



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



# Return of Private Foundation

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

OMB No. 1545-0052

Department of the Treasury  
Internal Revenue Service

► Do not enter social security numbers on this form as it may be made public.  
► Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning **August 1**, 2014, and ending **July 31**, 2015

Name of foundation <b>The Highstead Fund, Inc.</b>		A Employer identification number <b>20-5823379</b>
Number and street (or P O box number if mail is not delivered to street address) <b>c/o Dudley &amp; Shanley, LLC, 205 Worth Avenue, #311</b>		Room/suite
City or town, state or province, country, and ZIP or foreign postal code <b>Palm Beach, FL 33480</b>		B Telephone number (see instructions) <b>561-855-4742</b>
<b>G</b> Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		C If exemption application is pending, check here ► <input type="checkbox"/>
<b>H</b> 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		D 1 Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► <b>\$ 20,815,102.04</b> (Part I, column (d) must be on cash basis.)		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"/>

<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>Revenue</b> <b>1</b> Contributions, gifts, grants, etc., received (attach schedule) <b>2</b> Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B <b>3</b> Interest on savings and temporary cash investments <b>4</b> Dividends and interest from securities <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 <b>b</b> Gross sales price for all assets on line 6a <b>1,257,054.68</b> <b>7</b> Capital gain net income (from Part IV, line 2) <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 <b>1,228,721.21</b> <b>1,228,721.21</b>	<b>0</b> <b>697,006.15</b> <b>531,715.06</b> <b>531,715.06</b> <b>1,228,721.21</b>	<b>697,006.15</b> <b>531,715.06</b> <b>1,228,721.21</b>	<b>524.00</b> <b>12,091.00</b> <b>134,432.00</b> <b>97,663.23</b> <b>19,784.72</b> <b>264,494.95</b> <b>1,050,000.00</b> <b>1,314,494.95</b>	<b>1,050,000.00</b> <b>1,049,750.26</b>	
<b>Operating and Administrative Expenses</b> <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) <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 <b>19,784.72</b> <b>19,784.72</b> <b>264,494.95</b> <b>178,970.95</b> <b>1,050,000.00</b> <b>1,314,494.95</b> <b>178,970.95</b> <b>1,050,000.00</b>	<b>524.00</b> <b>12,091.00</b> <b>134,432.00</b> <b>97,663.23</b> <b>19,784.72</b> <b>264,494.95</b> <b>1,050,000.00</b> <b>1,314,494.95</b>	<b>12,091.00</b> <b>134,432.00</b> <b>12,663.23</b> <b>19,784.72</b> <b>178,970.95</b> <b>1,050,000.00</b> <b>1,049,750.26</b>	<b>1,050,000.00</b> <b>1,049,750.26</b>		
<b>27</b> Subtract line 26 from line 12: <b>a</b> <b>Excess of revenue over expenses and disbursements</b> <b>b</b> <b>Net investment income</b> (if negative, enter -0-) <b>c</b> <b>Adjusted net income</b> (if negative, enter -0-)	<b>(85,773.74)</b>	<b>1,049,750.26</b>	<b>1,049,750.26</b>		

g4

9

<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	<b>Beginning of year</b>	<b>End of year</b>	
			<b>(a) Book Value</b>	<b>(b) Book Value</b>	<b>(c) Fair Market Value</b>
<b>Assets</b>	1	Cash—non-interest-bearing . . . . .	<b>700,055.47</b>		
	2	Savings and temporary cash investments . . . . .		<b>457,772.16</b>	<b>457,772.16</b>
	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 . . . . .			
	10a	Investments—U.S. and state government obligations (attach schedule) . . . . .			
	b	Investments—corporate stock (attach schedule) . . . . .	<b>20,547,182.16</b>	<b>20,357,329.88</b>	<b>20,357,329.88</b>
	c	Investments—corporate bonds (attach schedule) . . . . .			
	11	Investments—land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►				
12	Investments—mortgage loans . . . . .				
13	Investments—other (attach schedule) . . . . .				
14	Land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►				
15	Other assets (describe ►) . . . . .				
16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .	<b>21,247,237.63</b>	<b>20,815,102.04</b>	<b>20,815,102.04</b>	
<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 (attach schedule) . . . . .			
	22	Other liabilities (describe ►) . . . . .			
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	<b>0</b>	<b>0</b>	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds . . . . .			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund . . . . .			
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .	<b>21,247,237.63</b>	<b>20,815,102.04</b>	
	30	<b>Total net assets or fund balances</b> (see instructions) . . . . .	<b>21,247,237.63</b>	<b>20,815,102.04</b>	
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	<b>21,247,237.63</b>	<b>20,815,102.04</b>	

