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Return of Private Foundation

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.
Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

, and ending

Name of foundation
CULLEN FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
601 JEFFERSON ST SUITE 4000

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
HOUSTON, TX 77002

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16)
\$ 276,111,636. (Part I, column (d) must be on cash basis.)

J Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify)

A Employer identification number
76-0647361

B Telephone number
713-651-8837

C If exemption application is pending, check here ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

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) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received | | | | N/A | |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B | | | | | |
| 3 Interest on savings and temporary cash investments | | 1,281. | 1,281. | | STATEMENT 1 |
| Dividends and interest from securities | | 5,023,147. | 5,018,069. | | STATEMENT 2 |
| 5a Gross rents | | 15,278. | | | STATEMENT 3 |
| b Net rental income or (loss) 15,278. | | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | | 28,990,078. | | | STATEMENT 4 |
| b Gross sales price for all assets on line 6a 113,409,531. | | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | | 28,894,368. | | |
| 8 Net short-term capital gain | | | | | |
| 9 Income modifications | | | | | |
| 10a Gross sales less living and allowances | | | | | |
| b Less Cost of goods sold | | | | | |
| c Gross profit or (loss) | | | | | |
| 11 Other income | | 160,023. | 160,023. | | STATEMENT 5 |
| 12 Total. Add lines 1 through 11 | | 34,189,807. | 34,073,741. | | |
| 13 Compensation of officers, directors, trustees, etc. | | 313,500. | 156,750. | | 156,750. |
| 14 Other employee salaries and wages | | 189,369. | 94,685. | | 94,684. |
| 15 Pension plans, employee benefits | | 139,516. | 69,758. | | 69,758. |
| 16a Legal fees | | | | | |
| b Accounting fees STMT 6 | | 24,868. | 12,434. | | 12,434. |
| c Other professional fees STMT 7 | | 1,374,326. | 1,374,326. | | 0. |
| 17 Interest | | 4,475. | 0. | | 0. |
| 18 Taxes STMT 8 | | 352,435. | 11,357. | | 0. |
| 19 Depreciation and depletion | | 1,890. | 1,890. | | |
| 20 Occupancy | | 40,158. | 20,079. | | 20,079. |
| 21 Travel, conferences, and meetings | | 1,573. | 786. | | 787. |
| 22 Printing and publications | | | | | |
| 23 Other expenses STMT 9 | | 67,948. | 31,387. | | 27,605. |
| 24 Total operating and administrative expenses Add lines 13 through 23 | | 2,510,058. | 1,773,452. | | 382,097. |
| 25 Contributions, gifts, grants paid | | 12,051,500. | | | 12,051,500. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | | 14,561,558. | 1,773,452. | | 12,433,597. |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | | 19,628,249. | | | |
| b Net investment income (if negative, enter -0-) | | | 32,300,289. | | |
| c Adjusted net income (if negative, enter -0-) | | | | N/A | |

Part II Balance Sheets

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

| | | Beginning of year | End of year | |
|---|--|---|----------------|-----------------------|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| Assets | 1 Cash - non-interest-bearing | 18,070. | 16,082. | 16,082. |
| | 2 Savings and temporary cash investments | 14,555,436. | 8,145,542. | 8,145,442. |
| | 3 Accounts receivable ▶ 522,493. | | 522,493. | 522,493. |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | 2,122. | 3,482. | 3,482. |
| | 10a Investments - U.S. and state government obligations | | | |
| | b Investments - corporate stock STMT 10 | 181,325,093. | 207,026,336. | 267,394,644. |
| | c Investments - corporate bonds | | | |
| | Liabilities | 11 Investments - land, buildings, and equipment basis ▶ | | |
| Less accumulated depreciation ▶ | | | | |
| 12 Investments - mortgage loans | | | | |
| 13 Investments - other | | | | |
| 14 Land, buildings, and equipment: basis ▶ 88,757. | | | | |
| Less accumulated depreciation STMT 11 ▶ 59,264. | | 25,264. | 29,493. | 29,493. |
| 15 Other assets (describe ▶) | | | | |
| 16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1) | | 195,925,985. | 215,743,428. | 276,111,636. |
| 17 Accounts payable and accrued expenses | | 166,035. | 299,151. | |
| 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 ▶ STATEMENT 12) | 15,908. | 71,986. | | |
| 23 Total liabilities (add lines 17 through 22) | 181,943. | 371,137. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> | | | |
| | 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 ▶ <input checked="" type="checkbox"/> | | | |
| | and complete lines 27 through 31 | | | |
| | 27 Capital stock, trust principal, or current funds | 5,367,256. | 5,367,256. | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | 190,376,786. | 210,005,035. | |
| 30 Total net assets or fund balances | 195,744,042. | 215,372,291. | | |
| 31 Total liabilities and net assets/fund balances | 195,925,985. | 215,743,428. | | |

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 | 195,744,042. |
| 2 Enter amount from Part I, line 27a | 2 | 19,628,249. |
| 3 Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 Add lines 1, 2, and 3 | 4 | 215,372,291. |
| 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 | 215,372,291. |

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 | | | | |
| b SEE ATTACHED STATEMENT | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a | | | |
| b | | | |
| c | | | |
| d | | | |
| e 113,313,821. | | 84,419,453. | 28,894,368. |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | 28,894,368. |

| | | | |
|--|--|----------|--------------------|
| 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 | 28,894,368. |
| 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)) |
|--|--|--|---|
| 2012 | 11,413,608. | 227,280,138. | .050218 |
| 2011 | 10,024,170. | 229,014,864. | .043771 |
| 2010 | 9,695,676. | 210,726,710. | .046011 |
| 2009 | 6,168,325. | 180,965,660. | .034086 |
| 2008 | 13,793,063. | 239,479,244. | .057596 |

| | | |
|---|----------|---------------------|
| 2 Total of line 1, column (d) | 2 | .231682 |
| 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 | .046336 |
| 4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5 | 4 | 250,518,242. |
| 5 Multiply line 4 by line 3 | 5 | 11,608,013. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 323,003. |
| 7 Add lines 5 and 6 | 7 | 11,931,016. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 12,433,597. |

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

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

| | | | |
|--|--|----|----------|
| 1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions) | | 1 | 323,003. |
| 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 | | 2 | 0. |
| c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b). | | 3 | 323,003. |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | 4 | 0. |
| 3 Add lines 1 and 2 | | 5 | 323,003. |
| 4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | | |
| 5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- | | 6a | 254,748. |
| 6 Credits/Payments: | | 6b | |
| a 2013 estimated tax payments and 2012 overpayment credited to 2013 | | 6c | 150,000. |
| b Exempt foreign organizations - tax withheld at source | | 6d | |
| c Tax paid with application for extension of time to file (Form 8868) | | 7 | 404,748. |
| d Backup withholding erroneously withheld | | 8 | |
| 7 Total credits and payments. Add lines 6a through 6d | | 9 | |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached | | 10 | 81,745. |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | | 11 | 0. |
| 10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | | | |
| 11 Enter the amount of line 10 to be: Credited to 2014 estimated tax <input checked="" type="checkbox"/> 81,745. Refunded <input type="checkbox"/> | | | |

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? | | X |
| 1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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 |
| 1c 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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0. | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0. | | |
| 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 |
| 4a 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? | X | |
| 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, col (c), and Part XV</i> | X | |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> TX | | |
| 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? <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 2013 or the taxable year beginning in 2013 (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 |

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 ► <u>CULLENFDN.ORG</u> | 13 | X | |
| 14 | The books are in care of ► <u>VIC MENDOZA</u> Telephone no. ► <u>713-651-8839</u> Located at ► <u>601 JEFFERSON, SUITE 4000, HOUSTON, TX</u> ZIP+4 ► <u>77002</u> | | | |
| 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 | |
| 16 | At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ► | 16 | Yes | No |
| | | | | X |

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

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

| | Yes | No |
|---|---|----|
| 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? | <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 checked="" type="checkbox"/> Yes <input 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 | | X |
| 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 2013? | | 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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years ► | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| 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 | |
| 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? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| b If "Yes," did it have excess business holdings in 2013 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 2013) | N/A | |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | | 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 2013? | | X |

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|----------------------|---|---|---|---------------------------------------|
| SEE STATEMENT 15 | | | | |
| | 0.00 | 313,500. | 68,293. | 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 |
|---|---|------------------|---|---------------------------------------|
| VIC MENDOZA | FINANCIAL MGR | | | |
| 601 JEFFERSON, HOUSTON, TX 77002 | 32.00 | 110,165. | 40,322. | 0. |
| SUE ALEXANDER | GRANT MGR | | | |
| 601 JEFFERSON, HOUSTON, TX 77002 | 38.00 | 79,204. | 30,900. | 0. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total number of other employees paid over \$50,000

0

Form 990-PF (2013)

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 |
|--|--------------------------|------------------|
| STONELAKE OPPORTUNITY PARTNERS 9600 N MOPAC EXPY, STE 250, AUSTIN, TX 78759 | INVESTMENT MANAGEMENT | 346,201. |
| GOLDMAN, SACHS & CO 1000 LOUISIANA ST, STE 550, HOUSTON, TX 77002 | INVESTMENT MANAGEMENT | 186,966. |
| NWQ INVESTMENT MANAGEMENT CO - 2049 CENTURY PARK EAST, 16TH FL, LOS ANGELES, CA 90067 | INVESTMENT MANAGEMENT | 177,943. |
| FAYEZ, SAROFIM & CO 909 FANNIN, STE 2907, HOUSTON, TX 77010 | INVESTMENT MANAGEMENT | 162,534. |
| OAKTREE CAPITAL MANAGEMENT - 333 SOUTH GRAND AVE, 28TH FL, LOS ANGELES, CA 90071 | INVESTMENT MANAGEMENT | 141,853. |
| Total number of others receiving over \$50,000 for professional services | | 3 |

Part IX-A Summary of Direct Charitable Activities

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

| | Expenses |
|--------|----------|
| 1 NONE | |
| 2 | 0. |
| 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 | |
| 2 | |
| All other program-related investments. See instructions. | |
| 3 NONE | 0. |
| Total. Add lines 1 through 3 | 0. |

Form 990-PF (2013)

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 | 254,284,962. |
| b Average of monthly cash balances | 1b | 15,304. |
| c Fair market value of all other assets | 1c | 32,975. |
| d Total (add lines 1a, b, and c) | 1d | 254,333,241. |
| 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 | 254,333,241. |
| 4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 3,814,999. |
| 5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 250,518,242. |
| 6 Minimum investment return. Enter 5% of line 5 | 6 | 12,525,912. |

