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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	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
ASSETS	1	Cash – non-interest-bearing	1,689.	1,689.	1,689.
	2	Savings and temporary cash investments	59,967.	62,068.	62,068.
	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 sch)			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) L-10b Stmt	823,348.	782,166.	782,166.
	c	Investments – corporate bonds (attach schedule) L-10c Stmt	410,848.	394,030.	394,030.
	11	Investments – land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
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 l)	1,295,852.	1,239,953.	1,239,953.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)			
NET ASSET 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			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,295,852.	1,239,953.	
	30	Total net assets or fund balances (see instructions)	1,295,852.	1,239,953.	
31	Total liabilities and net assets/fund balances (see instructions)	1,295,852.	1,239,953.		

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	1,295,852.
2	Enter amount from Part I, line 27a	2	-149,626.
3	Other increases not included in line 2 (itemize) UNREALIZED APPRECIATION	3	93,727.
4	Add lines 1, 2, and 3	4	1,239,953.
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	1,239,953.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a CAPITAL GAIN DISTRIBUTION	P	Various	Various
b SEE ATTACHED SCHEDULE	P	Various	Various
c SPDR GOLD TR	P	Various	Various
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5,040.		0.	5,040.
b 186,923.		163,217.	23,706.
c 64.		0.	64.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(j) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	5,040.
b 0.	0.	0.	23,706.
c 0.	0.	0.	64.
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	28,810.
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	0.

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 (column (b) divided by column (c))
2011	140,458.	1,357,349.	0.103480
2010	131,392.	1,228,474.	0.106955
2009	116,401.	1,091,657.	0.106628
2008	127,521.	917,791.	0.138943
2007	124,331.	977,508.	0.127192

2 Total of line 1, column (d)	2	0.583198
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	0.116640
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,275,128.
5 Multiply line 4 by line 3	5	148,731.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	538.
7 Add lines 5 and 6	7	149,269.
8 Enter qualifying distributions from Part XII, line 4	8	165,347.

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)

1 a 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 instrs)			
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	538.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	538.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	538.
6 Credits/Payments			
a 2012 estimated tax prmts and 2011 overpayment credited to 2012	6 a	3,241.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d	7	3,241.	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,703.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax	11	2,703.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		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? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NC – North Carolina		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ <u>PHILLIPS BRAGG</u> Telephone no ▶ <u>(704) 377-0261</u> Located at ▶ <u>1031 S. CALDWELL ST., STE. 200 CHARLOTTE, NC</u> ZIP + 4 ▶ <u>28203</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>			
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
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	
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?	1 c	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20 __ , 20 __ , 20 __ , 20 __		
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)	2 b	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 ▶ 20 __ , 20 __ , 20 __ , 20 __		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 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)	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

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

5 a 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)? Yes No

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)

6 a 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

7 a 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

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
JOHN B. SCHUG 7013 ERIN COURT CHARLOTTE NC 28210	TRUSTEE 2.00	0.	0.	0.
PEGGY C. SCHUG 7013 ERIN COURT CHARLOTTE NC 28210	TRUSTEE 2.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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 ----- -----		
----- -----		
----- -----		
----- -----		
----- -----		

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 ----- -----	
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 ----- -----	
2 ----- -----	
All other program-related investments. See instructions.	
3 ----- -----	
Total. Add lines 1 through 3	

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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	1 a	1,252,592.
b Average of monthly cash balances	1 b	41,954.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	1,294,546.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,294,546.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	19,418.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,275,128.
6 Minimum investment return. Enter 5% of line 5	6	63,756.

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	63,756.
2 a Tax on investment income for 2012 from Part VI, line 5	2 a	538.
b Income tax for 2012 (This does not include the tax from Part VI)	2 b	
c Add lines 2a and 2b	2 c	538.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	63,218.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	63,218.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	63,218.

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	1 a	165,347.
b Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	165,347.
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	538.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	164,809.

