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Department of the Treasury  
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation  
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Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

Open to Public Inspection

For calendar year **2016** or tax year beginning , **2016**, 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  
**1800 West Loop South 1500**

City or town, state or province, country, and ZIP or foreign postal 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

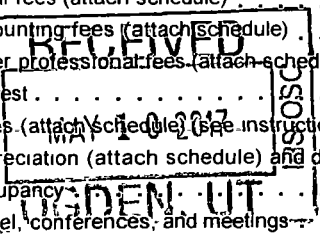
**H** Check type of organization:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

**I** Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 7,773,070.00**

**J** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

<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	11.00	11.00		
<b>4</b>	Dividends and interest from securities	395,743.00	395,743.00		
<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	39,830.00			
<b>b</b>	Gross sales price for all assets on line 6a	146,669.00			
<b>7</b>	Capital gain net income (from Part IV, line 2)		39,830.00		
<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	435,584.00	435,584.00		
<b>13</b>	Compensation of officers, directors, trustees, etc.				
	Other employee salaries and wages				
	Pension plans, employee benefits				
<b>a</b>	Legal fees (attach schedule)				
<b>b</b>	Accounting fees (attach schedule)				
<b>c</b>	Other professional fees (attach schedule)				
	Interest				
	Taxes (attach schedule) (see instructions)	8,712.00			
	Depreciation (attach schedule) and depletion				
	Occupancy				
	Travel, conferences, and meetings				
	Printing and publications				
	Other expenses (attach schedule)				
	<b>Total operating and administrative expenses.</b>				
	Add lines 13 through 23	8,712.00			
<b>25</b>	Contributions, gifts, grants paid	428,870.00			428,870.00
<b>26</b>	<b>Total expenses and disbursements.</b> Add lines 24 and 25	437,582.00			428,870.00
<b>27</b>	Subtract line 26 from line 12				
<b>a</b>	Excess of revenue over expenses and disbursements	-1,998.00			
<b>b</b>	<b>Net investment income</b> (if negative, enter -0-)		435,584.00		
<b>c</b>	<b>Adjusted net income</b> (if negative, enter -0-)				

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing . . . . .	375,125.00	355,055.00	355,055.00
	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 . . . . .			
	10a	Investments - U S and state government obligations (attach schedule) . . . . .	5,203,174.00	5,145,742.00	7,418,015.00
	b	Investments - corporate stock (attach schedule) . . . . .			
	c	Investments - corporate bonds (attach schedule) . . . . .			
	11	Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans . . . . .			
	13	Investments - other (attach schedule) . . . . .			
	14	Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ )				
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	5,578,299.00	5,500,797.00	7,773,070.00	
Liabilities	17	Accounts payable and accrued expenses . . . . .	9,281.00	7,994.00	
	18	Grants payable . . . . .	80,247.00	6,030.00	
	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) . . . . .	89,528.00	14,024.00		
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 ▶ <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds . . . . .			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .			
	30	<b>Total net assets or fund balances</b> (see instructions) . . . . .	5,488,771.00	5,486,773.00	
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	5,578,299.00	5,500,797.00	

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 5,488,771.00
2	Enter amount from Part I, line 27a . . . . .	2 -1,998.00
3	Other increases not included in line 2 (itemize) ▶	3
4	Add lines 1, 2, and 3 . . . . .	4 5,486,773.00
5	Decreases not included in line 2 (itemize) ▶	5
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6 5,486,773.00

**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.)
<b>1 a</b> SCHWAB EQUITY FUNDS		P	VARIOUS	VARIOUS
<b>b</b>				
<b>c</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> 146,669.00		106,839.00	39,830.00	
<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			(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>			39,830.00	
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2</b> 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 }		<b>2</b>	39,830.00
<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) (see instructions) If (loss), enter -0- in Part I, line 8			<b>3</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))
2015			
2014			
2013			
2012			
2011			
<b>2</b> Total of line 1, column (d)			<b>2</b>
<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>
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5			<b>4</b> 7,561,158.45
<b>5</b> Multiply line 4 by line 3.			<b>5</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b).			<b>6</b> 4,355.84
<b>7</b> Add lines 5 and 6.			<b>7</b> 4,355.84
<b>8</b> 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			<b>8</b> 428,870.00

