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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

For calendar year **2011** or tax year beginning , **2011**, and ending , **20**

Name of foundation  
**Quanex Foundation**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
**1900 West Loop South 1500**

City or town, state, and ZIP code  
**Houston, TX 77027**

**A Employer identification number**  
**36-6065490**

**B Telephone number (see instructions)**  
**713-961-4600**

**C** If exemption application is pending, check here

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

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

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

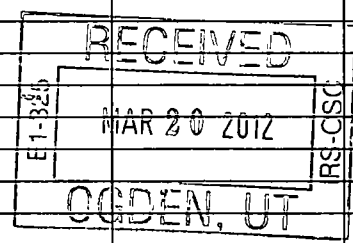
**G** Check all that apply  Initial return  Initial return of a former public charity  
 Final return  Amended return  
 Address change  Name change

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

**I** Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 6,487,671.00**

**J** Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_ (Part I, column (d) must be on cash basis)

<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b>	Contributions, gifts, grants, etc., received (attach schedule)				
<b>2</b>	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
<b>3</b>	Interest on savings and temporary cash investments	6.00	6.00		
<b>4</b>	Dividends and interest from securities	179,832.00	179,832.00		
<b>5a</b>	Gross rents				
<b>b</b>	Net rental income or (loss)				
<b>6a</b>	Net gain or (loss) from sale of assets not on line 10	246,281.00			
<b>b</b>	Gross sales price for all assets on line 6a <b>563,851.00</b>				
<b>7</b>	Capital gain net income (from Part IV, line 2)		246,281.00		
<b>8</b>	Net short-term capital gain				
<b>9</b>	Income modifications				
<b>10a</b>	Gross sales less returns and allowances				
<b>b</b>	Less Cost of goods sold				
<b>c</b>	Gross profit or (loss) (attach schedule)				
<b>11</b>	Other income (attach schedule)				
<b>12</b>	<b>Total.</b> Add lines 1 through 11	426,119.00	426,119.00		
<b>13</b>	Compensation of officers, directors, trustees, etc				
<b>14</b>	Other employee salaries and wages				
<b>15</b>	Pension plans, employee benefits				
<b>16a</b>	Legal fees (attach schedule)				
<b>b</b>	Accounting fees (attach schedule)				
<b>c</b>	Other professional fees (attach schedule)				
<b>17</b>	Interest				
<b>18</b>	Taxes (attach schedule) (see instructions)	8,522.00			
<b>19</b>	Depreciation (attach schedule) and depletion				
<b>20</b>	Occupancy				
<b>21</b>	Travel, conferences, and meetings				
<b>22</b>	Printing and publications				
<b>23</b>	Other expenses (attach schedule)				
<b>24</b>	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	8,522.00			
<b>25</b>	Contributions, gifts, grants paid	271,910.00			271,910.00
<b>26</b>	<b>Total expenses and disbursements.</b> Add lines 24 and 25	280,432.00			271,910.00
<b>27</b>	Subtract line 26 from line 12				
<b>a</b>	Excess of revenue over expenses and disbursements	145,687.00			
<b>b</b>	<b>Net investment income</b> (if negative, enter -0-)		426,119.00		
<b>c</b>	<b>Adjusted net income</b> (if negative, enter -0-)				



OPERATING AND ADMINISTRATIVE EXPENSES  
 MAR 26 2012  
 SCANNED

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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	169,221.00	268,541.00	268,541.00	
	2	Savings and temporary cash investments				
	3	Accounts receivable				
		Less allowance for doubtful accounts				
	4	Pledges receivable				
		Less allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule)				
		Less allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)	4,136,092.00	4,276,601.00	6,219,130.00	
	c	Investments - corporate bonds (attach schedule)				
	Liabilities	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)	4,305,313.00	4,545,142.00	6,487,671.00	
17		Accounts payable and accrued expenses	-2,392.00	-3,870.00		
18		Grants payable	57,650.00	153,270.00		
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)	55,258.00	149,400.00			
Net Assets or Fund Balances	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 and complete lines 27 through 31. <input type="checkbox"/>					
	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	4,250,055.00	4,395,742.00			
30	<b>Total net assets or fund balances</b> (see instructions)					
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	4,305,313.00	4,545,142.00			