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				63,218.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2012				
a From 2007	80,853.			
b From 2008	83,682.			
c From 2009	67,611.			
d From 2010	73,867.			
e From 2011	73,749.			
f Total of lines 3a through e	379,762.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 165,347.				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				63,218.
e Remaining amount distributed out of corpus	102,129.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	481,891.			
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				
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 instructions			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) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	80,853.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	401,038.			
10 Analysis of line 9:				
a Excess from 2008	83,682.			
b Excess from 2009	67,611.			
c Excess from 2010	73,867.			
d Excess from 2011	73,749.			
e Excess from 2012	102,129.			

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)

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

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

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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

PHILLIPS M. BRAGG
1031 S. CALDWELL ST., STE. 200
CHARLOTTE NC 28203 (704) 377-0261

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

THE SCHUG FOUNDATION SCHOLARSHIP APPLICATION

c Any submission deadlines

APPLICATION DEADLINE FOR NEW APPLICANTS IS APRIL 30 OF EACH YEAR.

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

SCHOLARSHIPS AWARDED TO N.C. RESIDENTS AND TO THE EXTENT FEASIBLE, PREFERENCE FOR SCHOLARSHIPS GIVEN TO RESIDENTS OF MECKLENBURG, HAYWOOD OR

Jackson Counties. R

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				
AMY SHUFORD 230 PEE DEE AVENUE NORWOOD NC 28128	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	3,000.
ANNA ROSE SMITH 14 CASUAL LANE WAYNESVILLE NC 28786	NONE	GOOD	UNC WILMINGTON TUITION	1,500.
DESIRAE' DILLON 1515 HARLAND STREET CHARLOTTE NC 28216	NONE	GOOD	APPALACHIAN STATE TUITION & BOOKS	1,500.
ELIZA MARTH 347 BALSAM DRIVE WAYNESVILLE NC 28786	NONE	GOOD	NC STATE TUITION	1,500.
HUGO CALDERON 2556 NICKELRIDGE CT. CHARLOTTE NC 28273	NONE	GOOD	UNC CHARLOTTE BOOKS	500.
JESSICA JUDD 143 RAINBOW STREET WAYNESVILLE NC 28786	NONE	GOOD	NC STATE TUITION	1,500.
JESSICA SALAS 1616 ALLEN STREET CHARLOTTE NC 28205	NONE	GOOD	UNC CHAPEL HILL TUITION	1,000.
KELLY WOLFE 160 TURKEY HOLLOW COURT WAYNESVILLE NC 28785	NONE	GOOD	UNC CHAPEL HILL TUITION	1,500.
AMANDA HYATT 230 BLANTON DRIVE WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA UNIVERSITY TUITION	1,000.
See Line 3a statement				152,347.
Total				165,347.
b Approved for future payment				
Total				

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses.	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
BANK CHARGES	130.			
INVESTMENT FEES	63.	63.		
Total	<u>193.</u>	<u>63.</u>		

