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Extended to May 17, 2021

Return of Private Foundation

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

OMB No 1545-0047

2019

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue ServiceDo not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990PF for instructions and the latest information

2006

For calendar year 2019 or tax year beginning

JUL 1, 2019

, and ending

JUN 30, 2020

Name of foundation

THE WILLIAM R KENAN JR FUND

A Employer identification number

57-0757568

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

P O BOX 4150

Room/suite

B Telephone number

(919) 962-8150

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

CHAPEL HILL, NC 27515-4150

C If exemption application is pending, check here ☐

G Check all that apply

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 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 foundationE 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)

J Accounting method.

☒ Cash☐ Accrual☐ Other (specify)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	3900.			
2	Check ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	9233.	9233.		Statement 1
4	Dividends and interest from securities	1267316.	1267316.		Statement 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	18516618.			
b	Gross sales price for all assets on line 6a	34755359.			
7	Capital gain net income (from Part IV, line 2)		18516618.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	412653.	891.	411762.	Statement 3
12	Total. Add lines 1 through 11	20209720.	19794058.	411762.	
13	Compensation of officers, directors, trustees, etc	257264.	0.	147927.	109337.
14	Other employee salaries and wages	7113.	0.	5904.	1209.
15	Pension plans, employee benefits	11120.	0.	7641.	3479.
16a	Legal fees				
b	Accounting fees Stmt 4	35275.	7138.	0.	28137.
c	Other professional fees Stmt 5	256238.	126939.	25960.	103339.
17	Interest				
18	Taxes Stmt 6	219631.	16040.	10817.	7774.
19	Depreciation and depletion				
20	Occupancy	181262.	0.	145314.	35948.
21	Travel, conferences, and meetings	38682.	0.	22242.	16440.
22	Printing and publications				
23	Other expenses Stmt 7	132444.	70575.	45957.	15912.
24	Total operating and administrative expenses. Add lines 13 through 23	1139029.	220692.	411762.	321575.
25	Contributions, gifts, grants paid	3740000.			3740000.
26	Total expenses and disbursements. Add lines 24 and 25	4879029.	220692.	411762.	4061575.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	15330691.			
b	Net investment income (if negative, enter -N-)		19573366.		
c	Adjusted net income (if negative, enter -0-)			0.	

923501 12-17-19 LHA For Paperwork Reduction Act Notice, see instructions.

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15560506 794104 WRK97

2019.05093 THE WILLIAM R KENAN JR FUND WRK97_1

6.20

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SCANNED NOV 12 2021

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	45482.	283049.	283049.
	2 Savings and temporary cash investments	1366363.	3385133.	3385133.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Prepaid expenses and deferred charges			
	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 ▶	400.	0.	0.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 10	24838706.	24420866.	30656724.
	c Investments - corporate bonds			
	Liabilities	11 Investments - land, buildings, and equipment basis ▶ 1300215.	1297711.	1300215.
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other Stmt 11		16361671.	29875974.	34886891.
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		43910333.	59265237.	70512012.
17 Accounts payable and accrued expenses				
18 Grants payable				
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ MISCELLANEOUS)	74.	74.	
23 Total liabilities (add lines 17 through 22)	74.	74.		
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here ▶ ☐			
	24 Net assets without donor restrictions			
	25 Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here ▶ ☒			
	26 Capital stock, trust principal, or current funds	45482.	283049.	
	27 Paid-in or capital surplus, or land, bldg, and equipment fund	1297711.	1300215.	
	28 Retained earnings, accumulated income, endowment, or other funds	42567066.	57681899.	
	29 Total net assets or fund balances	43910259.	59265163.	Statement 9
30 Total liabilities and net assets/fund balances	43910333.	59265237.		

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 29 (must agree with end-of-year figure reported on prior year's return)	1	43910259.
2 Enter amount from Part I, line 27a	2	15330691.
3 Other increases not included in line 2 (itemize) ▶ See Statement 8	3	24213.
4 Add lines 1, 2, and 3	4	59265163.
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 29	6	59265163.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, 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 34755359.		18308185.	18516618.

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			18516618.