**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) . . . . .	<b>1</b>	<b>21,247,237.63</b>
2	Enter amount from Part I, line 27a . . . . .	<b>2</b>	<b>(85,773.74)</b>
3	Other increases not included in line 2 (itemize) ►	<b>3</b>	
4	Add lines 1, 2, and 3 . . . . .	<b>4</b>	<b>21,161,463.89</b>
5	Decreases not included in line 2 (itemize) ► <b>Unrealized depreciation of investments</b>	<b>5</b>	<b>346,361.85</b>
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	<b>20,815,102.04</b>

**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 Sales of publicly traded securities - schedule attached</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>		
<b>a</b> 1,257,054.68		725,339.62	<b>531,715.06</b>		
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			<b>(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))</b>		
<b>(i) F M V as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col (i) over col (j), if any</b>			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>	<b>{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</b>		<b>2</b>	<b>531,715.06</b>	
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6).</b> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . .			<b>3</b>	<b>0</b>	

**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))
2013	825,000	19,109,317	0.043173
2012	587,500	14,207,437	0.041352
2011	475,307	10,759,369	0.044176
2010	212,283	7,221,573	0.029396
2009	194,741	4,085,147	0.047670

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>0.205767</b>
<b>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</b>	<b>3</b>	<b>0.041153</b>
<b>4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5</b>	<b>4</b>	<b>21,167,678</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>871,113</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>10,498</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>881,611</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>1,050,000</b>

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.

<b>Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)</b>		
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 checked="" 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-)	
3	Add lines 1 and 2	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	
6	Credits/Payments.	
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a 8,314 57
b	Exempt foreign organizations—tax withheld at source	6b
c	Tax paid with application for extension of time to file (Form 8868)	6c 10,000 00
d	Backup withholding erroneously withheld	6d
7	Total credits and payments. Add lines 6a through 6d	
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	
11	Enter the amount of line 10 to be. <b>Credited to 2015 estimated tax</b> ► 7,817 07 <b>Refunded</b> ► 11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a	✓	
1b	✓	
1c	✓	
2	✓	
3	✓	
4a	✓	
4b	✓	
5	✓	
6	✓	
7	✓	
8a		
8b	✓	
9	✓	
10	✓	

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?

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.

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

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:  
(1) On the foundation. ► \$ None (2) On foundation managers. ► \$ None

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ None

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.

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.

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

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

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

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?

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

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► Connecticut

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

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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV

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

<b>Part VII-A Statements Regarding Activities (continued)</b>			
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)	<input type="checkbox"/> 11	<input checked="" type="checkbox"/>
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)	<input type="checkbox"/> 12	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► None	<input type="checkbox"/> 13	<input checked="" type="checkbox"/>
14	The books are in care of ► Dudley & Shanley, LLC Located at ► 205 Worth Avenue, #311, Palm Beach, FL	Telephone no. ► 561-855-4742 ZIP+4 ► 33480	
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	<input type="checkbox"/> 15	<input type="checkbox"/>
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country ►	<input type="checkbox"/> 16	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

