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

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

2009

For calendar year 2009, or tax year beginning August 1, 2009, and ending July 31, 2010G Check all that apply:  Initial return  Initial return of a former public charity  Final return  
 Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <u>THE HIGHSTEAD FUND, INC.</u>	A Employer identification number <u>20-5823379</u>	
	Number and street (or P.O. box number if mail is not delivered to street address) <u>10 DUDLEY &amp; SHANLEY, LLC 130 MAPLE AVE</u>	Room/suite <u>6</u>	B Telephone number (see page 10 of the instructions) <u>(732) 936-1030</u>
	City or town, state, and ZIP code <u>RED BANK, NJ 07701-1729</u>		
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		C If exemption application is pending, check here ► <input type="checkbox"/> D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► <u>\$ 4,936,046.36</u>	J Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	(Part I, column (d) must be on cash basis.)	

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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income <u>N/A</u>	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	<u>1,004,010.00</u>			
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	<u>74.37</u>	<u>74.37</u>		
	4 Dividends and interest from securities	<u>166,988.09</u>	<u>166,988.09</u>		
	5a Gross rents	<u>404,716.75</u>	<u>404,716.75</u>		
	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)				
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	<u>1,575,789.16</u>	<u>571,779.16</u>	<u>RECEIVED</u>		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	<u>7,744.33</u>	<u>7,627.64</u>		
25 Contributions, gifts, grants paid	<u>700,000.00</u>	<u>459,15.64</u>	<u>200,000.00</u>		
26 Total expenses and disbursements. Add lines 24 and 25	<u>256,527.33</u>	<u>459,15.64</u>	<u>700,000.00</u>		
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)					

<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)			
		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
	1 Cash—non-interest-bearing	45,185.19	455,651.27	455,651.27	
	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 page 16 of the 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)				
	14 Land, buildings, and equipment: basis ►				
	Less accumulated depreciation (attach schedule) ►				
	15 Other assets (describe ► )				
	16 <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	3,807,496.18	4,936,046.36	4,936,046.36	
	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 <b>Total liabilities</b> (add lines 17 through 22)	—	—		
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>		and complete lines 24 through 26 and lines 30 and 31.		
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/>		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				
	30 <b>Total net assets or fund balances</b> (see page 17 of the instructions)	3,807,496.18	4,936,046.36		
	31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	3,807,496.18	4,936,046.36		
	31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	3,807,496.18	4,936,046.36		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1 3,807,496.18
2 Enter amount from Part I, line 27a	2 1,319,261.83
3 Other increases not included in line 2 (itemize) ►	3 —
4 Add lines 1, 2, and 3	4 5,117,758.01
5 Decreases not included in line 2 (itemize) ► <i>No Change in Unrestricted Gain/Loss</i>	5 185,711.65
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6 4,936,046.36

## Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
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				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(l) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (l) 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	Scattered Attachments		404,716.73	
c	Penalty Adjustment		.00	
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 }			2 404,716.75
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	{ . . . . . }			3 39,069.01

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

Yes  No

1 Enter the appropriate amount in each column for each year; see page 18 of 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))
2008	193,212	3,911,237	.049416
2007	155,663	4,005,052	.038867
2006	135,000	3,480,686	.038785
2005			
2004			
2 Total of line 1, column (d)			2 .127067
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 .047356
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 4,085,147
5 Multiply line 4 by line 3			5 173,030
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 5,759
7 Add lines 5 and 6			7 178,789
8 Enter qualifying distributions from Part XII, line 4			8 170,000
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 on page 18.			

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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)

1 5,158 64

1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

2 -0-

1c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

3 5,158 64

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2009 estimated tax payments and 2008 overpayment credited to 2009 6a 37,547 93

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 37,547 93

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 -0-

10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** 10 27,284 79

11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ► 27,284 79 **Refunded** ► 11

**Part VII-A Statements Regarding Activities**

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 Yes ✓

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 1b Yes ✓

*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.*

1c Did the foundation file Form 1120-POL for this year? 1c Yes ✓

1d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:  
(1) On the foundation. ► \$ \_\_\_\_\_ (2) On foundation managers. ► \$ \_\_\_\_\_

1e 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 Yes ✓

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 Yes ✓

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? 4a Yes ✓

4b If "Yes," has it filed a tax return on Form 990-T for this year? 4b Yes ✓

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?  
*If "Yes," attach the statement required by General Instruction T.* 5 Yes ✓

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 page 19 of the instructions) ► CONNECTICUT 8a Yes ✓

8b 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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV* 9 Yes ✓

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses* 10 Yes ✓

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

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . .

