Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to public inspection

For calendar year 2012 or tax year beginning JUL 1, 2012 , and ending JUN 30, 2013

ENVELOPE POSTMARK DATE NOV 1 4 2013

Name of foundation: THE THOMAS S. KENAN III FOUNDATION	A Employer identification number: 56-1816652
Number and street (or P O box number if mail is not delivered to street address): P O BOX 4150 — Room/suite:	B Telephone number: 919-967-0618
City or town, state, and ZIP code: CHAPEL HILL, NC 27515-4150	C If exemption application is pending, check here ▶ [ ]
G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change	D 1. Foreign organizations, check here ▶ [ ] 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]
H Check type of organization: [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) ▶$ 3,738,765. 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))

			(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			N/A	
	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	89,819.	89,819.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	401,502.			
	b	Gross sales price for all assets on line 6a 2,308,171.				
	7	Capital gain net income (from Part IV, line 2)		401,502.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total.** Add lines 1 through 11	491,321.	491,321.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 2	5,568.	0.		5,568.
	c	Other professional fees STMT 3	28,570.	28,570.		0.
	17	Interest				
	18	Taxes STMT 4	1,049.	0.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 5	578.	0.		0.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	35,765.	28,570.		5,568.
	25	Contributions, gifts, grants paid	164,200.			164,200.
	26	**Total expenses and disbursements.** Add lines 24 and 25	199,965.	28,570.		169,768.
	27	Subtract line 26 from line 12.				
	a	Excess of revenue over expenses and disbursements	291,356.			
	b	**Net investment income** (if negative, enter -0-)		462,751.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

RECEIVED
NOV 18 2013
OGDEN, UT

SCANNED NOV 26 2013

223501 12-05-12 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2012)

14131101 794104 TSKFD 2012.04000 THE THOMAS S. KENAN III FOU TSKFD__1

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	9,455.	<277.>	<277.>
	2 Savings and temporary cash investments	62,013.	56,830.	56,830.
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable		5,000.	5,000.
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	2,186,176.	2,303,260.	2,498,025.
	c Investments - corporate bonds STMT 7	837,782.	845,792.	822,085.
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	164,981.	342,981.	357,102.
	14 Land, buildings, and equipment: basis ▶ Less accumulated depreciation ▶			
	15 Other assets (describe ▶)	1,823.	0.	0.
	16 **Total assets** (to be completed by all filers)	3,262,230.	3,553,586.	3,738,765.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	3,262,230.	3,553,586.	
	30 **Total net assets or fund balances**	3,262,230.	3,553,586.	
	31 **Total liabilities and net assets/fund balances**	3,262,230.	3,553,586.	

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	3,262,230.
2	Enter amount from Part I, line 27a	2	291,356.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,553,586.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,553,586.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE STATEMENT	P		
b	SEE STATEMENT	P		
c	SEE STATEMENT	P		
d	CAPITAL GAINS DIVIDENDS			
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	36,251.		33,261.	2,990.
b	2,155,610.		1,809,425.	346,185.
c	99,025.		63,983.	35,042.
d	17,285.			17,285.
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				2,990.
b				346,185.
c				35,042.
d				17,285.
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	401,502.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	179,877.	3,439,115.	.052303
2010	158,930.	3,565,288.	.044577
2009	157,204.	3,292,163.	.047751
2008	192,691.	3,163,213.	.060916
2007	174,498.	4,054,431.	.043039

2 **Total** of line 1, column (d)	2	.248586
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	.049717
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	3,667,824.
5 Multiply line 4 by line 3	5	182,353.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,628.
7 Add lines 5 and 6	7	186,981.
8 Enter qualifying distributions from Part XII, line 4	8	169,768.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	9,255.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	9,255.
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	9,255.
6 Credits/Payments:				
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	4,997.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	4,997.
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	4,258.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11 Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	**Refunded** ▶		11	

Part VII-A Statements Regarding Activities

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

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

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

Website address ▶ N/A

14 The books are in care of ▶ STEVEN R. ARMSTRONG Telephone no. ▶ 919-967-0618

Located at ▶ SUITE 525, 100 EUROPA DRIVE, CHAPEL HILL, NC ZIP+4 ▶ 27517

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

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

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

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

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

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

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

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

If "Yes" to 6b, file Form 8870

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
THOMAS S. KENAN III SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/PRESIDENT 0.00	0.	0.	0.
STEVEN R. ARMSTRONG SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/SEC/TREASURER 0.00	0.	0.	0.
PHYLLIS P. SNOW SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	ASSISTANT SECRETARY 0.00	0.	0.	0.
CHRISTOPHER A. SHUPING SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR 0.00	0.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

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

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	3,662,962.
b	Average of monthly cash balances	1b	60,717.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,723,679.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,723,679.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	55,855.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,667,824.
6	**Minimum investment return.** Enter 5% of line 5	6	183,391.

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	183,391.
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 9,255.		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	9,255.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	174,136.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	174,136.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	174,136.

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	169,768.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	169,768.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	169,768.

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				174,136.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			160,954.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 169,768.				
a Applied to 2011, but not more than line 2a			160,954.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				8,814.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				165,322.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

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

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

	Tax year (a) 2012	Prior 3 years (b) 2011	(c) 2010	(d) 2009	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2).)

THOMAS S. KENAN III

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE SCHEDULE				164,200.
Total			▶ 3a	164,200.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	89,819.	
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			14		
8 Gain or (loss) from sales of assets other than inventory			18	401,502.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		491,321.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 491,321.

(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).

223621
12-05-12

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

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

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee: Thomas Kenan III — Date: 11/11/13 — Title: Trustee

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
STEVEN R. ARMSTRONG		11/11/13		P01366491

Firm's name ▶ KENAN MANAGEMENT INC — Firm's EIN ▶ 56-1979315

Firm's address ▶ P O BOX 4150, CHAPEL HILL, NC 27515-4150 — Phone no. 919-067-0618

Form **990-PF** (2012)

223622 12-05-12

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SUNTRUST- DIVIDENDS	107,104.	17,285.	89,819.
TOTAL TO FM 990-PF, PART I, LN 4	107,104.	17,285.	89,819.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KENAN MANAGEMENT, INC	5,568.	0.		5,568.
TO FORM 990-PF, PG 1, LN 16B	5,568.	0.		5,568.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SUNTRUST INVESTMENT FEE	28,570.	28,570.		0.
TO FORM 990-PF, PG 1, LN 16C	28,570.	28,570.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,049.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,049.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER	578.	0.		0.
TO FORM 990-PF, PG 1, LN 23	578.	0.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	2,303,260.	2,498,025.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,303,260.	2,498,025.

FORM 990-PF CORPORATE BONDS STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	845,792.	822,085.
TOTAL TO FORM 990-PF, PART II, LINE 10C	845,792.	822,085.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	FMV	342,981.	357,102.
TOTAL TO FORM 990-PF, PART II, LINE 13		342,981.	357,102.

