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: TOWER FAMILY FUND, INC.

A Employer identification number: 20-5848514

Number and street (or P O box number if mail is not delivered to street address): 369 FRANKLIN STREET — Room/suite:

B Telephone number: 716-834-9181

City or town, state, and ZIP code: BUFFALO, NY 14202

C If exemption application is pending, check here ☐

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

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ 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) ▶$ 35,765,711.

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).)

	Line	(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	0.		N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	17,839.	17,839.		STATEMENT 2
	4 Dividends and interest from securities	758,506.	758,506.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,256,909.			STATEMENT 1
	b Gross sales price for all assets on line 6a 14,337,082.				
	7 Capital gain net income (from Part IV, line 2)		1,292,528.		
	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				
	12 **Total.** Add lines 1 through 11	2,033,254.	2,068,873.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	88,622.	29,541.		59,081.
	b Accounting fees STMT 5	15,239.	7,619.		7,620.
	c Other professional fees STMT 6	124,219.	124,219.		0.
	17 Interest				
	18 Taxes STMT 7	33,689.	7,030.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	3,442.	0.		3,442.
	22 Printing and publications				
	23 Other expenses STMT 8	9,183.	0.		9,183.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	274,394.	168,410.		79,326.
	25 Contributions, gifts, grants paid	1,390,072.			1,390,072.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,664,466.	168,410.		1,469,398.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	368,788.			
	b **Net investment income** (if negative, enter -0-)		1,900,463.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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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	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	1,859,932.	1,599,541.	1,599,541.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 1,530,150.			
	Less: allowance for doubtful accounts ▶ 0.	1,515,000.	1,530,150.	1,530,150.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 9	2,524,884.	2,533,919.	2,862,544.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	25,184,612.	25,726,441.	29,678,891.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ DUE FROM BROKER)	31,420.	94,585.	94,585.
	16 **Total assets** (to be completed by all filers)	31,115,848.	31,484,636.	35,765,711.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	31,115,848.	31,484,636.	
	30 **Total net assets or fund balances**	31,115,848.	31,484,636.	
	31 **Total liabilities and net assets/fund balances**	31,115,848.	31,484,636.	

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	31,115,848.
2	Enter amount from Part I, line 27a	2	368,788.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	31,484,636.
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	31,484,636.

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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY TRADED SECURITIES			
b	CAPITAL GAINS DIVIDENDS			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	14,326,920.		13,044,554.	1,282,366.
b	10,162.			10,162.
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				1,282,366.
b				10,162.
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } 2 1,292,528.

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	1,153,424.	32,283,007.	.035729
2010	2,798,653.	29,590,881.	.094578
2009	1,418,343.	26,464,833.	.053593
2008	1,098,032.	24,834,772.	.044213
2007	56,002.	8,002,318.	.006998

2	**Total** of line 1, column (d)	2	.235111
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	.047022
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	33,079,706.
5	Multiply line 4 by line 3	5	1,555,474.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	19,005.
7	Add lines 5 and 6	7	1,574,479.
8	Enter qualifying distributions from Part XII, line 4	8	1,484,548.

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	38,009.
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	38,009.
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	38,009.
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	26,000.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	26,000.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ 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	12,009.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	**Refunded** ▶		11	

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) ▶ 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 ▶ N/A

14 The books are in care of ▶ LUMSDEN & MCCORMICK, LLP Telephone no. ▶ 716-856-3300

Located at ▶ 369 FRANKLIN STREET, BUFFALO, NY ZIP+4 ▶ 14202

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ 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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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 | | 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
PETER TOWER 369 FRANKLIN STREET BUFFALO, NY 14202	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
MOLLIE T. BYRNES 369 FRANKLIN STREET BUFFALO, NY 14202	SECRETARY, DIRECTOR 1.00	0.	0.	0.
CYNTHIA T. DOYLE 369 FRANKLIN STREET BUFFALO, NY 14202	TREASURER, DIRECTOR 1.00	0.	0.	0.
JOHN N. BLAIR 369 FRANKLIN STREET BUFFALO, NY 14202	VP, DIRECTOR 1.00	0.	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
NONE				

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY - 50 FOUNTAIN PLAZA, KEY CENTER, SUITE 800, BUFFALO, NY 14203	INVESTMENT ADVISORY	113,939.
BLAIR & ROACH, LLP 2645 SHERIDAN DRIVE, TONAWANDA, NY 14150	LEGAL FEES	88,622.
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	
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 LOAN TO YMCA OF MARTHA'S VINEYARD	15,150.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	15,150.

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	30,932,901.
b	Average of monthly cash balances		1b	2,650,557.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	33,583,458.
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	33,583,458.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	503,752.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	33,079,706.
6	**Minimum investment return** Enter 5% of line 5		6	1,653,985.

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	1,653,985.
2a	Tax on investment income for 2012 from Part VI, line 5	2a 38,009.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	38,009.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	1,615,976.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	1,615,976.
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	1,615,976.

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	1,469,398.
b	Program-related investments - total from Part IX-B	1b	15,150.
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	1,484,548.
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	1,484,548.

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				1,615,976.
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				
b From 2008				
c From 2009				
d From 2010 749,471.				
e From 2011				
f **Total** of lines 3a through e	749,471.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 1,484,548.				
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				1,484,548.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	131,428.			131,428.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	618,043.			
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	0.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	618,043.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010 618,043.				
d Excess from 2011				
e Excess from 2012				

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).)

