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Form **990-PF**

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

OMB No 1545-0052

**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 <b>FERNHOLZ FOUNDATION</b>		A Employer identification number <b>90-0403980</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>C/O MCCABE ASSOCIATES; 3 WERNER WAY</b>	Room/suite <b>200</b>	B Telephone number <b>908-704-1930</b>
City or town, state, and ZIP code <b>LEBANON, NJ 08833</b>		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"/>
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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ <b>16,060,480.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		302,722.	302,722.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		15,718,495.			
b Gross sales price for all assets on line 6a <b>16,219,263.</b>					
7 Capital gain net income (from Part IV, line 2)			15,718,495.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		160,127.	0.		
12 Total. Add lines 1 through 11		16,181,344.	16,021,217.		STATEMENT 2
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		2,059.	0.		2,059.
b Accounting fees STMT 4		6,458.	3,229.		3,229.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		367,433.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		34,745.	34,482.		263.
24 Total operating and administrative expenses. Add lines 13 through 23		410,695.	37,711.		5,551.
25 Contributions, gifts, grants paid		550,000.			550,000.
26 Total expenses and disbursements. Add lines 24 and 25		960,695.	37,711.		555,551.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		15,220,649.			
b Net investment income (if negative, enter -0-)			15,983,506.		
c Adjusted net income (if negative, enter -0-)				N/A	

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<b>Part II Balance Sheets</b> Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	65,770.	448,347.	448,347.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶			
12 Investments - mortgage loans				
13 Investments - other STMT 7	7,177.	14,845,249.	15,611,303.	
14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶				
15 Other assets (describe ▶ <u>PREPAID EXCISE TAX</u> )	0.	0.	830.	
16 Total assets (to be completed by all filers)	72,947.	15,293,596.	16,060,480.	
<b>Liabilities</b>	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			
22 Other liabilities (describe ▶ )				
23 Total liabilities (add lines 17 through 22)	0.	0.		
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	72,947.	15,293,596.	
	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 Total net assets or fund balances	72,947.	15,293,596.		
31 Total liabilities and net assets/fund balances	72,947.	15,293,596.		

**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	72,947.
2 Enter amount from Part I, line 27a	2	15,220,649.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	15,293,596.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	15,293,596.

**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.)
<b>1a PUBLICLY TRADED SECURITIES</b>			
<b>b GAIN ON SALE OF INTECH INVESTMENT MGT LLC</b>	D	12/30/09	02/19/10
<b>c CAPITAL GAINS DIVIDENDS</b>			
<b>d</b>			
<b>e</b>			

(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)
<b>a</b> 500,000.		489,683.	10,317.
<b>b</b> 15,698,799.		11,085.	15,687,714.
<b>c</b> 20,464.			20,464.
<b>d</b>			
<b>e</b>			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			10,317.
<b>b</b>			15,687,714.
<b>c</b>			20,464.
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss) <span style="font-size: small;">{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</span>	<b>2</b>	15,718,495.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	<b>3</b>	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

**1** Enter the appropriate amount in each column for each year; see 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	3,480.	152,127.	.022876
2008	26,402.	63,449.	.416114
2007			
2006			
2005			

<b>2</b> Total of line 1, column (d)	<b>2</b>	.438990
<b>3</b> 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	<b>3</b>	.219495
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	<b>4</b>	15,716,649.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	3,449,726.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	159,835.
<b>7</b> Add lines 5 and 6	<b>7</b>	3,609,561.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	555,551.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
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		1	319,670.
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	319,670.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	319,670.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	320,500.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	20,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	340,500.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	20,830.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 20,830. Refunded <input type="checkbox"/>	11	0.	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> NJ, FL, DE, CO		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation 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 ► FERNHOLZFOUNDATION.ORG	13	X	
14	The books are in care of ► DR. LUISA T. FERNHOLZ Telephone no. ► 908-704-1930 Located at ► C/O MCCABE ASSOC.; 3 WERNER WAY., LEBANON, NJ ZIP+4 ► 08833			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 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 N/A	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? N/A	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 ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
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.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☐

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

N/A

☐ Yes ☐ No

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

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

☐ Yes ☒ No

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

6b

X

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

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

☐ Yes ☒ No

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

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

0

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

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

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

0

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

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

	Expenses
1 N/A	
2	
3	
4	

**Part IX-B: Summary of Program-Related Investments**

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	11,927,875.
b	Average of monthly cash balances	1b	1,876,764.
c	Fair market value of all other assets	1c	2,151,350.
d	Total (add lines 1a, b, and c)	1d	15,955,989.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	15,955,989.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	239,340.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	15,716,649.
6	Minimum investment return. Enter 5% of line 5	6	785,832.