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 4,250,055.00
2	Enter amount from Part I, line 27a	2 145,687.00
3	Other increases not included in line 2 (itemize)	3
4	Add lines 1, 2, and 3	4 4,395,742.00
5	Decreases not included in line 2 (itemize)	5
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6 4,395,742.00

**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)
a Schwab Bond Fund	P	various	various
b Schwab Equity Funds	P	various	various
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 99,900.00		85,976.00	13,924.00
b 463,951.00		231,594.00	232,357.00
c			
d			
e			

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))
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col (i) over col (j), if any	
a			13,924.00
b			232,357.00
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	246,281.00
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

**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 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))
2010			0
2009			0
2008			0
2007			0
2006			0

2 Total of line 1, column (d)	2	
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
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	0.00
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.00
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	0.00

**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)	1	8,522.00
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	
3	Add lines 1 and 2 . . . . .	3	8,522.00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .	4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5	8,522.00
6	<b>Credits/Payments</b>		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 . . . . .	6a	12,392.00
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	12,392.00
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	3,870.00
11	Enter the amount of line 10 to be <b>Credited to 2012 estimated tax</b> <input type="checkbox"/> 3,870.00 <b>Refunded</b> <input type="checkbox"/> . . . . .	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		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)
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address
14 The books are in care of Quanex Building Products Corporation Telephone no 713-961-4600
Located at 1900 West Loop South, Suite 1500 Houston, TX ZIP + 4 77027
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 2011, 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? Yes No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country

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 instructions)?
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 2011?
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? Yes 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)
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? Yes No
b If "Yes," did it have excess business holdings in 2011 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 2011)
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 2011?

**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 instructions)  Yes  No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?  Yes  No **5b**

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

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

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?  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 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 0	0.00	0.00	0.00
Brent L Korb 1900 W Loop S, Ste 1500 Houston TX 77027	VP 0	0.00	0.00	0.00
-----				
-----				

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

(a) Name and address of each employee paid more than \$50,000	(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 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 . . . . . ▶

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

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
	Average monthly fair market value of securities	<b>1a</b>	6,835,574.00
	Average of monthly cash balances	<b>1b</b>	121,365.00
	Fair market value of all other assets (see instructions)	<b>1c</b>	
	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	6,956,939.00
	e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
2	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
3	Subtract line 2 from line 1d	<b>3</b>	6,956,939.00
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	104,354.09
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	6,852,584.91
6	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	342,629.25

**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	<b>1</b>	342,629.25
2a	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	8,522.00
	b Income tax for 2011 (This does not include the tax from Part VI)	<b>2b</b>	
	c Add lines 2a and 2b	<b>2c</b>	8,522.00
3	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	334,107.25
4	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
5	Add lines 3 and 4	<b>5</b>	334,107.25
6	Deduction from distributable amount (see instructions)	<b>6</b>	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	334,107.25

**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	<b>1a</b>	271,910.00
	b Program-related investments - total from Part IX-B	<b>1b</b>	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
3	Amounts set aside for specific charitable projects that satisfy the		
	a Suitability test (prior IRS approval required)	<b>3a</b>	
	b Cash distribution test (attach the required schedule)	<b>3b</b>	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	271,910.00
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	<b>5</b>	
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	271,910.00

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				334,107.25
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			39,558.00	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 271,910.00				
a Applied to 2010, but not more than line 2a			39,558.00	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2011 distributable amount				232,352.00
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (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 instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				101,755.25
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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 2011, enter the date of the ruling ▶ N/A

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	Prior 3 years			(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
b 85% of line 2a . . . . .					
c Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
d Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets . . . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

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

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

None

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

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:  
 Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see 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 South, Suite 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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Attached Schedule				271,910.00
<b>Total</b> . . . . . ▶ <b>3a</b>				271,910.00
b <i>Approved for future payment</i>				
<b>Total</b> . . . . . ▶ <b>3b</b>				



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... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and shangng arrangements