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
COURTNEY WADE 46 FERGUSON COVE LOOP CLYDE NC 28721	NONE	GOOD	NC STATE UNIVERSITY TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
GRACE WILLIAMSON 71 WORSHAM DRIVE WAYNESVILLE NC 28786	NONE	GOOD	NC STATE UNIVERSITY TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
JEFFREY COLEMAN 375 GLENWOOD DRIVE CLYDE NC 28721	NONE	GOOD	EAST CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,334.
KRISTEN ARRINGTON 156 SUTTON LOOP WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
LINDSEY SCHEPPEGRELL 13622 DARBY CHASE DRIVE CHARLOTTE NC 28277	NONE	GOOD	EAST CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
LYNZIE SMITH 535 WALNUT TRAIL WAYNESVILLE NC 28785	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
MORGAN GARDNER 302 WHITE MOUNTAIN ROAD WAYNESVILLE NC 28785	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,483.
NATHAN HAMPTON 143 RAINBOW STREET WAYNESVILLE NC 28786	NONE	GOOD	NC STATE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
WHITLEY ALBURY 214 HAZELWOOD AVENUE WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
BRIANNA FRINK 8318 SHINKANSEN DRIVE CHARLOTTE NC 28213	NONE	GOOD	UNC GREENSBORO TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
CAROLINE LEDFORD 276 FARLEY ST. WAYNESVILLE NC 28786	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
CHELSEA CARPENTER 345 LOW GAP ROAD MAGGIE VALLEY NC 28751	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
DUSTIN WELLS 78 LITTLE CREEK LANE MAGGIE VALLEY NC 28751	NONE	GOOD	LIBERTY UNIVERSITY TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
JESSICA SPANN 1940 WILDWOOD DRIVE CHARLOTTE NC 28214	NONE	GOOD	NC A&T UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
MEGAN GRISSOM 8301 KIRKSTONE COURT CHARLOTTE NC 28216	NONE	GOOD	UNC GREENSBORO TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 4,500.
MEGAN MCLEOD 121 MERRIE WAY WAYNESVILLE NC 28786	NONE	GOOD	DAVIDSON COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
MEREDITH CORN 78 NEWFOUND STREET CANTON NC 28716	NONE	GOOD	UNC CHAPEL HILL TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
STEFANIE COLEMAN 375 GLENWOOD DRIVE CLYDE NC 28721	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
WALTON SHEPHERD 1009 HOOSIER COURT LAKE JUNALUSKA NC 28745	NONE	GOOD	LENOIR-RHYNE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
ALEXANDRA MEDFORD 172 ROUND TOP ROAD WAYNESVILLE NC 28785	NONE	GOOD	APPALACHIAN STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,173.
AUSTIN CHAMBERS 349 CRAWFORD ROAD WAYNESVILLE NC 28785	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
BIANCA MOORE 936 BURTONWOOD CIRCLE CHARLOTTE NC 28212	NONE	GOOD	NC A&T STATE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 4,500.
BLAKE JONES 178 AUBURN PARK DRIVE WAYNESVILLE NC 28786	NONE	GOOD	APPALCHIAN STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
CATHERINE MESSER 278 GRANDVIEW CIRCLE WAYNESVILLE NC 28786	NONE	GOOD	HAYWOOD COMM. COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
CHEASLEI WEATHERS 319 BENJAMIN STREET CHARLOTTE NC 28203	NONE	GOOD	NC A&T STATE UNIV. TUITION & BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 5,021.
DANIEL SETH HARDIN 2295 JONATHAN CREEK RD WAYNESVILLE NC 28785	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
EDWARD OLIVER MARTH 347 BALSAM DRIVE WAYNESVILLE NC 28786	NONE	GOOD	UNC CHAPEL HILL TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foun- dation status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
FREDERICK PEOPLES 7101 IDLEWILD BROOKE LANE CHARLOTTE NC 28212	NONE	GOOD	NC CENTRAL UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
KEMET GRESHAM 5401 AMADO STREET CHARLOTTE NC 28215	NONE	GOOD	NC CENTRAL UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
MAKAYLA WHITE 536 RED BANK ROAD WAYNESVILLE NC 28786	NONE	GOOD	APPALCHIAN STATE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 4,500.
SHAKILA RAMSEUR 129 LANDER STREET CHARLOTTE NC 28208	NONE	GOOD	NC A&T STATE UNIV BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 623.