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► *None*

14 The books are in care of ► *DUDLEY & SHAWLEY LLC* Telephone no. ► *132-936-1030*  
Located at ► *130 MAPLE AVE STE B, ROB BANK, NJ 07041* ZIP+4 ► *07041-1729*

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*

11	✓
12	✓
13	✓

**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.

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 page 20 of the instructions)? *N/A*  
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 2009? . . . . .

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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? . . . . .  Yes  No  
If "Yes," list the years ► *2000, 2001, 2002, 2003*

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 page 20 of the 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.  
► *2000, 2001, 2002, 2003*

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 2009 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 2009.) . . . . . *N/A*

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .

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 2009? . . . . .

	Yes	No
1a		
1b		
1c	✓	
2b		
3b		
4a	✓	
4b	✓	

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)?

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?

 Yes  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  Nob If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

5b

6b

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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SCHEDULED ATTACHED				

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."**

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

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

**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 page 23 of the 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		

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

## **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.

organizations and other beneficiaries served, conferences convened, research papers produced, etc	
1	N/A - NO DIRECT CHARITABLE ACTIVITIES
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	<i>N/A - NO PROGRAM-RELATED INVESTMENTS</i>	
2		

All other program-related investments. See page 24 of the instructions.

3 \_\_\_\_\_

---

**Total.** Add lines 1 through 3

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	4,147,357
b	Average of monthly cash balances (Money market in securities)	1b	-
c	Fair market value of all other assets (see page 24 of the instructions)	1c	-
d	<b>Total</b> (add lines 1a, b, and c)	1d	4,147,357
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	4,147,357
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	62,717
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,085,147
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	204,251

**Part XI Distributable Amount** (see page 25 of the 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	204,251
2a	Tax on investment income for 2009 from Part VI, line 5	2a	5,159
b	Income tax for 2009. (This does not include the tax from Part VI)	2b	-
c	Add lines 2a and 2b	2c	5,159
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	198,998
4	Recoveries of amounts treated as qualifying distributions	4	-
5	Add lines 3 and 4	5	198,998
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	198,998

**Part XII Qualifying Distributions** (see page 25 of the 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	700,000
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	700,000
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 page 26 of the instructions)	5	5,159
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	194,741

**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 page 26 of the instructions)**

1 Distributable amount for 2009 from Part XI, line 7 . . . . .

2 Undistributed income, if any, as of the end of 2009:

a Enter amount for 2008 only . . . . .

b Total for prior years: 20 \_\_\_\_,20 \_\_\_\_,20 \_\_\_\_

3 Excess distributions carryover, if any, to 2009:

a From 2004 . . . . .

b From 2005 . . . . .

c From 2006 . . . . .

d From 2007 . . . . .

e From 2008 . . . . .

f Total of lines 3a through e . . . . .

4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 700,000

a Applied to 2008, but not more than line 2a .

b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)

c Treated as distributions out of corpus (Election required—see page 26 of the instructions)

d Applied to 2009 distributable amount . . . . .

e Remaining amount distributed out of corpus . . . . .

5 Excess distributions carryover applied to 2009 (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 . . . . .

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 page 27 of the instructions . . . . .

e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .

f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010 . . . . .

7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .

8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .

9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a . . . . .

10 Analysis of line 9:

a Excess from 2005 . . . . .

b Excess from 2006 . . . . .

c Excess from 2007 . . . . .

d Excess from 2008 . . . . .

e Excess from 2009 . . . . .

**Part XIV Private Operating Foundations** (see page 27 of the 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 2009, enter the date of the ruling.			
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
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 $\frac{1}{3}$ 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)(ii)			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			

*✓/A- NOT AN OPERATING FOUNDATION*

**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 page 28 of the 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).)

