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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016 , and ending 12-31-2016

Name of foundation
FREDERICK O WATSON FOUNDATION

A Employer identification number
41-1625546

Number and street (or P O box number if mail is not delivered to street address)
3100 WEST LAKE STREET

Room/suite

B Telephone number (see instructions)
(612) 920-4077

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55416

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 176,932

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	6,718	6,718		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		2,586		
	8	Net short-term capital gain			259	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	6,718	9,304	259	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	11,000	5,500		5,500
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	675	675		
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	51	51		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	94	94		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	11,820	6,320		5,500
	25	Contributions, gifts, grants paid	55,000			55,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	66,820	6,320		60,500
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-60,102			
	b	**Net investment income** (if negative, enter -0-)		2,984		
	c	**Adjusted net income**(if negative, enter -0-)			259	

Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets 1	Cash—non-interest-bearing			
2	Savings and temporary cash investments			
3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule)			
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	235,079	177,563	176,932
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	235,079	177,563	176,932
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities**(add lines 17 through 22)		0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	235,079	177,563	
30	**Total net assets or fund balances** (see instructions)	235,079	177,563	
31	**Total liabilities and net assets/fund balances** (see instructions)	235,079	177,563	

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	235,079
2	Enter amount from Part I, line 27a	2	-60,102
3	Other increases not included in line 2 (itemize) ▶	3	2,586
4	Add lines 1, 2, and 3	4	177,563
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	177,563

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)
1 a	Schedule Attached	P	2015-07-14	2016-01-25
b	Schedule Attached	P	2015-05-27	2016-06-20
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	5,591	0	5,332	259
b	38,633	0	36,306	2,327
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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	0	0	0	259
b	0	0	0	2,327
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	2,586
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	259

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 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))
2015	22,000	243,085	0 090503
2014	97,461	289,803	0 336301
2013	104,961	360,395	0 291239
2012	84,000	500,557	0 167813
2011	91,000	536,242	0 169700

2	**Total** of line 1, column (d)	2	1 055556
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 211111
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	178,326
5	Multiply line 4 by line 3	5	37,647
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	30
7	Add lines 5 and 6	7	37,677
8	Enter qualifying distributions from Part XII, line 4	8	60,500

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ **(attach copy of letter if necessary–see instructions)**			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b		1	30
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3	Add lines 1 and 2.		3	30
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	30
6	Credits/Payments			
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	30
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11	Enter the amount of line 10 to be **Credited to 2017 estimated tax** ▶ 0 **Refunded** ▶		11	

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶MN			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		No

Website address ▶N/A

14 The books are in care of ▶DOUGLAS F WATSON Telephone no ▶(612) 920-4077

Located at ▶3100 WEST LAKE ST STE 215 MINNEAPOLIS MN ZIP+4 ▶55416

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year . . . ▶ | 15 |

			Yes	No
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?.	1c		No
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?. ☐ Yes ☑ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2016 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 2016).*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2016?	4b		No

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 4945(d)(4)(A)? (see instructions) ☐ Yes ☑ No

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

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

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

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

If "Yes," attach the statement required by Regulations section 53 4945–5(d)

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

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

If "Yes" to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	Title, and average hours per week **(b)** devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
DOUGLAS F WATSON 310 WEST LAKME STREET STE 215 MINNEAPOLIS, MN 55416	PRESIDENT & TREASURE 5 00	11,000	0	0
STEPHEN M WATSON 310 WEST LAKME STREET STE 215 MINNEAPOLIS, MN 55416	Vice President 0	0	0	0
CHARLES H WATSON 4017 19TH AVENUE EAST SPOKANE, WA 99223	DIRECTOR 0	0	0	0

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

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

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

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

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

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

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

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

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

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

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	181,042
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	181,042
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	181,042
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	2,716
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	178,326
6	**Minimum investment return.** Enter 5% of line 5	6	8,916

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	8,916
2a	Tax on investment income for 2016 from Part VI, line 5	2a	30		
b	Income tax for 2016 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	30
3	Distributable amount before adjustments Subtract line 2c from line 1			3	8,886
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	8,886
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	8,886

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	60,500
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
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	60,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	30
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	60,470