VICTOR MOORE 1721 HOLLIFORD COURT CHARLOTTE NC 28215	NONE	GOOD	CATAWBA VALLEY COMM. BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,658.
JORDAN PRESNELL 247 4TH STREET WAYNESVILLE NC 28786	NONE	GOOD	UNC ASHEVILLE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
JOSHUA MESSER 392 COMPROMISE DRIVE WAYNESVILLE NC 28785	NONE	GOOD	MARS HILL COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
JASMINE FOWLER 1977 HYATT CREEK ROAD WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
KENDRA KIRKPATRICK 250 TIPP FIELD LANE CLYDE NC 28721	NONE	GOOD	APPALACHIAN STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,300.
JESSICA SAGGUS 363 PRIVATE COVE WAYNESVILLE NC 28785	NONE	GOOD	APPALACHIAN STATE LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 800.
EMILY MASON 449 ASSEMBLY STREET WAYNESVILLE NC 28786	NONE	GOOD	APPALACHIAN STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
ERIK WILLIAMS 32 JC ROAD WAYNESVILLE NC 28785	NONE	GOOD	NASHVILLE AUTO DIESEL COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 7,500.
TAYLOR FISHER 154 SHULER DRIVE MAGGIE VALLEY NC 28751	NONE	GOOD	UNC CHARLOTTE TUITION, LAPTOP, BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,095.
MATHEW STRATTON 731 LOVE CARRIAGE LOOP WAYNESVILLE NC 28785	NONE	GOOD	CATAWBA VALLEY COMM. COLLEGE LAPTOP & SPORTS EQUIP.	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,800.
SARAH ROGERS 1299 FERN TRAIL WAYNESVILLE NC 28786	NONE	GOOD	NC STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,800.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
ALYSSA SORRELLS 81 KIMBERLY LANE WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,800.
MARIA RIVERA P.O. BOX 668 HAZELWOOD NC 28738	NONE	GOOD	APPALACHIAN STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,779.
ZIKIYA WILLIAMS 9027 SINGING PINE ROAD CHARLOTTE NC 28214	NONE	GOOD	CENTRAL PIEDMONT COMM. COLLEGE BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 250.
SYDNEY WAY 2813 SLOAN DRIVE CHARLOTTE NC 28208	NONE	GOOD	NC CENTRAL TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
SHACOYA LOTHERY 906 BEDROCK ROAD CHARLOTTE NC 28270	NONE	GOOD	WINSTON SALEM STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,200.
JEFFREY LOCKHART 5432 CRISFIELD ROAD CHARLOTTE NC 28269	NONE	GOOD	NC A&T UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
GLORY BIENVENUE 2708 FLINTRIDGE DRIVE CHARLOTTE NC 28212	NONE	GOOD	WINSTON SALEM STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,200.
ASANTE' HAZZIEZ 5317 WAKELY COURT CHARLOTTE NC 28208	NONE	GOOD	UNC PEMBROKE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,700.
FREDDY YODI 7015 MARLBROOK DRIVE CHARLOTTE NC 28212	NONE	GOOD	CENTRAL PIEDMONT COMM. COLLEGE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,485.
GARDY SWENGBE 6601 FARMINGDALE DRIVE CHARLOTTE NC 28212	NONE	GOOD	NC A&T UNIV. TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,700.
BRENDON DAVIS 141 WAVERLY HALL DRIVE CHARLOTTE NC 28211	NONE	GOOD	WINSTON SALEM STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,000.
SUEHIER ALI 1613 BEAR BROOK DRIVE CHARLOTTE NC 28214	NONE	GOOD	ELIZABETH CITY STATE UNIV. TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,700.
BRANNON JONES 209 GRANDIN ROAD CHARLOTTE NC 28208	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
GRACIA SHEMBO 4845 ASHLEY PARK LN., APT. 315 CHARLOTTE NC 28210	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 2,000.
HAMPDEN SYDNEY COLLEGE 1 COLLEGE ROAD HAMPDEN SYDNEY VA 23943	NONE	GOOD	CONTRIBUTION	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 2,651.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
JORDAN MCCrackEN 72 JORDAN DRIVE WAYNESVILLE NC 28786	NONE	GOOD	APPALACHIAN STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,545.
NAJEE BROWN 7328 MOSSBOROUGH CT. CHARLOTTE NC 28227	NONE	GOOD	EAST CAROLINA UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 1,500.
SAMUEL A SMITH 89 WILDFLOWER LANE WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 3,000.
JEAN SKELTON 166 AZALEA DRIVE WAYNESVILLE NC 28786	NONE	GOOD	UNC CHAPEL HILL BOOKS	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/> 750.