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
INCOME PORTFOLIO								
Short Term Investments								
FEDERATED MONEY MKT OBLIGS TR GOVT OBLIG INSTL CL #5 FFS	12,068 750	1 000	12,068 75	0.32	12,068 75	1	0 08	0 01
Total Short Term Investments			**$12,068.75**	**0.32%**	**$12,068.75**	**$1**	**$0.08**	**0.01%**
Cash								
CASH INCOME			35.77		35 77	0	0 00	0.00
Total Cash			**$35.77**		**$35.77**	**$0**	**$0.00**	**0.00%**
Total Income Portfolio			**$12,104.52**	**0.32%**	**$12,104.52**	**$1**	**$0.08**	**0.00%**
PRINCIPAL PORTFOLIO								
Short Term Investments								
FEDERATED MONEY MKT OBLIGS TR GOVT OBLIG INSTL CL #5 FFS	44,761 330	1 000	44,761 33	1.20	44,761 33	4	0 17	0 01
Total Short Term Investments			**$44,761.33**	**1.20%**	**$44,761.33**	**$4**	**$0.17**	**0.01%**
Bonds								
DOUBLELINE FDS TR TOTAL RETURN BD FD CL I	16,375.546	11 030	180,622 27	4 84	187,500 00	9,907	814 29	5 48
GOLDMAN SACHS TR LOCAL EMERGING MKTS DEBT FD CL I	7,492.507	8 860	66,383 61	1.78	75,000 00	3,543	255.11	5 34
ISHARES TR BARCLAYS 3-7 YR TREASURY BD ETF	1,513.000	120.740	182,679 62	4.89	187,778 43	1,228	0.00	0.67

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Bonds** - continued*								
NEUBERGER BERMAN INCOME FDS HIGH INCOME BD FD CL INSTL	9,708.909	9.310	90,389 94	2.42	86,468.00	5,572	456.78	6.16
PIMCO FDS INVT GRADE CORP BD FD INSTL CL	6,684 585	10.560	70,589.22	1.89	70,720.52	3,101	208.56	4.39
PIMCO FDS EMERGING LOCAL BD FD INSTL CL	6,726.457	9.780	65,784.75	1.76	75,000.00	3,269	298.48	4.97
RIDGEWORTH FD-SEIX FLTG RT HIGH INCM I SHS #RGCJ	10,311 658	8.970	92,495.57	2.48	88,325.04	4,330	307.06	4.68
VANGUARD SCOTTSDALE FDS MTG-BACKED SECS INDEX FD CL SIGNAL	3,576.538	20.450	73,140.20	1.96	75,000.00	425	36.15	0.58
Total Bonds			**$822,085.18**	**22.02%**	**$845,791.99**	**$31,379**	**$2,376.43**	**3.81%**
Common Stocks								
ABBVIE INC COM	633.000	41.340	26,168.22	0.70	9,449.52	1,012	0.00	3 87
ADVISORS INNER CIRCLE FD CAMBIAR SMALL CAP FD INSTL CL	1,918.119	21.430	41,105.29	1.10	38,861.10	0	0.00	0.00
AMGEN INC COM	363.000	98.660	35,813 58	0.96	23,448.90	682	0.00	1.91
APPLE INC COM	68.000	396.530	26,964 04	0.72	5,856.16	829	0.00	3.08
AT&T INC COM	1,193.000	35.400	42,232.20	1.13	43,913.87	2,147	0.00	5.08
BAXTER INTL INC COM	0.000	69.270	0.00	0.00	0.00	0	191.10	0.00
BB&T CORP COM	1,035.000	33.880	35,065.80	0.94	28,393.21	952	0.00	2.71

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
BLACKROCK INC COM	257 000	256.850	66,010 45	1.77	68,006.10	1,727	0.00	2.62
CHEVRON CORP COM	391.000	118 340	46,270 94	1 24	27,426 87	1,564	0.00	3 38
CMS ENERGY CORP COM	1,927 000	27 170	52,356 59	1.40	56,469.72	1,965	0 00	3 75
CONOCOPHILLIPS COM	797.000	60 500	48,218 50	1.29	47,654.92	2,104	0 00	4 36
DARDEN RESTAURANTS INC COM	815.000	50.480	41,141.20	1.10	39,648 36	1,793	0 00	4 36
DU PONT E I DE NEMOURS & CO COM	658.000	52.500	34,545.00	0.93	35,228 44	1,184	0.00	3.43
DUKE ENERGY CORP COM	942 000	67.500	63,585 00	1.70	69,497.15	2,939	0 00	4.62
EATON VANCE GROWTH TR ATLANTA CAP SMID-CAP FD INSTL CL	4,396 678	21.130	92,901 81	2.49	90,000 00	0	0 00	0.00
EDISON INTL COM	999.000	48.160	48,111 84	1.29	52,705 45	1,348	337.16	2 80
EMERSON ELEC CO COM	632.000	54 540	34,469.28	0.92	32,360.47	1,036	0 00	3.01
GENERAL ELECTRIC CO COM	2,741.000	23.190	63,563.79	1.70	68,837.17	2,083	436 05	3 28
GENERAL MILLS INC COM	758.000	48.530	36,785.74	0.99	30,360.97	1,152	0 00	3.13
INTEL CORP COM	2,675.000	24 230	64,815 25	1.74	63,629.33	2,407	0 00	3.71
JOHNSON & JOHNSON COM	659 000	85 860	56,581.74	1.52	56,429.41	1,739	0.00	3 07

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
JP MORGAN CHASE & CO COM	1,129.000	52.790	59,599.91	1.60	41,719.20	1,716	0.00	2.88
LILLY ELI & CO COM	963.000	49.120	47,302.56	1.27	52,870.22	1,887	0.00	3.99
LYONDELLBASELL INDS NV CL A COM	573.000	66.260	37,966.98	1.02	35,431.59	1,146	0.00	3.02
MACY'S INC COM	802.000	48.000	38,496.00	1.03	22,877.24	802	168.00	2.08
MANNING & NAPIER FDS WORLD OPPTYS SER CL A	58,349 009	8.040	469,126.03	12.56	483,735.25	7,060	0.00	1.50
MATTEL INC COM	1,287.000	45.310	58,313.97	1.56	57,552.24	1,853	0.00	3.18
MERCK & CO INC COM	1,010.000	46.450	46,914.50	1 26	29,453.50	1,737	397.32	3.70
MICROSOFT CORP COM	1,004.000	34.545	34,683.18	0.93	32,896.82	923	0.00	2 66
NEXTERA ENERGY INC COM	650.000	81.480	52,962.00	1.42	52,469.83	1,716	0.00	3 24
OCCIDENTAL PETROLEUM CORP COM	0.000	89.230	0 00	0.00	0.00	0	270.72	0.00
OPPENHEIMER FDS DEVELOPING MKTS INSTL FD CL Y	7,089 217	33.560	237,914.12	6.37	229,208.14	1,765	0.00	0.74
PEPSICO INC COM	645.000	81.790	52,754.55	1.41	47,371.90	1,464	0.00	2.77
PFIZER INC COM	1,830 000	28.010	51,258.30	1 37	34,568.07	1,756	0.00	3.43
PHILIP MORRIS INTL INC COM	503.000	86.620	43,569.86	1.17	26,768.84	1,710	427.55	3.92