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7					8,886
2 Undistributed income, if any, as of the end of 2016					
a Enter amount for 2015 only.					
b Total for prior years 20___, 20___, 20___					
3 Excess distributions carryover, if any, to 2016					
a From 2011.	64,451				
b From 2012.	59,475				
c From 2013.	87,019				
d From 2014.	83,049				
e From 2015.	9,898				
f **Total** of lines 3a through e.		303,892			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 60,500					
a Applied to 2015, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see instructions).					
c Treated as distributions out of corpus (Election required—see instructions).					
d Applied to 2016 distributable amount.					8,886
e Remaining amount distributed out of corpus		51,614			
5 Excess distributions carryover applied to 2016					
(If an amount appears in column (d), the same amount must be shown in column (a))					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		355,506			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount —see instructions					
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions					
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)					
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)		64,451			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a		291,055			
10 Analysis of line 9					
a Excess from 2012.	59,475				
b Excess from 2013.	87,019				
c Excess from 2014.	83,049				
d Excess from 2015.	9,898				
e Excess from 2016.	51,614				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. . . . . ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	**(b)** 2015	**(c)** 2014	**(d)** 2013	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization 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

DOUGLAS F WATSON
3100 WEST LAKE ST SUITE 215
MINNEAPOLIS, MN 55416
(612) 920-4077

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

NO SET FORM

c Any submission deadlines

NONE

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Olympic Peninsula YMCA 302 S Francis St Port Angeles, WA 98362		Approved	Unrestricted Contributiion for General Purpose	35,000
Inland Nortwest Community Foundation 421 W Riverside Ave 606 Spokane, WA 99201		Approved	Unrestricted Contributiion for General Purpose	20,000
				0
Total . . . . ▶ **3a**				55,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					

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

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

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

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

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule

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

Sign Here

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

******	2017-05-14	******	May the IRS discuss this return with the preparer shown below (see instr)? ☐ Yes ☐ No
Signature of officer or trustee	Date	Title	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☑	PTIN
ROBERT B LEWIS		2017-05-14		
Firm's name ▶ ROBERT B LEWIS CPA				Firm's EIN ▶
Firm's address ▶ 6500 STAUDER CIRCLE EDINA, MN 554361047				Phone no (952) 938-8309

TY 2016 Accounting Fees Schedule

Name: FREDERICK O WATSON FOUNDATION

EIN: 41-1625546

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Accounting Fees PREPARATION OF FORM 990PF	675			

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491134006017

TY 2016 Investments - Other Schedule

Name: FREDERICK O WATSON FOUNDATION

EIN: 41-1625546

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
Prime Money Market Fund RBS INS		32,079	32,079
Countrywide Alternative Loan		15,989	14,554
Countrywide Asset -Backed CTFS		14,091	13,830
Ctigroup Mortgage Loan Trust		16,504	16,285
Government National Mtg Assn		12,296	12,943
New Century Home Equity Loan		10,864	11,191
Fannie Mae CMO		19,174	19,241
Carrington MTG Ln Trust		14,153	15,793
Chase Funding Trust		27,524	26,831
Federal Home Loan Series 4150		14,889	14,185

TY 2016 Other Expenses Schedule

Name: FREDERICK O WATSON FOUNDATION

EIN: 41-1625546

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Other Expenses Miscellaneous Expense	22	22		
Other Expenses Postage	47	47		
State Filing Fee	25	25		

TY 2016 Other Increases Schedule

Name: FREDERICK O WATSON FOUNDATION

EIN: 41-1625546

Description	Amount
Net gain an sale of securities	2,586

TY 2016 Taxes Schedule

Name: FREDERICK O WATSON FOUNDATION

EIN: 41-1625546

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Taxes Excise Tax	51	51		

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Schedule of Realized Gains and Losses

This section includes a summary of the short-term or long-term gain or loss from the sale of selected securities in this account "Short-term" refers to securities held for one year or less, "long-term" refers to securities held more than one year RBC provides the following Schedule of Realized Gains and Losses as a service to its clients, the information may not be accurate for tax reporting or other purposes and may rely on information, such as the original cost basis for a security, that you or another source at your direction provided to RBC

Market discount, acquisition premium and life to date OID are only provided for covered securities Cost basis information may reflect a change in the value of certain fixed income and other securities that return or amortize principal over time In the case of bonds purchased at a premium, cost basis information may be amortized In addition, cost basis information may reflect accretion for zero coupon and OID bonds Please refer to IRS Publications 1212 and 550 or consult your tax advisor for additional information