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 | 12,525,912. |
| 2a Tax on investment income for 2013 from Part VI, line 5 | 2a | 323,003. |
| b Income tax for 2013. (This does not include the tax from Part VI.) | 2b | 26,380. |
| c Add lines 2a and 2b | 2c | 349,383. |
| 3 Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 12,176,529. |
| 4 Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 Add lines 3 and 4 | 5 | 12,176,529. |
| 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 | 12,176,529. |

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 | 12,433,597. |
| 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 | 12,433,597. |
| 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 | 323,003. |
| 6 Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 12,110,594. |

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 2012 | (c) 2012 | (d) 2013 |
|---|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2013 from Part XI, line 7 | | | | 12,176,529. |
| 2 Undistributed income, if any, as of the end of 2013 | | | | |
| a Enter amount for 2012 only | | | 2,216,604. | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2013: | | | | |
| a From 2008 | | | | |
| b From 2009 | | | | |
| c From 2010 | | | | |
| d From 2011 | | | | |
| e From 2012 | | | | |
| f Total of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2013 from Part XII, line 4: \$ 12,433,597. | | | | |
| a Applied to 2012, but not more than line 2a | | | 2,216,604. | |
| 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 2013 distributable amount | | | | 10,216,993. |
| e Remaining amount distributed out of corpus | 0. | | | |
| 5 Excess distributions carryover applied to 2013 (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 2012. Subtract line 4a from line 2a. Taxable amount - see instr. | | | 0. | |
| f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014 | | | | 1,959,536. |
| 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 2008 not applied on line 5 or line 7 | 0. | | | |
| 9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2009 | | | | |
| b Excess from 2010 | | | | |
| c Excess from 2011 | | | | |
| d Excess from 2012 | | | | |
| e Excess from 2013 | | | | |

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(i)(3) or ☐ 4942(i)(5)

- 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(i)(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(p)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT 13

- 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:

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

13

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

| SOURCE | (A) REVENUE PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME |
|-------------------------|-----------------------------|---------------------------------|-------------------------------|
| THE CULLEN FUND | 1,281. | 1,281. | |
| TOTAL TO PART I, LINE 3 | 1,281. | 1,281. | |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|--------------------------------|-----------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| DFA TARGETED VALUE FUND | 144,316. | 0. | 144,316. | 144,316. | |
| ENCAP FLATROCK MIDSTREAM | 42,187. | 0. | 42,187. | 42,187. | |
| FAYEZ SAROFIM & CO | 2,128,542. | 0. | 2,128,542. | 2,128,542. | |
| GOLDMAN SACHS | 267,799. | 0. | 267,799. | 267,799. | |
| GRAMERCY | | | | | |
| DISTRESSED OPP | 1. | 0. | 1. | 1. | |
| KEMPNER CAPITAL MGMT | 288,813. | 0. | 288,813. | 288,813. | |
| LSV INTERNATIONAL SMALL CAP | 281,145. | 0. | 281,145. | 281,145. | |
| MORGAN STANLEY INTL FUND | 354,804. | 0. | 354,804. | 354,804. | |
| N/D EXP ADJ | 8,956. | 0. | 8,956. | 8,956. | |
| NTGI RUSSELL 1000 | 185,770. | 0. | 185,770. | 185,770. | |
| NWQ INVESTMENTS MGMT CO | 643,057. | 0. | 643,057. | 643,057. | |
| OCM MEZZANINE FUND III | 212,038. | 0. | 212,038. | 212,038. | |
| OCM OPPORTUNITIES FD IVB | -804. | 0. | -804. | -804. | |
| OCM OPPORTUNITIES FD VIIB | 5,078. | 0. | 5,078. | 0. | |
| OCM OPPORTUNITIES FUND VIIB | 200,075. | 0. | 200,075. | 200,075. | |
| OCM PRIN OPP FUND III | 93,750. | 0. | 93,750. | 93,750. | |
| STONELAKE OPPORTUNITY | | | | | |
| PARTNERS STONELAKE | -12,757. | 0. | -12,757. | -12,757. | |
| OPPORTUNITY PARTNERS II | 156,866. | 0. | 156,866. | 156,866. | |

| | | | | |
|-------------------|------------|----|------------|------------|
| STONELAKE | | | | |
| OPPORTUNITY PTRS | | | | |
| III | -23,953. | 0. | -23,953. | -23,953. |
| WESTPORT ASSET | | | | |
| MGMT | 47,464. | 0. | 47,464. | 47,464. |
| TO PART I, LINE 4 | 5,023,147. | 0. | 5,023,147. | 5,018,069. |

| | | | |
|-------------|---------------|-----------|---|
| FORM 990-PF | RENTAL INCOME | STATEMENT | 3 |
|-------------|---------------|-----------|---|

| KIND AND LOCATION OF PROPERTY | ACTIVITY NUMBER | GROSS RENTAL INCOME |
|---------------------------------------|--------------------|------------------------|
| VARIOUS-STONELAKE OPP PARTNERS LP | 1 | 13,749. |
| VARIOUS-STONELAKE OPP PARTNERS LP | 2 | 0. |
| VARIOUS-OCM OPP FD VIIB AIF (DEL) LP | 3 | 1,529. |
| VARIOUS-OCM OPP FD VIIB AIF (DEL) LP | 4 | 0. |
| TOTAL TO FORM 990-PF, PART I, LINE 5A | | 15,278. |

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 4

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | | DATE ACQUIRED | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|----------------|---------------------|-----------|
| PUBLICLY TRADED SECURITIES | | PURCHASED | | VARIOUS | VARIOUS |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 109,227,954. | 80,461,755. | 0. | 0. | 28,766,199. | |

| (A) DESCRIPTION OF PROPERTY | | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|--------------------|---------------------|-----------|
| OCM OPPORTUNITIES FUND VIIB | | | PURCHASED | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 9,774. | 0. | 0. | 0. | 9,774. | |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | | DATE ACQUIRED | | DATE SOLD | |
|--------------------------------|-------------------------------|---------------------------|----------------|---------------------|--|-----------|--|
| OCM OPPORTUNITIES FUND VIIB | | PURCHASED | | | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | | | |
| 116,087. | 0. | 0. | 0. | 116,087. | | | |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | DATE SOLD |
|---|-------------------------------|---------------------------|------------------|---------------------|
| OCM PRINCIPAL OPPORTUNITIES FUND III | PURCHASED | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 0. | 9,865. | 0. | 0. | -9,865. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | DATE SOLD |
|---|-------------------------------|---------------------------|------------------|---------------------|
| OCM PRINCIPAL OPPORTUNITIES FUND III | PURCHASED | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 20,178. | 0. | 0. | 0. | 20,178. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|------------------|---------------------|
| OAKRTREE MEZZANINE FUND III | PURCHASED | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 14,550. | 0. | 0. | 0. | 14,550. |

| (A) DESCRIPTION OF PROPERTY | (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|--------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| OAKRTREE MEZZANINE FUND III | 106,892. | 0. | 0. | 0. | 106,892. |

| (A) DESCRIPTION OF PROPERTY | (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|--|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| LSV INTERNATIONAL SMALL CAP EQ FUND | 98,258. | 0. | 0. | 0. | 98,258. |

| (A) DESCRIPTION OF PROPERTY | (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|--|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| LSV INTERNATIONAL SMALL CAP EQ FUND | 207,819. | 0. | 0. | 0. | 207,819. |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | | DATE SOLD |
|-------------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| GRAMERCY DISTRESSED OPP OFFSHORE | PURCHASED | | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 3,510,023. | 3,947,833. | 0. | 0. | -437,810. | |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| SECURITIES SETTLEMENTS - VAR | PURCHASED | | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 2,286. | 0. | 0. | 0. | 2,286. | |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| SEC 1231 GAIN-UBTI | PURCHASED | | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 69,807. | 0. | 0. | 0. | 69,807. | |

| (A) DESCRIPTION OF PROPERTY | MANNER ACQUIRED | | DATE ACQUIRED | | DATE SOLD |
|--------------------------------|-------------------------------|---------------------------|------------------|---------------------|-----------|
| LONG TERM CAP GAIN-UBTI | PURCHASED | | | | |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS | |
| 25,903. | 0. | 0. | 0. | 25,903. | |

| | |
|---------------------------------------|-------------|
| NET GAIN OR LOSS FROM SALE OF ASSETS | 28,990,078. |
| CAPITAL GAINS DIVIDENDS FROM PART IV | 0. |
| TOTAL TO FORM 990-PF, PART I, LINE 6A | 28,990,078. |

| | | | |
|-------------|--------------|-----------|---|
| FORM 990-PF | OTHER INCOME | STATEMENT | 5 |
|-------------|--------------|-----------|---|

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---------------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| COMMISSION RECAPTURE INCOME | 10,030. | 10,030. | |
| O & G ROYALTIES | 149,993. | 149,993. | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 160,023. | 160,023. | |

| | | | |
|-------------|-----------------|-----------|---|
| FORM 990-PF | ACCOUNTING FEES | STATEMENT | 6 |
|-------------|-----------------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| AUDIT, TAX & ACCOUNTING FEES | 24,868. | 12,434. | | 12,434. |
| TO FORM 990-PF, PG 1, LN 16B | 24,868. | 12,434. | | 12,434. |

| | | | |
|-------------|-------------------------|-----------|---|
| FORM 990-PF | OTHER PROFESSIONAL FEES | STATEMENT | 7 |
|-------------|-------------------------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|----------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| INVESTMENT ADVISORY | 1,212,779. | 1,212,779. | | 0. |
| BANK CUSTODIAL | 125,952. | 125,952. | | 0. |
| INVESTMENT MANAGER CONSULTANT | 35,595. | 35,595. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 1,374,326. | 1,374,326. | | 0. |

| FORM 990-PF | TAXES | | STATEMENT | 8 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| FEDERAL EXCISE TAX | 320,640. | 0. | | 0. |
| FEDERAL INCOME TAX | 20,438. | 0. | | 0. |
| PRODUCTION TAXES | 6,245. | 6,245. | | 0. |
| AD VALOREM TAXES | 5,112. | 5,112. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 352,435. | 11,357. | | 0. |

| FORM 990-PF | OTHER EXPENSES | | STATEMENT | 9 |
|--|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| INSURANCE | 26,608. | 13,304. | | 13,304. |
| OTHER ADMIN | 14,733. | 7,367. | | 7,366. |
| BANK SERVICE CHARGES | 3,324. | 1,662. | | 1,662. |
| OTHER O & G ROYALTY EXP | 3,782. | 3,782. | | 0. |
| REPAIRS & MAINTENANCE | 821. | 410. | | 411. |
| CONTRACT SERVICES | 9,724. | 4,862. | | 4,862. |
| NONDEDUCTIBLE EXPENSES-PARTNERSHIPS | 8,956. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 23 | 67,948. | 31,387. | | 27,605. |

| FORM 990-PF | CORPORATE STOCK | | STATEMENT | 10 |
|---|-----------------|--|--------------|----------------------|
| DESCRIPTION | | | BOOK VALUE | FAIR MARKET VALUE |
| STATEMENT 14 | | | 207,026,336. | 267,394,644. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | | | 207,026,336. | 267,394,644. |