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

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship

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

Sign Here Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only Print/Type preparer's name Preparer's signature Date Check if self-employed PTIN Firm's name Firm's address Firm's EIN Phone no

**THE QUANEX FOUNDATION  
INVESTMENT PORTFOLIO**

**DECEMBER 31, 2011**

	<b>PRINCIPAL AMOUNT OR SHARES</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
Pimco Total Return FD	82,776.478	\$ 852,835.48	\$ 899,780.32
T. Rowe Price High Yield FD	77,728.712	\$ 383,473.99	\$ 504,459.34
Vanguard Inflation Protected Secs	18,386.917	\$ 427,173.78	\$ 509,501.47
Allianz NFJ Small Cap Value FD	15,240.975	\$ 231,547.72	\$ 444,731.65
American FD	41,893.156	\$ 728,360.04	\$ 1,202,333.58
Baron Growth FD	9,050.407	\$ 224,178.58	\$ 461,661.26
Dodge & Cox FD	11,707.968	\$ 646,443.10	\$ 1,189,997.87
EII Global Property Trust	18,651.543	\$ 288,078.77	\$ 250,303.71
Thornburg Intl Value FD	30,771.390	\$ 494,509.53	\$ 756,360.77
<b>Total Investment Portfolio</b>	<b>306,207.546</b>	<b>\$ 4,276,600.99</b>	<b>\$ 6,219,129.97</b>

**DECEMBER 31, 2010**

	<b>PRINCIPAL AMOUNT OR SHARES</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
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
<b>Total Investment Portfolio</b>	<b>289,502.236</b>	<b>\$ 4,136,092.49</b>	<b>\$ 6,599,213.61</b>

**Quanex Foundation**  
**Check Detail**  
January through December 2011

Num	Date	Name	Purpose	Amount
1091	01/03/2011	The 21st Century Fund	Civic	-25 00
1092	01/03/2011	Bellarmine Preparatory School	Education	-25 00
1093	01/03/2011	Boy Scouts of America - Illowa Council	Civic	-80 00
1095	01/03/2011	Discovery VPO	Civic	-60 00
1096	01/03/2011	Humane Society of Barron County	Civic	-100 00
1097	01/03/2011	Jesuit High School	Education	-1,000 00
1098	01/03/2011	St Francis Cabrini Conf	Civic	-20 00
1099	01/03/2011	Susan G Komen Northeast Ohio	Health	-25 00
1100	01/03/2011	Susan G Komen for the Cure Houston	Health	-150 00
1101	01/03/2011	UC - Cumberland College	Education	-500 00
1102	01/03/2011	Lakeland Hills Elem PTA	Education	-45 00
1103	01/11/2011	Houston Livestock Show and Rodeo	Education	-15,000 00
1104	01/14/2011	Kuemper Catholic School	Education	-25 00
1105	01/14/2011	America Scores - Cleveland	Civic	-500 00
1106	01/14/2011	American Red Cross of Greater Chicago	Health	-150 00
1108	01/14/2011	Baylor University	Health	-500 00
1109	01/14/2011	Communities in Schools of Peninsula	Education	-125 00
1110	01/14/2011	Family Renewal Shelter	Civic	-100 00
1111	01/14/2011	Friends of Washoe	Civic	-125 00
1112	01/14/2011	Global Student Outreach	Education	-100 00
1113	01/14/2011	Humane Society for Tacoma/ Pierce Cntys	Civic	-250 00
1114	01/14/2011	Nativity House	Civic	-25 00
1115	01/14/2011	NW Furniture Bank	Civic	-100 00
1116	01/14/2011	Pawsitive Alliance	Civic	-125 00
1117	01/14/2011	St Jude Children's Research Hospital	Health	-990 00
1118	01/14/2011	The University of Texas	Education	-500 00
1119	01/14/2011	Vetennary Ventures	Civic	-100 00
1120	01/14/2011	West Sound Wildlife	Civic	-125 00
1121	01/30/2011	Another Chance Equine Rescue, Inc	Civic	-500 00
1122	01/30/2011	Austin College	Education	-500 00
1123	01/30/2011	Cancer Fund of America Support Services	Health	-20 00
1124	01/30/2011	Cleveland Foodbank	Civic	-100 00
1125	01/30/2011	Coalition Humane	Civic	-250 00
1126	01/30/2011	Gig Harbor Peninsula Fish	Civic	-125 00
1127	01/30/2011	IMOM Inc	Civic	-100 00
1128	01/30/2011	Joyce Meyer Ministries Inc	Civic	-25 00
1129	01/30/2011	Laurel School	Education	-650 00
1130	01/30/2011	Ruffing Montessori School	Education	-500 00
1131	01/30/2011	St Jude Children's Research Hospital	Health	-540 00
1132	01/30/2011	University Hospitals	Health	-1,000 00
1133	06/10/2011	Muscular Dystrophy Association-AZ	Health	-25 00
1134	06/10/2011	The Smile Train	Civic	-800 00
1135	06/10/2011	American Red Cross	Health	-500 00
1136	06/23/2011	St Baldrick's Foundation	Civic	-20 00
1137	06/23/2011	St Jude Children's Research Hospital	Health	-25 00
1138	06/23/2011	March of Dimes	Civic	-20 00
1139	06/23/2011	Children's Wish Foundation	Civic	-25 00
1140	06/23/2011	UW-Eau Claire Foundation	Civic	-150 00
1141	06/23/2011	Ideastream	Civic	-50 00
1142	06/23/2011	Houston Audubon Society	Civic	-500 00
1143	06/23/2011	American Heart Association - CA	Health	-55 00
1147	06/23/2011	Susan G Komen Puget Sound	Health	-200 00
1150	06/23/2011	American Cancer Society-WI	Health	-160 00
1153	07/11/2011	Covenant House	Civic	-20 00
1154	07/11/2011	University of South Dakota	Education	-50 00
1155	07/11/2011	West Alabama Chamber Foundation	Civic	-250 00