<b>File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.</b>		
1a	During the year did the foundation (either directly or indirectly):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	<input type="checkbox"/> 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 2014?	<input type="checkbox"/> 1c
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(i)(3) or 4942(j)(5)):	
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years ► 20____, 20____, 20____, 20____	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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.)	<input type="checkbox"/> 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. ► 20____, 20____, 20____, 20____	<input type="checkbox"/> 3b
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 2014 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 2014.)	<input type="checkbox"/> 4a
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<input type="checkbox"/> 4b
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 2014?	<input checked="" type="checkbox"/>

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

<b>5a</b>	During the year did the foundation pay or incur any amount to:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>					
<b>c</b>	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?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
If "Yes," attach the statement required by Regulations section 53.4945–5(d).					
<b>6a</b>	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b>	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>7a</b>	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b>	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

**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
Schedule attached		0		
-----				
-----				
-----				
-----				
-----				

**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				► None

**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
<b>Schafer Cullen Capital Management, Inc.</b>		
<b>645 Fifth Avenue, Suite 1201, New York, NY 10022</b>	<b>Investment management</b>	<b>134,432</b>

**Total** number of others receiving over \$50,000 for professional services . . . . . ► None

## **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
<b>1</b>	<b>Not applicable, no direct charitable activities</b>	
<b>2</b>		None
<b>3</b>		
<b>4</b>		

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

Summary of Program-Related Investments (See Instructions)		Amount
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		
<b>1</b>	<b>Note applicable, no program-related investments</b>	
<b>2</b>		
<b>3</b>	All other program-related investments See instructions	
<b>Total.</b> Add lines 1 through 3 . . . . .		►
		None

**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	21,490,028
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	21,490,028
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	21,490,028
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	322,350
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	21,167,678
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	1,058,384

**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	1,058,384
2a	Tax on investment income for 2014 from Part VI, line 5	2a	10,498
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	10,498
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,047,886
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	1,047,886
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,047,886

**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	1,050,000
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,050,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	1,050,000

**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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7 . . . . .				1,047,886
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only . . . . .				212,120
b Total for prior years: 20 ____,20 ____,20 ____				
3 Excess distributions carryover, if any, to 2014:				
a From 2009 . . . . .				
b From 2010 . . . . .				
c From 2011 . . . . .				
d From 2012 . . . . .				
e From 2013 . . . . .				
f Total of lines 3a through e . . . . .				
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ 1,050,000				212,120
a Applied to 2013, but not more than line 2a . . . . .				
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 2014 distributable amount . . . . .				837,880
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2014 (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 2013. Subtract line 4a from line 2a. Taxable amount—see instructions . . . . .				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015 . . . . .				210,006
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions) . . . . .				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) . . . . .				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a . . . . .				
10 Analysis of line 9:				
a Excess from 2010 . . . . .				
b Excess from 2011 . . . . .				
c Excess from 2012 . . . . .				
d Excess from 2013 . . . . .				
e Excess from 2014 . . . . .				

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

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

## 1 Information Regarding Foundation Managers:

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

Elisabeth C. Dudley, Henry C. Dudley

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

None

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ►  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

## 6 Any submission deadlines:

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
Highstead Foundation, Inc. PO Box 1097, Redding, CT 06875		501(c)3	Scientific research and education	1,050,000
<b>Total</b>			► 3a	1,050,000
<b>b Approved for future payment</b>				
None				
<b>Total</b>			► 3b	None

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 (See instructions.)	
		(a) Business code	(b) Amount		(c) Exclusion code
<b>1</b>	Program service revenue:				
a					
b					
c					
d					
e					
f					
<b>g</b>	Fees and contracts from government agencies				
<b>2</b>	Membership dues and assessments				
<b>3</b>	Interest on savings and temporary cash investments				
<b>4</b>	Dividends and interest from securities				
<b>5</b>	Net rental income or (loss) from real estate:				
a	Debt-financed property				
b	Not debt-financed property				
<b>6</b>	Net rental income or (loss) from personal property				
<b>7</b>	Other investment income				
<b>8</b>	Gain or (loss) from sales of assets other than inventory				
<b>9</b>	Net income or (loss) from special events				
<b>10</b>	Gross profit or (loss) from sales of inventory				
<b>11</b>	Other revenue: a				
b					
c					
d					
e					
<b>12</b>	Subtotal. Add columns (b), (d), and (e)				
<b>13</b>	Total. Add line 12, columns (b), (d), and (e)				
(See worksheet in line 13 instructions to verify calculations.)					

