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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning _____, and ending _____

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

Name of foundation Quanex Foundation		A Employer identification number 36-6065490
Number and street (or P O box number if mail is not delivered to street address) 1900 West Loop South	Room/suite 1500	B Telephone number (see page 10 of the instructions) (713) 961-4600
City or town, state, and ZIP code Houston TX 77027		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization <input 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		D 1 Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 6,768,434	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>	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"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue and Expenses <i>(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))</i>				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	2	2		
4 Dividends and interest from securities	168,652	168,652		
5 a Gross rents		0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	72,048			
b Gross sales price for all assets on line 6a	164,225			
7 Capital gain net income (from Part IV, line 2)		72,048		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	0	0	0	
12 Total Add lines 1 through 11	240,702	240,702	0	
13 Compensation of officers, directors, trustees, etc.	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	1,811	1,811	0	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	4,778	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	0	0	0	0
24 Total operating and administrative expenses. Add lines 13 through 23	6,589	1,811	0	0
25 Contributions, gifts, grants paid	220,653			220,653
26 Total expenses and disbursements Add lines 24 and 25	227,242	1,811	0	220,653
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	13,460			
b Net investment income (if negative, enter -0-)		238,891		
c Adjusted net income (if negative, enter -0-)			0	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	66,154	169,221	169,221
	2 Savings and temporary cash investments			
	3 Accounts receivable <input type="checkbox"/> ----- 0			
	Less allowance for doubtful accounts <input type="checkbox"/> ----- 0	0	0	0
	4 Pledges receivable <input type="checkbox"/> ----- 0			
	Less allowance for doubtful accounts <input type="checkbox"/> ----- 0	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) <input type="checkbox"/> ----- 0			
	Less allowance for doubtful accounts <input type="checkbox"/> ----- 0	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	4,163,271	4,136,092	6,599,213
	c Investments—corporate bonds (attach schedule)	0	0	0
	11 Investments—land, buildings, and equipment basis <input type="checkbox"/> ----- 0			
Less accumulated depreciation (attach schedule) <input type="checkbox"/> ----- 0	0	0	0	
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	0	0	0	
14 Land, buildings, and equipment basis <input type="checkbox"/> ----- 0				
Less accumulated depreciation (attach schedule) <input type="checkbox"/> ----- 0	0	0	0	
15 Other assets (describe <input type="checkbox"/> -----)	0	0	0	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,229,425	4,305,313	6,768,434	
Liabilities	17 Accounts payable and accrued expenses	-7,170	-2,392	
	18 Grants payable		57,650	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe <input type="checkbox"/> -----)	0	0	
	23 Total liabilities (add lines 17 through 22)	-7,170	55,258	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds		0	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	4,236,595	4,250,055		
30 Total net assets or fund balances (see page 17 of the instructions)	4,236,595	4,250,055		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	4,229,425	4,305,313		

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	4,236,595
2 Enter amount from Part I, line 27a		2	13,460
3 Other increases not included in line 2 (itemize) <input type="checkbox"/> -----		3	0
4 Add lines 1, 2, and 3		4	4,250,055
5 Decreases not included in line 2 (itemize) <input type="checkbox"/> -----		5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30		6	4,250,055

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 Schwab Bond Fund		P		
b Schwab Equity Funds		P		
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 2,975	0	2,252	723	
b 161,250	0	89,925	71,325	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a 0	0	0		723
b 0	0	0		71,325
c 0	0	0		0
d 0	0	0		0
e 0	0	0		0
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 72,048
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 0

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see 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))
2009			0.000000
2008			0.000000
2007			0.000000
2006			0.000000
2005			0.000000
2 Total of line 1, column (d)			2 0.000000
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.000000
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 0
5 Multiply line 4 by line 3			5 0
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 0
7 Add lines 5 and 6			7 0
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 on page 18.			8 0

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)	}	1	4,778
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
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	4,778
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,778
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	7,170	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	7,170
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	2,392
11 Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 2,392 Refunded <input type="checkbox"/>		11	0

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a 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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> TX _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	X	
14	The books are in care of ▶ <u>Quanex Building Products Corporation</u> Telephone no ▶ <u>(713) 961-4600</u> Located at ▶ <u>1900 West Loop South, Suite 1500 Houston TX</u> ZIP+4 ▶ <u>77027</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions)	2b	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 ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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 2010)	3b	N/A
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 2010?	4b	X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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 **5b** N/A

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 **6b**

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 **6b**

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **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
Kevin P. Delaney 1900 W Loop S, Ste 1500 Houston TX 77027	Pres 00	0	0	0
Brent L. Korp 1900 W Loop S, Ste 1500 Houston TX 77027	VP 00	0	0	0
	00	0	0	0
	00	0	0	0