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
ROYAL DUTCH SHELL PLC SPONS ADR RPSTG 2 CL A	645.000	63 800	41,151.00	1.10	43,184 12	1,973	0.00	4.80
SOUTHERN CO COM	985 000	44.130	43,468.05	1.16	46,743 61	1,999	0.00	4 60
T ROWE PRICE FDS DIVERSIFIED SMALL CAP GROWTH FD	2,107.127	20 270	42,711.46	1.14	37,738.64	0	0.00	0 00
UNITED PARCEL SVC INC CL B COM	422.000	86.480	36,494.56	0 98	27,528.91	1,046	0.00	2 87
VERIZON COMMUNICATIONS INC COM	1,329 000	50.340	66,901.86	1.79	55,972 26	2,737	0 00	4.09
WELLS FARGO & CO COM	880.000	41.270	36,317.60	0.97	25,747.78	1,056	0.00	2 91
WILLIAMS COS INC COM	1,337.000	32 470	43,412 39	1.16	31,244.86	1,885	0.00	4.34
Total Common Stocks			**$2,498,025.14**	**66.90%**	**$2,303,260.14**	**$64,906**	**$2,227.90**	**2.59%**
Other								
ABERDEEN FDS EQUITY LONG SHORT FD INSTL CL	8,058 234	12.090	97,424 05	2 61	89,959 96	0	0 00	0.00
FORUM FDS ABSOLUTE STRATEGIES FD INSTL CL	11,665.816	11 300	131,823 72	3 53	128,020.71	0	0 00	0 00
WASATCH FDS TR LONG/SHORT FD INSTL CL	8,417 014	15.190	127,854.44	3 42	125,000 00	0	0 00	0 00
Total Other			**$357,102.21**	**9.56%**	**$342,980.67**	**$0**	**$0.00**	**0.00%**

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
Miscellaneous								
CLASS ACTION PENDING SEARS, ROEBUCK & CO ON RCPT OF FINAL PMT	1.000	0.000	0 00	0.00	0 00	0	0.00	0.00
CLASS ACTION PENDING FANNIE MAE ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING XEROX CORP ON RCPT OF FINAL PMT	1.000	0 000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING INTERNATIONAL GAME TECHNOLOGY ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0 00	0	0.00	0.00
CLASS ACTION PENDING CITIGROUP GCG ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
Total Miscellaneous			**$0.00**	**0.00%**	**$0.00**	**$0**	**$0.00**	**0.00%**
Total Principal Portfolio			**$3,721,973.86**	**99.68%**	**$3,536,794.13**	**$96,290**	**$4,604.50**	**2.58%**
Total Portfolio			**$3,734,078.38**	**100.00%**	**$3,548,898.65**	**$96,291**	**$4,604.58**	**2.57%**

Investment Sales and Maturities

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
9/13/2012	SOLD 8,697.556 SHARES OF SENTINEL SMALL CO-I TRADE DATE 9/12/12 TAXABLE TO FEDERAL AND STATE 8,697.556 SHARES AT $8.19	8,697.56	-51,121.81	71,232.98	20,111.17

The Thomas S Kenan III Foundation, Inc
Form 990-PF
Year Ended June 30, 2013
EIN 56-1816652
Page 1

Name and Address		Purpose of Grant Or Contribution	Amount
American Dance Festival Box 90772 Durham, NC 27708	Public	Unrestricted 2013 ADF Season	$ 5,000 00 5,000
Botanical Garden Foundation UNC Chapel Hill CB 3375 Chapel Hill, NC 27599-3375	Public	Coker Arboretum - Water Feature Maintenance	3,000
Carolina for Kibera 301 Pittsboro St, CB 5145 Chapel Hill, NC 27599	Public	2013 Gift	- 1,000
Chamber Orchestra of the Triangle 1213 E Franklin Street Chapel Hill, NC 27514	Public	Concert Series	10,000
Duke University 125 Science Drive, 101 Bryan Ctr Durham, NC 27708	Public	Kenan-Biddle Partnership	12,500
Duke Voice Care Center Division of Otolaryngology Duke University Medical Center DUMC Box 3805 Durham, NC 27710	Public	World Voice Day - Memory Dr Patrick Kenan	5,000
Duplin County Education Foundation PO Box 128 Kenansville, NC 28349	Public	Academic Awards - in honor of Anne Taylor	1,000
Durham Savoyards, Ltd c/o Michael Hale Gray 108 Barenwood Cr Durham, NC 27704	Public	Grant - Memory of Dr Patrick Kenan	5,000
Fifty +5 PO Box 392 Fairmont, NC 28340	Public	2013 Grant	1,000
First Colony Foundation 1501 Cole Mill Road Durham, NC 27705	Public	Grant - Undesignated	1,000
Food Bank of Central & Eastern NC 3808 Tarheel Drive Raleigh, NC 27609	Public	Holiday Meals Campaign	1,000

Name and Address		Purpose of Grant Or Contribution	Amount
Fractured Atlas Productions, Inc 248 West 35th St 10th Floor New York, NY 10001	Public	Grant - Freedman Book Project	5,000
Hollins University PO Box 9629 Roanoke, VA 24020-1629	Public	Riding Program - Honor Nancy Peterson	10,000
Institute for the Arts & Humanities CB #3322, Hyde Hall Chapel Hill, NC 27599-3322	Public	Grant - Alumni Fund - Rite of Spring	10,000
KitZNotes 120 Morris Street Durham, NC 27701	Public	Grant - KitZNotes Scholarship Fund	1,000
Medical Foundation of North Carolina 880 Martin Luther King, Jr Blvd Chapel Hill, NC 27514-2600	Public	Grant - Health Care Annual Fund	1,000
Montgomery Botanical Center 11901 Old Cutler Road Coral Gables, FL 33156-4242	Public	Grant - Undesignated	2,500
Mount Vernon Ladies' Association of the Union PO Box 110 Mount Vernon, VA 22121	Public	Grant - James C Rees Fellowship	5,000
North Carolina Arts Council Department of Cultural Resources Mail Service Center #4632 Raleigh, NC 27699-4632	Public	Grant - A+ Program	5,000
Penland School of Crafts PO Box 37 Penland, NC 28765	Public	Operations	2,500
Preservation Chapel Hill 610 East Rosemary Street Chapel Hill, NC 27514	Public	Covington Foundation Challenge Grant	2,500
Preservation North Carolina PO Box 27644 Raleigh, NC 27611-7644	Public	Grant - 2013 - unrestricted	2,500
Professor Richard Luby Memorial Fund UNC Chapel Hill - Dept of Music Hill Hall, CB# 3320 Chapel Hill, NC 27599-3320	Public	Grant - Memory of Professor Luby	2,500