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

Line No. ▼	Relationship of activities to the accomplishment of exempt purposes
	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions )
<b>Not applicable</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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1)	Cash	1a(1)	✓
(2)	Other assets	1a(2)	✓
b	Other transactions:		
(1)	Sales of assets to a noncharitable exempt organization	1b(1)	✓
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)	✓
(3)	Rental of facilities, equipment, or other assets	1b(3)	✓
(4)	Reimbursement arrangements	1b(4)	✓
(5)	Loans or loan guarantees	1b(5)	✓
(6)	Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

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

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
<b>Highstead Foundation, Inc.</b>	<b>501(c)3 Private Operating Fdn</b>	<b>Over 25% common directors, contributions</b>
<b>The Quercus Fund, Inc.</b>	<b>501(c)3 Private Non-operating Fdn</b>	<b>Over 25% common directors</b>

Sign  
Here

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

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

Signature of filer or trustee		Date	File #			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	John J. McGlinchey, Jr.			18/5		PO1464978
	Firm's name ►	John J. McGlinchey, Jr., CPA		Firm's EIN ►	13-0384978	
	Firm's address ►	PO Box 245, Glen Head, NY 11545-0245		Phone no	516-759-0773	

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

**20-5823379  
Fiscal Year Ended July 31, 2015**

**Part I, Line 16c**

**Other professional fees**

Investment management fees

134,432.00

**Part I, Line 18**

**Taxes**

Foreign income tax on dividends

12,663.23

Payments on Excise Tax on Inv. Inc.