PETER TOWER

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 ▶ [X] 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:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ALBRIGHT-KNOX ART GALLERY 1285 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHARITABLE	50,000.
ASPCA 424 E. 92ND STREET NEW YORK, NY 10128		501 (C)(3)	CHARITABLE	2,000.
AURORA ICE ASSOCIATION, INC. 681 MAIN STREET EAST AURORA, NY 14052		501 (C)(3)	CHALLENGE GRANT	125,000.
BUFFALO PHILHARMONIC ORCHESTRA 499 FRANKLIN STREET BUFFALO, NY 14202		501 (C)(3)	EDUCATIONAL PROGRAMS	75,000.
BUFFALO ZOO 300 PARKSIDE AVENUE BUFFALO, NY 14214		501 (C)(3)	SPECIAL NEEDS PROGRAMS	50,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	1,390,072.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
BURCHFIELD-PENNEY ART CENTER 1300 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHALLENGE GRANT	84,572.
BURCHFIELD-PENNEY ART CENTER 1300 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHARITABLE	50,000.
DOCTORS WITHOUT BORDERS PO BOX 5030 HAGERSTOWN, MD 21741		501 (C)(3)	CHARITABLE	2,500.
GLOUCESTER FISHERMAN ATHLETIC ASSOCIATION PO BOX 3010 GLOUCESTER, MA 01930		501 (C)(3)	CAPITAL CAMPAIGN	12,500.
MARITIME GLOUCESTER 23 HARBOR LOOP GLOUCESTER, MA 01930		501 (C)(3)	CAPITAL CAMPAIGN	20,000.
MARITIME GLOUCESTER 23 HARBOR LOOP GLOUCESTER, MA 01930		501 (C)(3)	SCIENCE PROGRAM	25,000.
GLOUCESTER STAGE CO. 267 EAST MAIN STREET GLOUCESTER, MA 01930		501 (C)(3)	CHARITABLE	5,000.
HEALTH LEADS, INC. 2 OLIVER STREET, 10TH FLOOR BOSTON, MA 02109		501 (C)(3)	CHARITABLE	50,000.
HEIFER INTERNATIONAL PO BOX 8058 LITTLE ROCK, AR 72203		501 (C)(3)	CHARITABLE	5,000.
ISLAND GROWN INITIATIVE PO BOX 622 VINEYARD HAVEN, MA 02568		501 (C)(3)	WATER INITIATIVE/DUNKL PROJECT	10,000.
Total from continuation sheets				1,088,072.

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05-01-12

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
ISLAND GROWN INITIATIVE PO BOX 622 VINEYARD HAVEN, MA 02568		501 (C)(3)	EDUCATIONAL	5,000.
KIPP ACADEMY LYNN 25 BESSOM STREET LYNN, MA 01902		501 (C)(3)	CHARITABLE	25,000.
LIFT/NATIONAL STUDENT PARTNERSHIP 1620 I STREET NW, SUITE 820 WASHINGTON, DC 20006		501 (C)(3)	CHARITABLE	50,000.
MARTHA'S VINEYARD REGIONAL HIGH SCHOOL 4 PINE STREET VINEYARD HAVEN, MA 02568		501 (C)(3)	EDUCATIONAL	8,500.
MASSACHUSETTS GENERAL HOSPITAL - RECOVERY RESEARCH INSTITUTE 165 CAMBRIDGE STREET, SUITE 600 BOSTON, MA 02114		501 (C)(3)	CHARITABLE	25,000.
MEDIA VOICES FOR CHILDREN 110 DAGGETT AVENUE VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	5,000.
NEW PROFIT INC. 2 CANAL PARK CAMBRIDGE, MA 02141		501 (C)(3)	CHARITABLE	325,000.
OXFAM AMERICA 226 CAUSEWAY STREET, 5TH FLOOR BOSTON, MA 02114		501 (C)(3)	CHARITABLE	2,500.
PATHWAYS FOR CHILDREN 29 EMERSON AVENUE GLOUCESTER, MA 01930		501 (C)(3)	CHARITABLE	60,000.
PEER HEALTH EXCHANGE, INC. 70 GOLD STREET SAN FRANCISCO, CA 94133		501 (C)(3)	CHARITABLE	50,000.
Total from continuation sheets				

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Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
ROCKPORT MUSIC INC. 21 BROADWAY, SUITE B ROCKPORT, MA 01966		501 (C)(3)	CHARITABLE	103,000.
STAND FOR CHILDREN LEADERSHIP CENTER 1732 QUIMBY STREET, SUITE 200 PORTLAND, OR 97209		501 (C)(3)	CHARITABLE	50,000.
THE SALVATION ARMY PO BOX 628 HARTFORD, CT 06105		501 (C)(3)	CHARITABLE	2,500.
VINEYARD CONSERVATION SOCIETY PO BOX 2189 VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	2,000.
VINEYARD MONTESSORI SCHOOL 286 MAIN STREET VINEYARD HAVEN, MA 02568		501 (C)(3)	EDUCATIONAL	3,000.
VISTA VOCATIONAL & LIFE SKILLS CENTER 1356 OLD CLINTON ROAD WESTBROOK, CT 06498		501 (C)(3)	CHARITABLE	500.
WINDHORSE ASSOCIATES 211 NORTH STREET, SUITE 1 NORTHAMPTON, MA 01060		501 (C)(3)	CHARITABLE	10,000.
AMHERST CINEMA ARTS CENTER, INC. 28 AMITY STREET AMHERST, MA 01002		501 (C)(3)	CHARITABLE	2,000.
AMHERST SURVIVAL CENTER PO BOX 9629 NORTH AMHERST, MA 01059-9629		501 (C)(3)	CAPITAL CAMPAIGN	3,000.
BUFFALO AND ERIE COUNTY HISTORICAL SOCIETY ONE MUSEUM COURT BUFFALO, NY 14216		501 (C)(3)	CHARITABLE	10,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
BUFFALO SOCIETY OF NATURAL SCIENCES 1020 HUMBOLDT PARKWAY BUFFALO, NY 14211		501 (C)(3)	CHARITABLE	10,000.
GLOUCESTER EDUCATION FOUNDATION PO BOX 1104 GLOUCESTER, MA 01931		501 (C)(3)	EDUCATIONAL	30,000.
MOUNT HOLYOKE COLLEGE 50 COLLEGE STREET SOUTH HADLEY, MA 01075		501 (C)(3)	EDUCATIONAL	5,000.
THE GOW SCHOOL 2491 EMERY ROAD SOUTH WALES, NY 14139		501 (C)(3)	CHARITABLE	10,000.
UNITED METHODIST CHURCH OF MARTHA'S VINEYARD PO BOX 2580 OAK BLUFFS, MA 02557		501 (C)(3)	CHARITABLE	5,000.
VINEYARD HOUSE PO BOX 4599, 15 CHURCH STREET VINEYARD HAVEN, MA 02568		501 (C)(3)	CAPITAL CAMPAIGN	21,500.
Total from continuation sheets				