For more information on original cost and other tax attributes reported on fixed income securities, please see the enclosed insert

Please see Form 1099-B for information reported to the IRS

Short-Term

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 1,224 040, ORIGINAL COST 1,156 72, PURCHASE FACTOR 0 03308216, SALE FACTOR 0 03308216 CUSIP 17307GVK1	☑	06/10/15	01/25/16	1,224 04	1,156 72	67 32
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 621 480, ORIGINAL COST 587 30, PURCHASE FACTOR 0 01679676, SALE FACTOR 0 01679676 CUSIP 17307GVK1	☑	06/10/15	02/25/16	621 48	587 30	34 18
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 354 730, ORIGINAL COST 335 22, PURCHASE FACTOR 0 0095873, SALE FACTOR 0 0095873 CUSIP 17307GVK1	☑	06/10/15	03/25/16	354 73	335 22	19 51
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 552 180, ORIGINAL COST 521 81, PURCHASE FACTOR 0 01492378, SALE FACTOR 0 01492378 CUSIP 17307GVK1	☑	06/10/15	04/25/16	552 18	521 81	30 37
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 709 860, ORIGINAL COST 670 82, PURCHASE FACTOR 0 01918541, SALE FACTOR 0 01918541 CUSIP 17307GVK1	☑	06/10/15	05/25/16	709 86	670 82	39 04

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Schedule of Realized Gains and Losses (con't)

Short-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 234 740, ORIGINAL COST 221 48, PURCHASE FACTOR 0 0046948, SALE FACTOR 0 0046948 CUSIP 02149MCJ6	☑	04/21/15	01/25/16	234 74	221 48	13 26
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 199 460, ORIGINAL COST 188 19, PURCHASE FACTOR 0 0039892, SALE FACTOR 0 0039892 CUSIP 02149MCJ6	☑	04/21/15	02/25/16	199 46	188 19	11 27
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 23 570, ORIGINAL COST 22 24, PURCHASE FACTOR 0 0004714, SALE FACTOR 0 0004714 CUSIP 02149MCJ6	☑	04/21/15	03/25/16	23 57	22 24	1 33
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 53 490, ORIGINAL COST 52 90, PURCHASE FACTOR 0 00152829, SALE FACTOR 0 00152829 CUSIP 12668XAD7	☑	10/06/15	01/25/16	53 49	52 90	0 59
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 12 430, ORIGINAL COST 12 29, PURCHASE FACTOR 0 00035514, SALE FACTOR 0 00035514 CUSIP 12668XAD7	☑	10/06/15	02/25/16	12 43	12 29	0 14
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 41 300, ORIGINAL COST 40 84, PURCHASE FACTOR 0 00118, SALE FACTOR 0 00118 CUSIP 12668XAD7	☑	10/06/15	03/25/16	41 30	40.84	0 46
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 30 400, ORIGINAL COST 30 06, PURCHASE FACTOR 0 00086857, SALE FACTOR 0 00086857 CUSIP 12668XAD7	☑	10/06/15	04/25/16	30 40	30 06	0 34
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS	☑	10/06/15	05/25/16	111.74	110.51	1.23

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Schedule of Realized Gains and Losses (con't)

Short-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 111 740, ORIGINAL COST 110 51, PURCHASE FACTOR 0 00319257, SALE FACTOR 0 00319257 CUSIP 12668XAD7						
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 39 440, ORIGINAL COST 39 00, PURCHASE FACTOR 0 00112686, SALE FACTOR 0 00112686 CUSIP 12668XAD7	☑	10/06/15	06/25/16	39 44	39 00	0 44
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 25 720, ORIGINAL COST 25 44, PURCHASE FACTOR 0 00073486, SALE FACTOR 0 00073486 CUSIP 12668XAD7	☑	10/06/15	07/25/16	25 72	25 44	0 28
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 62 960, ORIGINAL COST 62 26, PURCHASE FACTOR 0 00179886, SALE FACTOR 0 00179886 CUSIP 12668XAD7	☑	10/06/15	08/25/16	62 96	62 26	0 70
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 38 320, ORIGINAL COST 37 90, PURCHASE FACTOR 0 00109486, SALE FACTOR 0 00109486 CUSIP 12668XAD7	☑	10/06/15	09/25/16	38 32	37 90	0 42
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 737 510, ORIGINAL COST 719 07, PURCHASE FACTOR 0 0295004, SALE FACTOR 0 0295004 CUSIP 38378MTU9	☑	05/27/15	01/20/16	737 51	719 07	18 44
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 22 800, ORIGINAL COST 22 23, PURCHASE FACTOR 0 000912, SALE FACTOR 0 000912 CUSIP 38378MTU9	☑	05/27/15	05/20/16	22 80	22.23	0 57
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 120 630, ORIGINAL COST 116 11,	☑	05/07/15	01/25/16	120 63	116 11	4 52