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		0
		0
		0
		0
		0
		0
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see 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

	Amount
1	
2	
3 All other program-related investments See page 24 of the instructions	
Total. Add lines 1 through 3	0

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	6,313,120
b	Average of monthly cash balances	1b	117,688
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	6,430,808
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	6,430,808
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	96,462
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,334,346
6	Minimum investment return. Enter 5% of line 5	6	316,717

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	316,717
2a	Tax on investment income for 2010 from Part VI, line 5	2a	4,778
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	4,778
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	311,939
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	311,939
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	311,939

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	220,653
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	220,653
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	220,653

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)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				311,939
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005				0
b From 2006				0
c From 2007				32,398
d From 2008				19,330
e From 2009				0
f Total of lines 3a through e	51,728			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 220,653				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				220,653
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	51,728			51,728
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				39,558
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2006				0
b Excess from 2007				0
c Excess from 2008				0
d Excess from 2009				0
e Excess from 2010				0

Part XIV Private Operating Foundations (see page 27 of the 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 2010, enter the date of the ruling ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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	0				0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0				0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0				0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))
- None

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
- None

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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
- Quanex Building Products Corp 1900 West Loop S Ste 1500 Houston TX 77027 (713) 961-4600
- b** The form in which applications should be submitted and information and materials they should include

- Any Format**
- c** Any submission deadlines

- October 31
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

None

Part XV Supplementary Information (continued)

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

Recipient	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)				
a <i>Paid during the year</i> See attached Schedule				220,653
Total				▶ 3a 220,653
b <i>Approved for future payment</i>				
Total				▶ 3b 0

**THE QUANEX FOUNDATION
INVESTMENT PORTFOLIO**

DECEMBER 31, 2010

	PRINCIPAL AMOUNT OR SHARES	BOOK VALUE	MARKET VALUE
Pimco Total Return FD	76,413.618	\$ 781,244.14	\$ 829,087.76
T. Rowe Price High Yield FD	74,151.922	\$ 358,473.99	\$ 502,750.03
Vanguard Inflation Protected Secs	19,149.075	\$ 439,741.00	\$ 489,067.38
Allianz NFJ Small Cap Value FD	18,299.017	\$ 278,006.87	\$ 546,591.64
American FD	44,552.292	\$ 774,592.14	\$ 1,354,835.20
Baron Growth FD	11,108.123	\$ 275,148.21	\$ 569,069.14
Dodge & Cox FD	12,579.539	\$ 694,565.97	\$ 1,355,571.12
Thornburg Intl Value FD	33,248.650	\$ 534,320.17	\$ 952,241.34
Total Investment Portfolio	289,502.236	\$ 4,136,092.48	\$ 6,599,213.61

DECEMBER 31, 2009

	PRINCIPAL AMOUNT OR SHARES	BOOK VALUE	MARKET VALUE
Pimco Total Return FD	74,775.840	\$ 763,244.14	\$ 807,579.07
T. Rowe Price High Yield FD	74,617.761	\$ 360,726.00	\$ 479,046.03
Vanguard Inflation Protected Secs	18,870.968	\$ 432,741.00	\$ 465,169.36
Allianz NFJ Small Cap Value FD	20,424.090	\$ 310,291.93	\$ 495,079.94
American FD	44,986.817	\$ 780,121.41	\$ 1,228,140.10
Baron Growth FD	12,067.406	\$ 298,909.65	\$ 498,504.54
Dodge & Cox FD	12,675.009	\$ 699,837.25	\$ 1,218,575.37
Thornburg Intl Value FD	32,910.191	\$ 517,398.20	\$ 834,931.55
Total Investment Portfolio	291,328.082	\$ 4,163,269.58	\$ 6,027,025.96