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05-01-12

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
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			14	17,839.	
4 Dividends and interest from securities			14	758,506.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,256,909.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		2,033,254.	0.

13 **Total**. Add line 12, columns (b), (d), and (e) 13 2,033,254.

(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.

John N. Blair VP — 5/3/13 — VICE PRESIDENT

Signature of officer or trustee | Date | Title

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
DALE B. DEMYANICK		5/2/13		P00155344
Firm's name ▶ LUMSDEN & MCCORMICK, LLP			Firm's EIN ▶ 16-0765486	
Firm's address ▶ 369 FRANKLIN STREET BUFFALO, NY 14202			Phone no. (716)856-3300	

Form 990-PF (2012)

223622
12-05-12

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES			

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
14,326,920.	13,080,173.	0.	0.	1,246,747.

CAPITAL GAINS DIVIDENDS FROM PART IV	10,162.
TOTAL TO FORM 990-PF, PART I, LINE 6A	1,256,909.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
MONEY MARKET DIVIDENDS	2,689.
YMCA OF MARTHA'S VINEYARD	15,150.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	17,839.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS FROM SECURITIES	768,668.	10,162.	758,506.
TOTAL TO FM 990-PF, PART I, LN 4	768,668.	10,162.	758,506.

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	88,622.	29,541.		59,081.
TO FM 990-PF, PG 1, LN 16A	88,622.	29,541.		59,081.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	15,239.	7,619.		7,620.
TO FORM 990-PF, PG 1, LN 16B	15,239.	7,619.		7,620.

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 MANAGEMENT FEES	124,219.	124,219.		0.
TO FORM 990-PF, PG 1, LN 16C	124,219.	124,219.		0.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	7,031.	7,031.		0.
FEDERAL EXCISE TAXES	26,658.	0.		0.
TO FORM 990-PF, PG 1, LN 18	33,689.	7,031.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSE	528.	0.		528.
INSURANCE	1,585.	0.		1,585.
PROFESSIONAL MEMBERSHIPS	695.	0.		695.
NYS FILING FEE	750.	0.		750.
CONSULTING FEES	5,625.	0.		5,625.
TO FORM 990-PF, PG 1, LN 23	9,183.	0.		9,183.

FORM 990-PF	CORPORATE STOCK	STATEMENT 9
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - MORGAN STANLEY #116404 (SEE ATTACHMENT A)	917,759.	1,040,849.
18,500 SHS M&T BK CORP	1,616,160.	1,821,695.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,533,919.	2,862,544.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 10
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY #116405 (SEE ATTACHMENT B)	COST	25,726,441.	29,678,891.
TOTAL TO FORM 990-PF, PART II, LINE 13		25,726,441.	29,678,891.

Morgan Stanley

EIN: 20-5848514

Holdings

Consulting and Evaluation Services Basic Securities Acct. 828-116404-540

TOWER FAMILY FUND INC.
GAMCO ACCOUNT

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ALCOA INC (AA)	10/21/11	1,000 000	$10 117	$10,116 90	**$8,680.00**	$(1,436 90) LT	$120 00	1 38
Share Price $8 680, Next Dividend Payable 02/2013								
AMC NETWORKS INC CL A (AMCX)	11/19/10	150 000	33 984	5,097 66	7,425 00	2,327 34 LT		
	10/21/11	150 000	34 037	5,105 55	7,425 00	2,319 45 LT		
	Total	300 000		10,203 21	**14,850.00**	4,646 79 LT	—	—
Share Price $49 500								

