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

ENVELOPE POSTMARK DATE AUG 26 2013

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation: KENNETH C TOWNSON FUND R55826003

A Employer identification number: 51-0244200

Number and street (or P O box number if mail is not delivered to street address): 10 S DEARBORN IL1-0117 — Room/suite:

B Telephone number (see instructions): 866- 888-5157

City or town, state, and ZIP code: CHICAGO, IL 60603

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 [X] 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: [X] 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)* ▶ $ 1,089,425.

J Accounting method: [X] 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) (see instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc, received (attach schedule)				
	2 Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	20,412.	20,367.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	29,282.			
	b Gross sales price for all assets on line 6a 465,682.				
	7 Capital gain net income (from Part IV, line 2)		29,282.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)		-4,702.		STMT 1
	12 **Total.** Add lines 1 through 11	49,694.	44,947.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	13,315.	9,987.		3,329.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 2	821.	418.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 3	250.	154.		250.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	14,386.	10,559.		3,579.
	25 Contributions, gifts, grants paid	51,500.			51,500.
	26 **Total expenses and disbursements** Add lines 24 and 25	65,886.	10,559.		55,079.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-16,192.			
	b **Net investment income** (if negative, enter -0-)		34,388.		
	c **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	10,442.	1,714.	1,714.
	2 Savings and temporary cash investments	50,318.	35,122.	35,122.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)	754,298.	662,561.	758,732.
	c Investments - corporate bonds (attach schedule)	184,648.	138,189.	141,029.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule) STMT 4		149,313.	152,828.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	999,706.	986,899.	1,089,425.
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 (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)		NONE	
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	999,706.	986,899.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	999,706.	986,899.	
	31 Total liabilities and net assets/fund balances (see instructions)	999,706.	986,899.	

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	999,706.
2	Enter amount from Part I, line 27a	2	-16,192.
3	Other increases not included in line 2 (itemize) ▶ MUTUAL FUND INCOME TIMING DIFFERENCES	3	3,385.
4	Add lines 1, 2, and 3	4	986,899.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	986,899.

51-0244200

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	465,680.		436,400.	29,280.
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col. (h))
a				29,280.
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	29,282.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	3,454.	1,059,304.	0.003261
2010	59,688.	1,033,795.	0.057737
2009	61,295.	927,878.	0.066059
2008	67,179.	1,135,235.	0.059176
2007	88,571.	1,390,960.	0.063676

2 **Total** of line 1, column (d)	2	0.249909
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.049982
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,077,182.
5 Multiply line 4 by line 3	5	53,840.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	344.
7 Add lines 5 and 6	7	54,184.
8 Enter qualifying distributions from Part XII, line 4	8	55,079.

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 ▶ [X] and enter 1% of Part I, line 27b			1	344.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	
3	Add lines 1 and 2			3	344.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	344.
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,400.		
b	Exempt foreign organizations - tax withheld at source	6b	NONE		
c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	1,400.
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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	1,056.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 344. **Refunded** ▶			11	712.

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 the definition)? *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*	1b		X
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. ▶ $ ________ (2) On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
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?	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		
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 ▶ JPMorgan Chase Bank, NA Telephone no ▶ (866)888-5157

Located at ▶ 10 S DEARBORN ST. FL 21, CHICAGO, IL ZIP+4 ▶ 60603

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 |

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)		2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ 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.)*		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)*

		Yes	No
5a	During the year did the foundation pay or incur any amount to		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945-5(d)		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b**		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? **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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JPMorgan Chase Bank, NA 10 S Dearborn St. Fl 21, Chicago, IL 60603	trustee 2	13,315.	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		NONE	NONE	NONE

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services . . . ▶		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 . . . ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	1,042,006.
b	Average of monthly cash balances	1b	51,580.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	1,093,586.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	1,093,586.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	16,404.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,077,182.
6	**Minimum investment return.** Enter 5% of line 5	6	53,859.

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	53,859.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	344.		
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	344.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	53,515.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	53,515.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	53,515.

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	55,079.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	55,079.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	344.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	54,735.

