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

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

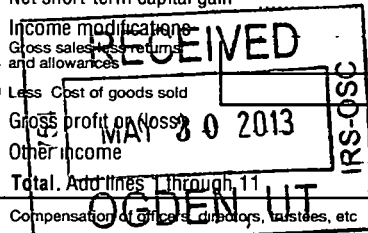
For calendar year 2012 or tax year beginning

, and ending

Name of foundation BP FOUNDATION, INC.		A Employer identification number 36-6046879
Number and street (or P O box number if mail is not delivered to street address) 501 WESTLAKE PARK BLVD, 25TH FLOOR		B Telephone number (281) 366-3701
City or town, state, and ZIP code HOUSTON, TX 77079		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 45,771,069.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received			N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	650,552.	650,552.		
4 Dividends and interest from securities				
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	73,145.			
b Gross sales price for all assets on line 6a	109,114,956.			
7 Capital gain net income (from Part IV, line 2)		73,145.		
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 on sales	15,279.	0.		
11 Other income	738,976.	723,697.		STATEMENT 1
12 Total. Add lines 1 through 11	337,307.	0.		334,939.
13 Compensation of officers, directors, trustees, etc	57,763.	0.		57,369.
14 Other employee salaries and wages	136,096.	0.		130,137.
15 Pension plans, employee benefits	10,693.	0.		8,664.
16a Legal fees STMT 2	39,610.	0.		39,610.
b Accounting fees STMT 3	191,924.	138,417.		57,178.
c Other professional fees STMT 4				
17 Interest				
18 Taxes STMT 5	6,021.	0.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	55,929.	0.		46,459.
22 Printing and publications				
23 Other expenses STMT 6	256,817.	0.		156,770.
24 Total operating and administrative expenses. Add lines 13 through 23	1,092,160.	138,417.		831,126.
25 Contributions, gifts, grants paid	13,682,551.			17,518,955.
26 Total expenses and disbursements. Add lines 24 and 25	14,774,711.	138,417.		18,350,081.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<14,035,735.>			
b Net investment income (if negative, enter -0-)		585,280.		
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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		11,349,474.	15,538,040.	15,538,040.
	3	Accounts receivable ▶ 73,422.				
		Less: allowance for doubtful accounts ▶		262,267.	73,422.	73,422.
	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				
	10a	Investments - U.S. and state government obligations STMT 8		8,994,283.	4,644,578.	4,644,578.
	b	Investments - corporate stock STMT 9		84,000.	0.	0.
	c	Investments - corporate bonds STMT 10		41,612,986.	25,449,896.	25,449,896.
11	Investments - land, buildings, and equipment, basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 11		180.	104.	104.	
14	Land, buildings, and equipment, basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶ <u>PREPAID EXCISE TAX</u>)		0.	65,029.	65,029.	
16	Total assets (to be completed by all filers)		62,303,190.	45,771,069.	45,771,069.	
Liabilities	17	Accounts payable and accrued expenses		245,587.	1,337,092.	
	18	Grants payable		10,753,523.	8,830,814.	
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶ <u>STATEMENT 12</u>)		3,794,047.	1,833,778.	
23	Total liabilities (add lines 17 through 22)		14,793,157.	12,001,684.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		47,510,033.	33,769,385.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances		47,510,033.	33,769,385.		
31	Total liabilities and net assets/fund balances		62,303,190.	45,771,069.		

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	47,510,033.
2	Enter amount from Part I, line 27a	2	<14,035,735.>
3	Other increases not included in line 2 (itemize) ▶ <u>UNREALIZED GAIN(LOSS) FOR YEAR</u>	3	417,087.
4	Add lines 1, 2, and 3	4	33,891,385.
5	Decreases not included in line 2 (itemize) ▶ <u>SEE STATEMENT 7</u>	5	122,000.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	33,769,385.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 109,114,956.		109,041,811.	73,145.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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		
a			73,145.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	73,145.	
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	21,032,886.	70,731,879.	.297361
2010	32,158,399.	100,242,784.	.320805
2009	38,411,773.	132,609,636.	.289660
2008	54,633,140.	179,801,646.	.303852
2007	58,124,908.	171,340,388.	.339236

2 Total of line 1, column (d)	2	1.550914
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	.310183
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	51,863,011.
5 Multiply line 4 by line 3	5	16,087,024.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,853.
7 Add lines 5 and 6	7	16,092,877.
8 Enter qualifying distributions from Part XII, line 4	8	18,350,081.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	5,853.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	5,853.
4	Subtle 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	5,853.
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	70,882.
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	70,882.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	65,029.
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

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

N/A

Part VII-A Statements Regarding Activities (continued)

<p>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)</p>	11		X
<p>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)</p>	12		X
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A</p>	13	X	
<p>14 The books are in care of ▶ PATRICE HENRY Telephone no. ▶ (281) 366-2000 Located at ▶ 501 WESTLAKE PARK BLVD, 24TH FLOOR, HOUSTON, TX ZIP+4 ▶ 77079</p>			
<p>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</p>			
<p>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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶</p>	16	Yes	No X

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

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

		Yes	No
<p>1a During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>			
<p>b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/></p>	1b		X
<p>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?</p>	1c		X
<p>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)):</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ _____, _____, _____, _____</p> <p>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</p> <p>c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____, _____</p>	2b		
<p>3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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</p>	3b		
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a		X
<p>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?</p>	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)?
Organizations relying on a current notice regarding disaster assistance check here

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

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No
N/A

5b	X	
6b		X
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 13		337,307.	113,861.	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
CHARITIES AID FOUNDATION , WEST MAILING, KENT ME 19 4TA UNITED KINGDOM	MATCHING GIFT ADMIN	157,079.
VANDERBILT CAPITAL ADVISORS , NEW YORK, NY 10166	INVESTMENT MGMT. FEES	107,073.
THE JK GROUP, INC. , PLAINSBORO, NJ 08536	MATCHING GIFT ADMIN.	74,432.