CONTINUED

Morgan Stanley

EIN: 20-5848514

Holdings

Consulting and Evaluation Services Basic Securities Acct. 828-116404-540

TOWER FAMILY FUND INC. GAMCO ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN EXPRESS CO (AXP)	1/27/11	500 000	44.250	22,124 85	**28,740.00**	6,615 15 LT	400 00	1.39
Share Price $57 480, Next Dividend Payable 02/2013								
AMPCO PITTSBURGH CORP (AP)	10/21/11	500 000	22 910	11,454 95	**9,990.00**	(1,464 95) LT	360 00	3 60
Share Price $19 980, Next Dividend Payable 01/2013								
BANK OF NEW YORK MELLON CORP (BK)	3/15/10	1,000 000	29 900	29,900 00	25,700 00	(4,200 00) LT		
	10/21/11	400 000	20 557	8,222 76	10,280 00	2,057 24 LT		
	6/15/12	200 000	21 024	4,204 80	5,140 00	935 20 ST		
	Total	1,600 000		42,327 56	**41,120.00**	(2,142 76) LT 935 20 ST	832 00	2 02
Share Price: $25 700, Next Dividend Payable 02/2013								
BEAM INC COM (BEAM)	10/21/11	400 000	49 205	19,682 12	**24,436.00**	4,753 88 LT	328 00	1 34
Share Price $61 090, Next Dividend Payable 03/2013								
CABLEVISION SYSTEMS CORP (CVC)	11/19/10	600 000	22 444	13,466 28	8,964 00	(4,502.28) LT		
	8/10/11	400 000	16 871	6,748 48	5,976 00	(772.48) LT		
	2/21/12	200 000	15 297	3,059 30	2,988 00	(71 30) ST		
	5/17/12	400.000	11 510	4,604.00	5,976 00	1,372 00 ST		
	6/15/12	400.000	12.378	4,951 00	5,976 00	1,025.00 ST		
	Total	2,000.000		32,829.06	**29,880.00**	(5,274.76) LT 2,325.70 ST	1,200.00	4.01
Share Price $14 940, Next Dividend Payable 02/2013								
CORNING INC (GLW)	12/13/12	2,000 000	12 824	25,647 80	**25,240.00**	(407 80) ST	720 00	2 85
Share Price: $12 620, Next Dividend Payable 03/2013								
CRANE CO (CR)	1/27/11	1,000 000	45 132	45,132 00	46,280 00	1,148 00 LT		
	6/15/12	200 000	36 625	7,325 00	9,256 00	1,931 00 ST		
	Total	1,200 000		52,457 00	**55,536.00**	1,148.00 LT 1,931 00 ST	1,344.00	2 42
Share Price $46 280, Next Dividend Payable 03/2013								
CTS CORPORATION (CTS)	5/14/08	2,000 000	10 749	21,498 00	**21,260.00**	(238 00) LT	280 00	1 31
Share Price $10 630, Next Dividend Payable 02/01/13								
CYPRESS SEMICONDUCTOR DELA (CY)	12/13/12	2,000 000	10 920	21,839 40	**21,680.00**	(159 40) ST	880 00	4 05
Share Price $10 840, Next Dividend Payable 01/17/13								

CONTINUED

Morgan Stanley

EIN. 20-5848514

Holdings

Consulting and Evaluation Services Basic Securities Acct. 828-116404-540 TOWER FAMILY FUND INC. GAMCO ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
DIAGEO PLC SPON ADR NEW (DEO)	10/21/11	300 000	84 690	25,407.00	**34,974.00**	9,567 00 LT	832.20	2 37
Share Price $116 580, Next Dividend Payable 04/2013								
FLOWSERVE CORP (FLS)	10/28/02	400 000	89.780	35,912 00	**58,720.00**	22,808 00 LT 1	576 00	0 98
Share Price $146 800, Next Dividend Payable 01/14/13								
GENUINE PARTS CO (GPC)	1/27/11	600 000	51 630	30,978 00	**38,148.00**	7,170 00 LT	1,188 00	3 11
Share Price $63 580, Next Dividend Payable 01/02/13								
GRAFTECH INTL LTD HLDG CO (GTI)	11/13/08	1,000 000	5 219	5,219.20	9,390 00	4,170 80 LT		
	11/26/08	1,000 000	6 257	6,256 70	9,390.00	3,133 30 LT		
	Total	2,000 000		11,475 90	**18,780.00**	7,304 10 LT	—	—
Share Price $9 390								
GRIFFON CORPORATION (GFF)	12/21/09	1,000 000	11 770	11,770 00	**11,460.00**	(310 00) LT	100 00	0 87
Share Price $11 460, Next Dividend Payable 03/2013								
INTERNAP NETWORK SVCS CORP NEW (INAP)	4/20/11	1,000 000	7 018	7,017 70	6,926 00	(91 70) LT		
	6/15/12	1,000 000	6 667	6,666 70	6,926 00	259 30 ST		
	Total	2,000 000		13,684 40	**13,852.00**	(91 70) LT 259 30 ST	—	—
Share Price $6 926								
JPMORGAN CHASE & CO (JPM)	6/2/08	348 000	43 424	15,111 56	15,301 24	189 68 LT		
	1/21/09	300 000	19 240	5,772.00	13,190 72	7,418.72 LT		
	3/26/09	200 000	29 000	5,800 00	8,793 81	2,993.81 LT		
	Total	848 000		26,683 56	**37,285.79**	10,602.21 LT	1,017 60	2 72
Share Price $43 969, Next Dividend Payable 01/2013								
KELLOGG CO (K)	5/17/12	300 000	50 990	15,297 00	16,755 00	1,458 00 ST		
	6/15/12	200 000	49 186	9,837 26	11,170 00	1,332 74 ST		
	Total	500 000		25,134 26	**27,925.00**	2,790 74 ST	880 00	3 15
Share Price $55 850; Next Dividend Payable 03/2013								
KRAFT FOODS GROUP INC COM (KRFT)	3/15/10	200 000	31 084	6,216 71	**9,094.00**	2,877 29 LT	400 00	4 39
Share Price $45 470, Next Dividend Payable 01/14/13								
LAS VEGAS SANDS CORPORATION (LVS)	4/20/11	400,000	46 117	18,446 80	**18,464.00**	17 20 LT	400 00	2 16
Share Price $46 160, Next Dividend Payable 03/2013								