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				53,515.
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			NONE	
b	Total for prior years 20____,20____,20____		NONE		
3	Excess distributions carryover, if any, to 2012.				
a	From 2007 — 11,680.				
b	From 2008 — 10,841.				
c	From 2009 — 15,131.				
d	From 2010 — 8,731.				
e	From 2011 — NONE				
f	**Total** of lines 3a through e	46,383.			
4	Qualifying distributions for 2012 from Part XII, line 4. ▶ $ 55,079.				
a	Applied to 2011, but not more than line 2a			NONE	
b	Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c	Treated as distributions out of corpus (Election required - see instructions)	NONE			
d	Applied to 2012 distributable amount				53,515.
e	Remaining amount distributed out of corpus	1,564.			
5	Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e. Subtract line 5	47,947.			
b	Prior years' undistributed income Subtract line 4b from line 2b		NONE		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d	Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e	Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				NONE
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	11,680.			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	36,267.			
10	Analysis of line 9				
a	Excess from 2008 — 10,841.				
b	Excess from 2009 — 15,131.				
c	Excess from 2010 — 8,731.				
d	Excess from 2011 — NONE				
e	Excess from 2012 — 1,564.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a 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
2a 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

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*				
South Shore YMCA 70 CODDINGTON STREET Quincy MA 02165	NONE	PUBLIC CHA	GRANT	2,500.
Guiding Eyes foir the Blind 611 GRANITE SPRINGS ROAD Yorktown Heights NY	NONE	PUBLIC CHA	GRANT	2,000.
University of Rochester 910 GENESEE ST STE 200 Rochester NY 14611	NONE	PUBLIC CHA	GRANTS SEE ATTACHED	26,500.
American National Red Cross 2025 E STREET Washington DC 20006	NONE	PUBLIC CHA	GRANT; HURRICANE SANDY RELIEF	10,000.
Tampa Bay Performing Arts Center David Straz P.O. BOX 518 Tampa FL 33601	NONE	PUBLIC CHA	CONTRIBUTION	2,500.
Southeastern Guide Dogs 4210 77 TH STREET E Palmetto FL 34221	NONE	PUBLIC CHA	GRANT	3,000.
DeSoto Young Marines P.O. BOX 1570 Palmetto FL 34220	NONE	PUBLIC CHA	CONTRIBUTION	5,000.
Total . . . . ▶ 3a				51,500.
b *Approved for future payment*				
Total . . . . ▶ 3b				

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 (See instructions.)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	20,412.	
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	29,282.	
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)				49,694.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 49,694.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	NOT APPLICABLE

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Anthony Ward | 07/11/2013 | TRUST OFFICER

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no	

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T.
▶ Information about Schedule D (Form 1041) and its separate instructions is at *www.irs.gov/form1041*.

OMB No 1545-0092

2012

Name of estate or trust: KENNETH C TOWNSON FUND R55826003

Employer identification number: 51-0244200

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

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

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

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	8,649.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet	4	( )
5 **Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	8,649.

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

(a) Description of property (Example 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a LONG-TERM CAPITAL GAIN DIVIDENDS					4,346.

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	16,287.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet	11	( )
12 **Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	20,633.

Part III **Summary of Parts I and II**
Caution: *Read the instructions* ***before*** *completing this part.*

			(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			8,649.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			20,633.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c	28% rate gain	14c			2.
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			29,282.

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

Part IV **Capital Loss Limitation**

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

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

Part V **Tax Computation Using Maximum Capital Gains Rates**

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

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

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

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

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the **smaller** of the amount on line 17 or $2,400	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **No.** Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (.15)	30	
31	Figure the tax on the amount on line 23 Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17 Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

SCHEDULE D-1 (Form 1041)

Department of the Treasury Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

▶ Information about Schedule D (Form 1041) and its separate instructions is at *www.irs.gov/form1041*