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 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ▶ 0.

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	39,542,608.
b	Average of monthly cash balances	1b	13,110,195.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	52,652,803.
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	52,652,803.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	789,792.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	51,863,011.
6	Minimum investment return. Enter 5% of line 5	6	2,593,151.

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	2,593,151.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	5,853.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,853.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,587,298.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,587,298.
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	2,587,298.

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	18,350,081.
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	18,350,081.
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	5,853.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	18,344,228.

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				2,587,298.
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	51,468,077.			
b From 2008	45,656,451.			
c From 2009	31,804,593.			
d From 2010	27,179,900.			
e From 2011	17,566,653.			
f Total of lines 3a through e	173,675,674.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 18,350,081.				
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				2,587,298.
e Remaining amount distributed out of corpus	15,762,783.			
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	189,438,457.			
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	51,468,077.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	137,970,380.			
10 Analysis of line 9:				
a Excess from 2008	45,656,451.			
b Excess from 2009	31,804,593.			
c Excess from 2010	27,179,900.			
d Excess from 2011	17,566,653.			
e Excess from 2012	15,762,783.			

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				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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:
N/A

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

c Any submission deadlines:
N/A

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEE ATTACHED STATEMENT	N/A			17,518,955.
Total			▶ 3a	17,518,955.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

FORM 990-PF	OTHER INCOME		STATEMENT	1
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
FEDERAL EXCISE TAX REFUND	15,279.	0.		
TOTAL TO FORM 990-PF, PART I, LINE 11	15,279.	0.		

FORM 990-PF	LEGAL FEES			STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL FEES	10,693.	0.		8,664.	
TO FM 990-PF, PG 1, LN 16A	10,693.	0.		8,664.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
AUDIT FEES	26,860.	0.		26,860.	
TAX FEES	12,750.	0.		12,750.	
TO FORM 990-PF, PG 1, LN 16B	39,610.	0.		39,610.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT ADVISORY FEE	107,073.	107,073.		0.	
CUSTODIAN FEE	31,344.	31,344.		0.	
CONSULTING FEES	53,507.	0.		57,178.	
TO FORM 990-PF, PG 1, LN 16C	191,924.	138,417.		57,178.	

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX EXPENSE	6,021.	0.		0.
TO FORM 990-PF, PG 1, LN 18	6,021.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MATCHING GIFT ADMINISTRATION	244,387.	0.		151,767.
MISCELLANEOUS EXPENSE	12,430.	0.		5,003.
TO FORM 990-PF, PG 1, LN 23	256,817.	0.		156,770.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
BASIS DIFFERENCE BETWEEN TAX AND FMV AT DATE OF CONTRIBUTION	122,000.
TOTAL TO FORM 990-PF, PART III, LINE 5	122,000.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT	X		4,644,578.	4,644,578.
TOTAL U.S. GOVERNMENT OBLIGATIONS			4,644,578.	4,644,578.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			4,644,578.	4,644,578.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	0.	0.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT	25,449,896.	25,449,896.
TOTAL TO FORM 990-PF, PART II, LINE 10C	25,449,896.	25,449,896.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ACCRUED RECEIVABLES	FMV	104.	104.
TOTAL TO FORM 990-PF, PART II, LINE 13		104.	104.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	12
DESCRIPTION		BOY AMOUNT	EOY AMOUNT
GRANTS PAYABLE		3,742,047.	1,833,778.
TAXES PAYABLE		52,000.	0.
TOTAL TO FORM 990-PF, PART II, LINE 22		3,794,047.	1,833,778.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	13
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RAY C. DEMPSEY 1101 NEW YORK AVE NW WASHINGTON, DC 20005	PRESIDENT/DIRECTOR 0.50	0.	0.	0.
MARK E. THOMPSON 30 S. WACKER DRIVE CHICAGO, IL 60606	TREASURER 0.50	0.	0.	0.
DONALD L. KETTERING 30 S. WACKER DRIVE CHICAGO, IL 60606	ASSISTANT TREASURER 0.50	0.	0.	0.
GREG T. WILLIAMSON 30 S. WACKER DRIVE CHICAGO, IL 60606	ASSISTANT TREASURER 0.50	0.	0.	0.
ANDREW P. HOPWOOD 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	CHAIRMAN/DIRECTOR 0.50	0.	0.	0.
ELODIE GRANT GOODEY 1 ST. JAMES' SQUARE LONDON, UNITED KINGDOM	DIRECTOR 0.50	0.	0.	0.
IRIS M. CROSS 1250 POYDRAS ST NEW ORLEANS, LA 70113	DIRECTOR 0.50	0.	0.	0.
SHERRY STRASNER 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	ASSOCIATE DIRECTOR 40.00	97,084.	37,035.	0.