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Morgan Stanley

EIN: 20-5848514

Holdings

Consulting and Evaluation Services Basic Securities Acct. 828-116404-540

TOWER FAMILY FUND INC. GAMCO ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
MAKO SURGICAL CORP (MAKO)	4/20/11	500.000	26 395	13,197 50	**6,425.00**	(6,772 50) LT	—	—
Share Price $12 850								
MEDIA GENERAL INC A (MEG)	4/15/11	2,500 000	5 759	14,397 00	**10,750.00**	(3,647 00) LT	—	—
Share Price $4 300								
MONDELEZ INTL INC COM (MDLZ)	3/15/10	600 000	19 167	11,499 97	**15,271.92**	3,771 95 LT	312 00	2 04
Share Price $25 453, Next Dividend Payable 01/14/13								
NATL FUEL GAS CO (NFG)	12/14/09	400.000	49 419	19,767 48	**20,276.00**	508 52 LT	584 00	2 88
Share Price $50 690, Next Dividend Payable 03/2013								
NEWS CORP LTD CL A DEL (NWSA)	7/23/90	2,000 000	21 490	42,980.00	**51,020.00**	8,040.00 LT 1	340.00	0 66
Share Price $25 510, Next Dividend Payable 04/2013								
PEP BOYS CO MANNY MOE & JACK (PBY)	6/15/12	1,000 000	9 408	9,408 20	**9,830.00**	421.80 ST	—	—
Share Price $9 830								
PERNOD-RICARD (PDRDF)	10/21/11	300 000	93 395	28,018 44	**34,584.27**	6,565 83 LT	—	—
Share Price $115 281								
PNM RESOURCES INC (HLDG CO) (PNM)	3/7/08	500 000	9 470	4,735 00	10,255 00	5,520 00 LT 1		
	10/9/08	1,000 000	9 049	9,049 00	20,510 00	11,461 00 LT		
	Total	1,500 000		13,784 00	**30,765.00**	16,981 00 LT	870 00	2 82
Share Price $20 510, Next Dividend Payable 02/2013								
SL INDUSTRIES INCORPORATED (SLI)	5/14/08	200 000	13 965	2,793 00	3,600.00	807 00 LT		
	12/14/09	500 000	7 757	3,878 55	9,000 00	5,121 45 LT		
	Total	700 000		6,671 55	**12,600.00**	5,928 45 LT	1,400 00	11 11
Share Price $18 000								
SMART BALANCE INC (SMBL)	6/15/12	1,000 000	7 895	7,895 00	**12,900.00**	5,005 00 ST	—	—
Share Price $12 900								
TELEPHONE AND DATA SYSTEMS INC (TDS)	5/14/08	543 500	39 962	21,719 25	12,033 09	(9,686 16) LT		
	8/26/08	434 800	34 131	14,840 00	9,626 47	(5,213.53) LT		
	9/15/08	652 200	32 249	21,033 12	14,439.71	(6,593 41) LT		
	10/21/11	543.500	20.530	11,158.25	12,033.09	874 84 LT		
	Total	2,174 000		68,750 62	**48,132.36**	(20,618 26) LT	1,065.26	2 21
Share Price $22 140, Next Dividend Payable 03/2013								

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Morgan Stanley

EIN: 20-5848514

Holdings

Consulting and Evaluation Services Basic Securities Acct. 828-116404-540 TOWER FAMILY FUND INC. GAMCO ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
TREDEGAR CORPORATION (TG)	5/14/08	2,000.000	14 526	29,052 00	**40,840.00**	11,788 00 LT	480 00	1 17
Share Price $20 420, Next Dividend Payable 03/2013								
US CELLULAR CP (USM)	9/18/08	1,000.000	46 477	46,476 50	**35,240.00**	(11,236 50) LT	—	—
Share Price $35 240								
VIACOM INC NEW CLASS A (VIA)	12/21/07	300 000	43 950	13,185 12	16,281 00	3,095.88 LT 1		
	9/15/08	300.000	26 717	8,015 10	16,281 00	8,265 90 LT		
	9/18/08	400 000	25 900	10,360 00	21,708 00	11,348 00 LT		
	Total	1,000 000		31,560 22	**54,270.00**	22,709 78 LT	1,100 00	2 02
Share Price $54 270, Next Dividend Payable 03/2013								
WEATHERFORD INTERNATIONAL LTD (WFT)	12/13/12	2,000 000	10 692	21,384 80	**22,380.00**	995 20 ST	—	—
Share Price $11 190								
WELLS FARGO & CO NEW (WFC)	4/18/08	2,500.000	30 811	77,026 50	**85,450.00**	8,423 50 LT	2,200 00	2 57
Share Price $34 180, Next Dividend Payable 03/2013								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
STOCKS	**93.9%**	**$917,759.26**	**$1,040,849.34**	**$108,993.32 LT**	**$20,209.06**	**1.94%**
				$14,096.74 ST	**$0.00**	