*ELISABETH C. DUDLEY; HENRY C. DUDLEY*

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines

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

## Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<i>a Paid during the year</i>				
HIGHTSTEAD FOUNDATION, INC. PO BOX 1097 READING, CT 06815		501(c)(3) Operating	SCIENTIFIC RESEARCH, EDUCATION, OPERATION OF AN ARBORETUM	200,000
<b>Total</b>				► 3a 200,000
<i>b Approved for future payment</i>				
<b>Total</b>				► 3b 0

**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.

**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

Note

(See worksheet in line 13 instructions on page 28 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 page 29 of the instructions)

n/a

**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)	✓
(2)	Other assets	1a(2)	✓
b	Other transactions:		
(1)	Sales of assets to a noncharitable exempt organization	1b(1)	✓
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)	✓
(3)	Rental of facilities, equipment, or other assets	1b(3)	✓
(4)	Reimbursement arrangements	1b(4)	✓
(5)	Loans or loan guarantees	1b(5)	✓
(6)	Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
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.		

**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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
HIGHSTEAD FOUNDATION, INC.	501(c)(3) PRIV ORG FDN	MORE THAN 25% COMMON DIR - CONTIN CONTRIB
THE QUERCUS FUND, INC.	501(c)(3) PRIV NON-ORG FDN	MORE THAN 25% COMMON DIR - CONTIN CONTRIB

*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 or fiduciary) is based on all information of which preparer has any knowledge.*

18/2/2011

## VICE PRESIDENT'S TREASURER

Sign Here

**Signature of officer or trustee**

Da

---

**Title**

Sign Here Preparer's Use Only	Preparer's Signature		Date 8/2/2024	Check if self-employed <input checked="" type="checkbox"/>	Preparer's identifying number (see Signature on page 30 of the instructions) 07L 36-1094
	Firm's name (or yours if self-employed), address, and ZIP code John J. McFARLAIN, JR., CPA PO BOX 245, GREEN HEAD, NY 11545-0245		EIN <input type="checkbox"/> 13-0381118 Phone no <input type="checkbox"/> 516-759-0773		

► Attach to Form 990, 990-EZ, or 990-PF.

Name of the organization

Employer identification number

THE HIGHESTAY FUND, INC.

20-5823379

Organization type (check one):

Filers of: Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

## Name of organization

THE HIGHSTEAD FUND, INC.

## Employer identification number

70 58V3379

**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ELISABETH C. DUDLEY c/o DUDLEY & SHANLEY, LLC 130 MAPLE AVE., SUITE 6  RED BANK, NJ 07701-1729	\$ 1,004,010	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution.)</small>

Name of organization

THE HIGHTSHEAD FUND, INC.

Employer identification number

70 5823379

**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	21,000 SHARES OF SM ENERGY COMPANY (Valued at mean market value as traded on NY Stock Exchange - 6/31/2010)	\$ 1,004,010	6/31/2010
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ .....	/ /
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ .....	/ /
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ .....	/ /
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ .....	/ /

**The Highstead Fund, Inc.**  
**Form 990-PF**

**20-5823379**  
**Fiscal Year Ended July 31, 2010**

**Part I, Line 16c**

**Other professional fees**

Investment management fees

20,044 00

**Part I, Line 18**

**Taxes**

Foreign income tax on dividends

1,762 50

Payments on Excise Tax on Inv. Inc

10,000.00

11,762 50

**Part I, Line 23**

**Other expenses**

Bank custody fee

7,627.64

Miscellaneous

116 69

7,744.33

Part A - Capital Gains & Losses  
**REALIZED GAINS AND LOSSES**  
**Highstead Fund Inc.**