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Schedule of Realized Gains and Losses (con't)

Short-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	PURCHASE FACTOR 0 0012063, SALE FACTOR 0 0012063 CUSIP 64352VGG0						
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 99 770, ORIGINAL COST 96 03, PURCHASE FACTOR 0 0009977, SALE FACTOR 0 0009977 CUSIP 64352VGG0	☑	05/07/15	02/25/16	99 77	96 03	3 74
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 90 400, ORIGINAL COST 87 01, PURCHASE FACTOR 0 000904, SALE FACTOR 0 000904 CUSIP 64352VGG0	☑	05/07/15	03/25/16	90 40	87 01	3 39
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 184 510, ORIGINAL COST 177 59, PURCHASE FACTOR 0 0018451, SALE FACTOR 0 0018451 CUSIP 64352VGG0	☑	05/07/15	04/25/16	184 51	177 59	6.92
	Short-Term Subtotal				**5,591.48**		**258.46**

Long-Term

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 1,641 840, ORIGINAL COST 1,434 56, PURCHASE FACTOR 0 01313472, SALE FACTOR 0 01313472 CUSIP 144528AB2	☑	07/14/14	01/25/16	1,641 84	1,434 56	207 28
125,000.000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 588 880, ORIGINAL COST 514 53, PURCHASE FACTOR 0 00471104, SALE FACTOR 0 00471104 CUSIP 144528AB2	☑	07/14/14	02/25/16	588 88	514 53	74 35
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 660 810, ORIGINAL COST 577 38,	☑	07/14/14	03/25/16	660 81	577 38	83 43

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	PURCHASE FACTOR 0 00528648, SALE FACTOR 0 00528648 CUSIP 144528AB2						
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 950 070, ORIGINAL COST 830 12, PURCHASE FACTOR 0 00760056, SALE FACTOR 0 00760056 CUSIP 144528AB2	☑	07/14/14	04/25/16	950 07	830 12	119 95
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 622 970, ORIGINAL COST 544 32, PURCHASE FACTOR 0 00498376, SALE FACTOR 0 00498376 CUSIP 144528AB2	☑	07/14/14	05/25/16	622 97	544 32	78 65
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 1,153 790, ORIGINAL COST 1,008 12, PURCHASE FACTOR 0 00923032, SALE FACTOR 0 00923032 CUSIP 144528AB2	☑	07/14/14	06/25/16	1,153 79	1,008 12	145 67
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 1,158 920, ORIGINAL COST 1,012 61, PURCHASE FACTOR 0 00927136, SALE FACTOR 0 00927136 CUSIP 144528AB2	☑	07/14/14	07/25/16	1,158 92	1,012 61	146 31
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 952 180, ORIGINAL COST 831 97, PURCHASE FACTOR 0 00761744, SALE FACTOR 0 00761744 CUSIP 144528AB2	☑	07/14/14	08/25/16	952 18	831 97	120 21
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 1,285 810, ORIGINAL COST 1,123 48, PURCHASE FACTOR 0 01028648, SALE FACTOR 0 01028648 CUSIP 144528AB2	☑	07/14/14	09/25/16	1,285 81	1,123 48	162 33
125,000.000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 810 310, ORIGINAL COST 708 01, PURCHASE FACTOR 0 00648248, SALE FACTOR 0 00648248 CUSIP 144528AB2	☑	07/14/14	10/25/16	810 31	708 01	102.30
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2	☑	07/14/14	11/25/16	870 99	761 03	109 96