**Quanex Foundation
2010 Charitable Contribution Spending**

Date	Num	Name	Purpose	Amount
01/25/2010	118	Alzheimer's Association	Health	-500 00
01/25/2010	119	Houston Livestock Show and Rodeo	Education	15 000 00
02/03/2010	120	Alzheimer's Association of Greater WI	Health	-120 00
02/03/2010	121	America Scores - Cleveland	Education	-100 00
02/03/2010	122	American Cancer Society - KY	Health	-300 00
02/03/2010	123	American Cancer Society - Chicago Reg Off	Health	-100 00
02/03/2010	124	American Red Cross of Greater Chicago	Civic	-150 00
02/03/2010	125	ASPCA	Civic	-250 00
02/03/2010	126	Battered & Abused Women & Children	Health	-250 00
02/03/2010	127	Boys and Girls Clubs of SPS	Civic	-125 00
02/03/2010	128	Centre College	Education	-100 00
02/03/2010	129	Coalition Humane	Civic	-125 00
02/03/2010	130	Feed the Children Inc	Health	-20 00
02/03/2010	131	Friends of Washoe	Civic	125 00
02/03/2010	132	Juvenile Diabetes Research Foundation	Health	-500 00
02/03/2010	133	Kuemper Catholic School	Education	-25 00
02/03/2010	134	Laurel School	Education	-450 00
02/03/2010	135	Millikin University	Education	-100 00
02/03/2010	136	Muscular Dystrophy Association	Health	-50 00
02/03/2010	137	National Multiple Sclerosis Society	Health	-125 00
02/03/2010	138	Nature's Edge Therapy Center	Civic	-85 00
02/03/2010	139	Breast Cancer 3-Day	Health	-50 00
02/03/2010	140	Pawsitive Alliance	Civic	-125 00
02/03/2010	141	R Merle Palmer Minority Scholarship Foun	Education	-125 00
02/03/2010	142	St Jude Children's Research Hospital	Health	-495 00
02/03/2010	143	Tacoma Rescue Mission	Civic	-125 00
02/03/2010	144	The Assoc of Former Students of Texas A&M	Education	-100 00
02/03/2010	145	UW-Eau Claire Foundation	Education	-100 00
02/03/2010	146	WomenSafe Inc	Civic	50 00
02/03/2010	147	Muscular Dystrophy Association	Health	-1 000 00
02/03/2010	148	UNI Foundation	Civic	-1 000 00
02/03/2010	149	University Hospitals	Health	900 00
02/03/2010	150	Junior Achievement	Civic	-1,500 00
02/22/2010	151	Saint Mary's University of Minnesota	Education	-1,500 00
02/22/2010	152	Parkinson's Disease Research Society	Health	-1,500 00
04/15/2010	1000	American Red Cross	Civic	-125 00
04/15/2010	1001	Catholic Relief Services	Health	-500 00
04/15/2010	1002	Doctors Without Borders	Health	-1,000 00
04/15/2010	1003	Houston SPCA	Civic	-100 00
04/15/2010	1004	Ruffing Montessori School	Education	-500 00
05/05/2010	1007	BSA Troop #57	Civic	-500 00
05/05/2010	1008	Laurel School	Education	-550 00
05/05/2010	1009	American Heart Association	Health	-40 00
05/05/2010	1010	Sterling Schools Foundation	Education	-50 00
06/02/2010	1011	American Cancer Society - MO	Health	-25 00
06/02/2010	1012	American Heart Association - KS	Health	-30 00
06/02/2010	1013	Family Child Learning Center	Education	-25 00
06/02/2010	1014	American Cancer Society - KY	Health	-150 00
06/02/2010	1015	Nature's Edge Therapy Center	Health	-40 00
06/02/2010	1016	St Jude Children's Research Hospital	Health	-25 00
07/14/2010	1017	National Merit Scholarship Corp	Education	-21 963 00
07/14/2010	1018	American Cancer Society	Health	-50 00
07/14/2010	1019	Boys & Girls Clubs of Barron County	Civic	-20 00
07/14/2010	1020	Cleveland Jazz Orchestra	Civic	-100 00
07/14/2010	1021	Faith Baptist Church	Civic	-2,000 00
07/14/2010	1022	Seattle Children's Hosp Foundation	Health	0 00
07/14/2010	1023	Susan G Komen 3-Day for the Cure	Health	-220 00
07/14/2010	1024	Seattle Children's Hosp Foundation	Health	-25 00
08/24/2010	1025	American Cancer Society - KY	Health	-215 00
08/24/2010	1026	The Assoc of Former Students of Texas A&M	Education	-200 00
08/24/2010	1027	UW-Eau Claire Foundation	Education	-25 00
08/24/2010	1028	WCPN/NPR 90.3 FM	Civic	-50 00
08/24/2010	1029	Mary Bridge Children's Foundation	Civic	-25 00