Total

152,347.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BRAGG FINANCIAL ADVI	INVESTMENT ADVISORY FE	7,807.	7,807.		
BRAGG FINANCIAL ADVI	ADMINISTRATION FEES	9,100.			

Total

16,907. 7,807.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
SEE SCHEDULE	782,166.	782,166.
Total	<u>782,166.</u>	<u>782,166.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
SEE SCHEDULE	394,030.	394,030.
Total	<u>394,030.</u>	<u>394,030.</u>

Realized Gains and Losses
Fiscal Year Ending 12/31/2012

Schug Foundation Foundation Account Acct #: 5QR001239
7013 Erin Court
Charlotte, NC 28210-4906

Realized Gains and Losses

Description	Quantity	Date		Cost	Net Proceeds	Short Term Gains	Total Long Gains	Total Gains
		Acquired	Date Sold					
Bristol-Myers Squibb	100.000	03/06/2009	05/02/2012	1,808.04	3,344.74		1,536.70	1,536.70
Bristol-Myers Squibb	140.000	03/06/2009	05/02/2012	2,532.67	4,682.65		2,149.98	2,149.98
	<u>240.000</u>			<u>4,340.71</u>	<u>8,027.39</u>		<u>3,686.68</u>	<u>3,686.68</u>
Bristol-Myers Squibb	25.000	03/06/2009	06/26/2012	452.26	863.61		411.35	411.35
Bristol-Myers Squibb	200.000	03/06/2009	06/26/2012	3,617.08	6,908.91		3,291.83	3,291.83
	<u>225.000</u>			<u>4,069.34</u>	<u>7,772.52</u>		<u>3,703.18</u>	<u>3,703.18</u>
	<u>465.000</u>			<u>8,410.05</u>	<u>15,799.91</u>		<u>7,389.86</u>	<u>7,389.86</u>
Dell Inc.	205.000	06/26/2001	11/09/2012	4,932.20	1,917.48		-3,014.72	-3,014.72
Europacific Growth F	178.845	12/03/2003	11/09/2012	5,224.01	6,991.00		1,766.99	1,766.99
Frontier Communications	61.000	03/06/2009	11/09/2012	449.98	255.45		-194.53	-194.53
Grainger WW Inc	32.000	03/06/2009	05/02/2012	1,963.37	6,663.59		4,700.22	4,700.22
Hewlett-Packard Ca	235.000	10/17/2005	12/17/2012	6,461.05	3,328.82		-3,132.23	-3,132.23
Ingersoll Rand Co	160.000	12/08/2010	08/15/2012	6,979.80	7,271.41		291.61	291.61
Lexmark Intl Group	80.000	04/20/2011	12/17/2012	2,914.50	1,848.57		-1,065.93	-1,065.93
Marathon Oil Corp	200.000	12/08/2010	08/15/2012	4,158.87	5,481.97		1,323.10	1,323.10
Marathon Pete Corp Com	100.000	12/08/2010	06/26/2012	2,813.25	4,240.60		1,427.35	1,427.35
Phillips 66 Com	30.000	11/01/2006	08/15/2012	821.74	1,208.33		386.59	386.59
Phillips 66 Com	50.000	09/07/2007	08/15/2012	1,901.18	2,013.89		112.71	112.71
	<u>80.000</u>			<u>2,722.92</u>	<u>3,222.22</u>		<u>499.30</u>	<u>499.30</u>
Queens Road Small Val	275.028	03/06/2009	11/09/2012	2,583.08	4,991.00		2,407.92	2,407.92
Raymond James Finl	235.000	11/01/2006	06/26/2012	7,466.83	7,728.08		261.25	261.25
Sysco Corp	190.000	12/08/2010	06/26/2012	5,575.24	5,457.95		-117.29	-117.29
Target Corp	155.000	09/07/2007	08/15/2012	9,590.28	9,987.24		396.96	396.96
Tjx Companies Inc	142.000	12/08/2010	05/02/2012	3,180.16	6,013.28		2,833.12	2,833.12
US Bancorp Del	175.000	10/14/2008	05/02/2012	5,571.70	5,596.72		25.02	25.02
Vanguard Mid-Cap Gr ETF	75.000	03/03/2008	11/09/2012	4,388.25	4,904.13		515.88	515.88
Vanguard Small Cap Growth E	70.000	09/07/2007	11/09/2012	4,987.78	5,908.56		920.78	920.78
Vanguard ST Corp Bond	165.000	12/08/2010	06/26/2012	12,764.23	13,040.73		276.50	276.50