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 11

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|------------------------------------|------------------------|-----------------------------|------------|
| FURNITURE \$ FIXTURES | 900. | 900. | 0. |
| FURNITURE & FIXTURES | 2,741. | 2,741. | 0. |
| FURNITURE & FIXTURES | 1,891. | 1,891. | 0. |
| LEASEHOLD IMPROVEMENTS | 33,483. | 10,446. | 23,037. |
| ORGANIZATION COSTS | 37,208. | 37,208. | 0. |
| COMPUTER EQUIP | 1,629. | 1,629. | 0. |
| COMPUTER EQUIP | 715. | 715. | 0. |
| COMPUTER EQUIP | 279. | 275. | 4. |
| COMPUTER EQUIP | 378. | 365. | 13. |
| COMPUTER EQUIP | 1,348. | 1,214. | 134. |
| COMPUTER EQUIP | 1,169. | 1,053. | 116. |
| COMPUTER EQUIP | 650. | 455. | 195. |
| COMPUTER EQUIP | 249. | 158. | 91. |
| COMPUTER EQUIP | 749. | 37. | 712. |
| COMPUTER EQUIP | 5,367. | 179. | 5,188. |
| TOTAL TO FM 990-PF, PART II, LN 14 | 88,756. | 59,266. | 29,490. |

FORM 990-PF OTHER LIABILITIES STATEMENT 12

| DESCRIPTION | BOY AMOUNT | EOY AMOUNT |
|--|------------|------------|
| FEDERAL EXCISE TAX PAYABLE | 15,908. | 71,986. |
| TOTAL TO FORM 990-PF, PART II, LINE 22 | 15,908. | 71,986. |

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 13

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

SUE ALEXANDER
601 JEFFERSON ST, SUITE 4000
HOUSTON, TX 77002

TELEPHONE NUMBER

713-651-8837

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED CHECKLIST-STATEMENT 18

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

GRANTS & AWARDS ARE MADE TO TEXAS-BASED ORGANIZATIONS OR RESIDENTS. FOUNDATION INTENDS TO MAKE GRANTS TO SEC 501(C)(3) OR SEC 170(C)(1) ORGANIZATIONS BUT NOT TO PRIVATE FOUNDATIONS UNLESS THEY ARE PRIVATE OPERATING FOUNDATIONS.

NO OTHER RESTRICTIONS APPLY.

THE CULLEN FOUNDATION (76-0647361)601 JEFFERSON 40TH FLOOR
HOUSTON, TEXAS 77002**INVESTMENTS**

| DESCRIPTION | DECEMBER 31, 2013 | | | DECEMBER 31, 2012 | | |
|--|------------------------|---------------|-----------------|------------------------|---------------|-----------------|
| | SHARES OR PAR VALUE | COST | MARKET VALUE | SHARES OR PAR VALUE | COST | MARKET VALUE |
| CORPORATE BONDS * | \$ | \$ | | \$ | \$ | |
| | | | | | | |
| PREFERRED STOCK | | | | | | |
| | | | | | | |
| CONVERTIBLE EQUITY | | | | | | |
| | | | | | | |
| RIGHTS / WARRANTS | | | | | | |
| | | | | | | |
| EQUITY DERIVATIVES - OPTIONS | | | | | | |
| | | | | | | |
| FOREIGN STOCK | | | | | | |
| AGRIUM INC COM | 5,800 | 478,216.38 | 530,584.00 | | | |
| ANGLOGOLD ASHANTI LTD ADR | 33,495 | 1,125,499.05 | 392,561.40 | 33,495 | 1,125,499.05 | 1,050,738.15 |
| BARCLAYS PLC ADR | | | | 11,300 | 485,786.00 | 195,716.00 |
| BARRICK GOLD CORP | 20,700 | 514,661.22 | 364,941.00 | 19,400 | 374,881.33 | 679,194.00 |
| BP PLC ADR | | | | 8,300 | 324,753.28 | 345,612.00 |
| CANADIAN PAC RY LTD COM CANADIAN PACIFIC | 4,000 | 505,996.00 | 605,280.00 | | | |
| CDN NAT RES LTD | 43,250 | 1,386,281.54 | 1,463,580.00 | 38,650 | 1,246,999.40 | 1,115,825.50 |
| CHINA HONGXING SPO HKD0.02 | 216,000 | 24,895.09 | 19,673.69 | 216,000 | 24,895.09 | 20,335.65 |
| DIAGEO PLC SPONSORED ADR NEW | 1,500 | 181,020.90 | 198,630.00 | | | |
| HONDA MTR LTD ADR REPRESENTING 2 ORDSHS | | | | 2,000 | 63,120.00 | 73,880.00 |
| HSBC HLDGS PLC ADR NEW | 5,098 | 190,169.61 | 281,052.74 | 7,008 | 261,418.12 | 371,914.56 |
| NESTLE SA ADR | 40,630 | 1,664,509.52 | 2,989,961.70 | 55,900 | 2,290,083.25 | 3,643,003.00 |
| NIPPON TELEG & TEL CORP ADR | | | | 20,000 | 435,160.00 | 420,600.00 |
| NOVARTIS AG ADR | 4,360 | 316,495.89 | 350,456.80 | 3,100 | 123,876.00 | 196,230.00 |
| NOVO-NORDISK A S ADR | 7,560 | 512,382.78 | 1,396,785.60 | 10,400 | 704,865.20 | 1,697,384.00 |
| RIO TINTO PLC ADR | | | | 4,300 | 186,444.60 | 249,787.00 |
| ROCHE HLDG LTD ADR | 19,630 | 802,878.70 | 1,378,026.00 | 27,000 | 1,104,316.10 | 1,363,500.00 |
| ROYAL DUTCH SHELL PLC ADR | 15,480 | 371,173.80 | 1,103,259.60 | 21,300 | 510,723.67 | 1,468,635.00 |
| SABMILLER PLC ADR | 6,540 | 254,012.95 | 335,371.20 | 9,000 | 349,559.10 | 421,110.00 |
| SANOFI ADR | 33,904 | 1,421,036.61 | 1,818,271.52 | 33,800 | 1,253,925.39 | 1,601,444.00 |
| TALISMAN ENERGY INC | 115,150 | 1,760,727.53 | 1,341,497.50 | 101,550 | 1,604,637.61 | 1,150,561.50 |
| TEVA PHARMACEUTICAL INDS ADR | 23,100 | 997,614.00 | 925,848.00 | 36,759 | 1,627,583.05 | 1,372,581.06 |
| TOTAL SA ADR | 14,970 | 872,573.40 | 917,211.90 | 21,400 | 1,248,493.21 | 1,113,014.00 |
| VODAFONE GROUP PLC NEW ADR | | | | 5,700 | 152,416.20 | 143,583.00 |
| WAGON ORD GBP0.01 | 8,500 | 26,688.10 | 175.98 | 8,500 | 26,688.10 | 172.71 |
| | | 13,406,833.07 | 16,413,168.63 | | 15,526,123.75 | 18,694,821.13 |
| DOMESTIC COMMON STOCK | | | | | | |
| #REORG/PARAMETRIC TECH NAME CHANGE | | | | 28,000 | 507,500.00 | 630,280.00 |
| AAR CORP | | | | 16,350 | 217,898.80 | 305,418.00 |
| ABBOTT LAB | 35,785 | 958,673.39 | 1,371,639.05 | 35,861 | 1,781,987.55 | 2,348,895.50 |
| ABBVIE INC COM USD0.01 | 18,970 | 446,287.69 | 1,001,805.70 | | | |
| ACE LTD COM STK | 3,500 | 334,473.95 | 362,355.00 | | | |
| ACTIVISION BLIZZARD INC COM STK | | | | 37,960 | 416,927.96 | 403,135.20 |
| AGILENT TECHNOLOGIES INC COM | 9,926 | 539,570.69 | 567,667.94 | | | |
| ALCOA INC | | | | 8,300 | 146,098.00 | 72,044.00 |
| ALLSTATE CORP | | | | 13,800 | 611,769.22 | 554,346.00 |
| ALTRIA GROUP INC | 55,320 | 432,205.84 | 2,123,734.80 | 81,100 | 606,784.45 | 2,548,162.00 |
| AMAZON INC | 2,199 | 462,465.62 | 876,939.21 | 1,592 | 281,065.94 | 399,814.88 |
| AMERICAN EXPRESS CO | | | | 12,210 | 587,587.98 | 701,830.80 |
| AMERICAN INTERNATIONAL GROUP INC | 31,700 | 996,050.00 | 1,618,285.00 | 31,700 | 996,050.00 | 1,119,010.00 |
| AMERICAN TOWER CORP | 15,868 | 491,774.53 | 1,266,583.76 | 15,868 | 491,774.53 | 1,226,120.36 |
| ANADARKO PETRO CORP COM | 7,194 | 636,075.29 | 570,628.08 | | | |
| ANNALY CAP MGMT INC | | | | 16,200 | 225,495.00 | 227,448.00 |
| AON PLC | 16,600 | 588,942.78 | 1,392,574.00 | 19,200 | 677,405.64 | 1,067,520.00 |
| APACHE CORP | 14,910 | 1,072,179.72 | 1,281,365.40 | 11,260 | 769,442.77 | 883,910.00 |
| APPLE INC | 7,825 | 1,588,539.33 | 4,390,685.75 | 13,784 | 2,304,838.08 | 7,347,285.52 |
| APPLIED MATERIALS INC | 24,100 | 273,844.54 | 426,329.00 | 51,100 | 593,698.28 | 584,584.00 |
| ARCHER-DANIELS-MIDLAND CO | | | | 15,300 | 319,941.68 | 419,067.00 |
| AT&T INC | | | | 10,585 | 196,156.20 | 356,820.35 |
| AUTOMATIC DATA PROCESSING INC | 10,900 | 425,571.84 | 880,829.00 | 15,000 | 585,649.36 | 855,150.00 |
| AVON PRODUCTS INC | 27,720 | 487,868.27 | 477,338.40 | 14,475 | 399,766.30 | 207,861.00 |
| BAKER HUGHES INC | 9,900 | 472,862.00 | 547,074.00 | 7,500 | 327,268.00 | 306,300.00 |
| BANK OF AMERICA CORP | | | | 11,772 | 235,892.12 | 136,555.20 |
| BANKUNITED INC | | | | 20,500 | 598,692.30 | 501,020.00 |
| BANNER CORP | | | | 23,100 | 487,215.96 | 709,863.00 |
| BEAM INC | 7,629 | 511,932.83 | 519,229.74 | | | |
| BECTON DICKINSON & CO | 2,982 | 290,983.55 | 329,481.18 | 2,100 | 152,313.00 | 164,199.00 |
| BEST BUY INC | | | | 17,400 | 424,346.70 | 206,190.00 |