Name and Address		Purpose of Grant Or Contribution	Amount
Salem Academy 601 South Church Street Winston-Salem, NC 27101	Public	Grant - Salem Annual Fund	2,500
Senior PharmAssist 406 Rigsbee Ave , Suite 201 Durham, NC 27701-2186	Public	2013 Grant - Undesignated	2,000
St Timothy's Episcopal Church 2575 Parkway Drive Winston-Salem, NC 27103	Public	Grant - Hook & Hastings Organ Restoration	1,000
Student U 311 Academy Road Durham, NC 27707	Public	Grant - Undesignated	2,500
Thalian Hall Center for Performing Arts PO Box 371 Wilmington, NC 28402	Public	Grant - Friends of Thalian Hall	2,500
The Art Therapy Institute 761 Ninth Street, # 361 Durham, NC 27705	Public	Grant - Burma Project	1,000
The Carolina Theater 309 W Morgan Street Durham, NC 27701	Public	Grant - Unrestricted	2,500
The Episcopal Church of the Advocate 8410 Merin Road Chapel Hill, NC 27516	Public	Grant - Church movine/re-building project	10,000
The Kampong of the NTBG 4013 S Douglas Road Coconut Grove, FL 33133	Public	Grant - Florida Historical Marker	2,200
		Grant - Annual Fund	1,000
The North Caroliniana Society Wilson Library, CB# 3930 Chapel Hill, NC 27514-8890	Public	Grant - William Clyde Friday Fund	2,500
The Preservation Society of Newport County 424 Bellevue Avenue Newport, RI 02840	Public	Grant - 2013 In Honor of Oatsie Charles	2,000
The Salvation Army Lockport Corps PO Box 16310 Albany, NY 12212-6310	Public	Grant - Program Related Facility Repurposing	10,000

Name and Address		Purpose of Grant Or Contribution	Amount
Thompson Child and Family Focus 6800 Saint Peter's Lane Matthews, NC 28105-8458	Public	Grant - Kenan Cottage Programs - Honor Rhett Mabry	5,000
Tryon Palace Foundation PO Box 1007 New Bern, NC 28563	Public	2013 Annual Fund	1,000
UNC Chapel Hill Southern Historical Collection CB# 3900, David Library Chapel Hill, NC 27515-8890	Public	Grant - Southern Historical Collection	10,000
UNCSA Foundation, Inc 1533 S Main Street Winston-Salem, NC 27127-2188	Public	Grant - Global Arts	1,500
Virginia Theological Seminary 3737 Seminary Road Alexandria, VA 22304	Public	Grant - Chapel of the Ages Campaign	2,500
NC Public Radio - WUNC 120 Friday Center Drive Chapel Hill, NC 27517	Public	Grant - Support Dick Gordon Show	2,500
			$ 164,200 00

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)
THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Account Id: 7905120

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
000375204	ABB LTD SPONS ADR								
Sold		04/29/13	895	20,780 54					
Acq		07/18/11	130	3,018 40	3,217 12	3,217 12	-198 72	-198 72	L
Acq		10/07/09	155	3,598 86	3,042 65	3,042 65	556 21	556 21	L
Acq		12/29/08	600	13,931 09	8,755 02	8,755 02	5,176 07	5,176 07	L
Acq		08/15/11	10	232 18	218 98	218 98	13 20	13 20	L
			Total for 4/29/2013		15,233 77	15,233 77	5,546 77	5,546 77	
002824100	ABBOTT LABS COM								
Sold		04/29/13	800	29,375 74					
Acq		08/15/11	20	734 39	479 94	479 94	254 45	254 45	L
Acq		11/25/11	142	5,214 19	3,560 53	3,560 53	1,653 66	1,653 66	L
Acq		07/18/11	100	3,671 97	2,538 29	2,538 29	1,133 68	1,133 68	L
Acq		01/26/11	158	5,801 71	3,566 41	3,566 41	2,235 30	2,235 30	L
Acq		09/02/09	30	1,101 59	647 30	647 30	454 29	454 29	L
Acq		09/07/93	250	9,179 92	1,467 66	1,467 66	7,712 26	7,712 26	L
Acq		12/29/93	100	3,671 97	672 05	672 05	2,999 92	2,999 92	L
			Total for 4/29/2013		12,932 18	12,932 18	16,443 56	16,443 56	
00287Y109	ABBVIE INC COM								
Sold		06/24/13	167	7,042 34					
Acq		11/25/11	67	2,825 37	1,821 78	1,821 78	1,003 59	1,003 59	L
Acq		07/18/11	100	4,216 97	2,752 56	2,752 56	1,464 41	1,464 41	L
			Total for 6/24/2013		4,574 34	4,574 34	2,468 00	2,468 00	
031162100	AMGEN INC COM								
Sold		04/29/13	135	14,443 59					
Acq		05/13/11	115	12,303 80	6,966 39	6,966 39	5,337 41	5,337 41	L
Acq		07/27/09	20	2,139 79	1,204 96	1,204 96	934 83	934 83	L
			Total for 4/29/2013		8,171 35	8,171 35	6,272 24	6,272 24	
037411105	APACHE CORP COM								
Sold		04/29/13	269	19,730 70					
Acq		07/18/11	30	2,200 45	3,674 88	3,674 88	-1,474 43	-1,474 43	L
Acq		08/15/11	20	1,466 97	2,094 57	2,094 57	-627 60	-627 60	L
Acq		01/26/11	14	1,026 88	1,718 08	1,718 08	-691 20	-691 20	L
Acq		09/02/09	25	1,833 71	2,095 88	2,095 88	-262 17	-262 17	L
Acq		07/27/09	95	6,968 09	7,533 03	7,533 03	-564 94	-564 94	L
Acq		11/08/07	85	6,234 61	9,010 75	9,010 75	-2,776 14	-2,776 14	L
			Total for 4/29/2013		26,127 19	26,127 19	-6,396 49	-6,396 49	
037833100	APPLE INC COM								
Sold		06/24/13	87	35,062 12					
Acq		12/29/08	12	4,836 15	1,033 44	1,033 44	3,802 71	3,802 71	L
Acq		08/15/11	5	2,015 06	1,899 75	1,899 75	115 31	115 31	L
Acq		02/20/08	45	18,135 58	5,545 80	5,545 80	12,589 78	12,589 78	L
Acq		07/18/11	15	6,045 19	5,481 75	5,481 75	563 44	563 44	L
Acq		05/05/10	5	2,015 06	1,284 05	1,284 05	731 01	731 01	L