BEN E. CANNON 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	EXECUTIVE DIRECTOR 40.00	240,223.	76,826.	0.
DALE P. SHRALLOW 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	GENERAL TAX OFFICER 0.50	0.	0.	0.
JANE STRICKER 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	CORPORATE SECRETARY 0.50	0.	0.	0.
BRENDA H. PENNINGTON 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	ASSISTANT SECRETARY 0.50	0.	0.	0.
DON ELDRED 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	CFO/DIRECTOR 0.50	0.	0.	0.
ANSHUL MATHUR 28 BARAKHAMBHA ROAD NEW DELHI, INDIA	DIRECTOR 0.50	0.	0.	0.
LUIS SIERRA 150 WEST WARRENVILLE ROAD NAPERVILLE, IL 60563	DIRECTOR 0.50	0.	0.	0.
HANS BOAS 501 WESTLAKE PARK BLVD HOUSTON, TX 77079	LEGAL COUNSEL 0.50	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		<u>337,307.</u>	<u>113,861.</u>	<u>0.</u>

**BP FOUNDATION, INC
GRANTS AND CONTRIBUTIONS PAID
YEAR ENDED DECEMBER 31, 2012**

Domestic Grants and Contributions

<u>Organization</u>	<u>City</u>	<u>State</u>	<u>Type of Charity</u>	<u>Amount</u>
American National Red Cross	Washington	DC	Public	\$504,772 00
American Red Cross-Central & Western OK Region	Oklahoma City	OK	Public	\$35,000 00
American Red Cross, Colorado Red Cross Mile High Chapter	Denver	CO	Public	\$100,000 00
Center For Clean Air Policy	Washington	DC	Public	\$500,000 00
Charities Aid Foundation America	Alexandria	VA	Public	\$2,467,856 45
Chicago State University Foundation	Chicago	IL	Public	\$30,000 00
Asian Pacific American Institute for Congressional Studies	Washington	DC	Public	\$50,000 00
Chicago Public Schools Science Fair Inc	Chicago	IL	Public	\$25,000 00
Congressional Hispanic Caucus Institute Inc	Washington	DC	Public	\$100,000 00
Congressional Black Caucus Foundation	Washington	DC	Public	\$150,000 00
Avian Conservation Center	Charleston	SC	Public	\$50,000 00
Dillard University	New Orleans	LA	Public	\$50,000 00
Girl Scouts of Alaska	Anchorage	AK	Public	\$50,000 00
Community Foundation of Greater Decatur Inc	Decatur	AL	Public	\$100,000 00
Delgado Community College	New Orleans	LA	Public	\$150,000 00
Fletcher Technical Community College Foundation, Inc	Schnever	LA	Public	\$275,000 00
Foundation for Inspiration & Recognition of Science & Technology	Manchester	NH	Public	\$50,000 00
Indiana Dunes Environmental Learning Center	Chesterston	IN	Public	\$20,000 00
The JK Group Inc	Princeton	NJ	Public	\$5,982,573 83
Junior Achievement of Chicago	Chicago	IL	Public	\$15,000 00
KIPP New Orleans Schools, Inc	New Orleans	LA	Public	\$100,000 00
Legacy Foundation Inc	Merrillville	IN	Public	\$10,000 00
Los Angeles County Museum of Art	Los Angeles	CA	Public	\$2,460,000 00
National Action Council for Minorities in Engineering	White Plains	NY	Public	\$200,000 00
National Merit Scholarship Corporation	Evanston	IL	Public	\$395,880 00
Lowcountry Open Land Trust	Charleston	SC	Public	\$40,000 00
Mississippi Gulf Coast Community College Foundation, Inc	Perkinston	MS	Public	\$125,000 00
Mobile Area Education Foundation	Mobile	AL	Public	\$50,000 00
Purdue University Calumet	West Lafayette	IN	Public	\$10,000 00
Quad County Urban League Inc	Aurora	IL	Public	\$10,000 00
School City of Whiting	Whiting	IN	Public	\$20,000 00
Southern University System Foundation	Baton Rouge	LA	Public	\$50,000 00
Southeastern Wildlife Exhibition	Charleston	SC	Public	\$10,000 00
Sowela Technical Community College	Lake Charles	LA	Public	\$175,000 00
Toledo Science Center	Toledo	OH	Public	\$50,000 00
Texas Tech Foundation Inc	Lubbock	TX	Public	\$200,000 00
UNICEF	New York	NY	Public	\$100,000 00
Whiting Robertsdale Community Improvement Corp	Whiting	IN	Public	\$25,000 00
Youth Impact Program	Alexandria	VA	Public	\$50,000 00
Xavier University of Louisiana	New Orleans	LA	Public	\$60,000 00
	Subtotal			<u>\$14,771,082 28</u>