THE CULLEN FOUNDATION (76-0647361)601 JEFFERSON 40TH FLOOR
HOUSTON, TEXAS 77002**INVESTMENTS**

| DESCRIPTION | DECEMBER 31, 2013 | | | DECEMBER 31, 2012 | | |
|--|------------------------|--------------|-----------------|------------------------|--------------|-----------------|
| | SHARES OR PAR VALUE | COST | MARKET VALUE | SHARES OR PAR VALUE | COST | MARKET VALUE |
| BIG LOTS INC | | | | 27,847 | 342,839.98 | 792,525.62 |
| BLACK BOX CORP | | | | 10,000 | 305,728.04 | 243,400.00 |
| BLACKROCK INC | 2,300 | 421,369.85 | 727,881.00 | 2,300 | 421,369.85 | 475,433.00 |
| BOEING CO | | | | 6,400 | 334,315.28 | 482,304.00 |
| BROWN & BROWN INC | | | | 35,000 | 461,723.00 | 891,100.00 |
| C R BARD | 3,653 | 436,638.45 | 489,282.82 | | | |
| CA INC | 38,994 | 793,221.11 | 1,312,148.10 | 60,694 | 980,457.29 | 1,334,054.12 |
| CAP I FNCL | 9,800 | 537,330.00 | 750,778.00 | 9,800 | 537,330.00 | 567,714.00 |
| CATERPILLAR INC | 8,317 | 772,409.16 | 755,266.77 | 5,000 | 482,195.00 | 447,900.00 |
| CBRE GROUP INC CL A | 35,946 | 557,962.97 | 945,379.80 | 34,909 | 457,847.52 | 694,689.10 |
| CENTURYLINK INC COM | 29,050 | 994,165.50 | 925,242.50 | | | |
| CHECKPOINT SYS INC | | | | 55,900 | 1,274,479.23 | 600,366.00 |
| CHEVRON CORP | 19,260 | 645,787.23 | 2,405,766.60 | 26,500 | 888,544.21 | 2,865,710.00 |
| CHIPOTLE MEXICAN GRILL INC | 740 | 245,241.59 | 394,257.20 | 1,552 | 435,552.43 | 461,657.92 |
| CISCO SYSTEMS INC | 26,050 | 452,995.61 | 584,822.50 | 52,800 | 905,561.59 | 1,037,520.00 |
| CITIGROUP INC | 29,180 | 993,089.33 | 1,520,569.80 | 32,580 | 1,106,621.04 | 1,288,864.80 |
| CME GROUP INC | | | | 8,093 | 442,683.55 | 410,396.03 |
| COACH INC | | | | 1,800 | 95,616.00 | 99,918.00 |
| COCA COLA CO | 89,120 | 2,223,191.98 | 3,681,547.20 | 122,600 | 3,058,385.73 | 4,444,250.00 |
| COLGATE-PALMOLIVE CO COM | 8,727 | 517,428.75 | 569,087.67 | | | |
| COMCAST CORP NEW-CL A | 11,990 | 499,068.66 | 623,060.35 | | | |
| CONOCOPHILLIPS | 20,060 | 567,109.75 | 1,417,239.00 | 27,600 | 780,270.64 | 1,600,524.00 |
| COSTCO WHOLESALE CORP NEW | 7,816 | 405,908.15 | 930,182.16 | 7,816 | 405,908.15 | 771,986.32 |
| CROCS INC | | | | 38,000 | 549,448.30 | 546,820.00 |
| CROWN CASTLE INTL CORP | | | | 12,079 | 390,390.99 | 871,620.64 |
| CVS CAREMARK CORP | 12,900 | 415,646.56 | 923,253.00 | 12,900 | 415,646.56 | 623,715.00 |
| DANAHER CORP COM | 9,452 | 589,851.56 | 729,694.40 | | | |
| DEVON ENERGY CORP | | | | 19,200 | 408,043.64 | 999,168.00 |
| DEVRY INC DEL | | | | 17,200 | 398,852.86 | 408,156.00 |
| DOLLAR GEN CORP | 13,990 | 662,878.45 | 843,876.80 | 7,319 | 329,307.43 | 322,694.71 |
| DOVER CORP | | | | 6,600 | 253,488.00 | 433,686.00 |
| DOW CHEMICAL CO | | | | 8,200 | 311,817.20 | 265,024.00 |
| EBAY INC COM USD0 001 | 12,840 | 687,498.15 | 704,787.60 | | | |
| EMC CORP COM | 31,388 | 761,306.29 | 789,408.20 | | | |
| EQUINIX INC | 5,560 | 794,915.43 | 986,622.00 | 3,530 | 355,323.59 | 727,886.00 |
| EXPRESS INC | | | | 25,200 | 374,859.84 | 380,268.00 |
| EXXON MOBIL CORP | 43,610 | 2,993,080.77 | 4,413,332.00 | 60,000 | 4,117,974.00 | 5,193,000.00 |
| FEDEX CORP COM | 4,769 | 455,638.31 | 685,639.13 | | | |
| FREEMONT-MCMORAN COPPER & GOLD INC | 8,000 | 324,067.52 | 301,920.00 | 21,000 | 848,867.40 | 718,200.00 |
| FRKLN RES INC | 15,000 | 548,753.00 | 865,950.00 | 5,000 | 548,753.00 | 628,500.00 |
| GANNETT INC | | | | 17,200 | 737,142.32 | 309,772.00 |
| GEN COMMUNICATION INC CL A | | | | 86,800 | 437,906.00 | 832,412.00 |
| GEN MTRS CO | 37,200 | 1,101,744.47 | 1,520,364.00 | 33,000 | 983,953.69 | 951,390.00 |
| GENERAL ELECTRIC CO | 7,270 | 33,060.32 | 203,778.10 | 10,000 | 45,475.00 | 209,900.00 |
| GOLDMAN SACHS GROUP INC | 4,550 | 650,248.42 | 806,533.00 | 6,200 | 888,122.48 | 790,872.00 |
| GOOGLE INC CL A | 1,344 | 803,247.26 | 1,506,234.24 | 1,991 | 1,199,483.54 | 1,412,355.67 |
| HALLIBURTON CO | | | | 25,596 | 662,578.69 | 887,925.24 |
| HARTFORD FINL SVCS CORP | 45,000 | 1,489,749.18 | 1,630,350.00 | 55,100 | 1,947,254.64 | 1,236,444.00 |
| HEWLETT PACKARD CO | | | | 15,950 | 579,837.36 | 227,287.50 |
| HONEYWELL INTL INC | 6,553 | 415,746.51 | 598,747.61 | 5,043 | 302,607.19 | 320,079.21 |
| INGERSOLL-RAND PLC | 9,200 | 133,452.75 | 566,720.00 | 12,000 | 218,436.00 | 575,520.00 |
| INTEL CORP | 24,070 | 475,359.32 | 624,857.20 | 56,500 | 850,922.57 | 1,165,595.00 |
| INTERCONTINENTAL EXCHANGE GROUP INC CO | 2,995 | 458,542.39 | 673,635.40 | | | |
| INTERNATIONAL BUSINESS MACHS CORP | 4,720 | 709,502.38 | 885,330.40 | 9,500 | 1,209,436.90 | 1,819,725.00 |
| ITT EDL SVCS INC | | | | 5,500 | 57,887.50 | 95,205.00 |
| JOHNSON & JOHNSON | 20,130 | 1,210,361.40 | 1,843,706.70 | 28,900 | 1,735,526.63 | 2,025,890.00 |
| JOHNSON CTL INC | | | | 3,400 | 93,670.00 | 104,380.00 |
| JPMORGAN CHASE & CO | 42,358 | 1,410,934.78 | 2,477,095.84 | 48,600 | 1,463,125.90 | 2,136,942.00 |
| L BRANDS INC COM | 10,906 | 576,411.02 | 674,536.10 | | | |
| LAS VEGAS SANDS CORP COM STK | | | | 5,444 | 209,820.60 | 251,295.04 |
| LINCOLN NATL CORP | | | | 14,115 | 443,896.12 | 365,578.50 |
| LOEWS CORP | 14,634 | 375,977.46 | 705,944.16 | 14,634 | 375,977.46 | 596,335.50 |
| MARRIOTT INTL CL A COM | | | | 83,395 | | |
| MARRIOTT INTL INC NEW CL A | | | | 11,838 | 326,195.32 | 441,202.26 |
| MARSH & MCLENNAN CO'S INC | | | | 13,100 | 424,758.42 | 451,557.00 |
| MASTERCARD INC CL A | | | | 1,249 | 275,124.40 | 613,608.72 |
| MC DONALDS CORP | 18,170 | 706,477.22 | 1,763,035.10 | 25,000 | 972,038.00 | 2,205,250.00 |
| MCGRAW HILL COMPANIES INC | | | | 14,200 | 263,929.00 | 776,314.00 |
| MCGRAW HILL FINANCIAL INC | 10,320 | 191,813.12 | 807,024.00 | | | |
| MCKESSON CORP | 3,607 | 553,603.82 | 582,169.80 | | | |
| MEDTRONIC INC | | | | 14,500 | 557,357.00 | 594,790.00 |
| MERCK & CO INC | 14,540 | 364,867.16 | 727,727.00 | 33,700 | 887,564.48 | 1,379,678.00 |
| METLIFE INC | 21,100 | 656,036.97 | 1,137,712.00 | 24,900 | 762,582.13 | 820,206.00 |
| MICROSOFT CORP | 38,500 | 1,036,625.98 | 1,441,055.00 | 27,800 | 726,836.42 | 743,094.00 |
| MOSAIC CO/THE | 5,050 | 260,827.59 | 238,713.50 | 11,250 | 585,227.39 | 637,087.50 |
| NATIONAL WESTN LIFE INS CO CL A | | | | 5,572 | 880,227.72 | 878,927.28 |
| NETAPP INC | | | | 16,130 | 704,811.38 | 541,161.50 |
| NIKE INC CL B | 10,844 | 425,541.35 | 852,772.16 | 15,196 | 567,988.99 | 784,113.60 |
| NOBLE ENERGY INC | | | | 3,302 | 198,577.99 | 335,945.48 |
| NORTHERN TRUST CORP | | | | 6,977 | 345,542.24 | 349,966.32 |
| NORWEGIAN CRUISE LINE HLDGS LTD COM | 21,400 | 711,550.00 | 759,058.00 | | | |
| NRG ENERGY INC | 13,600 | 570,149.27 | 390,592.00 | 13,600 | 570,149.27 | 312,664.00 |
| OCCIDENTAL PETROLEUM CORP | 22,200 | 1,335,201.78 | 2,111,220.00 | 26,710 | 1,497,984.99 | 2,046,253.10 |
| ORACLE CORP | 26,850 | 885,454.02 | 1,027,281.00 | 13,881 | 277,510.91 | 462,514.92 |
| ORIENT-EXPRESS HOTELS | | | | 45,500 | 510,543.05 | 531,895.00 |
| OWENS & MINOR INC NEW | | | | 4,660 | 33,492.97 | 132,856.60 |
| PACCAR INC | 11,650 | 412,059.17 | 689,330.50 | 11,650 | 412,059.17 | 526,696.50 |
| PEPSICO INC | 14,900 | 842,401.30 | 1,235,806.00 | 27,651 | 1,561,063.27 | 1,892,157.93 |