Quanex Foundation  
Check Detail  
January through December 2011

Num	Date	Name	Purpose	Amount
1156	07/11/2011	Planned Parenthood Federation of America	Health	-100 00
1157	07/11/2011	Augustana College	Education	-50 00
1158	07/11/2011	American Cancer Society - KY	Health	-250 00
1159	07/11/2011	American Cancer Society-WI	Health	-50 00
1160	08/15/2011	Be The Match Foundation	Health	-25 00
1161	08/15/2011	Medina Community Police Activities League	Civic	-100 00
1162	08/15/2011	American Cancer Society - WI p2	Health	-55 00
1163	08/15/2011	Rice University	Education	-500 00
1164	08/15/2011	The Assoc of Former Students of Texas A&M	Education	-250 00
1165	08/30/2011	National Merit Scholarship Corp	Civic	-14,260 00
1166	08/30/2011	Buffalo Specialties Inc	Civic	-529 34
1167	09/02/2011	Susan G Komen for the Cure	Health	-525 00
1168	09/30/2011	F A C E S, Inc	Civic	-250 00
1169	09/30/2011	Shawano Dollars for Scholars	Education	-1,000 00
1170	09/30/2011	Bridge the Gap, Inc	Civic	-500 00
1171	09/30/2011	River Riders Therapeutic Horseback Riding	Health	-250 00
1172	09/30/2011	American Diabetes Association	Health	-2,000 00
1173	09/30/2011	Spring Lake Park Fire Department	Civic	-1,000 00
1174	09/30/2011	American Cancer Society- MN	Health	-2,000 00
1175	09/30/2011	Courage Center	Civic	-1,000 00
1176	09/30/2011	Camp Albrecht Acres of the Midwest Inc	Civic	-1,000 00
1177	09/30/2011	S E L C A S Ambulance	Health	-1,000 00
1178	10/03/2011	Barron County Campus Foundation	Civic	-1,000 00
1179	10/03/2011	WTC Foundation Inc	Civic	-1,000 00
1180	10/03/2011	Girls & Boys Club of Wayne County	Civic	-1,000 00
1181	10/03/2011	PKD Foundation	Civic	-2,000 00
1182	10/03/2011	Anthony Garofalo Scholarship Fund	Education	-2,000 00
1183	10/03/2011	North Land Municipal Ambulance, Inc	Health	-1,000 00
1184	10/03/2011	Chatsworth Fire District C2	Civic	-1,000 00
1185	10/03/2011	Luck Fire Department	Civic	-1,000 00
1186	10/04/2011	Illowa Council Inc	Civic	-1,000 00
1187	10/04/2011	Girl Scouts	Civic	-1,000 00
1188	10/04/2011	River Action Inc	Civic	-2,000 00
1189	10/04/2011	Living Lands & Waters	Civic	-4,000 00
1190	10/04/2011	Junior Achievement	Education	-2,500 00
1191	10/04/2011	Habitat for Humanity	Civic	-1,000 00
1192	10/04/2011	Habitat for Humanity - Lake County	Civic	-1,000 00
1193	10/04/2011	Habitat for Humanity - Morgan County	Civic	-1,000 00