International Grants and Contributions

<u>Organization</u>	<u>City</u>	<u>Country</u>	<u>Type of Charity</u>	<u>Amount</u>
Foreign and Commonwealth Office (FCO)	London	UK	Public	\$166,530 74
Japanese Red Cross Society	Tokyo	Japan	Public	\$16,458 00
John Smith Memorial Trust	London	UK	Public	\$133,661 66
Philippines Red Cross	Manila	Philippines	Public	\$100,000 00
Save the Children Australia	Victoria	Australia	Public	\$881 85
SIFE (Students In Free Enterprise) China	Beijing	China	Public	\$100,000 00
St John's College, University of Cambridge	Cambridge	UK	Public	\$179,828 31
Tsinghua University	Beijing	China	Public	\$500,000 00
Maecenata Management	Munich	Germany	Public	\$1,020,398 80
War Child UK	London	UK	Public	\$399,939 69
Zietbild Stiftung	Munich	Germany	Public	\$130,173 57
	Subtotal			<u>\$2,747,872 62</u>
	Grand Total			<u>\$17,518,954 90</u>

Substantiation of Exercise of Expenditure Responsibility

Organizations: BP Foundation Incorporated
 TIN: 36-6046879
 Tax Year Ended: December 31, 2012

Form 990-PF, Part VII-B, Line 5c

The following information is provided in accordance with IRC Sec. 4945(h)(3) and Reg. 53.4945-5(d) to demonstrate that the foundation exercised expenditure responsibility in regard to its grants.

Name and Location of Grantee	Amount of Grant	Date of Grant	Purpose of Grant	Amounts Expended by Grantee	To the Grantor's Knowledge, Grantee Has Diverted a Portion of Funds from the Purpose of the Grant (Yes/No)	Dates of Reports Received from the Grantee	Dates and Results of Any Verification of the Grantee's Reports
Tsinghua University Beijing, China	\$250,000.00	01/17/2012	In support of the School of Economics and Management	\$250,000.00	No	Dec-2011	See footnote
Save the Children Victoria, Australia	\$873.07	01/17/2012	Matching grant (employee contributions) for the East African Food Crisis	\$873.07	No	Dec-2011	See footnote
Foreign and Commonwealth Office London, UK	\$166,670.00	02/16/2012	In support of eighteen (18) Chevening Scholarships for Iraqi nationals	\$166,670.00	No	Apr-2013	See footnote
Philippines Red Cross (National Chapter) Manila, Philippines	\$50,000.00	02/20/2012	Humanitarian aid for the Typhoon Washi disaster relief effort	\$50,000.00	No	Dec-2011	See footnote
Philippines Red Cross (Local Chapter) Manila, Philippines	\$50,000.00	02/20/2012	Humanitarian aid for the Typhoon Washi disaster relief effort	\$50,000.00	No	Dec-2011	See footnote

Footnote. BP Foundation has no reason to doubt the accuracy or reliability of the information provided by the grantee, therefore, no independent verification of the information was made

Name and Location of Grantee	Amount of Grant	Date of Grant	Purpose of Grant	Amounts Expended by Grantee	To the Grantor's Knowledge, Grantee Has Diverted a Portion of Funds from the Purpose of the Grant (Yes/No)	Dates of Reports Received from the Grantee	Dates and Results of Any Verification of the Grantee's Reports
John Smith Memorial Trust London, UK	\$133,649.74	02/23/2012	In support of fifteen (15) BP Foundation Fellows from Azerbaijan, Russia, Georgia and Iraq.	\$133,649.74	No	Mar-2013	See footnote
Students in Free Enterprise (SIFE) Beijing, China	\$100,000.00	03/01/2012	In support of SIFE's Youth Environmental Sustainability Initiative" in China	\$100,000.00	No	Mar-2013	See footnote
War Child – UK London, UK	\$400,000.00	03/06/2012	In support of War Child's efforts in promoting and strengthening education in Iraq through literacy classes and teacher and vocational training	\$400,000.00	No	Mar-2013	See footnote
Japanese Red Cross Society Tokyo, Japan	\$16,458.00	07/09/2012	Matching grant (employee contributions) for the Japan earthquake disaster relief effort	\$16,458.00	No	Jul-2012	See footnote
St John's College, University of Cambridge Cambridge, UK	\$179,834.25	08/10/2012	In support of an academic scholarship through the Dr. Manmohan Singh, PhD Program for one (1) graduate student from India	\$179,834.25	No	Report due Aug-2013	See footnote
Tsinghua University Beijing, China	\$250,000.00	12/28/2012	In support of the School of Economics and Management.	\$250,000.00	No	Apr-2012	See footnote

Footnote BP Foundation has no reason to doubt the accuracy or reliability of the information provided by the grantee, therefore, no independent verification of the information was made.

Name and Location of Grantee	Amount of Grant	Date of Grant	Purpose of Grant	Amounts Expended by Grantee	To the Grantor's Knowledge, Grantee Has Diverted a Portion of Funds from the Purpose of the Grant (Yes/No)	Dates of Reports Received from the Grantee	Dates and Results of Any Verification of the Grantee's Reports
Zeitbild Stiftung Munich, Germany	\$130,173.57	12/12/2012	In support of research and implementation of projects to reduce the carbon footprint in ten (10) high schools throughout Germany.	\$130,173.57	No	Report due Dec-2013	See footnote
Maecenata Management Munich, Germany	\$1,020,398.80	4 quarterly payments	Matching grants to 100's of schools, community, health and human service organizations.	\$1,020,398.80	No	Reports to substantiate matching payout are received quarterly	See footnote

Footnote BP Foundation has no reason to doubt the accuracy or reliability of the information provided by the grantee, therefore, no independent verification of the information was made.

* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
FIXED INCOME				
GOVERNMENT BONDS				
FEDERAL NATIONAL MORTGAGE ASSOC 0.75% BD SEMI-ANN. 0.750% 12/18/2013 31398A5W8	100.533 100.576 1,200,000	1,206,396.00	1,206,912.00 325.00	516.00
U S TREAS SEC STRIPPED INT PMT TINT 15/F SEMI-ANN. 0.000% 02/15/2013 912833DD9	98.3562 99.992 900,000	885,205.59	899,928.00 0.00	14,722.41
UNITED STATES OF AMER TREAS NOTES 2% 15/ FLOATING 07/15/2014 912828CP3	131.5057 129.4962 660,000	867,937.46	854,674.96 7,524.02	(13,262.50)
UNITED STATES TREAS NTS 0.750% 15/DEC/20 SEMI-ANN. 0.750% 12/15/2013 912828PL8	99.0937 100.531 630,000	624,290.62	633,345.30 220.67	9,054.68
TOTAL GOVERNMENT BONDS		3,583,829.67	3,594,860.26 8,069.69	11,030.59
MORTGAGE BACKED SECURITIE				
FED HOME LOAN MTG 4.5% MBPT 01/AUG/2024 MONTHLY 4.500% 08/01/2024 3128MCHE8	107.2969 106.4010 50,692.2700	54,391.23	53,937.08 190.10	(454.15)
FEDERAL NATL MTG ASSOC. POOL#995737 5.00 MONTHLY 5.000% 02/01/2038 31416CEJ1	108.1563 108.575 457,120.7000	494,404.62	496,318.80 1,904.67	1,914.18
FHLMC MORTPASS ARM 01/SEP/2035 1G PN# 1G MONTHLY FLOATING 09/01/2035 3128QJHC3	100.4687 101.1310 42,900.0300	43,101.11	43,385.23 204.45	284.12
FHLMC MORTPASS ARM 01/SEP/2035 1H PN# 1H MONTHLY FLOATING 09/01/2035 3128NGC29	100.1367 106.5940 68,193.5200	68,286.74	72,690.20 294.08	4,403.46
FHLMCGLD MORTPASS 5.5% 01/AUG/2038 GO PN MONTHLY 5.500% 08/01/2038 3128M6NC8	108.6562 107.965 434,721.1600	472,351.70	469,346.70 1,992.47	(3,005.00)

* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
FHLMCGLD MORTPASS 5% 01/MAR/2038 G0 PN# MONTHLY 5.000% 03/01/2038 3128M7EX0	107.8594 107.7000 572,242.1600	617,216.82	616,304.81 2,384.34	(912.01)
FNMA MORTPASS ARM 01/MAR/2036 S1 PN# 868 MONTHLY FLOATING 03/01/2036 31409DVP5	100.1405 107.3040 27,285.7800	27,324.13	29,278.73 68.78	1,954.60
FNMA MORTPASS ARM 01/SEP/2035 LB PN# 833 MONTHLY FLOATING 09/01/2035 31407KT25	100.6132 106.5610 56,139.7400	56,484.01	59,823.07 125.99	3,339.06
FNMA MORTPASS 4.5% 01/MAR/2025 CI PN# 93 MONTHLY 4.500% 03/01/2025 31412RE94	106.8594 107.908 418,206.6000	446,892.95	451,278.38 1,568.27	4,385.43
TBA FNMA SF 4.00 15 YRS JAN 4.000% 01/25/2028 01F040412	106.9844 107.078 350,000	374,445.31	374,773.00 0.00	327.69
TBA FNMA SF 4.50 15 YRS JAN 4.500% 01/25/2028 01F042418	107.5313 107.563 300,000	322,593.75	322,689.00 0.00	95.25
TOTAL MORTGAGE BACKED SECURITIE		2,977,492.37	2,989,825.00 8,733.15	12,332.63
CORPORATE BONDS				
ABBVIE 1.2% BDS 06/NOV/2015 USD2000 144A SEMI-ANN. 1.200% 11/05/2015 00287YAA7	99.933 100.668 150,000	149,899.50	151,002.00 265.00	1,102.50
AMERICAN EXPRESS CR CORP MTNBE VR QUARTERLY FLOATING 06/24/2014 0258M0DB2	100.00 100.897 430,000	430,000.00	433,857.10 110.84	3,857.10
ANZ NEW ZEALAND (INTL) LTD FRN 20/DEC/20 QUARTERLY FLOATING 12/20/2013 00182EAN9	100.00 100.90 135,000	135,000.00	136,215.00 58.90	1,215.00
ARCHER DANIELS MID 0.875% CNV SNR 15/FEB SEMI-ANN. 0.875% 02/15/2014 039483AW2	100.20 100.063 244,000	244,488.00	244,153.72 806.56	(334.28)