10 - 5813379  
 From 08-01-09 Through 07-31-10

Open Date	Close Date	Quantity	Security	Cost Basis			Proceeds			Gain Or Loss		
				Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	
04-25-08	10-30-09	350	Diageo PLC	28,649	84	22,699	19	-5,950	65			
03-25-09	10-30-09	2,600	Morgan Stanley	65,598	00	83,256	87			17,658	87	
01-08-09	10-30-09	200	3M Co.	11,620	48	14,688	22			3,067	74	
04-25-08	10-30-09	900	Unilever NV	29,875	59	27,746	82	-2,128	77			
12-07-06	10-30-09	600	Unilever NV	15,795	66	18,497	88			2,702	22	
12-12-06	11-23-09	3,100	Bristol-Myers Squibb	78,333	90	76,464	18	-1,869	72			
04-26-07	11-23-09	750	Kimberly Clark Corp.	53,560	65	49,265	86	-4,294	79			
04-25-08	12-28-09	1,350	HJ Heinz Co.	63,131	94	58,050	53	-5,081	41			
06-03-08	12-28-09	550	Eli Lilly & Co.	26,482	00	19,864	11	-6,617	89			
04-21-09	12-30-09	1,550	Microsoft Corp.	29,413	58	47,755	98			18,342	40	
12-07-06	05-14-10	1,230	Genuine Parts Co.	58,156	61	50,575	26	-7,581	35			
04-25-08	06-10-10	1,230	British Petroleum	84,880	70	39,241	01	-45,639	69			
12-07-06	06-10-10	1,900	British Petroleum	130,143	16	60,616	19	-69,526	97			
* 05-05-55	06-21-10	21,000	SM Energy Company	41	40	98,898	45			983,857	05	
04-25-08	06-22-10	1,780	AT&T, Inc.	68,479	62	45,353	81			-23,125	81	
12-07-06	06-22-10	2,970	AT&T, Inc.	103,105	93	75,674	62			-27,431	31	
04-25-08	06-22-10	3,350	Altria Group Inc.	72,856	14	66,865	20	-5,990	94			
04-09-08	06-22-10	3,100	Altria Group Inc.	65,169	75	61,875	26	-3,294	49			
12-07-06	06-22-10	1,550	Altria Group Inc.	30,610	10	30,937	63			327,53		
07-08-08	06-22-10	3,450	AstraZeneca PLC	162,109	29	157,249	38			-4,859	91	
04-25-08	06-22-10	450	Chevron Corp.	41,193	00	33,708	97			-7,484	03	
12-07-06	06-22-10	1,750	Chevron Corp.	129,058	65	131,090	46			2,031	81	
04-25-08	06-22-10	350	Diageo PLC	28,649	84	23,075	14	-5,574	70			
12-12-06	06-22-10	1,750	Diageo PLC	135,406	78	115,375	72	-20,031	06			
04-26-07	06-22-10	3,550	General Electric Co	126,880	91	56,586	39	-70,294	52			
04-25-08	06-22-10	3,170	General Electric Co	105,497	60	50,529	26	-54,968	34			
12-07-06	06-22-10	1,520	Genuine Parts Co.	71,868	34	63,018	13	-8,850	21			
04-25-08	06-22-10	2,380	Genuine Parts Co.	100,987	45	98,673	13	-2,314	32			
04-25-08	06-22-10	50	Health Care REIT Inc	2,498	10	2,140	82	-357	28			
05-21-07	06-22-10	1,550	Health Care REIT Inc	66,365	38	66,468	96	-103	58			