ATTACHMENT B

Morgan Stanley

EIN: 20-5848514

Holdings

Portfolio Management Active Assets Account 828-116405-540

TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ALLIANCEBERNSTEIN INC FD (ACG)	1/31/11	22,849 987	$7 805	$178,335 01	$185,084 89	$6,749 88 LT		
	9/19/11	4,032 000	8 058	32,488 65	32,659 20	170 55 LT		
	2/1/12	5,395 000	8 307	44,818 91	43,699 50	(1,119 41) ST		
	Purchases	32,276 987		255,642 57	**261,443.59**	6,920 43 LT (1,119 41) ST		
Long Term Reinvestments		118 013		914 00	955 91	41 91 LT		
	Total	32,395 000		256,556 57	**262,399.50**	6,962 34 LT (1,119 41) ST	15,549 60	5 92
Share Price $8 100, Next Dividend Payable 01/18/13								
CONS DISCRET SEL SECT SPDR FD (XLY)	10/25/11	10,230 000	39 499	404,076 82	485,301.99	81,225.17 LT		
	10/28/11	7,920 000	39 719	314,571.31	375,717.67	61,146 36 LT		
	12/7/11	7,255 000	39 490	286,500 68	344,170.67	57,669.99 LT		
	11/9/12	11,080 000	45.761	507,031 88	525,625.23	18,593.35 ST		
	Total	36,485 000		1,512,180 69	**1,730,815.56**	200,041.52 LT 18,593.35 ST	27,728 60	1.60
Share Price $47 439, Next Dividend Payable 01/03/13								
ENERGY SEL SECT SPDR FD (XLE)	8/18/11	9,340 000	64 328	600,820 72	**667,062.80**	66,242 08 LT	12,142 00	1 82
Share Price $71 420, Next Dividend Payable 01/03/13								
INDUSTRIAL SEL SEC SPDR FD (XLI)	7/5/12	29,185 000	35 795	1,044,662 48	**1,106,111.50**	61,449 02 ST	25,099 10	2 26
Share Price $37 900, Next Dividend Payable 01/03/13								
ISHARES BARCLAYS 1-3 YEAR CRED (CSJ)	7/27/10	3,800 000	104.580	397,404 00	400,824 00	3,420 00 LT		
	10/13/10	1,000 000	105 109	105,109 00	105,480.00	371 00 LT		
	9/19/11	3,800 000	104 256	396,172.42	400,824.00	4,651.58 LT		
	Total	8,600.000		898,685.42	**907,128.00**	8,442.58 LT	14,181.40	1.56
Share Price $105 480, Next Dividend Payable 01/02/13								
ISHARES BARCLAYS 1-3 YR TSY BD (SHY)	4/15/08	1,100.000	83 750	92,124 89	**92,862.00**	737 11 LT	344 30	0 37
Share Price $84 420, Next Dividend Payable 01/02/13								

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Morgan Stanley

EIN: 20-5848514

Holdings — Portfolio Management Active Assets Account 828-116405-540 — TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ISHARES BARCLAYS AGG.BD FD (AGG)	4/15/08	1,850 000	102 300	189,254 82	205,498 00	16,243.18 LT		
	7/27/10	1,050 000	107 390	112,759 50	116,634 00	3,874 50 LT		
	10/13/10	500 000	108 558	54,279 00	55,540 00	1,261 00 LT		
	9/19/11	1,650 000	110 170	181,780 50	183,282 00	1,501 50 LT		
	12/13/12	2,543 000	111 300	283,035 90	282,476 44	(559 46) ST		
	Total	7,593 000		821,109.72	**843,430.44**	22,880 18 LT (559.46) ST	21,473 00	2 54
Share Price $111 080, Next Dividend Payable 01/02/13								
ISHARES BARCLAYS CREDIT BD ETF (CIU)	4/17/09	2,800 000	95 000	266,000 00	311,612.00	45,612 00 LT		
	5/19/09	500 000	97 075	48,537 40	55,645 00	7,107.60 LT		
	7/27/10	1,250 000	106 239	132,799 25	139,112 50	6,313 25 LT		
	10/13/10	1,000.000	108 349	108,349.00	111,290 00	2,941.00 LT		
	9/19/11	3,700.000	107 998	399,591 86	411,773.00	12,181 14 LT		
	Total	9,250.000		955,277 51	**1,029,432.50**	74,154 99 LT	32,439.75	3 15
Share Price $111 290, Next Dividend Payable 01/02/13								
ISHARES BARCLAYS MBS BOND FUND (MBB)	9/16/11	2,370 000	108 463	257,057 31	255,936 30	(1,121 01) LT		
	9/19/11	555.000	108 640	60,295 14	59,934 45	(360 69) LT		
	Total	2,925 000		317,352 45	**315,870.75**	(1,481 70) LT	5,779 80	1 82
Share Price: $107 990, Next Dividend Payable 01/2013								
ISHARES BARCLAYS TIPS BD FD (TIP)	4/15/08	700 000	108 268	75,787 83	84,987 00	9,199 17 LT		
	10/30/08	1,100 000	93 038	102,341 73	133,551 00	31,209 27 LT		
	4/17/09	1,500 000	100 045	150,068 19	182,115.00	32,046 81 LT		
	5/19/09	1,000.000	100.883	100,883 49	121,410 00	20,526.51 LT		
	5/21/09	125.000	100 820	12,602.56	15,176 25	2,573.69 LT		
	7/27/10	775 000	105.570	81,816 36	94,092.75	12,276 39 LT		
	10/13/10	300 000	111.558	33,467 40	36,423 00	2,955 60 LT		
	Total	5,500 000		556,967 56	**667,755.00**	110,787.44 LT	14,811.50	2 21
Share Price $121 410, Next Dividend Payable 01/02/13								
ISHARES DJ US TECH INDEX FUND (IYW)	10/27/10	5,300 000	61 529	326,103 17	374,816 00	48,712 83 LT		
	11/5/10	10,200 000	63 680	649,536 00	721,344 00	71,808 00 LT		