OMB No 1545-0092

2012

Name of estate or trust: KENNETH C TOWNSON FUND R55826003

Employer identification number: 51-0244200

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

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a 1291.99 BLACKROCK FDS HI Y INSTL*	11/14/2011	03/09/2012	10,000.00	9,535.00	465.00
200. ISHARES MISCI EAFE IN	12/27/2011	03/09/2012	10,864.00	9,880.00	984.00
346.57 JPMORGAN ASIA EQUIT	12/27/2011	03/09/2012	11,063.00	10,116.00	947.00
490.196 PAYDEN HIGH INCOME	12/27/2011	03/09/2012	3,500.00	3,392.00	108.00
397.276 RIDGEWORTH SEIX FL FD I*	12/27/2011	03/09/2012	3,500.00	3,432.00	68.00
698.308 JPMORGAN ASIA EQUI	12/27/2011	06/21/2012	19,636.00	20,384.00	-748.00
189.145 JPMORGAN INTERNATI CURRENCY	07/13/2011	07/09/2012	2,056.00	2,202.00	-146.00
487.465 MATTHEWS PACIFIC T FUND	12/27/2011	07/09/2012	10,500.00	9,974.00	526.00
917.367 PAYDEN HIGH INCOME	12/27/2011	07/09/2012	6,550.00	6,348.00	202.00
4290.224 RIDGEWORTH SEIX F INCOME FD I*	12/27/2011	07/09/2012	37,797.00	37,068.00	729.00
2175. ISHARES INC MSCI JAP	03/09/2012	09/14/2012	20,448.00	21,946.00	-1,498.00
65. SPDR GOLD TRUST	07/09/2012	09/28/2012	11,182.00	10,015.00	1,167.00
1377.703 ROWE T PRICE INTL ASIA FD*	06/21/2012	10/03/2012	22,594.00	20,390.00	2,204.00
20000. BNP QARN SPX 04/24/	04/05/2012	10/24/2012	20,840.00	19,800.00	1,040.00
723.699 DELAWARE EMERGING	12/27/2011	10/25/2012	9,821.00	9,126.00	695.00
313.598 BBH CORE SELECT FU	10/25/2012	12/26/2012	5,435.00	5,479.00	-44.00
324. ISHARES MISCI EAFE IN	VAR	12/26/2012	18,192.00	16,893.00	1,299.00
180.703 MATTHEWS PACIFIC T FUND	12/27/2011	12/26/2012	4,348.00	3,697.00	651.00

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b 8,649.00

Name of estate or trust as shown on Form 1041. Do not enter name and employer identification number if shown on the other side: KENNETH C TOWNSON FUND R55826003

Employer identification number: 51-0244200

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

	(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a	10000. MS BREN EAFE 2/8/12	01/21/2011	02/08/2012	9,425.00	9,900.00	-475.00
	15000. DB REN SPX 3/7/12	02/18/2011	03/07/2012	15,599.00	14,850.00	749.00
	15000. GS REN SPX 4/10/12	03/25/2011	04/10/2012	17,142.00	14,850.00	2,292.00
	20000. BNP CONT BUFF EQ SP	05/06/2011	05/23/2012	20,100.00	19,800.00	300.00
	12000. HSBC BREN EAFE 05/	05/13/2011	05/31/2012	10,175.00	11,880.00	-1,705.00
	662.259 DREYFUS/LAUREL FDS	04/23/2010	07/09/2012	9,371.00	9,384.00	-13.00
	714.259 JPMORGAN INTERNATI CURRENCY	04/06/2010	07/09/2012	7,764.00	7,764.00	
	692.141 JPMORGAN US REAL E	VAR	07/09/2012	12,770.00	9,307.00	3,463.00
	1130. POWERSHARES DB COMMO TRACKING FUND	VAR	07/09/2012	29,784.00	30,312.00	-528.00
	15000. BARC CONT BUFF EQ S	01/07/2011	07/13/2012	15,825.00	14,813.00	1,012.00
	846.049 JPMORGAN GROWTH AD	12/31/2010	08/22/2012	8,418.00	7,462.00	956.00
	20000. GS CONT BUFF EQ SPX	08/10/2011	08/27/2012	24,000.00	19,800.00	4,200.00
	10000. GS BREN EAFE 09/12	08/26/2011	09/12/2012	10,466.00	9,900.00	566.00
	757.165 HIGHBRIDGE DYNAMIC	VAR	10/25/2012	11,562.00	11,278.00	284.00
	574.583 JPMORGAN US REAL E	08/10/2009	10/26/2012	10,159.00	6,038.00	4,121.00
	10000. HSBC BREN EEM 11/15	10/28/2011	11/15/2012	10,000.00	9,900.00	100.00
	. BANK OF AMERICA CORPORAT		12/06/2012	3.00		3.00
	253.905 JPMORGAN TAX AWARE	01/27/2011	12/26/2012	5,012.00	4,652.00	360.00
	183.914 PARNASSUS EQTY INC	11/14/2011	12/26/2012	5,435.00	4,833.00	602.00