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

<b>1a</b> 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>b</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 . . . . .		<b>1</b>		8,712.00
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .		<b>2</b>		
<b>3</b> Add lines 1 and 2 . . . . .		<b>3</b>	8,712.00	
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .		<b>4</b>		
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- . . . . .		<b>5</b>	8,712.00	
<b>6</b> Credits/Payments				
<b>a</b> 2016 estimated tax payments and 2015 overpayment credited to 2016 . . . . .	<b>6a</b>		10,718.00	
<b>b</b> Exempt foreign organizations - tax withheld at source . . . . .	<b>6b</b>			
<b>c</b> Tax paid with application for extension of time to file (Form 8868) . . . . .	<b>6c</b>			
<b>d</b> Backup withholding erroneously withheld . . . . .	<b>6d</b>			
<b>7</b> Total credits and payments. Add lines 6a through 6d . . . . .		<b>7</b>	10,718.00	
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .		<b>8</b>		
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .		<b>9</b>		
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .		<b>10</b>	2,006.00	
<b>11</b> Enter the amount of line 10 to be Credited to 2017 estimated tax <input type="checkbox"/> 2,006.00 Refunded <input type="checkbox"/>		<b>11</b>		

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>b</b> 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		X
<b>c</b> Did the foundation file Form 1120-POL for this year? . . . . .		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> 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
<b>3</b> 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
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .		X
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . If "Yes," attach the statement required by General Instruction T		X
<b>6</b> 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	
<b>7</b> 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	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/>		
<b>b</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	
<b>9</b> 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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV . . . . .		X
<b>10</b> 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).
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?
14 The books are in care of QUANEX BUILDING PRODUCTS CORPORATION Telephone no 713-961-4600
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
16 At any time during calendar year 2016, 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?

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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)?
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 2016?
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?
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?
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?
b If "Yes," did it have excess business holdings in 2016 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?
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 2016?

**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 4945(d)(4)(A)? (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

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

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

If "Yes" to 6b, file Form 8870

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

**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  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
KEVIN P. DELANEY 1800 WEST LOOP SOUTH #1500 HOUSTON, TX 77027	PRESIDENT 0	0.00	0.00	0.00
BRENT L. KORB 1800 WEST LOOP SOUTH #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.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1a</b>	7,311,213.00
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	365,090.00
<b>c</b>	Fair market value of all other assets (see instructions). . . . .	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	7,676,303.00
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	7,676,303.00
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	<b>4</b>	115,144.55
<b>5</b>	<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>	7,561,158.45
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	378,057.92

**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)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	378,057.92
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5 . . . . .	<b>2a</b>	8,712.00
<b>b</b>	Income tax for 2016 (This does not include the tax from Part VI) . . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2c</b>	8,712.00
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	369,345.92
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	369,345.92
<b>6</b>	Deduction from distributable amount (see instructions). . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1. . . . .	<b>7</b>	369,345.92

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 . . . . .	<b>1a</b>	428,870.00
<b>b</b>	Program-related investments - total from Part IX-B . . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3b</b>	
<b>4</b>	<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>	428,870.00
<b>5</b>	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>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	428,870.00

**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 2015	(c) 2015	(d) 2016
<b>1</b> Distributable amount for 2016 from Part XI, line 7 . . . . .				369,345.92
<b>2</b> Undistributed income, if any, as of the end of 2016				
<b>a</b> Enter amount for 2015 only, . . . . .			11,491.27	
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2016				
<b>a</b> From 2011 . . . . .				
<b>b</b> From 2012 . . . . .				
<b>c</b> From 2013 . . . . .				
<b>d</b> From 2014 . . . . .				
<b>e</b> From 2015 . . . . .				
<b>f</b> Total of lines 3a through e . . . . .				
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>428,870.00</u>				
<b>a</b> Applied to 2015, but not more than line 2a . . .			11,491.27	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .				
<b>d</b> Applied to 2016 distributable amount. . . . .				369,345.92
<b>e</b> Remaining amount distributed out of corpus. . .	48,032.81			
<b>5</b> Excess distributions carryover applied to 2016 . (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	48,032.81			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b. . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions . . . . .				
<b>e</b> Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
<b>f</b> Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017. . . . .				
<b>7</b> 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) . . . . .				
<del><b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . .</del>				
<b>9</b> Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a . . . . .	48,032.81			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2012 . . . . .				
<b>b</b> Excess from 2013 . . . . .				
<b>c</b> Excess from 2014 . . . . .				
<b>d</b> Excess from 2015 . . . . .				
<b>e</b> Excess from 2016 . . . . .	48,032.81			