Realized Gains and Losses
Fiscal Year Ending 12/31/2012

Schug Foundation Foundation Account Acct #: 5QR001239

Realized Gains and Losses

<u>Description</u>	<u>Quantity</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Cost</u>	<u>Net Proceeds</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Vanguard ST Gov't Bond	495.000	12/08/2010	06/26/2012	30,002.15	30,134.42		132.27	132.27
Vanguard ST Govt	339.768	11/01/2006	11/09/2012	3,504.34	3,698.48		194.14	194.14
Vanguard ST Govt	1,162.791	03/09/2007	11/09/2012	12,009.00	12,657.37		648.37	648.37
Vanguard ST Govt	425.816	09/11/2007	11/09/2012	4,431.14	4,635.15		204.01	204.01
	<u>1,928.375</u>			<u>19,944.48</u>	<u>20,991.00</u>		<u>1,046.52</u>	<u>1,046.52</u>
Verizon	115.000	03/06/2009	06/26/2012	2,900.08	5,041.56		2,141.48	2,141.48
Wal Mart Stores Inc	10.000	06/26/2001	11/09/2012	492.25	721.97		229.72	229.72
Wal Mart Stores Inc	75.000	12/03/2003	11/09/2012	4,033.75	5,414.80		1,381.05	1,381.05
Wal Mart Stores Inc	55.000	03/06/2009	11/09/2012	2,707.32	3,970.86		1,263.54	1,263.54
	<u>140.000</u>			<u>7,233.32</u>	<u>10,107.63</u>		<u>2,874.31</u>	<u>2,874.31</u>
Short Term Gains								
Total Long Gains				163,217.58	186,923.32		23,705.74	
Total (Sales)				163,217.58	186,923.32		23,705.74	23,705.74
Total Gains							23,705.74	23,705.74

Portfolio Summary

As of 12/31/2012

Schug Foundation Foundation Account Acct #: 5QR001239
 7013 Erin Court
 Charlotte, NC 28210-4906