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b 16,287.00

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
POWERSHARES DB COMMODITY TRACKING INDEX		-596.
BASIS ADJUSTMENT POWERSHARES DB CTI		-4,106.
TOTALS		-4,702.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FEDERAL ESTIMATES - INCOME	403.	
FOREIGN TAXES ON QUALIFIED FOR	392.	392.
FOREIGN TAXES ON NONQUALIFIED	26.	26.
TOTALS	821.	418.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
NY STATE AG FINING FEES	250.		250.
POWERSHARES DB COMMODITY TRACK		154.	
TOTALS	250.	154.	250.

KENNETH C TOWNSON FUND R55826003 51-0244200

FORM 990PF, PART II - OTHER INVESTMENTS

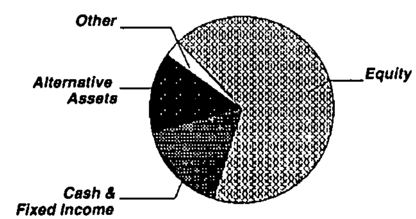
DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
ALTERNATIVE INVESTMENTS	C	149,313.	152,828.
TOTALS		149,313.	152,828.

Account Summary

PRINCIPAL

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	781,181 05	758,731 92	(22,449 13)	9,182 31	69%
Alternative Assets	143,595 48	152,828 35	9,232.87	2,276.85	14%
Cash & Fixed Income	193,099 48	176,151 31	(16,948 17)	4,404 33	16%
Other	1 00	1 00	0 00		1%
Market Value	**$1,117,877.01**	**$1,087,712.58**	**($30,164.43)**	**$15,863.49**	**100%**

Asset Allocation



INCOME

Cash Position	Beginning Market Value	Ending Market Value	Change In Value
Cash Balance	7,073 38	1,713.74	(5,359.64)
Accruals	144.34	739 28	594.94
Market Value	**$7,217.72**	**$2,453.02**	**($4,764.70)**

Account Summary CONTINUED

Portfolio Activity	PRINCIPAL Current Period Value	PRINCIPAL Year-to-Date Value	INCOME Current Period Value	INCOME Year-to-Date Value
Beginning Market Value	**1,117,877.01**	**1,008,326.51**	**7,073.38**	**10,442.25**
Additions			38,505 62	38,505.62
Withdrawals & Fees	(38,505.62)	(38,505.62)	(51,500 00)	(65,468 42)
Securities Transferred Out		(3.00)	--	--
Net Additions/Withdrawals	**($38,505.62)**	**($38,508.62)**	**($12,994.38)**	**($26,962.80)**
Income	806 27	1,255.12	7,634.74	18,234 29
Change In Investment Value	7,534.92	116,639.57		
Ending Market Value	**$1,087,712.58**	**$1,087,712.58**	**$1,713.74**	**$1,713.74**
Accruals	--	--	739.28	739 28
Market Value with Accruals	**--**	**--**	**$2,453.02**	**$2,453.02**

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	8,412 41	19,158.84
Interest Income	1 42	17.48
Original Issue Discount	27.18	313 09
Taxable Income	**$8,441.01**	**$19,489.41**

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions	3,116 43	4,128.97
ST Realized Gain/Loss	1,906 24	8,650 02
LT Realized Gain/Loss	964.77	20,392 84
Realized Gain/Loss	**$5,987.44**	**$33,171.83**

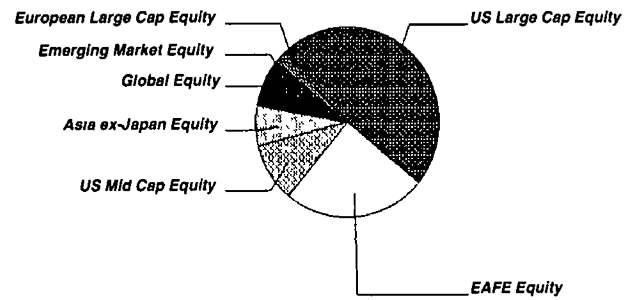
	To-Date Value
Unrealized Gain/Loss	**$102,526.80**