85,000.00

97,663.23

**Part I, Line 23**

**Other expenses**

Bank custody fee

19,450.72

Miscellaneous

334.00

19,784.72

**Highstead Fund Inc. 20-5823379**  
**PORTFOLIO APPRAISAL**  
**Form 990-PF, Fiscal Year Ended 7/31/15**  
**Part II, Lines 1 and 10b**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Cur Yield
<b>CASH AND EQUIVALENTS</b>							
	BNY Mellon Cash Reserve Fund		457,772 16		457,772 16	2 20	-
			457,772 16		457,772 16	2 20	-
<b>COMMON STOCK</b>							
4,050	3M Co	75 48	305,703 35	151 34	612,927 00	2 90	2 30
17,515	AT&T Inc	30 28	530,325 43	34 74	608,471 10	2 90	5 30
12,535	Altria Group Inc	23 54	295,019 18	54 38	681,653 30	3 30	3 50
14,255	BCE Inc	44 08	628,294 04	41 14	586,450 70	2 80	6 00
2,225	Boeing Corp	75 46	167,899 26	144 17	320,778 25	1 50	2 50
2,480	CNOOC Ltd	175 61	435,518 16	122 65	304,172 00	1 50	3 40
1,660	Chemours Co	10 39	17,250 63	10 92	18,127 20	0 10	-
5,290	Chevron Corp	95 68	506,122 89	88 48	468,059 20	2 20	4 50
27,670	Cisco Systems, Inc.	21 20	586,497 44	28 42	786,381 40	3 80	2 70
9,510	ConocoPhillips	51 82	492,816 98	50 34	478,733 40	2 30	5 80
10,320	Corning Inc	20 91	215,827 32	18 68	192,777 60	0 90	2 60
10,535	Diamond Offshore Drill	60 92	641,762 13	21 95	231,243 25	1 10	2 30
8,300	E I du Pont	40 94	339,772 30	55 76	462,808 00	2 20	3 40
5,015	Eli Lilly & Co	35 29	176,993 19	84 51	423,817 65	2 00	2 30
24,800	General Electric Co	19 73	489,285 97	26 10	647,280 00	3 10	3 50
5,800	Genuine Parts Co	48 90	283,633 43	88 95	515,910 00	2 50	2 60
16,840	HCP, Inc	35 13	591,617 26	38 64	650,697 60	3 10	5 60
9,380	HSBC Holdings PLC	50 94	477,822 24	45 07	422,756 60	2 00	5 40
11,550	Health Care REIT Inc	47 19	545,059 63	69 37	801,223 50	3 80	4 60
12,870	Intel Corp	20 41	262,627 84	28 95	372,586 50	1 80	3 30
11,350	JPMorgan Chase	50 04	567,988 26	68 53	777,815 50	3 70	2 30
6,900	Johnson & Johnson	63 01	434,767 45	100 21	691,449 00	3 30	2 60
4,190	Kimberly Clark Corp	61 18	256,348 82	114 97	481,724 30	2 30	2 90
14,515	Merck	37 74	547,810 36	58 96	855,804 40	4 10	3 00
9,010	MetLife, Inc	40 24	362,601 05	55 74	502,217 40	2 40	2 70
16,300	Microsoft Corp	25 72	419,193 98	46 70	761,210 00	3 70	2 70
6,400	Nextera Energy Inc	54 19	346,820 17	105 20	673,280 00	3 20	2 80
14,680	Pfizer, Inc.	29 50	433,032 11	36 06	529,360 80	2 50	2 90
7,140	Philip Morris Int'l	67 20	479,796 38	85 53	610,684 20	2 90	4 40
7,700	Raytheon Co	53 39	411,098 95	109 09	839,993 00	4 00	2 20
8,240	Royal Dutch Shell	71 67	590,600 10	58 15	479,156 00	2 30	6 20
21,200	Symantec Corp	20 09	425,973 53	22 74	482,088 00	2 30	2 60
6,255	The Travelers Co , Inc	56 79	355,212 89	106 12	663,780 60	3 20	1 90
14,065	Unilever NV	32.33	454,703 83	44 83	630,533 95	3 00	3 10
9,436	Vodafone Group PLC	46 72	440,868 52	37 78	356,492 07	1 70	8 00
11,130	Wells Fargo & Co.	55 40	616,606 47	57 87	644,093 10	3 10	2 60
			15,133,271 56		19,566,536 58	94 00	3 50
<b>AMERICAN DEPOSITORY RECEIPTS</b>							
11,770	Astrazeneca PLC	23 97	282,149 41	33 79	397,708 30	1 90	8.30
3,500	Diageo PLC	73 67	257,853.96	112 31	393,085 00	1 90	2 80
			540,003 37		790,793 30	3 80	5.60
<b>TOTAL PORTFOLIO</b>							
			16,131,047 08		20,815,102 04	100 00	3 50

