arca Foundation's average grant is approximately $50,000. However, many are less and a few are larger grants, depending upon the project.

**Should my organization submit a letter of inquiry?**

No, the Arca Foundation has a small staff We are unable to respond to letters of inquiry, but we accept complete proposals submitted according to our application requirements on regular grant deadlines.

**What is the proposal deadline?**

The Arca Foundation typically has two deadlines annually, on February 1 and August 1, for consideration in May and November respectively. When deadline dates fall on a weekend, the deadline is effective on the next weekday <u>Late proposals will not be considered, and extensions are not available for any reason</u> Check the Foundation's Home Page for the most up to date information on the current deadline before submitting. Proposals must be received by 5.00 pm EST on the deadline date.

**Should I contact Arca regarding the status of my proposal?**

No. Once you have submitted via our online system, your application is complete. If we have additional questions about your project or organization, we may contact you for details. You will be notified by email once the Board has made a decision with regard to your proposal.

**Do I need to meet with Arca staff regarding my proposal in order for it to be considered?**

No. Given the tremendous number of proposals we receive, it is not possible to meet with every applicant. However, if schedules permit, we welcome the opportunity to discuss your work by telephone. The Arca Foundation Board and/or staff may request a site visit at your offices under some circumstances.

**When and how will I find out whether my proposal has been funded?**

You will be notified by email once the Board has made a decision with regard to your proposal We try to send this information out within a week of the Board's decision at the regular semi-annual meetings.

**Does Arca renew grants?**

The Arca Foundation does not automatically renew grants to former grantees. Each new proposal and project is evaluated on its own merits, regardless of whether we have funded a particular organization or project in the past Previous grantees may reapply for grants, although we typically do not award more than one grant to an organization in any one-year period. Thus, if your organization received a grant during a Spring funding cycle one year, you should not plan to submit another proposal until the following Spring except under exceptional circumstances

**Are former grantees guaranteed funding in the future?**

No. Because we are a small foundation, we do not see ourselves as long-term sustaining funders. Rather, we see ourselves as "seed" funders—providing initial funding for new projects or organizations that are on the leading edge of progressive policy. We do, however, sometimes provide grants to former grantees if their work merits continued funding over the years, or in very limited instances multiyear grants for longer term projects.

**Does the Arca Foundation consider requests for emergency funding or funding between grant cycles?**

No, we do not accept unsolicited proposals between grant cycles. If we receive your proposal after the deadline, or well in advance of one, we may ask you to re-submit your proposal for the next funding cycle, but such a request should not be seen as a guarantee of future funding in that next cycle. We may make a grant for travel that is of special circumstance, presents as a unique opportunity, and might not be the subject of an ordinary request for funding.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|---|---|---|---|
| DIVIDENDS | 684,820. | 0. | 684,820. |
| INTEREST | 517,275. | 0. | 517,275. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 1,202,095. | 0. | 1,202,095. |

FORM 990-PF RENTAL INCOME STATEMENT 2

| KIND AND LOCATION OF PROPERTY | ACTIVITY NUMBER | GROSS RENTAL INCOME |
|---|---|---|
| OFFICE SPACE, 1308 19TH ST., NW, WASHINGTON, DC 20036 | 1 | 57,600. |
| TOTAL TO FORM 990-PF, PART I, LINE 5A | | 57,600. |

FORM 990-PF OTHER INCOME STATEMENT 3

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME |
|---|---|---|---|
| UNREALIZED GAINS (LOSSES) ON INVESTMENTS | 3,211,263. | 0. | |
| OTHER | 188. | 0. | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 3,211,451. | 0. | |

FORM 990-PF LEGAL FEES STATEMENT 4

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| LEGAL FEES | 15,365. | 0. | | 15,365. |
| TO FM 990-PF, PG 1, LN 16A | 15,365. | 0. | | 15,365. |

FORM 990-PF — ACCOUNTING FEES — STATEMENT 5

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| AUDITING AND ACCOUNTING FEES | 17,661. | 0. | | 17,661. |
| TO FORM 990-PF, PG 1, LN 16B | 17,661. | 0. | | 17,661. |

FORM 990-PF — OTHER PROFESSIONAL FEES — STATEMENT 6

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| INVESTMENT ADVISORY FEES - SEE PART VIII | 97,654. | 97,654. | | 0. |
| CONSULTANTS/TEMPORARIES | 2,925. | 0. | | 2,925. |
| TO FORM 990-PF, PG 1, LN 16C | 100,579. | 97,654. | | 2,925. |

FORM 990-PF — TAXES — STATEMENT 7

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| FEDERAL EXCISE TAX | 105,256. | 0. | | 0. |
| PROPERTY TAXES | 23,175. | 0. | | 23,175. |
| PAYROLL TAXES | 15,622. | 0. | | 15,622. |
| TO FORM 990-PF, PG 1, LN 18 | 144,053. | 0. | | 38,797. |

| FORM 990-PF | OTHER EXPENSES | STATEMENT 8 |
|---|---|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST-MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|---|---|---|---|
| REPAIRS AND MAINTENANCE | 23,173. | 0. | | 23,173. |
| MISCELLANEOUS EXPENSES | 15,002. | 0. | | 15,002. |
| UTILITIES | 9,540. | 0. | | 9,540. |
| INSURANCE | 14,243. | 0. | | 14,243. |
| DUES AND POSTAGE | 2,082. | 0. | | 2,082. |
| FURNITURE AND EQUIPMENT RENTAL | 7,616. | 0. | | 7,616. |
| OFFICE SUPPLIES AND EXPENSES | 1,871. | 0. | | 1,871. |
| TELEPHONE | 7,457. | 0. | | 7,457. |
| TO FORM 990-PF, PG 1, LN 23 | 80,984. | 0. | | 80,984. |