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized G/L	% G/L	Maturity Date
US Large Cap								
TECHNOLOGY								
Automatic Data Processing	ADP	165	10/14/2008	9,393.45	5,896	3,498	59%	
Cisco Systems Inc	CSCO	390	11/01/2006	7,663.27	9,512	(1,848)	-19%	
EMC Corp	EMC	690	03/06/2009	17,457.00	6,758	10,699	158%	
IBM	IBM	70	09/07/2007	13,408.50	8,135	5,273	65%	
Intel Corp	INTC	585	12/19/2001	12,062.70	12,423	(360)	-3%	
Microsoft Corp	MSFT	300	10/31/2001	8,012.91	8,437	(424)	-5%	
Oracle Corp	ORCL	270	12/03/2003	8,996.40	3,548	5,448	154%	
Texas Instruments	TXN	225	12/08/2010	6,950.25	7,494	(543)	-7%	
FINANCIAL								
American Express	AXP	190	10/14/2008	10,921.20	5,555	5,367	97%	
Ameriprise Financial	AMP	68	07/31/2008	4,258.84	2,914	1,345	46%	
Bank Of New York Co	BK	300	12/08/2010	7,710.00	8,551	(841)	-10%	
Chubb Corp	CB	100	03/06/2009	7,532.00	3,531	4,001	113%	
Price T Rowe Group Inc	TROW	140	11/24/2004	9,116.39	4,163	4,953	119%	
Progressive Corp Of	PGR	660	03/06/2009	13,926.00	6,821	7,105	104%	
Wells Fargo & Co	WFC	320	12/03/2003	10,937.60	9,116	1,822	20%	
HEALTH CARE								
Abbott Laboratories	ABT	170	10/11/2004	11,135.00	7,019	4,116	59%	
Amgen Inc	AMGN	150	12/08/2010	12,930.00	7,992	4,938	62%	
Becton Dickinson & C. R. Bard, Inc.	BDX	115	12/03/2003	8,991.85	4,662	4,329	93%	
Johnson & Johnson	JNJ	174	08/07/2001	12,197.40	9,018	3,180	35%	
Medtronic Inc	MDT	125	11/01/2006	5,127.50	6,081	(954)	-16%	
Merck & Co Inc	MRK	85	06/26/2001	3,479.90	5,431	(1,951)	-36%	
Pfizer Inc	PFE	265	06/26/2001	6,646.01	10,330	(3,684)	-36%	
CONS STAPLES								
Brown Forman Class B	BF B	150	10/17/2005	9,487.50	4,672	4,816	103%	
Clorox Co	CLX	200	03/06/2009	14,644.00	9,282	5,362	58%	
Colgate-Palmolive Co	CL	75	12/03/2003	7,840.50	4,011	3,830	95%	
Procter & Gamble Co	PG	160	12/03/2003	10,862.40	7,782	3,081	40%	
Wal Mart Stores Inc	WMT	105	03/06/2009	7,164.15	5,169	1,996	39%	
Walgreen Stores	WAG	240	09/07/2007	8,882.40	10,721	(1,839)	-17%	
CONS CYCLICALS								
Home Depot Inc	HD	240	06/26/2001	14,844.00	9,894	4,950	50%	
McDonald's Corp	MCD	115	12/03/2003	10,144.15	3,065	7,080	231%	
News Corp Ltd Spons	NWSA	500	02/01/2006	12,755.00	7,860	4,895	62%	
Tjx Companies Inc	TJX	348	12/08/2010	14,772.60	7,794	6,979	90%	
CAPITAL GOODS								
Danaher Corp	DHR	160	03/03/2008	8,944.00	5,930	3,014	51%	
General Electric Co	GE	170	12/03/2003	3,568.30	5,039	(1,471)	-29%	
Grainger WW Inc	GWV	38	03/06/2009	7,690.06	2,332	5,359	230%	
Minnesota Mining & United Technologies	MMM	120	04/04/2002	11,142.00	8,105	3,037	37%	
	UTX	185	03/06/2009	15,171.85	7,045	8,127	115%	