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	18516618.
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 doesn't 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))
2018	3202536.	66373761.	.048250
2017	3161618.	65319961.	.048402
2016	3063727.	60239482.	.050859
2015	2806695.	57432488.	.048869
2014	2741792.	61730107.	.044416

2 Total of line 1, column (d)	2	.240796
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	.048159
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	68259324.
5 Multiply line 4 by line 3	5	3287301.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	195734.
7 Add lines 5 and 6	7	3483035.
8 Enter qualifying distributions from Part XII, line 4 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	8	4064079.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a SEE JPM STATEMENT	P		
b JPM DISALLOWED WASH SALE LOSS			
c SEE JPM STATEMENT	P		
d FROM US RE INC. & GRWTH K-1	P		
e FROM AIF VII PRI. INVEST K-1			
f DIST. EXCESS BASIS - AVENUE			
g DIST. EXCESS BASIS - GOLDENTREE			
h DIST. EXCESS BASIS - SILVERLAKE			
i DIST. EXCESS BASIS - 1992 MULTI-STRAT			
j Capital Gains Dividends			
k			
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 1786558.		1918685.	-132127.
b			12835.
c 32948947.		16389500.	16559447.
d			61011.
e			-4400.
f			870057.
g			34263.
h			12875.
i			1082803.
j 19854.			19854.
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			-132127.
b			12835.
c			16559447.
d			61011.
e			-4400.
f			870057.
g			34263.
h			12875.
i			1082803.
j			19854.
k			
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	18516618.
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

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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 195734.
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 195734.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)		4 0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5 195734.
6 Credits/Payments		
a 2019 estimated tax payments and 2018 overpayment credited to 2019	6a 229480.	
b Exempt foreign organizations - tax withheld at source	6b 0.	
c Tax paid with application for extension of time to file (Form 8868)	6c 0.	
d Backup withholding erroneously withheld	6d 0.	
7 Total credits and payments. Add lines 6a through 6d		7 229480.
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		8 0.
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed		9
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10 33746.
11 Enter the amount of line 10 to be. Credited to 2020 estimated tax ☒ 33746. Refunded ☒		11 0.

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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☒ \$ 0. (2) On foundation managers ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☒ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered See instructions ☒ NC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		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 2019 or the tax year beginning in 2019? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	X
14 The books are in care of STEVEN R. ARMSTRONG, CPA Telephone no 919-967-0618 Located at STE 525, 100 EUROPA DRIVE, CHAPEL HILL, NC ZIP+4 27517		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year 15 N/A		
16 At any time during calendar year 2019, 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 FinCEN Form 114. If "Yes," enter the name of the foreign country N/A	16	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? ☐ 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. Organizations relying on a current notice regarding disaster assistance, check here N/A	1b	
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 2019?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)). a At the end of tax year 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019? ☐ Yes ☒ No If "Yes," list the years N/A 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 N/A	2b	
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 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2019?	4b	X

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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

N/A

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?

If "Yes" to 6b, file Form 8870

☐ Yes ☒ No

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

N/A

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

8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?

☐ Yes ☒ No

Yes No

5b

6b

7b

X

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

1 List all officers, directors, trustees, and 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 12		257264.	7040.	0.

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

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

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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	65500474.
b	Average of monthly cash balances	1b	3798332.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	69298806.
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	69298806.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1039482.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	68259324.
6	Minimum investment return. Enter 5% of line 5	6	3412966.

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	3412966.
2a	Tax on investment income for 2019 from Part VI, line 5	2a	195734.
b	Income tax for 2019. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	195734.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	3217232.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	3217232.
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	3217232.

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	4061575.
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	2504.
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	4064079.
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	195734.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	3868345.