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
037833100	APPLE INC COM								
Sold		06/24/13	87	35,062 12					
Acq		10/19/11	5	2,015 06	2,030 15	2,030 15	-15 09	-15 09	L
		Total for 6/24/2013			17,274 94	17,274 94	17,787 18	17,787 18	
052769106	AUTODESK INC COM								
Sold		04/29/13	585	22,288 00					
Acq		06/15/10	455	17,335 11	12,617 10	12,617 10	4,718 01	4,718 01	L
Acq		07/18/11	90	3,428 92	3,211 34	3,211 34	217 58	217 58	L
Acq		08/15/11	40	1,523 97	1,175 29	1,175 29	348 68	348 68	L
		Total for 4/29/2013			17,003 73	17,003 73	5,284 27	5,284 27	
060505104	BANK OF AMERICA CORP COM								
Sold		04/29/13	2160	26,804 99					
Acq		08/15/11	280	3,474 72	2,094 68	2,094 68	1,380 04	1,380 04	L
Acq		07/18/11	295	3,660 87	2,897 43	2,897 43	763 44	763 44	L
Acq		05/05/10	185	2,295 80	3,289 11	3,289 11	-993 31	-993 31	L
Acq		07/27/09	1100	13,650 69	14,421 00	14,421 00	-770 31	-770 31	L
Acq		09/02/09	300	3,722 92	4,914 00	4,914 00	-1,191 08	-1,191 08	L
		Total for 4/29/2013			27,616 22	27,616 22	-811 23	-811 23	
071813109	BAXTER INTL INC COM								
Sold		06/24/13	390	27,171 21					
Acq		08/15/11	10	696 70	539 40	539 40	157 30	157 30	L
Acq		07/18/11	60	4,180 19	3,649 16	3,649 16	531 03	531 03	L
Acq		12/29/08	160	11,147 16	8,296 00	8,296 00	2,851 16	2,851 16	L
Acq		05/05/10	160	11,147 16	7,276 56	7,276 56	3,870 60	3,870 60	L
		Total for 6/24/2013			19,761 12	19,761 12	7,410 09	7,410 09	
073302101	B/E AEROSPACE INC COM								
Sold		04/29/13	665	40,974 12					
Acq		03/04/11	335	20,641 10	11,759 87	11,759 87	8,881 23	8,881 23	L
Acq		07/18/11	110	6,777 67	4,419 69	4,419 69	2,357 98	2,357 98	L
Acq		05/17/11	134	8,256 44	4,940 53	4,940 53	3,315 91	3,315 91	L
Acq		05/18/11	86	5,298 91	3,248 69	3,248 69	2,050 22	2,050 22	L
		Total for 4/29/2013			24,368 78	24,368 78	16,605 34	16,605 34	
126650100	CVS CAREMARK CORP COM								
Sold		04/29/13	661	37,973 92					
Acq		08/15/11	25	1,436 23	837 07	837 07	599 16	599 16	L
Acq		11/08/07	541	31,080 02	22,488 72	22,488 72	8,591 30	8,591 30	L
Acq		07/18/11	95	5,457 67	3,482 44	3,482 44	1,975 23	1,975 23	L
		Total for 4/29/2013			26,808 23	26,808 23	11,165 69	11,165 69	
166764100	CHEVRON CORP COM								
Sold		04/29/13	129	15,610 07					
Acq		08/15/11	15	1,815 12	1,464 20	1,464 20	350 92	350 92	L
Acq		07/18/11	50	6,050 41	5,279 89	5,279 89	770 52	770 52	L

SunTrust

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

THE THOMAS S. KENAN III, FDN, INC.

Trust Year 1/1/2013 - 6/30/2013

Account Id: 7905120

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
166764100	CHEVRON CORP COM								
Sold		04/29/13	129	15,610 07					
Acq		11/25/11	64	7,744 53	6,030 39 ☐	6,030 39	1,714 14	1,714 14	L
			Total for 4/29/2013		12,774 48	12,774 48	2,835 59	2,835 59	
189754104	COACH INC COM								
Sold		04/29/13	455	26,630 78					
Acq		08/15/11	30	1,755 88	1,634 06 ☐	1,634 06	121 82	121 82	L
Acq		09/30/09	360	21,070 51	11,912 08 ☐	11,912 08	9,158 43	9,158 43	L
Acq		07/18/11	65	3,804 40	4,274 26 ☐	4,274 26	-469 86	-469 86	L
			Total for 4/29/2013		17,820 40	17,820 40	8,810 38	8,810 38	
254687106	WALT DISNEY CO COM								
Sold		04/29/13	821	51,705 83					
Acq		11/08/07	625	39,361 93	20,805 50 ☐	20,805 50	18,556 43	18,556 43	L
Acq		01/26/11	21	1,322 56	832 02 ☐	832 02	490 54	490 54	L
Acq		07/18/11	115	7,242 59	4,477 23 ☐	4,477 23	2,765 36	2,765 36	L
Acq		08/15/11	60	3,778 75	2,007 51 ☐	2,007 51	1,771 24	1,771 24	L
			Total for 4/29/2013		28,122 26	28,122 26	23,583 57	23,583 57	
268648102	EMC CORP COM								
Sold		04/29/13	1045	23,501 62					
Acq		05/22/08	875	19,678 39	15,241 45 ☐	15,241 45	4,436 94	4,436 94	L
Acq		07/18/11	155	3,485 89	4,142 04 ☐	4,142 04	-656 15	-656 15	L
Acq		08/15/11	15	337 34	351 51 ☐	351 51	-14 17	-14 17	L
			Total for 4/29/2013		19,735 00	19,735 00	3,766 62	3,766 62	
30219G108	EXPRESS SCRIPTS HLDG CO COM								
Sold		04/29/13	460	26,996 79					
Acq		11/08/07	460	26,996 79	14,670 41 ☐	14,670 41	12,326 38	12,326 38	L
			Total for 4/29/2013		14,670 41	14,670 41	12,326 38	12,326 38	
343412102	FLUOR CORP COM NEW								
Sold		04/29/13	320	18,180 01					
Acq		07/18/11	45	2,556 56	2,922 75 ☐	2,922 75	-366 19	-366 19	L
Acq		05/05/10	25	1,420 31	1,274 50 ☐	1,274 50	145 81	145 81	L
Acq		11/24/09	250	14,203.13	10,919 75 ☐	10,919 75	3,283 38	3,283 38	L
			Total for 4/29/2013		15,117 00	15,117 00	3,063 01	3,063 01	
34354P105	FLOWSERVE CORP COM								
Sold		04/29/13	170	26,870 61					
Acq		06/15/10	150	23,709 36	13,838 91 ☐	13,838 91	9,870 45	9,870 45	L
Acq		08/15/11	5	790 31	457 95 ☐	457 95	332 36	332 36	L
Acq		07/18/11	15	2,370 94	1,563 43 ☐	1,563 43	807 51	807 51	L
			Total for 4/29/2013		15,860 29	15,860 29	11,010 32	11,010 32	
35671D857	FREEPORT-MCMORAN COPPER AND COM								
Sold		04/29/13	295	8,826 35					
Acq		08/15/11	15	448 80	686 11 ☐	686 11	-237 31	-237 31	L