Portfolio Summary

As of 12/31/2012

Schug Foundation Foundation Account Acct #: 5QR001239

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized G/L	% G/L	Maturity Date
US Large Cap								
COMMUNICATIONS								
AT&T Inc	T	226	06/26/2001	7,618.46	5,415	2,204	41%	
Verizon	VZ	140	03/06/2009	6,057.80	3,531	2,527	72%	
ENERGY								
Apache Corp	APA	100	03/06/2009	7,850.00	5,424	2,426	45%	
Baker Hughes Inc	BHI	168	03/06/2009	6,862.41	3,794	3,068	81%	
Chevrontexaco Corp	CVX	61	12/03/2003	6,596.54	2,352	4,245	180%	
Conocophillips	COP	160	11/01/2006	9,278.40	9,162	116	1%	
Exxon Mobil Corp	XOM	170	06/26/2001	14,713.50	6,411	8,302	129%	
Valero Energy	VLO	145	11/12/2007	4,947.40	9,298	(4,351)	-47%	
UTILITIES								
Dominion Res Inc Va	D	150	09/07/2007	7,770.00	6,381	1,389	22%	
Exelon Corp Com	EXC	185	12/03/2003	5,501.90	7,392	(1,890)	-26%	
Firstenergy Corp	FE	160	11/01/2006	6,681.60	7,476	(794)	-11%	
Southern Co	SO	195	03/06/2009	8,347.95	5,482	2,866	52%	
BASIC MATERIALS								
Air Products & Chems	APD	145	12/03/2003	12,182.90	7,192	4,991	69%	
Dow Chem Co	DOW	155	03/06/2009	5,011.06	1,018	3,993	392%	
SPDR Gold Trust	GLD	100	03/06/2009	16,202.04	9,245	6,957	75%	
REIT								
Kimco Realty Corp	KIM	180	11/24/2004	3,477.60	5,032	(1,554)	-31%	
Vornado Rlty Tr	VNO	72	11/24/2004	5,765.76	5,174	592	11%	
				① 511,895.10	359,550	152,345	42%	
US Mid Cap								
GROWTH MUTUAL FUND								
T R Price Mid Cap Growth	RPMGX	326.039	08/07/2001	18,411.42	12,521	5,890	47%	
VALUE MUTUAL FUND								
T R Price Mid Cap Value	TRMCX	1,056.603	05/12/2003	25,400.74	18,718	6,682	36%	
				① 43,812.16	31,240	12,573	40%	
US Small Cap								
GROWTH MUTUAL FUND								
Vanguard Explorer	VEXPX	161.206	12/03/2003	12,811.04	10,445	2,366	23%	
Vanguard Small Cap Growth	VBK	140	09/07/2007	12,464.20	10,423	2,042	20%	
VALUE MUTUAL FUND								
Queens Road Small Val	QRSVX	4,299.571	03/06/2009	79,456.07	44,927	34,529	77%	
				① 104,731.31	65,794	38,937	59%	
Foreign Equities								
GROWTH MUTUAL FUND								
Europacific Growth F	AEGFX	439.088	12/03/2003	17,998.22	19,246	(1,247)	-6%	
Europacific Growth F-2	AEPFX	866.65	03/06/2009	35,662.65	25,618	10,045	39%	

Portfolio Summary

As of 12/31/2012

Schug Foundation Foundation Account Acct #: 5QR001239

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized G/L	% G/L	Maturity Date
Foreign Equities								
VALUE MUTUAL FUND								
Harbor Intl	HAINX	1,095.733	09/11/2007	68,066.93	48,417	19,649	41%	
				① 121,727.80	93,281	28,447	30%	
Taxable Fixed Incm								
AGENCY								
Vanguard GNMA	VFIIX	6,100.904	03/06/2009	66,560.86	65,018	1,543	2%	
Inflation Protected Securities								
Vanguard Inflation Protected	VIPSX	3,916.184	12/05/2003	56,902.15	46,724	10,179	22%	
US TREASURY/AGENCY								
Vanguard Interm Govt	VFITX	2,793.247	09/11/2007	32,680.99	31,913	768	2%	
Vanguard ST Govt	VSGBX	1,016.492	09/11/2007	10,978.11	10,578	400	4%	
HIGH GRADE CORPORATE BOND								
Capital World Bond F-2	BFWFX	1,587.288	04/28/2010	33,602.89	32,018	1,585	5%	
Vanguard Interm-Trm Corp	VFICX	7,183.859	12/05/2003	74,137.42	69,179	4,959	7%	
Vanguard ST Corp	VFSTX	4,842.177	12/05/2003	52,440.78	48,665	3,776	8%	
Vanguard ST Corp Bond	VCSH	345	12/08/2010	27,710.40	26,689	1,022	4%	
HIGH YIELD BOND								
Vanguard Fixed Inc High Yi	VWEHX	6,385.644	11/01/2006	39,016.28	39,020	(4)	0%	
				Corporate Bonds 394,029.88	369,803	24,227	7%	
Cash Equivalents								
MONEY MARKET								
CASH	CASH			2,490.71	2,491			
Federated Cap Reserves	FCR			Cash < 82,014.08	82,014			
				1,260,701.04	1,004,173	256,528	26%	

± ① Corporate stock # 782,166

Cash
2490.71
82014.08

Outstanding checks (22436.50)

Cash @ 12/31/12 # 62,068.29

The above information is based on sources believed to be correct. However, it is not to be considered an official statement of your account. We suggest that you compare this report to the account statements and the order confirmations sent to you directly from Pershing, LLC.