\* Acquires by download, June 21, 2010 1

Report - Capital Gains : Losses

**REALIZED GAINS AND LOSSES**

**Highstead Fund Inc.**

10-~~5823379~~

From 08-01-09 Through 07-31-10

Open Date	Close Date	Quantity	Security	Gain Or Loss		
				Cost Basis	Proceeds	Short Term Long Term
05-18-07	06-22-10	1,450	Health Care REIT Inc	61,679.81	62,083.75	403.94
04-26-07	06-22-10	1,050	Kimberly Clark Corp.	74,984.91	66,148.98	-8,835.93
04-25-08	06-22-10	1,450	Kimberly Clark Corp.	92,284.96	91,348.60	-936.36
06-03-08	06-22-10	6,550	Kraft Foods	212,686.36	193,942.87	-18,743.49
06-03-08	06-22-10	4,050	Eli Lilly & Co.	195,003.85	141,221.52	-53,782.33
01-08-09	06-22-10	7,900	Nokia Corp.	120,385.73	67,938.84	-52,446.89
10-18-07	06-22-10	80	Petrochina Co. Ltd.	19,841.51	9,352.11	-10,489.40
12-07-06	06-22-10	370	Petrochina Co. Ltd.	47,984.08	43,253.53	-4,730.55
04-25-08	06-22-10	1,450	Philip Morris Int'l	74,417.48	65,927.19	-8,490.29
04-09-08	06-22-10	400	Philip Morris Int'l	20,008.00	18,186.81	-1,821.19
12-07-06	06-22-10	1,550	Philip Morris Int'l	69,750.89	70,473.90	723.01
04-25-08	06-22-10	200	Verizon Comm.	7,377.34	5,849.96	-1,527.38
12-07-06	06-22-10	3,800	Verizon Comm.	132,144.41	111,149.25	-20,995.16
04-25-08	06-22-10	2,100	Vodafone Group PLC	66,651.06	44,540.24	-22,110.82
04-30-07	06-22-10	2,290	Vodafone Group PLC	66,258.86	48,570.08	-17,688.78
04-27-07	06-22-10	1,270	Vodafone Group PLC	36,530.66	26,936.24	-9,594.42
04-26-07	06-22-10	1,190	Vodafone Group PLC	34,072.56	25,239.47	-8,833.09
TOTAL GAINS					39,069.01	990,045.56
TOTAL LOSSES					0.00	-624,397.84
TOTAL REALIZED GAIN/LOSS				3,723,303.19	39,069.01	365,647.72
NO CAPITAL GAINS DISTRIBUTIONS						

THE HIGHTSEAD FUND, INC.

70-5873379

Form 990-PF

Year Ended July 31, 2010

PART II EXCISE TAX

LINE 6a, 2009 estimated tax payments and  
2008 overpayment credited to 2009

Overpayment from July 31, 2008 applied

to Form 990-PF for tax period July 31, 2009 \$24,270.99

Tax taken on investment income for tax

period July 31, 2009 1,778.06

Overpayment from July 31, 2009 applied

to Form 990-PF for tax period July 31, 2010 22,547.93

Payment made in July, 2010

10,000.00

Total estimated tax payments and

overpayment applied to 990-PF for July 31, 2010 \$37,547.93

**The Highstead Fund, Inc.**  
**Form 990-PF**

**20-5823379**  
**Fiscal Year Ended July 31, 2010**

**Part VIII, Line 1**

**List of all officers, directors, trustees, foundation managers and their compensation**  
**(Note: All officers, directors, trustees, foundation managers are part time.)**

<u>Name and Address</u>	<u>Title and Avg. Hours Per Week</u>	<u>Compensation</u>	<u>Contributions to Employee Plans</u>	<u>Expense Account &amp; Other Allowances</u>
Elisabeth C Dudley c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Director	None	None	None
Henry C Dudley c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	President, CEO Director	None	None	None
Sarah Dudley Plimpton c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Director	None	None	None
Jane C Dudley c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Director	None	None	None
Anthony J Carroll c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Secretary	None	None	None
Christiane McNamara c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Asst Treasurer Asst. Secretary	None	None	None
Frank E. Shanley c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Vice-President Treasurer Director	None	None	None
David R Foster c/o Dudley & Shanley, LLC 130 Maple Avenue, Suite 6 Red Bank, NY 07701-1729	Director	None	None	None

The Highstead Fund, Inc.  
FORM 990PF, FYE 7/31/2010  
PAGE 8, PART X, LINE 1  
FMV OF SECURITIES

Date	FMV of Investments Bank of NY
1-Aug	3,802,496 19
31-Aug	3,886,248 93
30-Sep	3,957,107 64
31-Oct	3,915,541 88
30-Nov	4,092,710 70
31-Dec	4,151,500 72
31-Jan	3,989,662 88
28-Feb	4,021,728.29
31-Mar	4,244,822 41
30-Apr	4,239,626 04
31-May	3,858,872 19
30-Jun	4,819,279 56
31-Jul	4,936,046 37
	<u>53,915,643 80</u>

Averages:

	Sum of Individual <u>Balances</u>	Divided by 13
Investments	<u>53,915,643.80</u>	<u>4,147,357.22</u>