THE CULLEN FOUNDATION (76-0647361)601 JEFFERSON, 40TH FLOOR
HOUSTON TEXAS 77002**INVESTMENTS**

| DESCRIPTION | DECEMBER 31 2013 | | | DECEMBER 31 2012 | | |
|--|------------------------|-----------------------|--------------------------|------------------------|-----------------------|--------------------------|
| | SHARES OR PAR VALUE | COST | MARKET VALUE | SHARES OR PAR VALUE | COST | MARKET VALUE |
| PFIZER INC | 42 400 | 728,546 28 | 1,298 712 00 | 42,400 | 728,546 28 | 1,063,392 00 |
| PHILIP MORRIS INTL INC | 57,030 | 1,099,473 15 | 4 969 023 90 | 84,050 | 1,510 400 71 | 7,029,942 00 |
| PHILLIPS 66 COM | 16 230 | 602 249 71 | 1,251 819 90 | 13 800 | 246,032 60 | 732,780 00 |
| PITNEY BOWES INC | | | | 14,000 | 523,177 92 | 148,960 00 |
| PLAINS EXPL & PRODTN CO | | | | 17 962 | 783,087 63 | 843,136 28 |
| PRAXAIR INC | 9,450 | 571,742 41 | 1,228,783 50 | 18,665 | 1,313,209 65 | 2 042,884 25 |
| PRECISION CASTPARTS CORP COM | 2,940 | 599 750 90 | 791,742 00 | | | |
| PRICELINE COM INC | | | | 368 | 215,583 42 | 228,601 60 |
| PROCTER & GAMBLE CO | 27 690 | 1 462,574 72 | 2,254,242 90 | 49,237 | 2,647 700 15 | 3,342,699 93 |
| PVH CORP | 5 837 | 490,627 08 | 793,948 74 | 3 917 | 258,522 00 | 434,826 17 |
| QUALCOMM INC | 22 405 | 984,204 42 | 1,663,571 25 | 32,109 | 1,399,893 20 | 1,991 400 18 |
| RAYTHEON CO | 6 900 | 244,089 04 | 625 830 00 | 14,500 | 536,154 82 | 834,620 00 |
| REGENERON PHARMACEUTICALS INC COM | 2 195 | 529,570 46 | 604,151 80 | | | |
| ROGERS CORP | | | | 4,500 | 142,433 55 | 223 470 00 |
| RYMAN HOSPITALITY PPTYS INC | | | | 13,109 | 459 081 62 | 504,171 75 |
| SALESFORCE INC | 11,908 | 424,353 50 | 657 202 52 | 2,261 | 310 559 31 | 380,074 10 |
| SBA COMMUNICATIONS CORP CL A COM | 4,841 | 384,541 92 | 434,915 44 | | | |
| SCHLUMBERGER LTD | 7 838 | 502 159 78 | 706,282 18 | 15,251 | 1,006,737 03 | 1,056,741 79 |
| SHERWIN-WILLIAMS CO COM | 2,207 | 408 133 87 | 404 984 50 | | | |
| STAPLES INC | | | | 37 200 | 570 312 00 | 424 080 00 |
| STARBUCKS CORP COM | 5,778 | 406,686 44 | 452 937 42 | | | |
| STATE STR CORP COM | 4 000 | 283,257 20 | 293,560 00 | | | |
| TARGET CORP | 14,540 | 717 305 82 | 919,945 80 | 20 000 | 986,665 50 | 1,183,400 00 |
| TEXAS INSTRUMENTS INC | 23,990 | 634 369 17 | 1 053,400 90 | 33,000 | 872 621 20 | 1 021,020 00 |
| TIMBERLAND BANCORP INC | | | | 61 733 | 430,476 22 | 428,427 02 |
| TIME WARNER CABLE INC | 3 420 | 341,029 75 | 463 410 00 | 4,700 | 468,666 61 | 456 793 00 |
| TIME WARNER INC | 15,050 | 478,279 58 | 1,049 286 00 | 18,450 | 585 746 79 | 882 463 50 |
| TWENTY-FIRST CENTY FOX INC CL A CL A | 20 825 | 684,613 20 | 732 623 50 | | | |
| UNION PAC CORP | 4,140 | 128,486 97 | 695 520 00 | 4 140 | 128,486 97 | 520,480 80 |
| UNUM GROUP | 36 850 | 805,994 46 | 1,292,698 00 | 48,350 | 1,063 175 81 | 1 006,647 00 |
| UNVL HEALTH SERVICES INC CL B | | | | 30,000 | 195,375 00 | 1,450 500 00 |
| URBAN OUTFITTERS INC | | | | 8,670 | 220,066 62 | 341 251 20 |
| UTD RENTALS INC | | | | 23,800 | 642 983 98 | 1 083,376 00 |
| UTI WORLDWIDE INC ORD NPV | | | | 39,259 | 844,120 71 | 526,070 60 |
| VALERO ENERGY CORP | 3 200 | 131,621 10 | 161,280 00 | 4,000 | 71,275 00 | 136 480 00 |
| VERTEX PHARMACEUTICALS INC | | | | 7 805 | 328,536 13 | 327 341 70 |
| VIACOM INC NEW CL B | 11,550 | 398,680 76 | 1,008,777 00 | 18,400 | 669,869 16 | 970,416 00 |
| VOLT INFORMATION SCIENCES INC COM | | | | 86,000 | 566 310 00 | 537 500 00 |
| WALGREEN CO | 21 810 | 736,462 63 | 1 252 766 40 | 34,000 | 1,148,084 80 | 1,258,340 00 |
| WAL-MART STORES INC | 19 700 | 620,636 45 | 1,550,193 00 | 33,100 | 1 130,255 95 | 2,258 413 00 |
| WELLS FARGO & CO NEW | 29,620 | 914,688 62 | 1,344 748 00 | 23,000 | 545 444 18 | 786 140 00 |
| WESTERN UNION CO | | | | 36,200 | 562,348 56 | 492 682 00 |
| WHOLE FOODS MKT INC COM | 11 987 | 677,982 91 | 693,208 21 | | | |
| WILLIS GROUP HOLDINGS | | | | 39,902 | 633 179 57 | 1,337,914 06 |
| XILINX INC | 15 465 | 535 456 07 | 710 152 80 | 16,136 | 470,321 87 | 579,282 40 |
| XL GROUP PLC ORD USD 01 | | | | 9,300 | 599 628 00 | 233 058 00 |
| YUM BRANDS INC COM | 9 523 | 737 516 90 | 720 034 03 | | | |
| | | 67 368 887 67 | 109 842 620 11 | | 91 563 462 78 | 128 784 500 77 |
| MUTUAL FUNDS | | | | | | |
| MFB NTGI-QM COM DAILY RUSSELL 1000 EQTY I | 258 706 | 36,553,355 49 | 38,008 604 83 | | | |
| MFO DFA INVT DIMENSIONS GROUP INC U S TAR | 1 053 643 | 19 953 392 80 | 23,991,458 62 | | | |
| MFO GOLDMAN SACHS TR GWTH OPP FD INSTL I | 276 238 | 5,541,773 60 | 8,411,448 92 | 257 146 | 4,978,571 45 | 6 354 089 02 |
| MFO MORGAN STANLEY INSTL FD INTL EQTY CI | 1 245,562 | 21,011,698 66 | 21,149,640 21 | 1,245,562 | 21 011,698 66 | 17 873,812 54 |
| MFO TCW FDS INC SMID CAP GROWTH FD CL I | 1,396,080 | 16,739 003 02 | 21,080,812 83 | 1,396,080 | 16,739 003 02 | 14,714,686 57 |
| | | 99 799 223 57 | 112 641 965 41 | | 42 729 273 13 | 38 942,588 13 |
| GRAND TOTAL MARKETABLE SECURITIES | \$ | 180,574 944 31 | \$ 238 897 754 15 | \$ | 149 818 859 66 | \$ 186 421 910 03 |
| NON MARKETABLE SECURITIES AND PARTNERSHIPS | | | | | | |
| ARCO HOLDINGS LTD CLASS B SERIES 2 FDI | 129,034 | 2,000 027 00 | 566,459 00 | 129,034 | 2 000,027 00 | 632,266 60 |
| DRUG ROYALTY - LRSC II SARL | 1 945 420 | 1,945,420 36 | 2,362 553 00 | 1,230 261 | 1,230,261 36 | 1,363 321 00 |
| ENCAP FLATROCK MIDSTREAM FUND II-C | 952,345 | 952,345 00 | 966,959 00 | 223,598 | 223,598 00 | 172,234 00 |
| GRAMERCY DISTRESSED OPPORTUNITY OFFSHORE LTD CL A SER 9 FD | | | | 1,466 | 2,513,979 93 | 2,301,578 15 |
| GRAMERCY OFFSHORE SPV II LTD GDOF CONVERSION SHARES FUND | | | | 103 | 148,473 07 | 65,287 85 |
| LSV INTERNATIONAL SMALL CAP EQUITY FUND | 8,857 171 | 8,857,171 32 | 10,668 670 00 | 8,358,657 | 8,358,657 32 | 8 147 950 00 |
| OAKTREE MEZZANINE FUND III | 1 687,302 | 1,687,302 00 | 1 688,384 00 | 2,824,634 | 2,824,634 00 | 2,822,568 00 |
| OCM OPPORTUNITIES FUND IV-B LP | 10 504 | 10,503 93 | 14,583 00 | 11,308 | 11,308 06 | 13,580 00 |
| OCM OPPORTUNITIES FUND VII B, LP | 1,613,529 | 1,609,801 07 | 1,820,430 00 | 2,960,842 | 2,948,087 87 | 2,976,752 00 |
| OCM PRINCIPAL OPPORTUNITIES FUND III, LP | 1,554,252 | 1,554 251 98 | 1,190,972 00 | 2,763,478 | 2 763 477 73 | 2,364 399 00 |
| PERUVIAN AND EASTERN EUROPEAN MONETIZ | 52 | 52,167 00 | 44,788 00 | | | |
| RED RIV INVS CORP HLDG PREF SHS | 2 500 | 1,626 556 36 | 495,852 47 | 2,500 | 2,201,166 02 | 1,070,462 13 |
| STONELAKE OPPORTUNITY PARTNERS, LP | - | - | 291,298 74 | - | - | 281,694 44 |
| STONELAKE OPPORTUNITY PARTNERS II, LP | 6 155,846 | 6,155 846 49 | 8,385 940 00 | 6,282,564 | 6,282,564 39 | 6 958,016 00 |
| | | 26 451 392 51 | 28,496 889 21 | | 31,506,234 75 | 29 170 109 17 |
| GRAND TOTAL INVESTMENTS | \$ | 207 026 336 82 | \$ 267 394 643 36 | \$ | 181 325 094 41 | \$ 215 592 019 20 |