**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 2016, 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) 2016	(b) 2015	(c) 2014	(d) 2013	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**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) )

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 or e-mail address of the person to whom applications should be addressed

QUANEX BUILDING PRODUCTS CORPORATION; 1800 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
<b>a</b> <i>Paid during the year</i> SEE ATTACHED SCHEDULE				428,869.61
<b>Total</b> ..... ► <b>3a</b>				428,869.61
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> ..... ► <b>3b</b>				





**THE QUANEX FOUNDATION  
INVESTMENT PORTFOLIO**

**DECEMBER 31, 2016**

	<b>PRINCIPAL AMOUNT OR SHARES</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
T. Rowe Price High Yield FD	89,863.294	\$ 481,381.24	\$ 597,590.91
Vanguard Inflation Protected Secs	22,263.994	\$ 538,263.61	\$ 567,286.57
Vanguard ST BD Index Signal	28,467.830	\$ 299,709.79	\$ 296,919.47
Metropolitan West	68,089.107	\$ 741,585.68	\$ 716,978.30
Allianz NFJ Small Cap Value FD	22,002.680	\$ 386,806.15	\$ 574,049.92
American Europacific Growth FD	20,814.328	\$ 1,044,522.00	\$ 936,020.33
American FD	32,639.686	\$ 594,433.65	\$ 1,369,234.83
Baron Growth FD	7,970.977	\$ 225,830.20	\$ 474,193.42
Dodge & Cox FD	8,293.194	\$ 468,251.35	\$ 1,528,435.65
DFA Global Property Inst.	34,356.334	\$ 364,958.67	\$ 357,305.87
<b>Total Investment Portfolio</b>	<b>334,761.424</b>	<b>\$ 5,145,742.34</b>	<b>\$ 7,418,015.27</b>

**DECEMBER 31, 2015**

	<b>PRINCIPAL AMOUNT OR SHARES</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
T. Rowe Price High Yield FD	95,887.390	\$ 511,101.07	\$ 592,584.07
Vanguard Inflation Protected Secs	23,195.093	\$ 559,895.35	\$ 584,748.29
Vanguard ST BD Index Signal	28,049.731	\$ 295,302.93	\$ 292,558.69
Metropolitan West	69,184.997	\$ 753,520.65	\$ 734,744.67
Allianz NFJ Small Cap Value FD	22,426.409	\$ 393,243.61	\$ 491,811.15
American Europacific Growth FD	20,921.532	\$ 1,049,902.54	\$ 946,699.32
American FD	31,601.818	\$ 549,433.65	\$ 1,302,310.92
Baron Growth FD	8,275.995	\$ 233,385.50	\$ 523,208.40
Dodge & Cox FD	8,381.350	\$ 473,118.86	\$ 1,364,232.67
DFA Global Property Trust	36,174.520	\$ 384,270.12	\$ 371,512.28
<b>Total Investment Portfolio</b>	<b>344,098.835</b>	<b>\$ 5,203,174.28</b>	<b>\$ 7,204,410.46</b>