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	0 878% DUE 02/25/2036 ADJUSTED QUANTITY 870 990, ORIGINAL COST 761 03, PURCHASE FACTOR 0 00696792, SALE FACTOR 0 00696792 CUSIP 144528AB2						
125,000 000*	CARRINGTON MTG LN TRUST SERIES 2006-NC3 CLASS A-2 0 878% DUE 02/25/2036 ADJUSTED QUANTITY 1,178 050, ORIGINAL COST 1,029 32, PURCHASE FACTOR 0 0094244, SALE FACTOR 0 0094244 CUSIP 144528AB2	☑	07/14/14	12/25/16	1,178 05	1,029 32	148.73
100,000 000*	CHASE FUNDING TRUST MTGPC/SERIES 2003-3 IM-1-FIXED RT 4 537% DUE 09/25/2032 ADJUSTED QUANTITY 3,647 610, ORIGINAL COST 3,542 74, PURCHASE FACTOR 0 0364761, SALE FACTOR 0 0364761 CUSIP 161546FH4	☑	11/26/13	11/25/16	3,647 61	3,542 74	104 87
100,000 000*	CHASE FUNDING TRUST MTGPC/SERIES 2003-3 IM-1-FIXED RT 4 537% DUE 09/25/2032 ADJUSTED QUANTITY 1,599 510, ORIGINAL COST 1,553 52, PURCHASE FACTOR 0 0159951, SALE FACTOR 0 0159951 CUSIP 161546FH4	☑	11/26/13	12/25/16	1,599 51	1,553 52	45 99
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 688 250, ORIGINAL COST 650 40, PURCHASE FACTOR 0 01860135, SALE FACTOR 0 01860135 CUSIP 17307GVK1	☑	06/10/15	06/25/16	688 25	650 40	37 85
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 279 240, ORIGINAL COST 263 88, PURCHASE FACTOR 0 00754703, SALE FACTOR 0 00754703 CUSIP 17307GVK1	☑	06/10/15	07/25/16	279 24	263 88	15 36
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 239 540, ORIGINAL COST 226 37, PURCHASE FACTOR 0 00647405, SALE FACTOR 0 00647405 CUSIP 17307GVK1	☑	06/10/15	08/25/16	239 54	226 37	13 17
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST	☑	06/10/15	09/25/16	963 05	910 08	52 97

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 963 050, ORIGINAL COST 910 08, PURCHASE FACTOR 0 02602838, SALE FACTOR 0 02602838 CUSIP 17307GVK1						
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 435 420, ORIGINAL COST 411 47, PURCHASE FACTOR 0 01176811, SALE FACTOR 0 01176811 CUSIP 17307GVK1	☑	06/10/15	10/25/16	435 42	411 47	23 95
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 1,215 440, ORIGINAL COST 1,148 59, PURCHASE FACTOR 0 03284973, SALE FACTOR 0 03284973 CUSIP 17307GVK1	☑	06/10/15	11/25/16	1,215 44	1,148 59	66 85
37,000 000*	CITIGROUP MORTGAGE LOAN TRUST INC MTGPC/SERIES 2005-WF2 AF-5-VAR RATE 5 262% DUE 08/25/2035 ADJUSTED QUANTITY 879 210, ORIGINAL COST 830 85, PURCHASE FACTOR 0 02376243, SALE FACTOR 0 02376243 CUSIP 17307GVK1	☑	06/10/15	12/25/16	879 21	830 85	48 36
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 156 350, ORIGINAL COST 147 52, PURCHASE FACTOR 0 003127, SALE FACTOR 0 003127 CUSIP 02149MCJ6	☑	04/21/15	04/25/16	156 35	147 52	8 83
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 119 090, ORIGINAL COST 112 36, PURCHASE FACTOR 0 0023818, SALE FACTOR 0 0023818 CUSIP 02149MCJ6	☑	04/21/15	05/25/16	119 09	112.36	6 73
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 94 320, ORIGINAL COST 88 99,	☑	04/21/15	07/25/16	94 32	88 99	5 33