AS OF DECEMBER 31, 2012

* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
BANK NEW YORK MIN BK ENT SR NT FLT 14 31 QUARTERLY FLOATING 01/31/2014 06406HBV0	100.00 100.246 300,000	300,000.00	300,738.00 301.31	738.00
BANK OF AMERICA CORP FRN 11/JUL/2014 USD QUARTERLY FLOATING 07/11/2014 06051GEL9	100.00 101.159 300,000	300,000.00	303,477.00 1,296.11	3,477.00
BANK OF MONTREAL 2.125% BDS 28/JUN/2013 SEMI-ANN. 2.125% 06/28/2013 063679CG7	102.403 100.848 300,000	307,209.00	302,544.00 53.13	(4,665.00)
BERKSHIRE HATHAWAY FIN CORP GTD SR NT FL QUARTERLY FLOATING 01/10/2014 084664BP5	100.00 100.337 275,000	275,000.00	275,926.75 431.30	926.75
CAMERON INTERNATIONAL CORP 0.1845% BDS 0 QUARTERLY FLOATING 06/02/2014 13342BAG0	100.4547 100.68 450,000	452,046.37	453,060.00 465.19	1,013.63
CANADIAN IMP BANK 1.45% SNR 13/SEP/2013 SEMI-ANN. 1.450% 09/13/2013 136069DP3	99.886 100.761 350,000	349,601.00	352,663.50 1,522.50	3,062.50
CITIGROUP INC FLTG RATE NTS 05/NOV/2014 QUARTERLY FLOATING 11/05/2014 172967CS8	91.845 99.25 625,000	574,031.25	620,312.50 586.58	46,281.25
COCA-COLA ENT INC 1.125% BDS 12/NOV/2013 SEMI-ANN. 1.125% 11/12/2013 19122TAA7	99.807 100.448 225,000	224,565.75	226,008.00 344.53	1,442.25
COMMONWEALTH BANK OF AUSTRALIA 1.95% BDS SEMI-ANN. 1.950% 03/16/2015 20271RAA8	100.413 102.614 350,000	351,445.50	359,149.00 1,990.63	7,703.50
CREDIT SUISSE NEW YORK VAR 14/JAN/2014 U QUARTERLY FLOATING 01/14/2014 22546QAG2	100.00 100.579 350,000	350,000.00	352,026.50 986.02	2,026.50
DAIMLER FINANCE NA LLC 1.875% 15/SEP/201 SEMI-ANN. 1.875% 09/15/2014 233851AG9	99.73 101.639 400,000	398,920.00	406,556.00 2,208.33	7,636.00
DTE ENERGY CO NT VAR 13 03/JUN/2013 QUARTERLY FLOATING 06/03/2013 233331AP2	100.408 100.19 400,000	401,632.00	400,760.00 325.61	(872.00)

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* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
DU PONT (E. I.) DE NEMOURS & CO FR BDS 25/M QUARTERLY FLOATING 03/25/2014 263534CHO	100.633 100.478 275,000	276,740.75	276,314.50 33.46	(426.25)
DUKE ENERGY OHIO INC 2.1% 1ST MTG BDS 15 SEMI-ANN. 2.100% 06/15/2013 264442EAB6	99.983 100.733 160,000	159,972.80	161,172.80 149.33	1,200.00
FREEMONT-MCMORAN COPPER & GOLD INC 1.4% SEMI-ANN. 1.400% 02/13/2015 35671DAV7	100.399 99.79 300,000	301,197.00	299,370.00 1,610.00	(1,827.00)
GENERAL ELECTRIC CAPITAL CORP 2.1% BDS 0 SEMI-ANN. 2.100% 01/07/2014 36962G4X9	101.315 101.641 300,000	303,945.00	304,923.00 3,045.00	978.00
GEORGIA POWER CO 1.3% BDS 15/SEP/2013 US SEMI-ANN. 1.300% 09/15/2013 373334JT9	100.586 100.595 450,000	452,637.00	452,677.50 1,722.50	40.50
GOLDMAN SACHS GROUP INC 5% BDS 01/OCT/20 SEMI-ANN. 5.000% 10/01/2014 38143UAW1	102.03 106.519 435,000	443,830.50	463,357.65 5,437.50	19,527.15
HEWLETT-PACKARD CO 1.25% 13/SEP/2013 SEMI-ANN. 1.250% 09/13/2013 428236BB8	100.48 99.999 265,000	266,272.00	264,997.35 993.75	(1,274.65)
HYUNDAI CAPITAL AMERICA 1.625% BDS 02/OC SEMI-ANN. 1.625% 10/02/2015 44923QAE4	100.231 100.601 400,000	400,924.00	402,404.00 1,625.00	1,480.00
JPMORGAN CHASE & CO VAR 24/JAN/2014 QUARTERLY FLOATING 01/24/2014 46623EJF7	100.2606 100.671 400,000	401,042.40	402,684.00 855.41	1,641.60
LG&E & KU ENERGY 2.125% SNR NTS 15/NOV/2 SEMI-ANN. 2.125% 11/15/2015 50188FAB1	99.557 102.112 500,000	497,785.00	510,560.00 1,357.64	12,775.00
MASSMUTUAL GLOBAL FUNDING II FR MTN 06/D QUARTERLY FLOATING 12/06/2013 57629WAX8	99.268 100.13 400,000	397,072.00	400,520.00 135.92	3,448.00
MEDTRONIC INC 1.625% CNV BDS 15/APR/2013 SEMI-ANN. 1.625% 04/15/2013 585055AM8	100.6656 100.313 554,000	557,687.50	555,734.02 1,900.53	(1,953.48)