**Part XI** Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	785,832.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	319,670.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	45,225.
c	Add lines 2a and 2b	2c	364,895.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	420,937.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	420,937.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	420,937.

**Part XII** Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	555,551.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	555,551.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	555,551.

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.

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\* Part X: Line 1 (c):

30,000 Units Intech Investment Management LLC  
 Prepaid Excise Tax

2,150,520 (prorated-held 50 days)  
 830  
2,151,350

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				420,937.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008	18,175.			
e From 2009	3,480.			
f Total of lines 3a through e	21,655.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 555,551.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				420,937.
e Remaining amount distributed out of corpus	134,614.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	156,269.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	156,269.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008	18,175.			
d Excess from 2009	3,480.			
e Excess from 2010	134,614.			



**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a Paid during the year</b>				
INSTITUTE FOR ADVANCED STUDY EINSTEIN DRIVE PRINCETON, NJ 08540	N/A	PUBLIC CHARITY	SCHOOL OF MATHEMATICS	250,000.
WEILL CORNELL MEDICAL COLLEGE 1300 YORK AVENUE NEW YORK, NY 10065	N/A	PUBLIC CHARITY	SUPPORT NEUROSCIENCE RESEARCH	100,000.
COLUMBIA UNIVERSITY 622 WEST 113TH STREET NEW YORK, NY 10025	N/A	PUBLIC CHARITY	FIELD OF PROBABILITY	100,000.
PRINCETON UNIVERSITY PRINCETON, NJ 08544	N/A	PUBLIC CHARITY	DEPARTMENT OF MATHEMATICS	100,000.
<b>Total</b>			<b>3a</b>	<b>550,000.</b>
<b>b Approved for future payment</b>				
INSTITUTE FOR ADVANCED STUDY EINSTEIN DRIVE PRINCETON, NJ 08540	N/A	PUBLIC CHARITY	SCHOOL OF MATHEMATICS	1,000,000.
<b>Total</b>			<b>3b</b>	<b>1,000,000.</b>

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

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities			14	302,722.		
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			18	15,718,495.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a INTECH INVESTMENT						
b MANAGEMENT LLC	523000	160,127.				
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		160,127.		16,021,217.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	16,181,344.

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

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

[illegible]

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

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

[illegible]

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

- b** If "Yes," complete the following schedule.

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

**Sign  
Here**

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

Signature of officer or trustee

Date \_\_\_\_\_

**PRESIDENT**

Title

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☒ if self-employed

PTIN

ELEONORE MCCABE

Eleonore McCabe

5/23/2011

Firm's name ► MCCABE ASSOCIATES, LLC  
3 WERNER WAY, SUITE 200

Firm's EIN ▶

Firm's address ► **LEBANON, NJ 08833**

Phone no.	908-704-1930
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# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709  
**FILE**

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on **e-file for Charities & Nonprofits**.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization	Employer identification number
	<b>FERNHOLZ FOUNDATION</b>	<b>90-0403980</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>C/O MCCABE ASSOCIATES; 3 WERNER WAY, NO. 200</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>LEBANON, NJ 08833</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DR. LUISA T. FERNHOLZ**

- The books are in the care of **C/O MCCABE ASSOC.; 3 WERNER WAY. - LEBANON, NJ 08833**  
Telephone No. **908-704-1930** FAX No. **908-287-2255**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year **2010** or  
► ☐ tax year beginning  , and ending

**2** If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$ <b>340,500.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$ <b>320,500.</b>
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$ <b>20,000.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)