SUPPLEMENT TO 990-PF 2013 RETURN OF NON PROFIT CORPORATION

THE CULLEN FOUNDATION (76-0647361)

601 JEFFERSON, SUITE 4000

HOUSTON, TEXAS 77002

PART VIII, PAGE 6 LINE 1 -- OFFICERS AND DIRECTORS

| NAME, TITLE & ADDRESS | AVERAGE HOURS PER WEEK DEVOTED | COMPENSATION | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS | EXPENSE ACCOUNT OTHER ALLOWANCE |
|---|--------------------------------------|------------------|---|---------------------------------------|
| ROY H CULLEN PRESIDENT AND DIRECTOR 601 JEFFERSON, SUITE 4000 HOUSTON, TEXAS 77002 | 2 HOURS | 0 | 0 | 0 |
| ISAAC ARNOLD, JR VICE PRESIDENT AND DIRECTOR 601 JEFFERSON, SUITE 4000 HOUSTON, TEXAS 77002 | 2 HOURS | 0 | 0 | 0 |
| WILHELMINA E ROBERTSON SECRETARY AND DIRECTOR 601 JEFFERSON, SUITE 4000 HOUSTON, TEXAS 77002 | 2 HOURS | 0 | 0 | 0 |
| WILLIAM H DRUSHEL, JR DIRECTOR 6031 PARK CIRCLE HOUSTON, TEXAS 77057 | 2 HOURS | 0 | 0 | 0 |
| BERT L CAMPBELL DIRECTOR 3017 NOTTINGHAM ST HOUSTON, TEXAS 77005 | 2 HOURS | 0 | 0 | 0 |
| ALAN M STEWART EXECUTIVE DIRECTOR AND TREASURER 601 JEFFERSON, SUITE 4000 HOUSTON, TEXAS 77002 | 40 HOURS | \$315,500 | \$68,293 | \$1,484 |
| TOTAL | | <u>\$315,500</u> | <u>\$68,293</u> | <u>\$1,484</u> |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
601 JEFFERSON, 40TH FLOOR
HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONNEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|--|------------|---------|----------------|-----------------|--|
| Alley Theatre Gladden, Dean R 615 Texas Avenue Houston, TX 77002-2795 | 3/14/2013 | 3783 | \$137,500 00 | PC 509(a)(2) | Annual Giving Grant |
| Alley Theatre Gladden, Dean R 615 Texas Avenue Houston, TX 77002-2795 | 11/14/2013 | 3887 | \$300,000 00 | PC 509(a)(2) | Fund for Theatre Excellence Capital Campaign |
| American Cancer Society Guzman, Betty 6301 Richmond Ave Houston, TX 77057 | 11/14/2013 | 3886 | \$125,000 00 | PC 509(a)(1) | construction of Hope Lodge Houston |
| Association for Community Broadcasting Shumate, Lisa Trapani 4343 Elgin Houston, TX 77204-0008 | 3/14/2013 | 3784 | \$65,000 00 | PC 509(a)(1) | Annual Giving Grant |
| Baylor College of Medicine Klotman, Paul One Baylor Plaza Suite 143A Houston, TX 77030-3498 | 12/11/2013 | 3908 | \$1,000,000 00 | PC 509(a)(1) | CONTINGENT - build-out of outpatient facility on McNair Campus contingent upon raising minimum of \$110 mm by 9/30/2012, FULFILLED |
| Briarwood-Brookwood, Inc. Wills, Carole C 12207 Whittington Dr Houston, TX 77077 | 11/14/2013 | 3888 | \$25,000 00 | PC 509(a)(1) | The Briarwood School - capital campaign for the Athletic Facility upgrades |
| Buffalo Bayou Partnership Olson, Anne 1113 Vine Street, Suite 200 Houston, TX 77002 | 11/14/2013 | 3889 | \$250,000 00 | PC 509(a)(1) | the Buffalo Bayou Park Shepherd to Sabine Greenway Project |
| Center for Houston's Future Mosbacher, Catherine Clark 1200 Smith, Suite 1150 Houston, TX 77002 | 11/14/2013 | 3890 | \$25,000 00 | PC 509(a)(1) | the My Degree Counts program |
| The Children's Museum of Houston Kahn, Tammie 1500 Binz Houston, TX 77004-7112 | 7/22/2013 | 3832 | \$55,000 00 | PC 509(a)(1) | Annual Giving Grant |
| Community of the Streets Outreach Corporation Clark, Muffin 3401 Fannin Houston, TX 77004 | 11/14/2013 | 3891 | \$15,000 00 | PC 509(a)(1) | operations |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
601 JEFFERSON, 40TH FLOOR
HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|---|------------|---------|--------------|-----------------|---|
| The Council on Alcohol and Drugs Houston Broussard, Monica Brown P O Box 2768 Houston, TX 77252 | 7/11/2013 | 3833 | \$50,000 00 | PC 509(a)(1) | Kids Camp at The Council |
| Da Camera Rothenberg, Sarah 1427 Branard Houston, TX 77006 | 3/14/2013 | 3785 | \$65,000 00 | PC 509(a)(1) | Annual Giving Grant |
| Da Camera Rothenberg, Sarah 1427 Branard Houston, TX 77006 | 10/18/2013 | 3872 | \$50,000 00 | PC 509(a)(1) | Artistic Development Fund |
| Discovery Green Conservancy Mandel, Barry 1500 McKinney Houston, TX 77010 | 1/22/2013 | 3762 | \$150,000 00 | PC 509(a)(1) | 5th Anniversary Capital Improvements Campaign |
| The Gateway Academy, Inc. Bauman, Michele 3721 Dacoma Street Houston, TX 77092 | 6/24/2013 | 3816 | \$25,000 00 | PC 509(a)(1) | capital campaign |
| Girl Scouts of San Jacinto Council Vitek, Mary M 3110 Southwest Freeway Houston, TX 77098-0300 | 6/24/2013 | 3817 | \$50,000 00 | PC 509(a)(1) | Second Century of Leadership Campaign |
| Gulf Coast Bird Observatory Riley, Cecilia M 103 Hwy 332 West Lake Jackson, TX 77566 | 9/12/2013 | 3857 | \$25,000 00 | PC 509(a)(1) | construction of the new Avian Conservation Science Center |
| Halo House Foundation Fowler, Kathleen 4007 Tartan Lane Houston, TX 77025 | 6/24/2013 | 3818 | \$25,000 00 | PC 509(a)(1) | salary for the first paid employee position, an administrative assistant |
| The Health Museum Iszard, Jon 1515 Hermann Drive Houston, TX 77004-7126 | 11/14/2013 | 3892 | \$200,000 00 | PC 509(a)(2) | construction of the new Amazing Body Pavilion |
| Hermann Park Conservancy Stoller, Doreen 6201-A Hermann Park Drive Houston, TX 77030 | 9/12/2013 | 3858 | \$25,000 00 | PC 509(a)(1) | Art in the Park |
| Houston Arboretum & Nature Center Markey, Deborah 4501 Woodway Houston, TX 77024 | 3/14/2013 | 3786 | \$27,500 00 | PC 509(a)(1) | Annual Giving Grant |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
 601 JEFFERSON, 40TH FLOOR
 HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|--|------------|---------|--------------|-----------------|--|
| Houston Ballet Foundation Nelson, James D 601 Preston Houston, TX 77002 | 3/14/2013 | 3787 | \$68,750 00 | PC 509(a)(1) | Annual Giving Grant |
| Houston Ballet Foundation Nelson, James D 601 Preston Houston, TX 77002 | 9/12/2013 | 3859 | \$68,750 00 | PC 509(a)(1) | Annual Giving Grant |
| Houston Center for Literacy Foreman, Sheri Suarez 2401 Portsmouth St #230 Houston, TX 77098 | 11/14/2013 | 3893 | \$30,000 00 | PC 509(a)(1) | Texas Family Literacy AmeriCorps Initiative in the 2013-2014 fiscal year |
| Houston Community ToolBank Stephenson, Chad W 1300 W Sam Houston Pkwy S Houston, TX 77042 | 11/14/2013 | 3894 | \$20,000 00 | PC 509(a)(1) | start up expenses for program lending tools to charitable organizations |
| Houston Grand Opera Association, Inc. Leech, Perryn 510 Preston Houston, TX 77002-1594 | 8/20/2013 | 3850 | \$137,500 00 | PC 509(a)(1) | Annual Giving Grant |
| Houston Museum of Natural Science Bartsch, Joel A One Hermann Circle Dr Houston, TX 77030-1799 | 3/14/2013 | 3788 | \$137,500 00 | PC 509(a)(2) | Annual Giving Grant |
| Houston Symphony Society Hanson, Mark C 615 Louisiana Street Houston, TX 77002-2798 | 3/14/2013 | 3789 | \$137,500 00 | PC 509(a)(2) | Annual Giving Grant |
| Houston Symphony Society Hanson, Mark C 615 Louisiana Street Houston, TX 77002-2798 | 7/11/2013 | 3835 | \$200,000 00 | PC 509(a)(2) | five-year \$15 million Sustainability Fund |
| Houston Zoo, Inc. Cannon, Deborah M 1513 Cambridge St Houston, TX 77030 | 7/11/2013 | 3836 | \$500,000 00 | PC 509(a)(2) | Phase II of the African Forest master plan |
| Interfaith Ministries for Greater Houston Gershenson, Elliott 3217 Montrose Blvd Houston, TX 77006-3980 | 7/11/2013 | 3834 | \$50,000 00 | PC 509(a)(2) | the Many Faiths Building Together Interfaith Ministries Campaign for Tomorrow Tomorrow |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
601 JEFFERSON, 40TH FLOOR
HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|---|------------|---------|----------------|--------------------------|---|
| The Kinkaid School North, Donald C 201 Kinkaid School Drive Houston, TX 77024 | 6/24/2013 | 3819 | \$50,000 00 | PC 509(a)(1) | Annual Giving Grant - Kinkaid-HISD Mathematics/Science Institute |
| Lone Star Flight Museum Gregory, Larry P O Box 3099 Galveston, TX 77552-0099 | 9/12/2013 | 3860 | \$250,000 00 | PC 509(a)(2) | capital campaign |
| The Marine Corps Coordinating Council, Inc. Mitchell, Jimmy L P O Box 1167 Fresno, TX 77545 | 7/11/2013 | 3837 | \$7,000 00 | PC 501(c)(19) | operations |
| Memorial Hermann Foundation Trevino, Ileana V 929 Gessner, Suite 2650 Houston, TX 77024 | 12/11/2013 | 3909 | \$100,000 00 | SO 1 509(a)(3) Type I | inflammatory bowel disease research project |
| The Memorial Park Conservancy, Inc. Arnold, Shellye 6501 Memorial Dr Houston, TX 77007 | 7/11/2013 | 3838 | \$40,000 00 | PC 509(a)(1) | accelerated reforestation efforts (due to 2011 drought) |
| Menil Foundation, Inc. Cannon, Michael D 1519 Branard Houston, TX 77006 | 3/14/2013 | 3790 | \$110,000 00 | PC 509(a)(1) | Annual Giving Grant |
| Menil Foundation, Inc. Helfenstein, Josef 1519 Branard Houston, TX 77006 | 7/11/2013 | 3839 | \$1,000,000 00 | PC 509(a)(1) | the Campaign for the Menil |
| The Menninger Clinic Aitken, Ian 12301 Main Street Houston, TX 77035 | 11/14/2013 | 3895 | \$400,000 00 | PC 509(a)(1) | launching Phase Two of construction of the Epicenter complex |
| The Men's Center Dailey, Fred 3809 Main Street Houston, TX 77002 | 12/11/2013 | 3910 | \$200,000 00 | PC 509(a)(2) | construction of a new residential hall and a new service center |
| The Museum of Fine Arts, Houston Tinterow, Gary P O Box 6826 Houston, TX 77265-6826 | 6/24/2013 | 3820 | \$137,500 00 | PC 509(a)(1) | Annual Giving Grant |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
601 JEFFERSON, 40TH FLOOR
HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONNEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|--|------------|---------|----------------|-----------------|---|
| The Museum of Fine Arts, Houston Tinterow, Gary P O Box 6826 Houston, TX 77265-6826 | 11/14/2013 | 3896 | \$1,425,000 00 | PC 509(a)(1) | capital campaign |
| The Nature Discovery Center, Inc. Flounoy, Sarah 7112 Newcastle St Bellaire, TX 77401 | 6/24/2013 | 3821 | \$25,000 00 | PC 509(a)(1) | operations |
| The Post Oak School Long, John 4600 Bissonnet Bellaire, TX 77401-3099 | 11/14/2013 | 3898 | \$75,000 00 | PC 509(a)(1) | the \$6 million capital campaign |
| Prison Entrepreneurship Program Smith, Bert P O Box 926274 Houston, TX 77292-6274 | 5/6/2013 | 3808 | \$100,000 00 | PC 509(a)(1) | development of for-profit enterprises that will provide unrestricted capital needed to build capacity |
| Prison Entrepreneurship Program Smith, Bert P O Box 926274 Houston, TX 77292-6274 | 11/14/2013 | 3897 | \$25,000 00 | PC 509(a)(1) | an independent, third party validation study of PEP outcomes and results |
| The Salvation Army Flanagan, Chris 1500 Austin Houston, TX 77002 | 6/24/2013 | 3822 | \$50,000 00 | PC 509(a)(1) | \$7.6 million capital campaign |
| Southwestern University Burger, Edward B P O Box 770 Georgetown, TX 78627-0770 | 12/11/2013 | 3911 | \$1,000,000 00 | PC 509(a)(1) | construction of new science center |
| St. John's School Desjardins, Mark 2401 Claremont Lane Houston, TX 77019-5897 | 6/24/2013 | 3823 | \$250,000 00 | PC 509(a)(1) | capital campaign for the new Campus Center and Great Hall project |
| Texas State History Museum Foundation Temple, Margaret P O Box 12456 Austin, TX 78711 | 10/18/2013 | 3873 | \$100,000 00 | PC 509(a)(1) | installation of the permanent exhibit of La Salle's frigate La Belle |
| Turning Point Center Salas, Isha 1701 Jacquelyn Houston, TX 77055 | 1/22/2013 | 3763 | \$27,000 00 | PC 509(a)(1) | purchase of a new shuttle van |
| United Way of Greater Houston Babin, Anna M 50 Waugh Drive Houston, TX 77007 | 3/14/2013 | 3791 | \$275,000 00 | PC 509(a)(1) | Annual Giving Grant |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)
601 JEFFERSON, 40TH FLOOR
HOUSTON, TEXAS 77002