AS OF DECEMBER 31, 2012

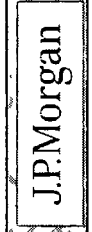
** SECURITIES **	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
MONDELEZ INTERNATIONAL INC 2.625% NTS 08 SEMI-ANN. 2.625% 05/08/2013 50075NAY0	102.21 100.634 400,000	408,840.00	402,536.00 1,545.83	(6,304.00)
MORGAN STANLEY BDS 18/OCT/2016 USD100000 QUARTERLY FLOATING 10/18/2016 61746BDC7	93.107 95.064 270,000	251,388.90	256,672.80 435.80	5,283.90
MURPHY OIL CORP 2.5% BDS 01/DEC/2017 USD SEMI-ANN. 2.500% 12/01/2017 626717AE2	100.496 100.617 325,000	326,612.00	327,005.25 699.65	393.25
NATIONAL AUSTRALIA BANK FRN 11/APR/2014 QUARTERLY FLOATING 04/11/2014 6325C0CA7	99.924 100.62 390,000	389,703.60	392,418.00 947.63	2,714.40
NBCUNIVERSAL MEDIA LLC 2.1% BDS 01/APR/2 SEMI-ANN. 2.100% 04/01/2014 63946BAA8	99.524 101.83 340,000	338,381.60	346,222.00 1,785.00	7,840.40
NEXTERA ENERGY CAPITAL HLDGS INC 2.55% G SEMI-ANN. 2.550% 11/15/2013 302570BH8	99.934 101.579 550,000	549,637.00	558,684.50 1,792.08	9,047.50
PRUDENTIAL FINANCIAL INC 2.75% 14/JAN/20 SEMI-ANN. 2.750% 01/14/2013 74432QBK0	100.3463 100.094 385,000	386,333.22	385,361.90 4,911.42	(971.32)
ROYAL BANK OF CANADA 0.8% BDS 30/OCT/201 SEMI-ANN. 0.800% 10/30/2015 78008SPH3	100.0273 99.885 375,000	375,102.40	374,568.75 508.33	(533.65)
SAFEWAY INC FR BDS 12/DEC/2013 USD1000 QUARTERLY FLOATING 12/12/2013 786514BV0	100.00 100.031 175,000	175,000.00	175,054.25 176.02	54.25
SEMPRA ENERGY CORP VAR BDS 15/MAR/2014 U QUARTERLY FLOATING 03/15/2014 816851AR0	100.4387 100.525 435,000	436,908.52	437,283.75 193.58	375.23
ST. JUDE MEDICAL INC 2.2% LN STK 15/SEP/2 SEMI-ANN. 2.200% 09/15/2013 790849AG8	101.813 101.227 200,000	203,626.00	202,454.00 1,295.56	(1,172.00)
TOYOTA MOTOR CREDIT CORP 1.375% BDS 12/A SEMI-ANN. 1.375% 08/12/2013 89233P4H6	99.915 100.596 430,000	429,634.50	432,562.80 2,282.88	2,928.30

* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
TURLOCK CORP 0.95% SNR NTS 02/NOV/2015 U SEMI-ANN. 0.950% 11/02/2015 900212AE1	99.913 100.304 125,000	124,891.25	125,380.00 135.24	488.75
VERIZON COMMUNICATIONS INC FLTG RT BDS 2 QUARTERLY FLOATING 03/28/2014 92343VAZ7	100.527 100.592 230,000	231,212.10	231,361.60 23.51	149.50
VOLKSWAGEN INTERNATIONAL FINANCE NV FR B QUARTERLY FLOATING 03/21/2014 928670AH1	100.00 100.533 100,000	100,000.00	100,533.00 32.39	533.00
VOLKSWAGEN INTERNATIONAL FINANCE NV 1.87 SEMI-ANN. 1.875% 04/01/2014 928670AD0	101.373 101.21 100,000	101,373.00	101,210.00 468.75	(163.00)
WESTERN UNION COMP 2.375% SR NT 10/DEC/2 SEMI-ANN. 2.375% 12/10/2015 959802AQ2	100.569 100.463 150,000	150,853.50	150,694.50 207.81	(159.00)
XEROX CORP VAR BDS 16/MAY/2014 USD10000 QUARTERLY FLOATING 05/16/2014 984121CC5	100.454 99.791 300,000	301,362.00	299,373.00 433.17	(1,989.00)
XSTRATA FIN CANADA 1.8% BDS 23/OCT/2015 SEMI-ANN. 1.800% 10/23/2015 98417EAS9	99.968 100.543 300,000	299,904.00	301,629.00 990.00	1,725.00
ZIMMER HOLDINGS INC 1.4% BDS 30/NOV/2014 SEMI-ANN. 1.400% 11/30/2014 98956PAD4	100.1106 100.752 250,000	250,276.50	251,880.00 301.39	1,603.50
TOTAL CORPORATE BONDS		15,533,984.41	15,666,048.99 49,784.62	132,064.58
ASSET BACKED				
BANK ONE ISSUANCE TRUST SER 2004-A3 CL A MONTHLY FLOATING 02/15/2017 06423RBK1	100.0898 100.1776 1,000,000	1,000,898.44	1,001,776.00 157.92	877.56
CNH EQUIPMENT TST 0.65% MTG BDS 16/APR/2 MONTHLY 0.650% 04/16/2018 12624HAC7	99.9801 99.9403 700,000	699,860.49	699,582.10 202.22	(278.39)