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
35671D857	FREEPORT-MCMORAN COPPER AND COM								
Sold		04/29/13	295	8,826 35					
Acq		07/18/11	35	1,047 19	1,933 75	1,933 75	-886 56	-886 56	L
Acq		12/29/08	245	7,330 36	2,823 62	2,823 62	4,506 74	4,506 74	L
			Total for 4/29/2013		5,443 48	5,443 48	3,382 87	3,382 87	
38141G104	GOLDMAN SACHS GROUP INC COM								
Sold		04/29/13	202	29,372 46					
Acq		08/15/11	20	2,908 16	2,345 44	2,345 44	562 72	562 72	L
Acq		07/18/11	25	3,635 21	3,242 71	3,242 71	392 50	392 50	L
Acq		11/08/07	105	15,267 86	22,396 67	22,396 67	-7,128 81	-7,128 81	L
Acq		01/26/11	52	7,561 23	8,440 12	8,440 12	-878 89	-878 89	L
			Total for 4/29/2013		36,424 94	36,424 94	-7,052 48	-7,052 48	
38259P508	GOOGLE INC CL A COM								
Sold		04/29/13	60	49,236 69					
Acq		11/08/07	20	16,412 23	14,349 80	14,349 80	2,062 43	2,062 43	L
Acq		12/29/08	30	24,618 35	8,797 20	8,797 20	15,821 15	15,821 15	L
Acq		08/15/11	10	8,206 12	5,534 45	5,534 45	2,671 67	2,671 67	L
			Total for 4/29/2013		28,681 45	28,681 45	20,555 24	20,555 24	
416515104	HARTFORD FINL SVCS GROUP INC COM								
Sold		04/29/13	933	25,330 38					
Acq		05/05/10	500	13,574 69	14,009 50	14,009 50	-434 81	-434 81	L
Acq		08/15/11	35	950 23	709 20	709 20	241 03	241 03	L
Acq		07/18/11	150	4,072 41	3,592 32	3,592 32	480 09	480 09	L
Acq		01/26/11	248	6,733 05	7,020 86	7,020 86	-287 81	-287 81	L
			Total for 4/29/2013		25,331 88	25,331 88	-1 50	-1 50	
437076102	HOME DEPOT INC COM								
Sold		04/29/13	753	55,585 29					
Acq		10/07/08	45	3,321 83	1,016 55	1,016 55	2,305 28	2,305 28	L
Acq		12/29/08	400	29,527 38	9,312 00	9,312 00	20,215 38	20,215 38	L
Acq		07/27/09	183	13,508 78	4,578 33	4,578 33	8,930 45	8,930 45	L
Acq		07/18/11	110	8,120 03	3,934 23	3,934 23	4,185 80	4,185 80	L
Acq		08/15/11	15	1,107 28	466 67	466 67	640 61	640 61	L
			Total for 4/29/2013		19,307 78	19,307 78	36,277 51	36,277 51	
445658107	HUNT JB TRANSPORT SVCS INC COM								
Sold		04/29/13	450	32,256 62					
Acq		09/30/09	225	16,128 31	7,305 35	7,305 35	8,822 96	8,822 96	L
Acq		03/12/10	125	8,960 17	4,428 63	4,428 63	4,531 54	4,531 54	L
Acq		02/22/11	15	1,075 22	635 55	635 55	439 67	439 67	L
Acq		07/18/11	60	4,300 88	2,880 99	2,880 99	1,419 89	1,419 89	L
Acq		08/15/11	25	1,792 03	1,032 45	1,032 45	759 58	759 58	L
			Total for 4/29/2013		16,282 97	16,282 97	15,973 65	15,973 65	

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
459200101	INTERNATIONAL BUSINESS MACHS COM								
	Sold	04/29/13	225	44,706 49					
	Acq	08/18/11	168	33,380 85	27,341 71	27,341 71	6,039 14	6,039 14	L
	Acq	11/25/11	57	11,325 64	10,203 29	10,203 29	1,122 35	1,122 35	L
			Total for 4/29/2013		37,545 00	37,545 00	7,161 49	7,161 49	
461202103	INTUIT INC COM								
	Sold	04/29/13	356	21,616 19					
	Acq	01/26/11	286	17,365 82	13,496 31	13,496 31	3,869 51	3,869 51	L
	Acq	08/15/11	20	1,214 39	851 60	851 60	362 79	362 79	L
	Acq	07/18/11	50	3,035 98	2,439 76	2,439 76	596 22	596 22	L
			Total for 4/29/2013		16,787 67	16,787 67	4,828 52	4,828 52	
46625H100	JP MORGAN CHASE AND COM								
	Sold	06/24/13	231	11,806 32					
	Acq	11/08/07	231	11,806 32	9,743 58	9,743 58	2,062 74	2,062 74	L
			Total for 6/24/2013		9,743 58	9,743 58	2,062 74	2,062 74	
47103C183	JANUS PERKINS SMALL CAP VALUE-I								
	Sold	04/29/13	3784 851	86,483 85					
	Acq	09/02/09	2891 191	66,063 72	53,631 59	53,631 59	12,432 13	12,432 13	L
	Acq	07/18/11	631 039	14,419 24	15,675 00	15,675 00	-1,255 76	-1,255 76	L
	Acq	02/22/11	89 108	2,036 12	2,217 00	2,217 00	-180 88	-180 88	L
	Acq	08/15/11	173 513	3,964 77	3,937 00	3,937 00	27 77	27 77	L
			Total for 4/29/2013		75,460 59	75,460 59	11,023 26	11,023 26	
55616P104	MACY'S INC COM								
	Sold	04/29/13	333	15,008 10					
	Acq	09/09/11	158	7,120 96	3,962 17	3,962 17	3,158 79	3,158 79	L
	Acq	10/19/11	175	7,887 14	5,205 03	5,205 03	2,682 11	2,682 11	L
			Total for 4/29/2013		9,167 20	9,167 20	5,840 90	5,840 90	
617446448	MORGAN STANLEY COM								
	Sold	04/29/13	770	16,932 31					
	Acq	07/27/09	345	7,586 55	9,690 43	9,690 43	-2,103 88	-2,103 88	L
	Acq	08/15/11	135	2,968 65	2,355 59	2,355 59	613 06	613 06	L
	Acq	07/18/11	90	1,979 10	1,868 17	1,868 17	110 93	110 93	L
	Acq	09/02/09	200	4,398 00	5,526 00	5,526 00	-1,128 00	-1,128 00	L
			Total for 4/29/2013		19,440 19	19,440 19	-2,507 88	-2,507 88	
637071101	NATIONAL OILWELL VARCO INC COM								
	Sold	04/29/13	376	24,875 98					
	Acq	07/18/11	35	2,315 58	2,749 83	2,749 83	-434 25	-434 25	L
	Acq	08/18/11	101	6,682 11	6,419 94	6,419 94	262 17	262 17	L
	Acq	05/17/11	225	14,885 89	14,705 80	14,705 80	180 09	180 09	L
	Acq	08/15/11	15	992 39	1,052 82	1,052 82	-60 43	-60 43	L
			Total for 4/29/2013		24,928 39	24,928 39	-52 41	-52 41	

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.

Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
674599105	OCCIDENTAL PETE CORP COM								
Sold		06/24/13	423	37,714 65					
Acq		09/30/09	5	445 80	394 69 ☐	394 69	51 11	51 11	L
Acq		01/26/11	93	8,291 87	8,853 56 ☐	8,853 56	-561 69	-561 69	L
Acq		09/19/08	185	16,494 59	14,526 20 ☐	14,526 20	1,968 39	1,968 39	L
Acq		12/29/08	60	5,349 60	3,322 20 ☐	3,322 20	2,027 40	2,027 40	L
Acq		07/18/11	55	4,903 80	5,768 78 ☐	5,768 78	-864 98	-864 98	L
Acq		08/15/11	25	2,229 00	2,161 22 ☐	2,161 22	67 78	67 78	L
			Total for 6/24/2013		35,026 65	35,026 65	2,688 00	2,688 00	
68389X105	ORACLE CORP COM								
Sold		04/29/13	1074	34,668 05					
Acq		08/15/11	55	1,775 37	1,524 89 ☐	1,524 89	250 48	250 48	L
Acq		01/26/11	64	2,065 88	2,090 23 ☐	2,090 23	-24 35	-24 35	L
Acq		11/08/07	800	25,823 50	16,174 08 ☐	16,174 08	9,649 42	9,649 42	L
Acq		07/18/11	155	5,003 30	4,936 18 ☐	4,936 18	67 12	67 12	L
			Total for 4/29/2013		24,725 38	24,725 38	9,942 67	9,942 67	
693390304	PIMCO LOW DURATION-I								
Sold		04/29/13	9611 954	101,213 88					
Acq		02/22/11	9611 954	101,213 88	100,060 44 ☐	100,060 44	1,153 44	1,153 44	L
			Total for 4/29/2013		100,060 44	100,060 44	1,153 44	1,153 44	
693475105	PNC FINL SVCS GROUP INC COM								
Sold		06/24/13	700	49,483 04					
Acq		06/15/10	200	14,138 01	12,115 98 ☐	12,115 98	2,022 03	2,022 03	L
Acq		01/26/11	226	15,975 95	13,892 19 ☐	13,892 19	2,083 76	2,083 76	L
Acq		07/18/11	80	5,655 20	4,506 20 ☐	4,506 20	1,149 00	1,149 00	L
Acq		08/15/11	55	3,887 95	2,621 02 ☐	2,621 02	1,266 93	1,266 93	L
Acq		11/25/11	139	9,825 92	6,921 44 ☐	6,921 44	2,904 48	2,904 48	L
			Total for 6/24/2013		40,056 83	40,056 83	9,426 21	9,426 21	
693718108	PACCAR INC COM								
Sold		04/29/13	355	17,724 93					
Acq		08/15/11	40	1,997 18	1,495 61 ☐	1,495 61	501 57	501 57	L
Acq		07/22/11	315	15,727 75	15,798 38 ☐	15,798 38	-70 63	-70 63	L
			Total for 4/29/2013		17,293 99	17,293 99	430 94	430 94	
718172109	PHILIP MORRIS INTL COM								
Sold		06/24/13	77	6,762 79					
Acq		07/18/11	42	3,688 79	2,813 99 ☐	2,813 99	874 80	874 80	L
Acq		08/15/11	35	3,074 00	2,348 49 ☐	2,348 49	725 51	725 51	L
			Total for 6/24/2013		5,162 48	5,162 48	1,600 31	1,600 31	
722005667	PIMCO COMMODITY REALRTN STRATEGY-I								
Sold		04/29/13	7518 915	48,497 00					
Acq		07/27/09	7518 915	48,497 00	54,662 52 ☐	54,662 52	-6,165 52	-6,165 52	L
			Total for 4/29/2013		54,662 52	54,662 52	-6,165 52	-6,165 52	

SunTrust

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual
funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
722005816	PIMCO INVT GRADE CORP BD-I								
Sold		04/29/13	2736 099	31,000 00					
Acq		07/27/09	2736 099	31,000 00	29,002 65	29,002 65	1,997 35	1,997 35	L
			Total for 4/29/2013		29,002 65	29,002 65	1,997 35	1,997 35	
74005P104	PRAXAIR INC COM								
Sold		04/29/13	190	21,610 68					
Acq		07/18/11	30	3,412 21	3,199 24	3,199 24	212 97	212 97	L
Acq		12/29/08	160	18,198 47	9,001 60	9,001 60	9,196 87	9,196 87	L
			Total for 4/29/2013		12,200 84	12,200 84	9,409 84	9,409 84	
742718109	PROCTER & GAMBLE CO COM								
Sold		06/24/13	468	36,143 15					
Acq		01/26/11	168	12,974 46	11,155 18	11,155 18	1,819 28	1,819 28	L
Acq		11/08/07	225	17,376 51	15,625 98	15,625 98	1,750 53	1,750 53	L
Acq		07/18/11	65	5,019 88	4,198 17	4,198 17	821 71	821 71	L
Acq		08/15/11	10	772 29	618 20	618 20	154 09	154 09	L
			Total for 6/24/2013		31,597 53	31,597 53	4,545 62	4,545 62	
747525103	QUALCOMM CORP COM								
Sold		04/29/13	500	30,949 55					
Acq		08/15/11	15	928 49	761 55	761 55	166 94	166 94	L
Acq		07/18/11	65	4,023 44	3,568 18	3,568 18	455 26	455 26	L
Acq		06/14/11	365	22,593 17	20,341 27	20,341 27	2,251 90	2,251 90	L
Acq		11/25/11	55	3,404 45	2,908 68	2,908 68	495 77	495 77	L
			Total for 4/29/2013		27,579 68	27,579 68	3,369 87	3,369 87	
76628T611	RIDGEWORTH FD-SHORT TERM BD RGCX								
Sold		04/29/13	6709 752	67,164 62					
Acq		11/08/07	786 682	7,874 69	7,756 68	7,756 68	118 01	118 01	L
Acq		07/27/09	5923 07	59,289 93	57,513 00	57,513 00	1,776 93	1,776 93	L
			Total for 4/29/2013		65,269 68	65,269 68	1,894 94	1,894 94	
76628T702	RIDGEWORTH FD-INTERMEDIATE BD RGCF								
Sold		04/29/13	27927 481	289,328 71					
Acq		11/08/07	27927 481	289,328 71	280,456 34	280,456 34	8,872 37	8,872 37	L
			Total for 4/29/2013		280,456 34	280,456 34	8,872 37	8,872 37	
779917103	T ROWE PRICE DIVRSFD SMALLCAP GROWTH								
Sold		04/29/13	1857 139	36,251 35					
Acq		09/12/12	1857 139	36,251 35	33,261 36	33,261 36	2,989 99	2,989 99	S
			Total for 4/29/2013		33,261 36	33,261 36	2,989 99	2,989 99	
806857108	SCHLUMBERGER LTD COM								
Sold		04/29/13	450	33,200 79					
Acq		07/18/11	55	4,057 87	4,813 79	4,813 79	-755 92	-755 92	L
Acq		05/05/10	200	14,755 91	13,595 60	13,595 60	1,160 31	1,160 31	L
Acq		12/29/08	140	10,329 13	5,600 00	5,600 00	4,729 13	4,729 13	L
Acq		01/15/08	20	1,475 59	1,801 20	1,801 20	-325 61	-325 61	L