GRANTS PAID IN 2013

| NAME AND ADDRESS OF DONNEE | DATE | CHECK # | AMOUNT | TAX STATUS | PURPOSE |
|--|------------|---------|------------------------|-----------------|--|
| United Way of Greater Houston Babin, Anna M 50 Waugh Drive Houston, TX 77007 | 10/18/2013 | 3874 | \$250,000 00 | PC 509(a)(1) | Expanding the Vision Capital Campaign |
| University of Houston System Khator, Renu 212 E Cullen Building Houston, TX 77204-2018 | 11/1/2013 | 3883 | \$2,000,000 00 | PC 170(c) | capital campaign |
| The University of Texas at Austin Giebink, Gail Austin, TX 78713-8920 | 6/24/2013 | 3824 | \$50,000 00 | PC 170(c) | the UT Center for Students in Recovery |
| W. Oscar Neuhaus Memorial Foundation Flachbart, Marybeth 4433 Bissonnet Bellaire, TX 77401-3233 | 6/24/2013 | 3825 | \$50,000 00 | PC 509(a)(1) | Annual Giving Grant |
| Wellsprings Village, Inc. Beckham, Valerie P O Box 311017 Houston, TX 77231 | 11/14/2013 | 3899 | \$15,000 00 | PC 509(a)(1) | furnishings |
| Grand Total (59 items) | | | <u>\$12,051,500 00</u> | | |

SUPPLEMENT TO 990-PF 2013 RETURN OF PRIVATE FOUNDATION

THE CULLEN FOUNDATION (76-0647361)601 JEFFERSON, SUITE 4000
HOUSTON, TEXAS 77002**GRANTS PAYABLE IN FUTURE YEARS**

| NAME AND ADDRESS OF DONEE | AMOUNT | PURPOSE |
|---|-------------------------|--|
| American Cancer Society High Plains Division, Inc. 6301 Richmond Ave Houston, TX 77057 | \$ 250,000 | construction of Hope Lodge Houston |
| Baylor College of Medicine One Baylor Plaza, Suite 143A Houston, TX 77030-3498 | \$ 4,000,000 | CONTINGENT - build-out of outpatient facility on McNair Campus contingent upon raising minimum of \$110 mm by 9/30/2012, FULFILLED |
| The Council on Alcohol and Drugs Houston P O Box 2768 Houston, TX 77252 | \$ 50,000 | COUNCIL - Kids Camp at The Council |
| FotoFest, Inc. 2000 Edwards - Bldg C, Suite 2 Houston, TX 77007 | \$ 150,000 | FotoFest 2014 Biennial - Contemporary Arab Photography, Video and Mixed Media Art - View from Inside Inside |
| Houston Symphony Society 615 Louisiana Street Houston, TX 77002-2798 | \$ 200,000 | Five-year \$15 million Sustainability Fund |
| KIPP, Inc. 10711 Kipp Way Houston, TX 77099 | \$ 500,000 | the capital campaign for KIPP 6700 Bellaire Campus |
| Lone Star Flight Museum P O Box 3099 Galveston, TX 77552-0099 | \$ 250,000 | Capital Campaign |
| Memorial Hermann Foundation 929 Gessner, Suite 2650 Houston, TX 77024 | \$ 100,000 | inflammatory bowel disease research project |
| Menil Foundation, Inc. 1519 Branard Houston, TX 77006 | \$ 2,000,000 | the Campaign for the Menil |
| The Museum of Fine Arts, Houston P O Box 6826 Houston, TX 77265-6826 | \$ 8,575,000 | capital campaign |
| Project GRAD Houston 3000 Richmond Ave #400 Houston, TX 77098 | \$ 50,000 | operations/transitioning to a new service model |
| St. John's School 2401 Claremont Lane Houston, TX 77019-5897 | \$ 500,000 | capital campaign for the new Campus Center and Great Hall project |
| University of Houston System 212 E Cullen Building Houston, TX 77204-2018 | \$ 8,000,000 | capital campaign |
| TOTAL GRANTS PAYABLE IN FUTURE YEARS | \$ 24,625,000 00 | |