**Quanex Foundation**  
**Check Detail**  
January through December 2016

Type	Num	Date	Name	Type	Original Amount
Check	2092	01/11/2016	Houston Livestock Show and Rodeo	Educational	-18,000.00
Check	2093	03/30/2016	Klein Collins TAP 2016	Educational	-2,000.00
Check	2094	03/30/2016	ASPCA	Health/Welfare	-100.00
Check	2095	03/30/2016	Greater Cleveland Food Bank	Health/Welfare	-150.00
Check	2096	03/30/2016	Samaritan's Purse	Health/Welfare	-500.00
Check	2097	03/30/2016	Planned Parenthood Federation	Health/Welfare	-150.00
Check	2098	03/30/2016	Baylor University	Educational	-1,500.00
Check	2099	03/30/2016	Doctors Without Borders	Health/Welfare	-25 00
Check	2100	03/30/2016	US Fund for UNICEF	Health/Welfare	-20.00
Check	2101	03/30/2016	The City Mission	Health/Welfare	-200.00
Check	2102	03/30/2016	Tony's Prostate Cancer Research	Health/Welfare	-500 00
Check	2103	07/27/2016	Baptist World Mission	Educational	-1,000.00
Check	2104	08/15/2016	National Merit Scholarship Corp	Educational	-887.00
Check	2105	08/31/2016	Chatsworth Fire District C2	Civic	-1,000.00
Check	2106	08/31/2016	S.E.L.C.A.S. Ambulance	Health/Welfare	-1,000.00
Check	2107	08/31/2016	Boys & Girls Club of Prairie Central	Civic	-1,000.00
Check	2108	08/31/2016	Courage Center	Civic	-1,000.00
Check	2109	08/31/2016	Spring Lake Park Fire Department	Civic	-1,000.00
Check	2110	08/31/2016	Minneapolis Heart Institute Foundation	Health/Welfare	-2,000.00
Check	2111	08/31/2016	PKD Foundation	Health/Welfare	-1,000 00
Check	2112	08/31/2016	Regions Hospital Foundatin- St Paul	Health/Welfare	-1,000.00
Check	2113	08/31/2016	The Link	Civic	-500.00
Check	2114	08/31/2016	HIRED	Civic	-1,000.00
Check	2115	08/31/2016	AchieveMpls	Educational	-1,000.00
Check	2116	09/01/2016	Luck Fire Department	Civic	-1,000.00
Check	2117	09/01/2016	North Land Municipal Ambulance, Inc	Civic	-1,000.00
Check	2118	09/01/2016	Northwoods Homeless Shelters	Civic	-1,000.00
Check	2119	09/01/2016	Dubuque Rescue Mission	Civic	-1,000.00
Check	2120	09/01/2016	Opening Doors	Health/Welfare	-1,000.00
Check	2121	09/01/2016	Independent Living Center	Health/Welfare	-1,000.00
Check	2122	09/01/2016	Boys & Girls Club of Wayne County	Health/Welfare	-1,000.00
Check	2123	09/01/2016	Rice Lake Area Scholarship Foundation Inc	Educational	-1,000.00
Check	2124	09/01/2016	WITC Foundation Inc	Educational	-3,000 00
Check	2125	09/01/2016	Girl Scouts-Northwestern Great Lakes	Civic	-500.00
Check	2126	09/01/2016	Boy Scout Troup Chippewa Valley Council	Civic	-500.00
Check	2127	09/01/2016	Shawano Dollars for Scholars	Educational	-1,500.00
Check	2128	09/01/2016	Bridge the Gap, Inc.	Health/Welfare	-500.00
Check	2129	09/01/2016	Red River Riders Therapeutic Riding Inc	Health/Welfare	-1,000.00
Check	2130	09/01/2016	Junior Leadership Guernsey	Civic	-3,500.00
Check	2131	09/01/2016	United Way of Guernsey & Noble Counties	Civic	-13,500 00
Check	2132	09/01/2016	Hospice of Tuscarawas County	Health/Welfare	-8,000.00
Check	2133	09/01/2016	Church of the Risen Christ	Civic	-3,000.00
Check	2134	09/01/2016	Pound Dog Partners of Guernsey County	Civic	-2,000.00
Check	2135	09/02/2016	Northern Illinois Food Bank	Civic	-2,500.00
Check	2136	09/02/2016	American Cancer Society - IL	Health/Welfare	-2,500.00
Check	2137	09/02/2016	Pediatric Interim Care Center	Health/Welfare	-4,000.00
Check	2138	09/02/2016	Auburn Valley Humane Society	Civic	-1,000.00
Check	2139	09/02/2016	Travis Mills Foundation	Civic	-5,000.00
Check	2140	09/02/2016	Community Seeds	Civic	-5,000.00
Check	2141	09/02/2016	Habitat for Humanity - WA	Civic	-5,000.00
Check	2142	09/02/2016	Habitat for Humanity - KY	Civic	-2,500.00
Check	2143	09/02/2016	KY Law Enforcement Memorial Foundation	Civic	-2,500.00
Check	2144	09/02/2016	The Chehalis Foundation	Civic	0 00
Check	2145	09/02/2016	Centralia College Foundation	Educational	0.00