Fernholz Foundation  
2010 Form 990 PF  
90-0403980  
Statement A

Security	Shares	Cost	FMV 12/31/2010
AllBlue Fund Ltd	1,149	200,000	205,037
Alysheba Fund Ltd	150	150,000	151,993
Arrowgrass International Fund Ltd	734	100,000	98,395
Ascend Partners Fund II Ltd	1,500	150,000	154,382
Astenbeck Offshore Commodities Fund II Ltd	150	150,000	168,543
Brevan Howard Multi Strategy Fund Ltd	1,762	200,000	204,291
Cobalt Offshore Fund Ltd Series II	287	200,000	205,773
Comac Global Macro Fund Ltd	1,194	200,000	191,933
CQS ABS Feeder Fund Ltd	21	75,000	83,742
CQS Convertible & Quantitative Strategies Feeder Fund Ltd	28	75,000	76,748
Crabel Fund Ltd	100	100,000	106,777
Davidson Kempner International Fund Ltd	1,875	187,500	192,631
Diamondback Offshore Fund, Ltd	200	200,000	205,985
Double Black Diamond Ltd	1,875	187,500	197,448
Emso Ltd	10	100,000	102,236
Highbridge Statistical Opportunities Fund Ltd	125	150,000	144,820
JACM Global Fund Ltd	145	175,000	180,064
King Street Capital Ltd	1,351	175,000	176,283
Meditor European Hedge Fund Ltd	277	150,000	146,303
Miura Global Fund Ltd	150	150,000	152,697
Moore Macro Managers Fund, Ltd	19	200,000	219,650
Owl Creek Overseas Fund Ltd	200	200,000	180,888
OZ Overseas Fund II Ltd	102	175,000	182,356
Paulson Advantage Ltd	220	74,814	88,166
Paulson Advantage Plus Ltd	253	137,500	149,875
S.A.C. Capital International Ltd	2,500	250,000	266,249
Seligman Tech Spectrum Strategy	348	100,000	104,863
SR Global Fund Asia	185	137,500	138,635
Taconic Opportunity Offshore Fund II, Ltd	200	200,000	217,862
Third Point Offshore Fund Ltd	1,500	150,000	167,207
Trafalgar Catalyst Fund	1,000	100,000	100,372
Winton Futures Fund Ltd	185	137,500	147,987
		<u>4,937,314</u>	<u>5,110,191</u>





Client Services > 800-662-2739

[www.vanguard.com](http://www.vanguard.com)

December 31, 2010, year-to-date statement

Third party copy

E.I.N.: 90-0403980

► FERNHOLZ FOUNDATION

Vanguard funds

	Fund & Account	Ticker Symbol	Average Cost	Total Cost	Value on 12/31/2009	Value on 12/31/2010
Total Stock Mkt Idx Inst	0855-88040670991	VITXX	\$28.68	\$6,119,131.24	\$0.00	\$6,736,866.54
GNMA Fund Admiral Shares	0536-88040670991	VFIJX	10.81	3,713,368.70	0.00	3,688,810.23
				9,832,499.94	\$0.00	\$10,425,676.77

STATEMENT B



FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
HSBC	639.	0.	639.
HSBC	165.	0.	165.
INTECH INVESTMENT MANAGEMENT LLC	199.	0.	199.
VANGUARD	322,183.	20,464.	301,719.
TOTAL TO FM 990-PF, PART I, LN 4	323,186.	20,464.	302,722.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
INTECH INVESTMENT MANAGEMENT LLC	160,127.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	160,127.	0.	

FORM 990-PF	LEGAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	2,059.	0.		2,059.
TO FM 990-PF, PG 1, LN 16A	2,059.	0.		2,059.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	6,458.	3,229.		3,229.
TO FORM 990-PF, PG 1, LN 16B	6,458.	3,229.		3,229.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EXCISE TAX	320,000.	0.		0.	
STATE UBTI TAX	433.	0.		0.	
UBTI TAX	47,000.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	367,433.	0.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FILING FEES	527.	264.		263.	
INVESTMENT MANAGEMENT FEES	34,218.	34,218.		0.	
TO FORM 990-PF, PG 1, LN 23	34,745.	34,482.		263.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
SALE PROCEEDS RECEIVABLE	COST	75,435.	75,435.	
SEE ATTACHED STATEMENT A	COST	4,937,314.	5,110,191.	
SEE ATTACHED STATEMENT B	COST	9,832,500.	10,425,677.	
TOTAL TO FORM 990-PF, PART II, LINE 13		14,845,249.	15,611,303.	

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS  
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
E. ROBERT FERNHOLZ C/O MCCABE ASSOCIATES; 3 WERNER WAY, SUITE 200 LEBANON, NJ 08833	DIRECTOR, SECRETARY 1.00	0.	0.	0.
LUISA T. FERNHOLZ C/O MCCABE ASSOCIATES; 3 WERNER WAY, SUITE 200 LEBANON, NJ 08833	DIRECTOR, PRESIDENT 1.00	0.	0.	0.
RICARDO T. FERNHOLZ C/O MCCABE ASSOCIATES; 3 WERNER WAY, SUITE 200 LEBANON, NJ 08833	DIRECTOR 0.00	0.	0.	0.
STEPHEN A. BRIGANTI C/O MCCABE ASSOCIATES; 3 WERNER WAY, SUITE 200 LEBANON, NJ 08833	DIRECTOR 0.00	0.	0.	0.
DANIEL T. FERNHOLZ C/O MCCABE ASSOCIATES; 3 WERNER WAY, SUITE 200 LEBANON, NJ 08833	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

PART XV - LINE 1A  
LIST OF FOUNDATION MANAGERS

STATEMENT 9

## NAME OF MANAGER

E. ROBERT FERNHOLZ  
LUISA T. FERNHOLZ