**Quanex Foundation
2010 Charitable Contribution Spending**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
08/24/2010	1030	National Multiple Sclerosis Society	Health	-250 00
08/24/2010	1031	Susan G Komen 3-Day for the Cure	Health	-50 00
09/14/2010	1032	America Scores - Cleveland	Education	-2,000 00
09/14/2010	1033	Another Chance Equine Rescue Inc	Civic	-1 000 00
09/14/2010	1034	Cleveland Foodbank	Health	-1 000 00
09/14/2010	1035	Union College	Education	-5 000 00
09/14/2010	1036	University Hospitals	Health	-4 500 00
09/14/2010	1037	WomenSafe Inc	Civic	-1 500 00
09/20/2010	1038	American Legion Auxiliary Unit 15	Civic	-500 00
09/20/2010	1039	American Legion Post 397	Civic	-500 00
09/20/2010	1040	Big Brothers/Big Sisters	Civic	1 000 00
09/20/2010	1041	Girl Scouts	Civic	-1 000 00
09/20/2010	1042	Habitat for Humanity	Civic	-1 000 00
09/20/2010	1043	Habitat for Humanity - Lake County	Civic	-1,000 00
09/20/2010	1044	Habitat for Humanity - Morgan County	Civic	-1 000 00
09/20/2010	1045	Illowa Council Inc	Civic	-1 000 00
09/20/2010	1046	Junior Achievement	Civic	-2,500 00
09/20/2010	1047	Living Lands & Waters	Civic	-3 500 00
09/20/2010	1048	River Action Inc	Civic	-2 000 00
10/11/2010	1049	American Cancer Society - MO	Health	-200 00
10/11/2010	1050	Canadian Red Cross Society	Civic	-1 000 00
10/11/2010	1051	Cancer Fund of America Support Services	Health	20 00
10/11/2010	1052	Muscular Dystrophy Assoc - OH	Health	-2,000 00
10/11/2010	1053	National Multiple Sclerosis Society	Health	200 00
10/11/2010	1054	Nature's Edge Therapy Center	Health	-25 00
10/11/2010	1055	Star of Hope Mission	Civic	-100 00
10/11/2010	1056	Susan G Komen 3-Day for the Cure	Health	-600 00
10/11/2010	1057	The University of Texas	Education	-250 00
11/21/2010	1058	Alzheimers Disease/Related Disorders Ass	Health	-110 00
11/21/2010	1059	Centre College	Education	-100 00
11/21/2010	1060	St Francis Cabrini School	Education	-25 00
11/21/2010	1061	Alms Outreach Food Bank	Health	-2 500 00
11/21/2010	1062	Childhaven	Civic	-2 000 00
11/21/2010	1063	Children's Home & Aid Society	Civic	-2 000 00
11/21/2010	1064	Kent Food Bank & Emergency Services	Health	-2,500 00
11/21/2010	1065	Kent Youth & Family Services	Civic	-2 500 00
11/21/2010	1066	Madison Cnty Schools Youth Services	Education	-2 000 00
11/21/2010	1067	Northern Illinois Food Bank	Health	-1 500 00
12/14/2010	1068	Anthony Garofalo Scholarship Fund	Education	-2,000 00
12/14/2010	1069	Arnell Humane Society	Civic	-200 00
12/14/2010	1070	Barron County Campus Foundation	Education	-1 000 00
12/14/2010	1071	Camp Albrecht Acres of the Midwest Inc	Civic	-1,000 00
12/14/2010	1072	CAPS Recreation Center	Civic	-1 000 00
12/14/2010	1073	Chatsworth Township Library	Education	-1,000 00
12/14/2010	1074	Courage Center	Civic	-500 00
12/14/2010	1075	Girls & Boys Club of Wayne County	Civic	-600 00
12/14/2010	1076	Haven from Domestic Violence	Civic	-300 00
12/14/2010	1077	Home at Last Animal Friends	Civic	-250 00
12/14/2010	1078	Junior Achievement of East Indiana	Civic	-750 00
12/14/2010	1079	Kinship of Polk County	Civic	-1 000 00
12/14/2010	1080	Livingston County 4-H	Civic	-500 00
12/14/2010	1081	Mid-Columbia Senior Center Inc	Civic	-400 00
12/14/2010	1082	Midway Training Services	Civic	-500 00
12/14/2010	1083	MV Community Center YMCA	Civic	-500 00
12/14/2010	1084	Prairie Lands Foundation	Civic	-250 00
12/14/2010	1085	Ramsey County School Safety Patrol Found	Education	-500 00
12/14/2010	1086	Rice Lake Area Scholarship Foundation Inc	Education	-750 00
12/14/2010	1087	Shawano Dollars for Scholars	Education	-1,000 00
12/14/2010	1088	WITC Foundation Inc	Civic	-1,000 00
12/22/2010	1089	American Heart Association - TX	Health	-50,000 00
12/22/2010	1090	Homes for Our Troops	Civic	-50,000 00
				<u><u>-220,653 00</u></u>