## The Highstead Fund, Inc.

Form 990-PF

## REALIZED GAINS AND LOSSES

20-5823379

Fiscal Year Ended July 31, 2015

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain (Loss)	
						Short Term	Long Term
12/21/12	11/03/14	1	Halyard Health Inc	20.97	28.58		7.61
12/30/13	02/24/15	2,445	Altria Group Inc	93,429.56	136,193.04		42,763.48
12/21/12	02/24/15	2,215	Altria Group Inc	70,968.60	123,381.42		52,412.82
12/30/13	02/24/15	2,465	Intel Corp	63,597.00	83,991.35		20,394.35
05/13/11	02/24/15	2,250	Intel Corp	53,597.03	76,665.54		23,068.51
12/13/10	02/24/15	1,600	Intel Corp	34,944.00	54,517.72		19,573.72
02/03/11	02/24/15	2,000	Intel Corp	42,838.60	68,147.14		25,308.54
12/15/10	02/24/15	700	Intel Corp	14,959.00	23,851.50		8,892.50
06/22/10	02/24/15	2,030	Intel Corp	42,992.35	69,169.35		26,177.00
12/21/12	03/17/15	7	Halyard Health Inc	188.74	314.59		125.85
02/03/11	03/17/15	54	Halyard Health Inc	1,146.66	2,505.04		1,358.38
07/26/10	03/17/15	312	Halyard Health Inc	6,607.59	14,564.20		7,956.61
12/15/10	03/17/15	19	Halyard Health Inc	384.64	873.85		489.21
12/13/10	03/17/15	131	Halyard Health Inc	2,676.01	6,116.96		3,440.95
12/30/13	06/15/15	2,520	Eli Lilly & Co.	128,625.59	211,649.64		83,024.05
05/13/11	06/15/15	1,600	Eli Lilly & Co.	62,414.88	134,380.73		71,965.85
07/26/10	06/15/15	2,985	Eli Lilly & Co	105,948.40	250,704.03		144,755.63
				<b>725,339.62</b>	<b>1,257,054.68</b>	<b>-</b>	<b>531,715.06</b>
				Proceeds	1,257,054.68	Short Term	-
				Cost	725,339.62	Long Term	531,715.06
				<b>Realized Gain</b>	<b>531,715.06</b>		<b>531,715.06</b>

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

**20-5823379  
Fiscal Year Ended July 31, 2015**

**Part VIII, Line 1**

**List of all officers, directors, trustees, foundation managers and their compensation**

**(Note: All officers, directors, trustees, foundation managers are part time.)**

<u>Name and Address</u>	<u>Title and Avg. Hours Per Week</u>	<u>Compensation</u>	<u>Contributions to Employee Plans</u>	<u>Expense Account &amp; Other Allowances</u>
Elisabeth C. Dudley c/o Dudley & Shanley, LLC 205 Worth Avenue, #311 Palm Beach, FL 33480	Director	None	None	None
Henry C. Dudley c/o Dudley & Shanley, LLC 205 Worth Avenue, #311 Palm Beach, FL 33480	President, CEO Director	None	None	None
Sarah Dudley Plimpton c/o Dudley & Shanley, LLC 205 Worth Avenue, #311 Palm Beach, FL 33480	Director	None	None	None
Jane C. Dudley c/o Dudley & Shanley, LLC 205 Worth Avenue, #311 Palm Beach, FL 33480	Director	None	None	None
Anthony J. Carroll Dentons 1221 Avenue of the Americas New York, NY 10020	Secretary	None	None	None
Christiane McNamara Cottrell & Company, LLC 130 Maple Ave., Suite 6 Red Bank, NJ 07701	Asst.Treasurer Asst. Secretary	None	None	None
Frank E. Shanley c/o Dudley & Shanley, LLC 205 Worth Avenue, #311 Palm Beach, FL 33480	Vice-President Treasurer Director	None	None	None
David R. Foster Harvard Forest 324 North Main Street Petersham, MA 01366	Director	None	None	None

**The Highstead Fund, Inc.**  
**20-5823379**  
**FORM 990PF, FYE 7/31/2015**  
**PAGE 8, PART X, LINE 1**  
**FMV OF SECURITIES**

<b>Date</b>	<b>FMV of Investments</b>
1-Aug	Bank of NY
31-Aug	21,247,237.63
30-Sep	21,896,167.16
31-Oct	21,498,525.86
30-Nov	21,750,391.25
31-Dec	22,151,111.27
31-Jan	22,068,916.04
28-Feb	21,245,280.58
31-Mar	21,205,095.98
30-Apr	21,485,985.39
31-May	21,444,870.07
30-Jun	20,748,104.10
31-Jul	20,815,102.04
	<b><u>279,370,370.28</u></b>

Averages.

Sum of  
Individual  
Balances      Divided  
                    by 13

Investments:      279,370,370.28      **21,490,028.48**