Cost Summary	Cost
Equity	662,560.86
Cash & Fixed Income	173,311 26
Total	**$835,872.12**

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	380,780.91	363,913 21	(16,867.70)	33%
US Mid Cap Equity	79,684 26	79,076.32	(607.94)	7%
EAFE Equity	193,613 82	180,168.70	(13,445.12)	17%
European Large Cap Equity	11,961 72	12,208 92	247 20	1%
Asia ex-Japan Equity	58,393 85	55,041.33	(3,352 52)	5%
Emerging Market Equity	23,401 11	34,283.09	10,881.98	3%
Global Equity	33,345.38	34,040 35	694.97	3%
Total Value	**$781,181.05**	**$758,731.92**	**($22,449.13)**	**69%**

Asset Categories



Equity as a percentage of your portfolio - 69 %

Market Value/Cost	Current Period Value
Market Value	758,731 92
Tax Cost	662,560 86
Unrealized Gain/Loss	96,171 06
Estimated Annual Income	9,182.31
Accrued Dividends	527 07
Yield	1 21%

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc / Accrued Div	Yield
US Large Cap Equity							
BBH FD INC TAX EFFIC EQ N 05528X-60-4 BBTE X	17 35	2,345 800	40,699 63	40,590.19	109 44	225 19	0 55 %
BNP REN SPX 07/31/13 2 XLEV- 10 25%CAP- 20.5%MAXPYMT INITIAL LEVEL-07/13/12 SPX.1356 78 05567L-6D-4	106.71	15,000 000	16,006.79	14,850.00	1,156.79		
FMI FDS INC LARGE CAP FD 302933-20-5 FMIH X	17 10	1,734 906	29,666 89	25,000.00	4,666 89	340 04 127 13	1 15 %
HSBC CONT BUFF EQ SPX 6/5/13 76.5% CONTIN BARRIER- 5%CPN 15% CAP INITIAL LEVEL-5/18/12 SPX 1295 22 4042K1-N3-3	107 26	15,000.000	16,089.00	14,850 00	1,239 00		
JPM LARGE CAP GROWTH FD - SEL FUND 3118 4812C0-53-0 SEEG X	23 95	1,023 744	24,518.67	21,744 32	2,774.35	205 77 5 51	0 84 %
JPM TAX AWARE EQUITY - INSTL FUND 1236 4812A1-65-4 JPDE X	19 86	2,740 981	54,435 88	40,086.24	14,349 64	1,016 90	1.87 %
JPM TR I GROWTH ADVANTAGE FD - SEL FUND 1567 4812A3-71-8 JGAS X	10 03	4,090 804	41,030.76	35,972 42	5,058.34	396 80	0 97 %
LEGG MASON PARTNERS APPRECIATION CL I 52468E-40-2 SAPY X	15.60	807 071	12,590 31	10,500 00	2,090.31	221.94	1 76 %

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
US Large Cap Equity							
PARNASSUS INCOME TRUST - EQUITY INCOME FUND 701769-10-1 PRBL X	29.20	1,357.182	39,629.71	35,666.74	3,962 97	1,000 24	2.52 %
PRIMECAP ODYSSEY FUNDS ODYSSEY STK FD 74160Q-30-1 POSK X	15 98	1,394.700	22,287.31	20,000 00	2,287 31	343 09	1.54 %
SG CONT BUFF EQ SPX 11/20/13 80% CONTIN BARRIER- 5 55%CPN 15% CAP INITIAL LEVEL-11/02/12 SPX 1414.2 78423E-ET-7	99.90	12,000 000	11,988 00	11,880 00	108.00		
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	142.41	386 000	54,970 26	44,513 92	10,456.34	1,197 75 394 43	2 18 %
Total US Large Cap Equity			**$363,913.21**	**$315,653.83**	**$48,259.38**	**$4,947.72** **$527.07**	**1.36 %**
US Mid Cap Equity							
ASTON OPTIMUM MID CAP FUND I 00078H-15-8 ABMI X	33 84	672.131	22,744.91	20,500.00	2,244 91		
ISHARES CORE S&P MID-CAP ETF 464287-50-7 IJH	101.70	300 000	30,510 00	26,604 90	3,905 10	435 30	1.43 %
JPM MARKET EXPANSION INDEX FD - SEL FUND 3708 4812C1-63-7 PGMI X	10.61	2,433.686	25,821 41	22,100.00	3,721.41	219 03	0 85 %
Total US Mid Cap Equity			**$79,076.32**	**$69,204.90**	**$9,871.42**	**$654.33**	**0.83 %**