AS OF DECEMBER 31, 2012

* * SECURITIES * *	UNIT COST SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
FORD CREDIT FLOREPLAN MASTER OWNER TRUST MONTHLY FLOATING 09/15/2016 34528QBU7	100.00 100.0344 300,000	300,000.00	300,103.20 69.88	103.20
GE EQUIPMENT TRANSPORTATION LLC 0.62% MT MONTHLY 0.620% 07/25/2016 36163AAD6	99.9825 100.1146 900,000	899,842.59	901,031.40 108.50	1,188.81
GOLDEN CREDIT CARD TRUST 0.79% MTG BDS 1 MONTHLY 0.790% 09/15/2017 380881BT8	99.9892 100.256 400,000	399,956.92	401,024.00 140.44	1,067.08
GOLDEN CREDIT CARD TRUST 2012-3 SR NTS V MONTHLY FLOATING 07/17/2017 380881BP6	100.00 100.4924 350,000	350,000.00	351,723.40 96.10	1,723.40
HYUNDAI AUTO RECEIVABLES TRUST 2012 0.54 MONTHLY 0.540% 01/15/2015 44890HAB9	99.9965 100.1425 300,000	299,989.38	300,427.50 72.00	438.12
HYUNDAI AUTO RECEIVABLES TRUST 2012-C A- MONTHLY 0.530% 04/17/2017 44890KAC0	99.9874 100.01 200,000	199,974.78	200,020.00 47.11	45.22
RESIDENTIAL ASSET SECURITIES CORP FLTG R MONTHLY FLOATING 05/25/2033 760985UU3	99.8718 82.5267 1,411.4700	1,409.66	1,164.84 0.20	(244.82)
TOTAL ASSET BACKED		4,151,932.26	4,156,852.44 894.37	4,920.18
CMO/REMIC				
FANNIE MAE 2002-52 FG VARIABLE 25/SEP/20 MONTHLY FLOATING 09/25/2032 31392EGV6	100.5625 101.0597 90,085.1000	90,591.83	91,039.73 12.03	447.90
FANNIE MAE 2010-13 KA 2.000% 25/DEC/2018 MONTHLY 2.000% 12/25/2018 31398MNB8	99.875 102.0279 329,249.0900	328,837.53	335,925.93 548.75	7,088.40
FREDDIE MAC 3610 AB 1.400% 15/DEC/2014 MONTHLY 1.400% 12/15/2014 31398LL48	99.9375 100.2197 219,064.0600	218,927.15	219,545.34 255.57	618.19

* * SECURITIES * *	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
FREDDIE MAC 3649 EB 2.000% 15/DEC/2018 MONTHLY 2.000% 12/15/2018 31398VA97	99.6484 101.9534 590,313.7300	588,238.42	601,844.92 983.86	13,606.50
FREDDIE MAC 3649 HA 2.250% 15/NOV/2018 MONTHLY 2.250% 11/15/2018 31398VAG1	99.8672 102.4391 679,325.4900	678,423.26	695,894.92 1,273.74	17,471.66
FREDDIE MAC 3649 HB 2.000% 15/NOV/2018 MONTHLY 2.000% 11/15/2018 31398VAH9	99.2422 102.001 679,325.4900	674,177.50	692,918.79 1,132.21	18,741.29
TOTAL CMO/REMIC		2,579,195.69	2,637,169.63 4,206.16	57,973.94
TOTAL FIXED INCOME		28,826,434.40	29,044,756.32 71,687.99	218,321.92
CASH EQUIVALENTS				
STIF				
JPM PRIME MM FUND-CAPITAL SHS MONTHLY VARIABLE 12/31/2049 481992JQ9	100.00 100.00 15,336,548.6100	15,336,548.61	15,336,548.61 1,733.65	0.00
TOTAL STIF		15,336,548.61	15,336,548.61 1,733.65	0.00
TOTAL CASH EQUIVALENTS		15,336,548.61	15,336,548.61 1,733.65	0.00
SHORT TERM INVESTMENTS				
TREASURY BILLS				
UNITED STATES TREAS BILLS DT 0.000% 04/04/2013 9127956F3	99.9832 99.984 750,000	749,873.98	749,880.00 0.00	6.02
UNITED STATES TREAS BILLS DT 0.000% 06/27/2013 9127956W6	99.9587 99.946 300,000	299,876.03	299,838.00 0.00	(38.03)



	UNIT COST MARKET PRICE SHARES/PAR	COST	MARKET VALUE ACCRUED INCOME	UNREALIZED GAIN (LOSS)
* * SECURITIES * *				
TOTAL TREASURY BILLS		1,049,750.01	1,049,718.00 0.00	(32.01)
TOTAL SHORT TERM INVESTMENTS		1,049,750.01	1,049,718.00 0.00	(32.01)
TOTAL SECURITIES		45,212,733.02	45,431,022.93 73,421.64	218,289.91