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Morgan Stanley

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Holdings

Portfolio Management Active Assets Account 828-116405-540 TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	15,500 000		975,639 17	**1,096,160.00**	120,520.83 LT	10,338 50	0 94
Share Price $70 720, Next Dividend Payable 03/2013								
ISHARES IBOXX INVEST GR COR FD (LQD)	10/13/10	1,500 000	112 872	169,308 00	**181,485.00**	12,177 00 LT	6,943.50	3 82
Share Price $120 990, Next Dividend Payable 01/02/13								
ISHARES JP MORGAN EM BOND FD (EMB)	10/30/08	1,800 000	69 908	125,834 04	221,022 00	95,187 96 LT		
	1/7/09	1,000 000	87 941	87,941 20	122,790 00	34,848 80 LT		
	4/17/09	2,000 000	90 238	180,476 60	245,580.00	65,103 40 LT		
	5/19/09	500 000	93 980	46,990 00	61,395 00	14,405.00 LT		
	7/28/10	750 000	107 420	80,565.00	92,092 50	11,527 50 LT		
	10/13/10	500 000	113 636	56,818 00	61,395 00	4,577 00 LT		
	9/19/11	1,500.000	109 260	163,890 00	184,185.00	20,295 00 LT		
	Total	8,050 000		742,514 84	**988,459.50**	245,944 66 LT	41,240 15	4 17
Share Price $122 790, Next Dividend Payable 01/02/13								
ISHARES LEH INT GOV/CR BD (GVI)	11/15/12	3,625 000	112.980	409,552 50	**407,486.61**	(2,065 89) ST	8,663 75	2 12
Share Price $112 410, Next Dividend Payable 01/02/13								
ISHARES MSCI EAFE FUND (EFA)	11/27/12	19,475 000	54 227	1,056,070 83	1,107,348 50	51,277.67 ST		
	12/28/12	18,685 000	56 106	1,048,342 48	1,062,429 10	14,086 62 ST		
	Total	38,160 000		2,104,413 31	**2,169,777.60**	65,364 29 ST	67,123 44	3 09
Share Price $56 860, Next Dividend Payable 06/2013								
ISHARES S&P LATIN AMER 40 IDX (ILF)	11/4/11	8,975.000	45 399	407,457 82	393,464 00	(13,993 82) LT		
	12/2/11	4,670 000	43.880	204,919 60	204,732 80	(186 80) LT		
	Total	13,645 000		612,377 42	**598,196.80**	(14,180 62) LT	15,500 72	2 59
Share Price $43 840, Next Dividend Payable 06/2013								
ISHARES S&P MIDCAP 400 INDEX (IJH)	2/25/09	11,020 000	46 909	516,931 68	1,120,734 00	603,802 32 LT		
	3/11/09	2,000 000	43 366	86,732 00	203,400 00	116,668 00 LT		
	6/18/10	1,480 000	77 500	114,700 00	150,516 00	35,816.00 LT		
	10/18/12	4,970.000	99.777	495,891.19	505,449 00	9,557 81 ST		

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Holdings

Portfolio Management Active Assets Account 828-116405-540

TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	19,470.000		1,214,254 87	**1,980,099.00**	756,286.32 LT 9,557 81 ST	28,250.97	1 42
Share Price $101 700, Next Dividend Payable 03/2013								
ISHARES S&P PREF STK INDX (PFF)	10/30/08	250.000	29 100	7,275 00	9,905 00	2,630 00 LT		
	7/27/10	3,000 000	39 209	117,627 00	118,860 00	1,233 00 LT		
	10/13/10	1,000.000	39.828	39,828.00	39,620.00	(208 00) LT		
	9/19/11	5,100.000	36.718	187,260.27	202,062.00	14,801.73 LT		
	Total	9,350 000		351,990 27	**370,447.00**	18,456.73 LT	22,281.05	6 01
Share Price $39 620, Next Dividend Payable 01/02/13								
ISHARES SP SMALLCAP 600 INDEX (IJR)	10/25/11	5,110.000	65 438	334,385 62	399,091 00	64,705 38 LT		
	10/28/11	2,705 000	69 380	187,673 98	211,260.50	23,586 52 LT		
	11/4/11	3,180.000	67 803	215,614 18	248,358 00	32,743 82 LT		
	12/8/11	3,005 000	66 747	200,575 04	234,690 50	34,115 46 LT		
	Total	14,000 000		938,248 82	**1,093,400.00**	155,151 18 LT	18,102 00	1 65
Share Price $78 100, Next Dividend Payable 03/2013								
MARKET VECTORS EMERGING MARK (EMLC)	9/15/11	9,735.000	26 200	255,057 00	267,225 75	12,168 75 LT		
	9/19/11	2,365.000	25.580	60,496.70	64,919.25	4,422 55 LT		
			Non-dividend dist	(952.23)				
	Total	12,100 000		314,601 14	**332,145.00**	16,591 30 LT	13,503 60	4 06
Share Price $27 450, Next Dividend Payable 01/2013								
MATERIALS SEL SECT SPDR FD (XLB)	3/1/12	11,265 000	37.398	421,282 84	**422,888.10**	1,605.26 ST	9,609 05	2 27
Share Price $37 540, Next Dividend Payable 01/03/13								
MFS CHARTER INCOME TR SBI (MCR)	1/25/11	19,450 000	9 247	179,848 70	196,834.00	16,985.30 LT		
	9/19/11	4,050.000	8.919	36,123 57	40,986.00	4,862.43 LT		
	2/6/12	5,085 000	9 509	48,354 23	51,460.20	3,105.97 ST		
	Total	28,585 000		264,326 50	**289,280.20**	21,847 73 LT 3,105 97 ST	18,351 57	6 34
Share Price $10 120, Next Dividend Payable 01/2013								
MFS MULTIMARKET INC TR SBI (MMT)	1/7/09	1,900.000	5 100	9,690 00	**13,832.00**	4,142 00 LT	912 00	6 59
Share Price $7 280, Next Dividend Payable 01/2013								
POWERSHARES QQQ TR (QQQ)	5/22/12	16,370 000	62 787	1,027,824 83	1,066,179 73	38,354 90 ST		
	10/17/12	15,280.000	68 124	1,040,940.83	995,187.92	(45,752.91) ST		