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div	Yield

EAFE Equity

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div	Yield
CS BREN EAFE GIO 02/16/13 10%BUFFER-2 XLEV- 10 65%CAP 21 3%MAXRTRN INITIAL LEVEL-01/20/12·SX5E·2426.96 UKX:5728 55 TPX 755 47 22546T-KZ-3	113 18	10,000.000	11,317.59	9,900 00	1,417.59		
CS BREN EAFE 09/25/13 10%BUFFER-2 XLEV- 10 25%CAP 40%MAXRTRN INITIAL LEVEL-09/07/12:SX5E· 2538 60 UKX. 5794 80 TPX· 735 17 22546T-YZ-8	104 40	10,000.000	10,440 00	9,900.00	540 00		
DODGE & COX INTERNATIONAL STOCK 256206-10-3 DODF X	34 64	1,727 579	59,843 34	52,820 18	7,023 16	1,290 50	2 16%
GS BREN EAFE 06/12/13 10%BUFFER-2 XLEV- 10 9%CAP 21 8%MAXRTRN INITIAL LEVEL-05/25/12 SX5E.21618.7 UKX 5388 28 TPX 722.11 38143U-V8-1	115.09	10,000 000	11,508 70	9,900 00	1,608.70		
HSBC BREN EAFE 03/06/13 10%BUFFER-2 XLEV- 9 5%CAP 19% MAXRTN INITIAL LEVEL-02/17/12. SX5E 2520 31 UKX 5905 07 TPX 810 45 4042K1-XT-5	106.08	10,000 000	10,608 00	9,900 00	708.00		
ISHARES MSCI EAFE INDEX FUND 464287-46-5 EFA	56 86	93.000	5,287.98	4,594.19	693 79	163 58	3 09%

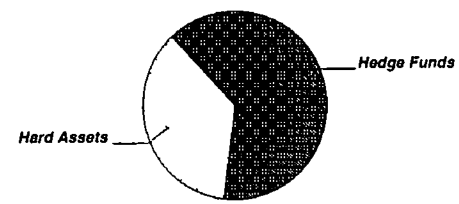
	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
EAFE Equity							
MANNING & NAPIER FUND INC WORLD OPPORTUNITIES SERIES FUND 563821-54-5 EXWA X	7.75	4,590.576	35,576.96	30,088.33	5,488 63	555 45	1 56 %
T. ROWE PRICE OVERSEAS STOCK FUND 77956H-75-7 TROS X	8.50	4,186 604	35,586.13	31,541.82	4,044.31	711.72	2 00 %
Total EAFE Equity			**$180,168.70**	**$158,644.52**	**$21,524.18**	**$2,721.25**	**1.51 %**
European Large Cap Equity							
DB MARKET PLUS SX5E 03/19/14 80% CONTIN BARRIER- 7.6%CPN ,UNCAPPED INITIAL LEVEL-09/14/12 SX5E 2594 56 2515A1-LR-0	101.74	12,000 000	12,208.92	11,850.00	358 92		
Asia ex-Japan Equity							
CS BREN ASIA BASKET 07/03/13 10%BUFFER-2 XLEV- 9%CAP 18%MAXRTRN INITIAL LEVEL-06/15/12 ASIA BSKT 100 22546T-VD-0	112 45	10,000 000	11,245 00	9,900 00	1,345 00		
DB BREN ASIA BASKET 01/24/13 10%BUFFER-2 XLEV- 9%CAP 18%MAXRTRN INITIAL LEVEL-01/06/12 ASIA BASKET 1 00 00 2515A1-G5-4	117 87	10,000.000	11,787 40	9,900 00	1,887 40		