1194	10/04/2011	Big Brothers/Big Sisters	Civic	-1,000 00
1195	10/04/2011	Scott County Family YMCA	Civic	-2,500 00
1196	10/04/2011	Tennessee Valley Training Center	Civic	-2,000 00
1197	10/04/2011	Big Brothers/Big Sisters - AL	Civic	-1,000 00
1198	10/10/2011	Pediatric Interim Care Center	Health	-3,000 00
1199	10/10/2011	Kent Youth & Family Services	Civic	-3,000 00
1200	10/10/2011	Careers, Etc	Civic	-2,500 00
1201	10/10/2011	Northern Illinois Food Bank	Civic	-2,500 00
1202	10/10/2011	Salvation Army	Civic	-3,000 00
1203	10/10/2011	American Red Cross - Daniel Boone Chapter	Health	-3,000 00
1204	10/10/2011	American Red Cross - WA	Health	-1,500 00
1205	10/10/2011	Union Gospel Mission	Civic	-1,500 00
1206	10/10/2011	Union College	Education	-7,500 00
1207	10/10/2011	University of the Cumberlands	Education	-1,500 00
1208	10/10/2011	Muscular Dystrophy Assoc - OH	Health	-1,000 00
1209	10/10/2011	National Multiple Sclerosis Society	Health	-250 00
1210	10/10/2011	Children's Organ Transplant Association	Health	-50 00
1211	10/10/2011	America Scores - Cleveland	Civic	-100 00
1212	10/10/2011	American Cancer Society- MN	Health	-50 00

Quanex Foundation  
Check Detail  
January through December 2011

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
1213	10/10/2011	Nature's Edge Therapy Center	Health	-75 00
1214	10/10/2011	Jesuit High School	Education	-1,001 00
1215	11/18/2011	Wreaths Across America - Houston	Civic	-1,500 00
1216	11/18/2011	St Frances Cabrini School	Education	-25 00
1217	11/18/2011	American Heart Association - KS	Health	-75 00
1218	11/18/2011	Muscular Dystrophy Assoc - OH	Health	-1,700 00
1219	11/18/2011	Alzheimer's Association of Greater WI	Health	-75 00
1220	11/18/2011	Washington University	Education	-200 00
1221	11/18/2011	JDRF	Civic	-250 00
1222	11/18/2011	Cancer Support Services	Health	-20 00
1223	11/18/2011	Christian Appalacian Project	Civic	-20 00
1224	11/18/2011	Alley Theatre	Civic	-50 00
1225	11/18/2011	Gigi's Playhouse - Rockford	Civic	-20 00
1226	11/18/2011	Kuemper Catholic School	Education	-25 00
1227	11/18/2011	University of Illinois Foundation	Education	-200 00
1228	12/19/2011	Homes for Our Troops	Civic	-100,000 00
1229	12/19/2011	American Cancer Society- OK	Health	-50,000 00
1230	12/19/2011	Houston Food Bank	Civic	-300 00
1231	12/19/2011	Susan G Komen for the Cure	Health	-1,200 00
				<u>-271,910 34</u>