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

Form 990-PF (2019)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				3217232.
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only			802558.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2019:				
a From 2014				
b From 2015				
c From 2016				
d From 2017				
e From 2018				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2019 from Part XII, line 4: ► \$ 4064079.			802558.	
a Applied to 2018, but not more than line 2a				
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 2019 distributable amount				3217232.
e Remaining amount distributed out of corpus	44289.			
5 Excess distributions carryover applied to 2019 (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:	44289.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2018 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2019 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				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)	0.			
8 Excess distributions carryover from 2014 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2020 Subtract lines 7 and 8 from line 6a	44289.			
10 Analysis of line 9.				
a Excess from 2015				
b Excess from 2016				
c Excess from 2017				
d Excess from 2018				
e Excess from 2019	44289.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2019, enter the date of the ruling

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII, line 4, for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities

Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon:

a "Assets" alternative test - enter:

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6, for each year listed

c "Support" alternative test - enter:

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**1 Information Regarding Foundation Managers:**

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

None

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

None

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., to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

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				
KENAN-FLAGLER BUSINESS SCHOOL FOUNDATION BOX 3440 CHAPEL HILL, NC 27599-3440		PUBLIC	ADDITIONAL OPERATIONS	3740000.
Total			3a	3740000.
b Approved for future payment				
None				
Total			3b	0.

Form 990-PF (2019)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion 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			14	9233.		
4 Dividends and interest from securities			14	1267316.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income			14	891.		
8 Gain or (loss) from sales of assets other than inventory			18	18516618.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a EXPENSE REIMBURSEMENT						411762.
b						
c						
d						
e						
12 Subtotal. Add columns (b), (d), and (e)		0.		19794058.		411762.
13 Total. Add line 12, columns (b), (d), and (e)						

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

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

[illegible]

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

- | | | | |
|---|--------------|------------|-----------|
| 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c)(3) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | Yes | No |
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | | |
| (1) Cash | 1a(1) | | X |
| (2) Other assets | 1a(2) | | X |
| b Other transactions | | | |
| (1) Sales of assets to a noncharitable exempt organization | 1b(1) | | X |
| (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | | X |
| (3) Rental of facilities, equipment, or other assets | 1b(3) | | X |
| (4) Reimbursement arrangements | 1b(4) | | X |
| (5) Loans or loan guarantees | 1b(5) | | X |
| (6) Performance of services or membership or fundraising solicitations | 1b(6) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

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

**Sign
Here**

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


Signature of officer or trustee

Date _____

Title

May the IRS discuss this return with the preparer shown below? See instr

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☒ self-employed

PTIN

STEVEN R. ARMSTRONG

Firm's name ▶ STEVEN R. ARMSTRONG

Firm's address ▶ STE 525, 100 EUROPA DRIVE
CHAPEL HILL, NC 27514

Phone no 919-967-0618

Form **990-PF** (2019)

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
FROM AIF VII PRIVATE INVESTORS, LLC	2750.	2750.	2750.
JPMORGAN CHASE BANK	6483.	6483.	6483.
Total to Part I, line 3	9233.	9233.	9233.

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
FROM AIF VII PRIVATE INVESTORS, LLC	2255.	0.	2255.	2255.	2255.
FROM JPM US RE INC/GR LP	7203.	0.	7203.	7203.	7203.
JPMORGAN CHASE BANK	1277712.	19854.	1257858.	1257858.	1257858.
To Part I, line 4	1287170.	19854.	1267316.	1267316.	1267316.

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
FROM AIF VII PRIV. INV., LLC EXPENSE REIMBURSEMENT	891. 411762.	891. 0.	0. 411762.
Total to Form 990-PF, Part I, line 11	412653.	891.	411762.

Form 990-PF	Accounting Fees	Statement	4
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Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
COLEMAN HUNTOON & BROWN	1243.	0.	0.	1243.
STEVEN R. ARMSTRONG CPA	34032.	7138.	0.	26894.
To Form 990-PF, Pg 1, ln 16b	35275.	7138.	0.	28137.

Form 990-PF	Other Professional Fees	Statement	5
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Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TRUSTEE FEE	72984.	0.	0.	72984.
INVESTMENT MANAGEMENT FEE	126939.	126939.	0.	0.
STRATEGY CONSULTANT	11167.	0.	0.	11167.
RICHARD KRASNO	45148.	0.	25960.	19188.
To Form 990-PF, Pg 1, ln 16c	256238.	126939.	25960.	103339.

Form 990-PF	Taxes	Statement	6
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Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FEDERAL EXCISE TAXES	185000.	0.	0.	0.
PAYROLL TAXES	18591.	0.	10817.	7774.
FOREIGN TAX	16040.	16040.	0.	0.
To Form 990-PF, Pg 1, ln 18	219631.	16040.	10817.	7774.