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Inc. / Accrued Div	Yield
Asia ex-Japan Equity							
MATTHEWS PACIFIC TIGER INSTL FUND 577130-83-4 MIPT X	24.41	1,311 304	32,008.93	26,829.29	5,179.64	264 88	0.83%
Total Asia ex-Japan Equity			**$55,041.33**	**$46,629.29**	**$8,412.04**	**$264.88**	**0.48%**
Emerging Market Equity							
DELAWARE EMERGING MARKETS FUND 245914-81-7 DEMI X	14.41	901.995	12,997 75	11,374 16	1,623.59	128 08	0.99%
VANGUARD MSCI EMERGING MARKETS ETF 922042-85-8 VWO	44.53	478.000	21,285.34	19,504.16	1,781.18	466.05	2 19%
Total Emerging Market Equity			**$34,283.09**	**$30,878.32**	**$3,404.77**	**$594.13**	**1.74%**
Global Equity							
BNP DELTA ONE MSCI WORLD TR 6/14/13 100%A F, UNCAPPED INITIAL LEVEL5/25/12 NDDUWI:3000 541 05567L-5F-0	114 13	15,000 000	17,118.85	14,850.00	2,268.85		
HSBC DELTA ONE MSCI WORLD TR 6/14/13 100%A F, UNCAPPED INITIAL LEVEL5/25/12 NDDUWI 3000 541 4042K1-P4-9	112.81	15,000 000	16,921 50	14,850.00	2,071.50		
Total Global Equity			**$34,040.35**	**$29,700.00**	**$4,340.35**	**$0.00**	**0.00%**

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	86,341 28	96,762.90	10,421 62	9%
Hard Assets	57,254.20	56,065.45	(1,188 75)	5%
Total Value	**$143,595.48**	**$152,828.35**	**$9,232.87**	**14%**

Asset Categories



Alternative Assets as a percentage of your portfolio - 14 %

Alternative Assets Detail

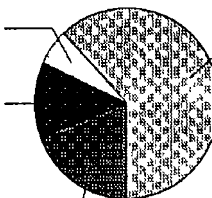
	Price	Quantity	Estimated Value	Cost
Hedge Funds				
AIM INVT FDS BAL RISK ALL Y 00141V-69-7 ABRY X	12.53	1,671.937	20,949 37	21,150.00
ARBITRAGE FUNDS - I CL I 03875R-20-5 ARBN X	12 77	810 398	10,348 78	10,600 00

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
EATON VANCE MUT FDS TR GB MACRO ABSOLUTE RTN I 277923-72-8 EIGM X	9 83	2,159 765	21,230 49	21,680.72
GATEWAY FUND - Y 367829-88-4 GTEY X	27.11	1,234 489	33,467 00	33,741.40
HSBC FDS TOTAL RETURN I 40428X-15-6 HTRI X	10.30	1,045 365	10,767 26	10,600.00
Total Hedge Funds			**$96,762.90**	**$97,772.12**
Hard Assets				
BARC BREN COMMODITY BSKT 11/21/13 LKD TO CO1 PLTMLNPM LOCADY & SPGCGRP 1 85%LEV, 20%BUFFER, 27.75%MAXRTN 11/18/11 06738K-ZN-4	110.20	10,000.000	11,020.00	9,850 00
BARC PARTICIPATING GOLD NOTE 10/09/13 LNKD TO GOLDLNPM 85%BARRIER, 17 50%MAXRTN 9/28/12; INITIAL STRIKE: 1776.00 06741T-HL-4	96.82	12,000 000	11,618 40	11,880.00
PIMCO COMMODITIES PLUS STRATEGY P 72201P-16-7 PCLP X	10.89	1,031 250	11,230 31	11,034.38
SPDR GOLD TRUST 78463V-10-7 GLD	162 02	137.000	22,196 74	18,776 16
Total Hard Assets			**$56,065.45**	**$51,540.54**