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
806857108	SCHLUMBERGER LTD COM								
Sold		04/29/13	450	33,200 79					
Acq		08/15/11	35	2,582 28	2,774 06	2,774 06	-191 78	-191 78	L
			Total for 4/29/2013		28,584 65	28,584 65	4,616 14	4,616 14	
80809R204	SCHRODER US SMALL/MID CAP OPPTY-I								
Sold		04/29/13	4597 186	60,590 92					
Acq		08/15/11	230 383	3,036 45	2,578 00	2,578 00	458 45	458 45	L
Acq		02/22/11	4366 803	57,554 47	53,842 69	53,842 69	3,711 78	3,711 78	L
			Total for 4/29/2013		56,420 69	56,420 69	4,170 23	4,170 23	
867914103	SUNTRUST BANKS INC COM								
Sold		06/24/13	1000	30,539 46					
Acq		05/08/98	1000	30,539 46	45,259 63	45,259 63	-14,720 17	-14,720 17	L
			Total for 6/24/2013		45,259 63	45,259 63	-14,720 17	-14,720 17	
880208400	TEMPLETON GLOBAL BD-ADV								
Sold		04/29/13	12286 891	167,101 72					
Acq		05/05/10	9955 09	135,389 23	133,000 00	133,000 00	2,389 23	2,389 23	L
Acq		02/23/11	2331 801	31,712 49	31,479 31	31,479 31	233 18	233 18	L
			Total for 4/29/2013		164,479 31	164,479 31	2,622 41	2,622 41	
881624209	TEVA PHARMACEUTICAL INDS LTD ADR								
Sold		04/29/13	595	23,055 73					
Acq		07/18/11	95	3,681 17	4,526 92	4,526 92	-845 75	-845 75	L
Acq		05/13/11	150	5,812 37	7,506 51	7,506 51	-1,694 14	-1,694 14	L
Acq		05/05/10	125	4,843 64	7,556 19	7,556 19	-2,712 55	-2,712 55	L
Acq		02/11/10	200	7,749 83	11,659 80	11,659 80	-3,909 97	-3,909 97	L
Acq		08/15/11	25	968 73	991 25	991 25	-22 52	-22 52	L
			Total for 4/29/2013		32,240 67	32,240 67	-9,184 94	-9,184 94	
882508104	TEXAS INSTRS INC COM								
Sold		04/29/13	850	30,506 24					
Acq		10/19/11	185	6,639 59	5,663 85	5,663 85	975 74	975 74	L
Acq		08/15/11	10	358 90	273 47	273 47	85 43	85 43	L
Acq		07/18/11	85	3,050 62	2,610 01	2,610 01	440 61	440 61	L
Acq		02/20/08	465	16,688 71	14,140 65	14,140 65	2,548 06	2,548 06	L
Acq		11/25/11	105	3,768 42	2,948 92	2,948 92	819 50	819 50	L
			Total for 4/29/2013		25,636 90	25,636 90	4,869 34	4,869 34	
907818108	UNION PACIFIC CORP COM								
Sold		04/29/13	170	25,033 89					
Acq		12/29/08	145	21,352 44	6,609 10	6,609 10	14,743 34	14,743 34	L
Acq		07/18/11	25	3,681 45	2,507 94	2,507 94	1,173 51	1,173 51	L
			Total for 4/29/2013		9,117 04	9,117 04	15,916 85	15,916 85	
92826C839	VISA INC CL A COM								
Sold		04/29/13	275	46,256 71					
Acq		07/18/11	40	6,728 25	3,543 63	3,543 63	3,184 62	3,184 62	L

SunTrust

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 1/1/2013 - 6/30/2013

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
92826C839	VISA INC CL A COM								
Sold		04/29/13	275	46,256 71					
Acq		08/15/11	5	841 03	426 93	426 93	414 10	414 10	L
Acq		02/22/11	30	5,046 19	2,233 50	2,233 50	2,812 69	2,812 69	L
Acq		07/27/09	150	25,230 93	10,166 73	10,166 73	15,064 20	15,064 20	L
Acq		09/30/10	50	8,410 31	3,714 00	3,714 00	4,696 31	4,696 31	L
			Total for 4/29/2013		20,084 79	20,084 79	26,171 92	26,171 92	
949746101	WELLS FARGO & CO COM NEW								
Sold		06/24/13	139	5,553 02					
Acq		01/26/11	34	1,358 29	1,109 76	1,109 76	248 53	248 53	L
Acq		04/01/08	105	4,194 73	3,240 30	3,240 30	954 43	954 43	L
			Total for 6/24/2013		4,350 06	4,350 06	1,202 96	1,202 96	
963320106	WHIRLPOOL CORP COM								
Sold		04/29/13	260	30,073 52					
Acq		08/15/11	20	2,313 35	1,255 96	1,255 96	1,057 39	1,057 39	L
Acq		04/15/11	205	23,711 81	17,578 63	17,578 63	6,133 18	6,133 18	L
Acq		07/18/11	35	4,048 36	2,678 05	2,678 05	1,370 31	1,370 31	L
			Total for 4/29/2013		21,512 64	21,512 64	8,560 88	8,560 88	
98212B103	WPX ENERGY INC COM								
Sold		04/29/13	359	5,697 24					
Acq		11/25/11	100	1,586 97	1,626 55	1,626 55	-39 58	-39 58	L
Acq		08/15/11	10	158 70	153 76	153 76	4 94	4 94	L
Acq		07/18/11	26 6667	423 19	440 52	440 52	-17 33	-17 33	L
Acq		03/12/10	199 3333	3,163 37	2,498 35	2,498 35	665 02	665 02	L
Acq		01/26/11	23	365 00	338 08	338 08	26 92	26 92	L
			Total for 4/29/2013		5,057 26	5,057 26	639 98	639 98	
G491BT108	INVESCO LTD BERMUDA COM								
Sold		04/29/13	1100	32,559 27					
Acq		05/23/08	530	15,687 65	14,385 90	14,385 90	1,301 75	1,301 75	L
Acq		11/25/11	400	11,839 73	7,241 80	7,241 80	4,597 93	4,597 93	L
Acq		08/15/11	75	2,219 95	1,357 99	1,357 99	861 96	861 96	L
Acq		07/18/11	95	2,811 94	2,083 64	2,083 64	728 30	728 30	L
			Total for 4/29/2013		25,069 33	25,069 33	7,489 94	7,489 94	
			Total for Account: 7905120		1,842,686 15	1,842,686 15	349,174 77	349,174 77	

Total Proceeds:

2,191,860 92

	Fed	State
S/T Gain/Loss	2,989 99	2,989 99
L/T Gain/Loss	346,184 78	346,184 78

SunTrust

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 7905120

THE THOMAS S. KENAN III, FDN, INC.
Trust Year 7/1/2012 - 12/31/2012

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
023135106	AMAZON INC COM								
Sold		09/20/12	107	27,792 44					
Acq		02/11/10	107	27,792 44	12,861 19	12,861 19	14,931 25	14,931 25	L
			Total for 9/20/2012		12,861 19	12,861 19	14,931 25	14,931 25	
81728B825	SENTINEL SMALL CO-I								
Sold		09/12/12	8697 556	71,232 98					
Acq		08/15/11	546 565	4,476 37	4,296 00	4,296 00	180 37	180 37	L
Acq		07/27/09	5724 508	46,883 72	32,000 00	32,000 00	14,883 72	14,883 72	L
Acq		11/24/09	2426 483	19,872 89	14,825 81	14,825 81	5,047 08	5,047 08	L
			Total for 9/12/2012		51,121 81	51,121 81	20,111 17	20,111 17	
			Total for Account: 7905120		63,983 00	63,983 00	35,042 42	35,042 42	

Total Proceeds:		Fed	State
99,025 42	S/T Gain/Loss	0 00	0 00
	L/T Gain/Loss	35,042 42	35,042 42