| FORM 990-PF | U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS | STATEMENT 9 |
|---|---|---|

| DESCRIPTION | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|---|
| U.S. TREASURY BONDS AND NOTES | X | | 6,345,240. | 6,345,240. |
| U.S. AGENCY BONDS | X | | 3,256,290. | 3,256,290. |
| FEDERALLY TAXABLE MUNICIPAL BONDS | | X | 42,200. | 42,200. |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 9,601,530. | 9,601,530. |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS | | | 42,200. | 42,200. |
| TOTAL TO FORM 990-PF, PART II, LINE 10A | | | 9,643,730. | 9,643,730. |

| FORM 990-PF | CORPORATE STOCK | STATEMENT 10 |
|---|---|---|

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| CORPORATE STOCK | 16,594,117. | 16,594,117. |
| ETF - EQUITY | 14,784,771. | 14,784,771. |
| MUTUAL FUNDS - EQUITY | 984,998. | 984,998. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 32,363,886. | 32,363,886. |

FORM 990-PF CORPORATE BONDS STATEMENT 11

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|
| CORPORATE BONDS | 5,406,837. | 5,406,837. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 5,406,837. | 5,406,837. |

FORM 990-PF OTHER ASSETS STATEMENT 12

| DESCRIPTION | BEGINNING OF YR BOOK VALUE | END OF YEAR BOOK VALUE | FAIR MARKET VALUE |
|---|---|---|---|
| INVESTMENTS RECEIVABLE | 90,301. | 329,881. | 329,881. |
| TO FORM 990-PF, PART II, LINE 15 | 90,301. | 329,881. | 329,881. |

FORM 990-PF OTHER LIABILITIES STATEMENT 13

| DESCRIPTION | BOY AMOUNT | EOY AMOUNT |
|---|---|---|
| INVESTMENT PURCHASES PAYABLE | 13,896. | 491,959. |
| TENANT SECURITY DEPOSIT | 4,800. | 4,800. |
| DEFERRED FEDERAL EXCISE TAX LIABILITY | 75,653. | 139,889. |
| TOTAL TO FORM 990-PF, PART II, LINE 22 | 94,349. | 636,648. |

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 14

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|---|---|---|---|
| NANCY R. BAGLEY<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | PRESIDENT<br>30.00 | 12,870. | 0. | 0. |
| NICOLE LADMER<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | VICE PRESIDENT<br>30.00 | 12,870. | 0. | 0. |
| MARY E. KING<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | SECRETARY<br>1.00 | 5,000. | 0. | 0. |
| THE REV. JOSEPH ELDRIDGE<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | BOARD MEMBER<br>1.00 | 5,000. | 0. | 0. |
| MIKE LUX<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | BOARD MEMBER<br>1.00 | 5,000. | 0. | 0. |
| JANET SHENK<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | BOARD MEMBER<br>1.00 | 5,000. | 0. | 0. |
| MARGERY TABANKIN<br>1308 19TH ST., NW<br>WASHINGTON, DC 20036 | BOARD MEMBER<br>1.00 | 5,000. | 0. | 0. |
| TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII | | 50,740. | 0. | 0. |

**Part XV Supplementary Information**

**3 Grants and Contributions Paid During the Year (Continuation)**

| Recipient<br>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 |
|---|---|---|---|---|
| LEADERSHIP CENTER FOR THE COMMON GOOD<br>11 DUPONT CIRCLE, SUITE 240<br>WASHINGTON, DC 20036 | NONE | NONE | GENERAL SUPPORT | 2,000. |
| THE BRENN FOUNDATION<br>4629 30TH STREET NW<br>WASHINGTON, DC 20008 | NONE | NONE | GENERAL SUPPORT | 10,200. |
| MOVEMENT STRATEGY CENTER<br>436 14TH STREET, 5TH FLOOR<br>OAKLAND, CA 94612 | NONE | NONE | GENERAL SUPPORT | 5,000. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **Total from continuation sheets** | | | | 17,200. |

● If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

**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<br>File by the due date for filing your return See instructions | Name of exempt organization or other filer, see instructions<br>THE ARCA FOUNDATION<br>C/O PNC BANK, N.A. - AGENT | Employer identification number (EIN) or<br>13-2751798 |
|---|---|---|
| | Number, street, and room or suite no. If a P.O. box, see instructions.<br>1600 MARKET ST. -HAWTHORN, 29TH FL. | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions.<br>PHILADELPHIA, PA 19103-7240 | |

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 ▶ PNC BANK, N.A. - AGENT - 1600 MARKET ST. -HAWTHORN, 29TH FL. - PHILA., PA 19103-7240

Telephone No.▶ 215.585.4419 FAX No. ▶ 215.585.5488

● 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 NOVEMBER 15, 2013.

5 For calendar year 2012 , or other tax year beginning ______ , and ending ______.

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 TIME IS NEEDED TO GATHER ALL INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE TAX 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 | $ 62,821. |
| **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 | $ 62,821. |
| **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 ▶ EA, V.P., PNC BANK, N.A. Date ▶



223842
01-21-13



07561103 781457 13-2751798 2012.04030 THE ARCA FOUNDATION C/O PNC 13-27511