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	PURCHASE FACTOR 0 0018864, SALE FACTOR 0 0018864 CUSIP 02149MCJ6						
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 0 000, ORIGINAL COST 0 00, ACCRUALS 99,807 87, PURCHASE FACTOR 2, SALE FACTOR 0 0038426 CUSIP 02149MCJ6	☑	04/21/15	07/25/16	192 13	0 00	192 13
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 484 100, ORIGINAL COST 456 75, PURCHASE FACTOR 0 009682, SALE FACTOR 0 009682 CUSIP 02149MCJ6	☑	04/21/15	08/25/16	484 10	456 75	27 35
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 70 560, ORIGINAL COST 66 57, PURCHASE FACTOR 0 0014112, SALE FACTOR 0 0014112 CUSIP 02149MCJ6	☑	04/21/15	09/25/16	70 56	66 57	3 99
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 362 130, ORIGINAL COST 341 67, PURCHASE FACTOR 0 0072426, SALE FACTOR 0 0072426 CUSIP 02149MCJ6	☑	04/21/15	10/25/16	362 13	341 67	20 46
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 223 340, ORIGINAL COST 210 72, PURCHASE FACTOR 0 0044668, SALE FACTOR 0 0044668 CUSIP 02149MCJ6	☑	04/21/15	11/25/16	223 34	210 72	12 62
50,000 000*	COUNTRYWIDE ALTERNATIVE LOAN TRUST MTGPC/SERIES 2007-J1 3-A-2-VAR RATE 4 861% DUE 11/25/2036 ADJUSTED QUANTITY 535 430, ORIGINAL COST 505 18, PURCHASE FACTOR 0 0107086, SALE FACTOR 0 0107086 CUSIP 02149MCJ6	☑	04/21/15	12/25/16	535 43	505 18	30 25
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4	☑	10/06/15	10/25/16	6 69	6 62	0 07

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	5 650% DUE 04/25/2036 ADJUSTED QUANTITY 6 690, ORIGINAL COST 6 62, PURCHASE FACTOR 0 00019114, SALE FACTOR 0 00019114 CUSIP 12668XAD7						
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 117 020, ORIGINAL COST 115 73, PURCHASE FACTOR 0 00334343, SALE FACTOR 0 00334343 CUSIP 12668XAD7	☑	10/06/15	11/25/16	117.02	115 73	1 29
35,000 000*	COUNTRYWIDE ASSET-BACKED CTFS SERIES 2006-S8 CLASS A4 5 650% DUE 04/25/2036 ADJUSTED QUANTITY 28 400, ORIGINAL COST 28 09, PURCHASE FACTOR 0 00081143, SALE FACTOR 0 00081143 CUSIP 12668XAD7	☑	10/06/15	12/25/16	28 40	28 09	0 31
8,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 55 579, ORIGINAL COST 55 58, PURCHASE FACTOR 0 00694734, SALE FACTOR 0 00694734 CUSIP 31397Q2F4	☑	04/05/12	01/25/16	55 58	55 58	0 00
40,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 277 894, ORIGINAL COST 277 89, PURCHASE FACTOR 0 00694734, SALE FACTOR 0 00694734 CUSIP 31397Q2F4	☑	08/29/12	01/25/16	277 89	277 89	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 215 368, ORIGINAL COST 215 37, PURCHASE FACTOR 0 00694734, SALE FACTOR 0 00694734 CUSIP 31397Q2F4	☑	08/29/12	01/25/16	215 37	215 37	0 00
8,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 47 543, ORIGINAL COST 47 54, PURCHASE FACTOR 0 00594291, SALE FACTOR 0 00594291 CUSIP 31397Q2F4	☑	04/05/12	03/28/16	47 54	47 54	0 00
40,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 237 716, ORIGINAL COST 237 72, PURCHASE FACTOR 0 00594291, SALE FACTOR 0 00594291 CUSIP 31397Q2F4	☑	08/29/12	03/28/16	237 72	237.72	0 00