Form 990-PF	Other Expenses	Statement	7
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Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TELEPHONE	4608.	0.	3825.	783.
POSTAGE	283.	0.	235.	48.
OFFICE EXPENSES	24790.	0.	20576.	4214.
INSURANCE	10925.	0.	6282.	4643.
MAINTENANCE & REPAIRS	3888.	0.	3227.	661.
OTHER PORTFOLIO- JPM	48443.	48443.	0.	0.
FROM AIF VII PRIV. INV., LLC	17889.	17889.	0.	0.
FROM JPM US RE INC/GROWTH, LP	4243.	4243.	0.	0.
MISCELLANEOUS EXPENSE	776.	0.	446.	330.
IT CONSULTING	9453.	0.	5435.	4018.
EQUIPMENT LEASING	7146.	0.	5931.	1215.
To Form 990-PF, Pg 1, ln 23	132444.	70575.	45957.	15912.

Form 990-PF	Other Increases in Net Assets or Fund Balances	Statement	8
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Description	Amount
BOOK TAX DIFFERENCE ON APOLLO K-1	23340.
COST BASIS ADJUSTMENT	644.
UNLOCATED	229.
Total to Form 990-PF, Part III, line 3	24213.

Form 990-PF	Other Funds	Statement	9
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Description	(A) Beginning of Year	(B) End of Year
Endowment Fund	42567066.	57681899.
Total to Form 990-PF, Part II, line 29	42567066.	57681899.

Form 990-PF	Corporate Stock	Statement 10
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Description	Book Value	Fair Market Value
JPM MANAGED EQUITIES	15307061.	19956057.
JPM LARGE CAP - SEG	9113805.	10700667.
Total to Form 990-PF, Part II, line 10b	24420866.	30656724.

Form 990-PF	Other Investments	Statement 11
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Description	Valuation Method	Book Value	Fair Market Value
JPM MANAGED FIXED INCOME	COST	11647860.	12224007.
JPM ALTERNATIVE ASSETS	COST	1934915.	3512270.
EAGLE CAPITAL SEPARATE	COST	6301350.	6897275.
BAO LARGE CAP SEPARATE	COST	6509807.	7892292.
EDGE LCG SEPARATE	COST	3482042.	4361047.
Total to Form 990-PF, Part II, line 13		29875974.	34886891.

Form 990-PF Part VIII - List of Officers, Directors Statement 12
Trustees and Foundation Managers

Name and Address	Title and Avrg Hrs/Wk	Compensation	Employee Ben Plan Contrib	Expense Account
THOMAS S KENAN III 106 LAUREL HILL CIRCLE CHAPEL HILL, NC	VICE PRESIDENT/DIRECTOR 3.00	0.	0.	0.
ELIZABETH PRICE KENAN 121 CEDAR CLUB CIRCLE CHAPEL HILL, NC	DIRECTOR 3.00	0.	0.	0.
LIZA KENAN HOWELL 4940 BEAR VIEW DR PARK CITY, UT	DIRECTOR 3.00	0.	0.	0.
DANIEL W DRAKE P.O. BOX 194 NANTUCKET, MA	PRES./TREASURER/DIRECT 20.00	163000.	0.	0.
J HAYWOOD DAVIS 150 EAST 73RD STREET NEW YORK, NY	DIRECTOR 3.00	0.	0.	0.
ROBERT P. BAYNARD, JR. 345 PARK AVENUE, FLOOR 7 NEW YORK, NY	DIRECTOR 3.00	0.	0.	0.
STEVEN R ARMSTRONG 111 CHARIOT COURT CARY, NC	ASSISTANT TREASURER 3.00	0.	0.	0.
HOLT K. HEMINGWAY 202 GOMEZ ROAD HOBE SOUND, FL	SECRETARY/DIRECTOR 3.00	0.	0.	0.
SUSAN BOWSER 310 BORDEAUX LANE CARY, NC	ASSISTANT SECRETARY 20.00	94264.	7040.	0.
Totals included on 990-PF, Page 6, Part VIII		257264.	7040.	0.