The Cullen Foundation
Grant Application Guidelines
www.cullenfdn.org

Grant Administration

- ❖ Grants are restricted to Texas based organizations for programs in Texas, primarily in the Houston area.
- ❖ The Cullen Foundation (the "Foundation") supports a wide variety of charitable activities, including education, health, arts, and public service programs.
- ❖ Grants are made only to non-profit organizations that are tax exempt under sections 501 (c)(3) or 170 (c) of the Internal Revenue Code. The Foundation does not make grants to businesses, individuals or loans of any type.
- ❖ **There are no application deadlines.** Grant applications are accepted throughout the year. The Board of Directors typically meets eight times a year; meetings are not held on fixed dates each quarter but are scheduled according to the availability of Directors. Grant applications are reviewed and discussed at several meetings a year. However, the review of these requests is not on every meeting agenda; the process, therefore, may take several months. If your organization's funding is needed by a specific date, your application should be submitted four to six months in advance.
- ❖ Only one copy of grant request is required. Please submit items from the application checklist to:
Alan M. Stewart, Executive Director, The Cullen Foundation, 601 Jefferson, 40th Floor, Houston, TX 77002.

The Board *prefers not* to consider:

- ◆ Galas, testimonials, and various other types of fund raising events.
- ◆ Organizations that in turn make grants to others.
- ◆ Activities whose sole purpose is the promotion or support of a specific religion, denomination or church.
- ◆ Purchase of uniforms, equipment, or trips for school-related organizations or amateur sports teams.
- ◆ Applications from an organization more frequently than once every 12 months, whether the previous application was approved or denied.
- ◆ Applications from an organization that has received a multi-year grant from the Foundation until all payments of that grant have been made.
- ◆ Oral presentations from potential applicants.

Application Checklist

1. The letter of application should be submitted on the organization's letterhead, must be signed by the chief executive officer (e.g., President, Executive Director) and should include a statement that the CEO 1) has seen and approved the request, and 2) endorses the request as a priority. Higher education requests must be submitted by the highest governing authority of the school or of the system, if applicable.
2. Please give the name, title and telephone number of the contact person if other than the CEO.
3. Please submit evidence from the Internal Revenue Service that (a) the donee organization is a "public charity," that is, an organization which is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code of 1986 and (b) that the donee organization is exempt from federal income taxes under Section 501(c)(3) or Section 170 (c) of the Internal Revenue Code of 1986.

4. A brief statement of the grant requested providing information pertaining to:
 - a. The amount of the grant, the total funds needed for the project and timing of the grant, including installment payments if desired.
 - b. The purpose of the grant and statement of need. If opinions or statistics are included, the source or reference should be cited.
 - c. All other grants received or anticipated for the project, as well as the existence of a challenge grant, including the name of the grantor.
 - d. Source of funds available for project apart from grants (e.g., proceeds from sale of assets, endowment income or other income).
 - e. How project will continue to be funded after Foundation's funding ends.
 - f. The proposed method for evaluating the project.
5. A description of recipient organization, including:
 - a. Whether the organization has in the past or is now operated under any name other than the name on the IRS determination letter.
 - b. The purpose, scope of operations, history, affiliations, if any.
 - c. The identities of Trustees or Directors, officers and managers.
 - d. A list of principal contributors during past years and currently, including the dollar amount of the support and major grants received.
 - e. The latest year's income and expense statement or audited financial report. A complete copy of the most recent IRS Form 990, including Schedule A and all supporting schedules.
 - f. The latest year's balance sheet and budget for the coming year.
6. For grants where the proceeds will be used for building construction, renovation, or purchase of real property:
 - a. An architectural rendering or drawing of the facilities to be built or renovated, or photograph of property to be acquired.
 - b. A description of the property – type of construction, square footage, special features, etc.
 - c. A cost estimate.

All applicants are notified in writing of the action taken by the Board. The Foundation cannot respond favorably to all requests; do not interpret as a negative evaluation of a project or organization the decision to deny a grant. It is not feasible for the Foundation staff to discuss with applicants the reason(s) that the Board may have for declining a request, nor is it reasonable to expect the staff to provide a critique of proposals either before or after action is taken by the Board.

2013 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

| Asset No | Description | Date Acquired | Method | Life | Line No | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Current Year Deduction |
|----------|-----------------------|---------------|--------|------|---------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
| | * 990-PF PG 1 TOTAL | | | | | 0. | | 0. | 0. | 0. | 0. | 0. |
| | OTHER | | | | | | | | | | | |
| | FURNITURE & FIXTURES | | | | | | | | | | | |
| | FURNITURE \$ | | | | | | | | | | | |
| 7 | FIXTURES | 122393 | SL | 7.00 | 16 | 900. | | | 900. | 900. | | 0. |
| 8 | FURNITURE & FIXTURES | 063094 | SL | 7.00 | 16 | 2,741. | | | 2,741. | 2,741. | | 0. |
| 9 | FURNITURE & FIXTURES | 092694 | SL | 7.00 | 16 | 1,891. | | | 1,891. | 1,891. | | 0. |
| | * 990-PF PG 1 TOTAL | | | | | 5,532. | | 0. | 5,532. | 5,532. | 0. | 0. |
| | FURNITURE & FIXTURES | | | | | | | | | | | |
| | MACHINERY & EQUIPMENT | | | | | | | | | | | |
| 15 | COMPUTER EQUIP | 100103 | SL | 5.00 | 16 | 1,629. | | | 1,629. | 1,629. | | 0. |
| 16 | COMPUTER EQUIP | 032404 | SL | 5.00 | 16 | 715. | | | 715. | 715. | | 0. |
| 20 | COMPUTER EQUIP | 012609 | SL | 5.00 | 16 | 279. | | | 279. | 219. | | 56. |
| 21 | COMPUTER EQUIP | 022809 | SL | 5.00 | 16 | 378. | | | 378. | 290. | | 75. |
| 22 | COMPUTER EQUIP | 061609 | SL | 5.00 | 16 | 1,348. | | | 1,348. | 944. | | 270. |
| 23 | COMPUTER EQUIP | 061609 | SL | 5.00 | 16 | 1,169. | | | 1,169. | 819. | | 234. |
| 24 | COMPUTER EQUIP | 070710 | SL | 5.00 | 16 | 650. | | | 650. | 325. | | 130. |
| 25 | COMPUTER EQUIP | 110810 | SL | 5.00 | 16 | 249. | | | 249. | 108. | | 50. |
| 26 | COMPUTER EQUIP | 092313 | SL | 5.00 | 16 | 749. | | | 749. | | | 37. |

328102
05-01-13

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2013 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

| Asset No | Description | Date Acquired | Method | Life | Line No | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Current Year Deduction |
|----------|---------------------|---------------|--------|-------|---------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
| 27 | COMPUTER EQUIP | 110113 | SL | 5.00 | 16 | 5,367. | | | 5,367. | | . | 179. |
| | * 990-PF PG 1 TOTAL | | | | | 12,533. | | 0. | 12,533. | 5,049. | 0. | 1,031. |
| | MACHINERY & EQUIPM | | | | | | | | | | | |
| | OTHER | | | | | | | | | | | |
| 10 | LEASEHOLD | | | | | | | | | | | |
| | IMPROVEMENTS | 110101 | SL | 39.00 | 16 | 33,483. | | | 33,483. | 9,587. | | 859. |
| 11 | ORGANIZATION COSTS | 110101 | 248 | 60M | 43 | 37,208. | | | 37,208. | 37,208. | | 0. |
| | * 990-PF PG 1 TOTAL | | | | | 70,691. | | 0. | 70,691. | 46,795. | 0. | 859. |
| | OTHER | | | | | | | | | | | |
| | * GRAND TOTAL | | | | | 88,756. | | 0. | 88,756. | 57,376. | 0. | 1,890. |
| | 990-PF PG 1 DEPR & | | | | | | | | | | | |

CULLEN FOUNDATION

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co. | | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|--|---|--|--------------------------------------|----------------------------------|
| 1a | PUBLICLY TRADED SECURITIES | P | VARIOUS | VARIOUS |
| b | OCM OPPORTUNITIES FUND VIIB | P | | |
| c | OCM OPPORTUNITIES FUND VIIB | P | | |
| d | OCM PRINCIPAL OPPORTUNITIES FUND III | P | | |
| e | OCM PRINCIPAL OPPORTUNITIES FUND III | P | | |
| f | OAKRTREE MEZZANINE FUND III | P | | |
| g | OAKRTREE MEZZANINE FUND III | P | | |
| h | LSV INTERNATIONAL SMALL CAP EQ FUND | P | | |
| i | LSV INTERNATIONAL SMALL CAP EQ FUND | P | | |
| j | GRAMERCY DISTRESSED OPP OFFSHORE | P | | |
| k | SECURITIES SETTLEMENTS - VAR | P | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 109,227,954. | | 80,461,755. | 28,766,199. |
| b 9,774. | | | 9,774. |
| c 116,087. | | | 116,087. |
| d | | 9,865. | -9,865. |
| e 20,178. | | | 20,178. |
| f 14,550. | | | 14,550. |
| g 106,892. | | | 106,892. |
| h 98,258. | | | 98,258. |
| i 207,819. | | | 207,819. |
| j 3,510,023. | | 3,947,833. | -437,810. |
| k 2,286. | | | 2,286. |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---------------------------|--------------------------------------|---|---|
| a | | | 28,766,199. |
| b | | | 9,774. |
| c | | | 116,087. |
| d | | | -9,865. |
| e | | | 20,178. |
| f | | | 14,550. |
| g | | | 106,892. |
| h | | | 98,258. |
| i | | | 207,819. |
| j | | | -437,810. |
| k | | | 2,286. |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

| | | |
|---|---|-------------|
| 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 | 28,894,368. |
| 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 |