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 184 230, ORIGINAL COST 184 23, PURCHASE FACTOR 0 00594291, SALE FACTOR 0 00594291 CUSIP 31397Q2F4	☑	08/29/12	03/28/16	184 23	184 23	0 00
8,000 000	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 2,848 833, ORIGINAL COST 6,890 14, ACCRUALS 5,151 17, PURCHASE FACTOR 1, SALE FACTOR 0 35610417 CUSIP 31397Q2F4	☑	04/05/12	03/31/16	2,843 51	2,854 84	-11 33
1,000 000	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 356 104, ORIGINAL COST 779 89, ACCRUALS 643 90, PURCHASE FACTOR 1, SALE FACTOR 0 35610417 CUSIP 31397Q2F4	☑	08/29/12	03/31/16	355 44	356 25	-0 82
8,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 26 526, ORIGINAL COST 26 53, PURCHASE FACTOR 0 0033157, SALE FACTOR 0 0033157 CUSIP 31397Q2F4	☑	04/05/12	04/25/16	26.53	26.53	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 102 787, ORIGINAL COST 102 79, PURCHASE FACTOR 0 0033157, SALE FACTOR 0 0033157 CUSIP 31397Q2F4	☑	08/29/12	04/25/16	102 79	102 79	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 129 312, ORIGINAL COST 129 31, PURCHASE FACTOR 0 0033157, SALE FACTOR 0 0033157 CUSIP 31397Q2F4	☑	08/29/12	04/25/16	129 31	129 31	0 00
1,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 3 316, ORIGINAL COST 3 32, PURCHASE FACTOR 0 0033157, SALE FACTOR 0 0033157 CUSIP 31397Q2F4	☑	08/29/12	04/25/16	3 32	3 32	0 00
31,000.000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY. 238.456, ORIGINAL COST 238 46,	☑	08/29/12	05/25/16	238 46	238.46	0 00

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	PURCHASE FACTOR 0 00769214, SALE FACTOR 0 00769214 CUSIP 31397Q2F4						
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 299 993, ORIGINAL COST 299 99, PURCHASE FACTOR 0 00769214, SALE FACTOR 0 00769214 CUSIP 31397Q2F4	☑	08/29/12	05/25/16	299 99	299 99	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 223 271, ORIGINAL COST 223 27, PURCHASE FACTOR 0 00720229, SALE FACTOR 0 00720229 CUSIP 31397Q2F4	☑	08/29/12	06/27/16	223 27	223 27	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 280 889, ORIGINAL COST 280 89, PURCHASE FACTOR 0 00720229, SALE FACTOR 0 00720229 CUSIP 31397Q2F4	☑	08/29/12	06/27/16	280 89	280 89	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 163 472, ORIGINAL COST 163 47, PURCHASE FACTOR 0 00527329, SALE FACTOR 0 00527329 CUSIP 31397Q2F4	☑	08/29/12	07/25/16	163 47	163 47	0.00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 205 658, ORIGINAL COST 205 66, PURCHASE FACTOR 0 00527329, SALE FACTOR 0 00527329 CUSIP 31397Q2F4	☑	08/29/12	07/25/16	205 66	205 66	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 242 110, ORIGINAL COST 242 11, PURCHASE FACTOR 0 00781, SALE FACTOR 0 00781 CUSIP 31397Q2F4	☑	08/29/12	08/25/16	242 11	242 11	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 304 590, ORIGINAL COST 304 59, PURCHASE FACTOR 0 00781, SALE FACTOR 0 00781 CUSIP 31397Q2F4	☑	08/29/12	08/25/16	304.59	304 59	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT	☑	08/29/12	09/26/16	526 46	526 46	0 00

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	4 000% DUE 01/25/2041 ADJUSTED QUANTITY 526 464, ORIGINAL COST 526 46, PURCHASE FACTOR 0 01698271, SALE FACTOR 0 01698271 CUSIP 31397Q2F4						
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 662 326, ORIGINAL COST 662 33, PURCHASE FACTOR 0 01698271, SALE FACTOR 0 01698271 CUSIP 31397Q2F4	☑	08/29/12	09/26/16	662 33	662 33	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 351 296, ORIGINAL COST 351 30, PURCHASE FACTOR 0 01133214, SALE FACTOR 0 01133214 CUSIP 31397Q2F4	☑	08/29/12	10/25/16	351 30	351 30	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 441 953, ORIGINAL COST 441 95, PURCHASE FACTOR 0 01133214, SALE FACTOR 0 01133214 CUSIP 31397Q2F4	☑	08/29/12	10/25/16	441 95	441 95	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 768 178, ORIGINAL COST 768 18, PURCHASE FACTOR 0 01969686, SALE FACTOR 0 01969686 CUSIP 31397Q2F4	☑	08/29/12	11/25/16	768 18	768 18	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 610 603, ORIGINAL COST 610 60, PURCHASE FACTOR 0 01969686, SALE FACTOR 0 01969686 CUSIP 31397Q2F4	☑	08/29/12	11/25/16	610 60	610 60	0 00
39,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 248 263, ORIGINAL COST 248 26, PURCHASE FACTOR 0 00636571, SALE FACTOR 0 00636571 CUSIP 31397Q2F4	☑	08/29/12	12/27/16	248 26	248 26	0 00
31,000 000*	FANNIE MAE CMO/Series 2010-147 QU-FIXED RT 4 000% DUE 01/25/2041 ADJUSTED QUANTITY 197 337, ORIGINAL COST 197 34, PURCHASE FACTOR 0 00636571, SALE FACTOR 0 00636571 CUSIP 31397Q2F4	☑	08/29/12	12/27/16	197 34	197 34	0 00