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	52,477.68	35,122.08	(17,355.60)	3%
US Fixed Income	108,142 26	108,397.16	254.90	10%
Complementary Structured Strategies	18,793.00	18,909 00	116 00	2%
Foreign Exchange & Non-USD Fixed Income	13,686 54	13,723 07	36.53	1%
Total Value	**$193,099.48**	**$176,151.31**	**($16,948.17)**	**16%**

Asset Categories



Cash & Fixed Income as a percentage of your portfolio - 16 %

Market Value/Cost	Current Period Value
Market Value	176,151.31
Tax Cost	173,311 26
Unrealized Gain/Loss	2,840.05
Estimated Annual Income	4,404 33
Accrued Interest	141.22
Yield	2 50%

SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months[1]	166,574 31	95%
6-12 months[1]	9,577 00	5%
Total Value	**$176,151.31**	**100%**

[1] The years indicate the number of years until the bond is scheduled to mature based on the statement end date Some bonds may be called, or paid in full, before their stated maturity.

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	35,122 08	19%
International Bonds	11,067.97	6%
Mutual Funds	111,052.26	65%
Complementary Structure	18,909 00	10%
Total Value	**$176,151.31**	**100%**

Note O - Bonds purchased at a discount show accretion
[1] This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account.

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
Cash							
US DOLLAR PRINCIPAL	1 00	35,122 08	35,122 08	35,122 08		10 53	0 03 % [1]
US Fixed Income							
PAYDEN HIGH INCOME FUND 704329-57-2	7 36	1,482 61	10,912 01	10,259.66	652.35	756.13	6 93 %
JPM STR INC OPP FD FUND 3844 4812A4-35-1	11.83	935 59	11,067.97	10,197.88	870 09	446 27 38.36	4 03 %
DOUBLELINE FDS TR TTL RTN BD I 258620-10-3	11.33	945.58	10,713 47	10,600 00	113.47	679.87 53 29	6.35 %
JPM SHORT DURATION BOND FD - SEL FUND 3133 4812C1-33-0	10 99	3,813 20	41,907 04	42,036.83	(129.79)	629 17 49 57	1.50 %
VANGUARD FI SECS F INTR TRM CP PT FUND 71 922031-88-5	10.32	1,044 97	10,784 09	10,753 48	30 61	386 63	3 59 %

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
US Fixed Income							
BLACKROCK HIGH YIELD BOND 091929-63-8	8.09	2,844 57	23,012 58	20,965 12	2,047 46	1,416 59	6 16%
Total US Fixed Income			**$108,397.16**	**$104,812.97**	**$3,584.19**	**$4,314.66** **$141.22**	**3.98%**
Complementary Structured Strategies							
O **DB 95% PPN FX BASKET 2/1/13** LNKED TO MXN INR CNY & RUB VS USD 1 40XLEV, UNCAPPED 7/29/11 2515A1-B5-9	93 32	10,000 00	9,332.00	9,999.52 9,875 00	(667.52)		
O **BARC 93% PPN CURRENCY BASKET 9/13/13** LNKED TO 3 CURRENCY BSKTS 50% 35% & 15% WEIGHT,UNCAPPED 9/9/11 06738K-UP-4	95 77	10,000 00	9,577 00	10,140.68 9,850 00	(563.68)		
Total Complementary Structured Strategies			**$18,909.00**	**$20,140.20** **$19,725.00**	**($1,231.20)**	**$0.00**	**0.00%**
Foreign Exchange & Non-USD Fixed Income							
JPM INTL CURRENCY INCOME FD 4812A3-29-6	11 27	1,217.66	13,723 07	13,236 01	487 06	79 14	0 58%

Other Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Other	1.00	1.00	0.00	1%

Market Value/Cost	Current Period Value
Estimated Value	1 00

Note: ** Unrealized Gain/Loss is shown as "N/A" in cases where we do not have appropriate cost information for all tax lots comprising the position Please contact your J P Morgan team for additional information.

Other Detail

	Price	Quantity	Value	Adjusted Cost / Original Cost	Unrealized Gain/Loss	Accruals
Other						
COPY OF AMENDMENT TO TRUST Z00603-00-3	100 00	1.000	1 00	N/A **	N/A	