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Holdings

Portfolio Management Active Assets Account 828-116405-540

TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	31,650 000		2,068,765 66	**2,061,367.66**	(7,398 01) ST	26,047 95	1 26
Share Price $65 130, Next Dividend Payable 03/2013								
PWRSHARES EMERGING MKTS SOV DE (PCY)	7/27/10	2,900.000	26 875	77,936 79	91,193 40	13,256 61 LT		
	10/13/10	1,500.000	28 443	42,664 15	47,169 00	4,504 85 LT		
NON-DIVIDEND DISTRIBUTION (35.92)	9/19/11	6,225 000	27 465	170,934 74	195,751 35	24,780.69 LT		
	Total	10,625 000		291,535 68	**334,113.75**	42,542 15 LT	15,416 88	4 61
Share Price $31 446								
SPDR BARCLAYS CAPITAL HIGH YIE (JNK)	2/17/11	4,410 000	40 630	179,178 30	179,531.10	352.80 LT		
	9/15/11	4,460 000	38 190	170,327 40	181,566 60	11,239 20 LT		
	9/19/11	6,670 000	38 040	253,726 80	271,535 70	17,808.90 LT		
	Total	15,540.000		603,232 50	**632,633.40**	29,400.90 LT	42,703.92	6 75
Share Price $40 710, Next Dividend Payable 01/07/13								
SPDR BARCLAYS CAPITAL SHORT (SCPB)	11/15/12	11,895 000	30 760	365,890.20	**365,414.40**	(475 80) ST	4,960 22	1 35
Share Price $30 720, Next Dividend Payable 01/07/13								
SPDR S&P BIOTECH (XBI)	12/2/10	9,500.000	60 670	576,365 00	**835,145.00**	258,780 00 LT	1,871 50	0 22
Share Price $87 910, Next Dividend Payable 01/04/13								
SPDR S&P HOMEBUILDERS (XHB)	12/7/11	23,735 000	17 165	407,418 40	631,351 00	223,932 60 LT		
	1/19/12	19,390 000	19 190	372,094 10	515,774 00	143,679 90 ST		
	Total	43,125 000		779,512 50	**1,147,125.00**	223,932 60 LT 143,679 90 ST	11,083.13	0 96
Share Price $26 600, Next Dividend Payable 01/04/13								
SPDR S&P PHARMACEUITICAL (XPH)	12/2/10	13,000 000	44 870	583,310 00	**726,830.00**	143,520 00 LT	13,858.00	1 90
Share Price $55 910, Next Dividend Payable 01/04/13								
SPDR S&P REGIONAL BANKING ETF (KRE)	1/19/12	39,460 000	26 110	1,030,292.71	**1,103,696.20**	73,403 49 ST	22,255.44	2 01
Share Price $27 970, Next Dividend Payable 01/04/13								
THE FINANCIAL SEL SECT SPDR FD (XLF)	5/1/12	67,170 000	15 672	1,052,688 24	1,100,916 30	48,228.06 ST		
	5/23/12	21,570 000	13 910	300,038 70	353,532 30	53,493 60 ST		
	10/26/12	31,925 000	15 794	504,226 64	523,250 75	19,024.11 ST		

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Holdings — Portfolio Management Active Assets Account 828-116405-540 — TOWER FAMILY FUND INC. INVESTMENT ACCOUNT

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	120,665 000		1,856,953 58	**1,977,699.35**	120,745 77 ST	34,751 52	1 75
Share Price $16 390, Next Dividend Payable 01/03/13								
VANGUARD MSCI EMERGING MARKETS (VWO)	4/11/08	805.000	48 771	39,260 37	35,846 65	(3,413 72) LT		
	10/30/08	3,330.000	24 429	81,348 90	148,284 90	66,936.00 LT		
	11/5/08	1,205 000	25 869	31,171 66	53,658 65	22,486 99 LT		
	11/6/08	17,835.000	25 869	461,366 48	794,192 55	332,826 07 LT		
	2/20/09	960.000	20.588	19,764.48	42,748 80	22,984 32 LT		
	3/11/09	4,000.000	21.189	84,754.80	178,120.00	93,365.20 LT		
	4/17/09	1,010 000	27 195	27,466.55	44,975 30	17,508 75 LT		
	7/14/10	8,710.000	40 390	351,799.51	387,856 30	36,056 79 LT		
	10/19/12	8,305 000	41 985	348,681 27	369,821.65	21,140 38 ST		
	Total	46,160 000		1,445,614 02	**2,055,504.80**	588,750.40 LT 21,140.38 ST	45,006 00	2 18
Share Price $44 530, Next Dividend Payable 03/2013								
VANGUARD REIT ETF (VNQ)	8/28/09	5,015.000	38.443	189,911 58	329,987.00	137,196.41 LT		
NON-DIVIDEND DISTRIBUTION 27,267.41	12/17/09	8,250 000	43 134	351,119 45	542,850 00	186,994.40 LT		
	Total	13,265 000		541,031 03	**872,837.00**	324,190 81 LT	31,079 90	3 56
Share Price $65 800, Next Dividend Payable 03/2013								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / *Accrued Interest*	Yield %
STOCKS	**96.3%**	**$ 25,726,441.00**	**$29,678,891.42**	**$3,436,820.53 LT** **$507,026.67 ST**	**$679,403.81** **$0.00**	**2.29%**