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 796 450, ORIGINAL COST 776 54, PURCHASE FACTOR 0 031858, SALE FACTOR 0 031858 CUSIP 38378MTU9	☑	05/27/15	06/20/16	796 45	776 54	19 91
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 391 660, ORIGINAL COST 381 87, PURCHASE FACTOR 0 0156664, SALE FACTOR 0 0156664 CUSIP 38378MTU9	☑	05/27/15	07/20/16	391 66	381 87	9 79
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 1,054 440, ORIGINAL COST 1,028 08, PURCHASE FACTOR 0 0421776, SALE FACTOR 0 0421776 CUSIP 38378MTU9	☑	05/27/15	10/20/16	1,054 44	1,028.08	26 36
25,000 000*	GOVERNMENT NATIONAL MTG ASSN SER 2013-51 CL C 2 500% DUE 04/20/2043 ADJUSTED QUANTITY 742 290, ORIGINAL COST 723 73, PURCHASE FACTOR 0 0296916, SALE FACTOR 0 0296916 CUSIP 38378MTU9	☑	05/27/15	12/20/16	742 29	723 73	18 56
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 417 620, ORIGINAL COST 401 96, PURCHASE FACTOR 0 0041762, SALE FACTOR 0 0041762 CUSIP 64352VGG0	☑	05/07/15	06/25/16	417 62	401 96	15 66
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 182 040, ORIGINAL COST 175 21, PURCHASE FACTOR 0 0018204, SALE FACTOR 0 0018204 CUSIP 64352VGG0	☑	05/07/15	07/25/16	182 04	175 21	6 83
100,000.000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 132 090, ORIGINAL COST 127 14, PURCHASE FACTOR 0 0013209, SALE FACTOR 0 0013209 CUSIP 64352VGG0	☑	05/07/15	08/25/16	132 09	127 14	4 95
100,000 000*	NEW CENTURY HOME EQUITY LOAN	☑	05/07/15	09/25/16	143 06	137 70	5 36

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Schedule of Realized Gains and Losses (con't)

Long-Term (con't)

QUANTITY	DESCRIPTION	NON-COVERED	OPEN DATE	CLOSE DATE	NET PROCEEDS	NET COST	REALIZED GAIN/LOSS
	TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 143 060, ORIGINAL COST 137 70, PURCHASE FACTOR 0 0014306, SALE FACTOR 0 0014306 CUSIP 64352VGG0						
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 92 530, ORIGINAL COST 89 06, PURCHASE FACTOR 0 0009253, SALE FACTOR 0 0009253 CUSIP 64352VGG0	☑	05/07/15	10/25/16	92 53	89 06	3 47
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 92 550, ORIGINAL COST 89 08, PURCHASE FACTOR 0 0009255, SALE FACTOR 0 0009255 CUSIP 64352VGG0	☑	05/07/15	11/25/16	92 55	89 08	3 47
100,000 000*	NEW CENTURY HOME EQUITY LOAN TRUST MTGPC/SERIES 2004-2 M-7-VAR RATE 3 703% DUE 08/25/2034 ADJUSTED QUANTITY 132 280, ORIGINAL COST 127 32, PURCHASE FACTOR 0 0013228, SALE FACTOR 0 0013228 CUSIP 64352VGG0	☑	05/07/15	12/25/16	132 28	127 32	4 96
	Long-Term Subtotal				**38,632.55**		**2,325.07**
Total Gains and Losses					**44,224.03**		**2,583.53**
	Short-Term						**258.46**
	Long-Term						**2,325.07**
	Term Unknown						**0.00**

* Return of principal Quantity represents face value