**Quanex Foundation**  
**Check Detail**  
January through December 2016

Check	2147	09/02/2016	United Way of Central MN	Civic	0.00
Check	2148	09/02/2016	Central Mille Lacs United Way	Civic	0.00
Check	2149	09/02/2016	United Way of Mercer County	Civic	0.00
Check	2150	09/02/2016	United Way of Southern KY	Civic	0.00
Check	2151	09/02/2016	United Way of Richland Wilkin	Civic	0.00
Check	2152	09/02/2016	The Chehalis Foundation	Civic	-23,000.00
Check	2153	09/02/2016	Centralia College Foundation	Educational	-7,000.00
Check	2160	09/12/2016	Boys & Girls Club of Central MN	Civic	-10,000.00
Check	2161	09/12/2016	United Way of Central MN	Civic	-13,000.00
Check	2162	09/12/2016	Central Mille Lacs United Way	Civic	-2,300.00
Check	2163	09/12/2016	United Way of Mercer County	Civic	-2,200.00
Check	2164	09/12/2016	United Way of Southern KY	Civic	-1,400.00
Check	2165	09/12/2016	United Way of Richland Wilkin	Civic	-1,100.00
Check	2166	09/15/2016	Biblical Ministries Worldwide	Civic	-1,000.00
Check	2167	09/15/2016	Bo's Place	Other	-50.00
Check	2168	09/15/2016	Gillette Childrens Specialty Healthcare	Health/Welfare	-70.00
Check	2169	09/15/2016	American Cancer Society	Health/Welfare	-25.00
Check	2170	09/15/2016	Ruffing Montessori School	Educational	-500.00
Check	2171	09/19/2016	Bank of America (Foster Elementary School)	Educational	-825.78
Check	2172	09/19/2016	Let It Fly Events (Foster Elementary School)	Educational	-649.50
Check	2173	09/23/2016	American Heart Association	Health/Welfare	-110.00
Check	2174	09/23/2016	The Chehalis Foundation	Educational	-2,000.00
Check	2175	09/23/2016	Holy Innocents School	Educational	-720.00
Check	2176	09/23/2016	American Cancer Society- MN	Health/Welfare	-100.00
Check	2177	09/23/2016	American Heart Association - IN	Health/Welfare	-25.00
Check	2178	09/23/2016	YMCA - Gordon	Civic	-100.00
Check	2179	10/04/2016	Cathedral High School	Educational	-1,500.00
Check	2180	10/04/2016	Univ of Wisconsin - Eau Claire Foundation	Educational	-2,000.00
Check	2181	10/04/2016	Mercy Corps	Health/Welfare	-30.00
Check	2182	10/09/2016	Bank of America (Foster Elementary School)	Educational	-1,582.33
Check	2183	10/20/2016	LaRoche College	Educational	-100.00
Check	2184	10/20/2016	Project CAMP Inc	Other	-20.00
Check	2185	10/20/2016	Eastern Kentucky University Foundation	Educational	-20.00
Check	2186	10/20/2016	American Cancer Society- MN	Health/Welfare	-100.00
Check	2187	10/20/2016	Ruffing Montessori School	Educational	-1,000.00
Check	2188	10/20/2016	Biblical Ministries Worldwide	Other	-1,000.00
Check	2189	10/20/2016	Pine Mountain Settlement School	Educational	-25.00
Check	2190	10/20/2016	Commonweath Fund for KET Inc	Civic	-20.00
Check	2191	10/20/2016	Alzheimer's Association - OH	Health/Welfare	-415.00
Check	2192	10/20/2016	Marion Catholic High School	Educational	-50.00
Check	2193	10/24/2016	Barbara Bush Houston Literacy Foundation	Educational	-150,000.00
Check	2194	10/24/2016	MD Anderson Cancer Center	Health/Welfare	-50,000.00
Check	2195	10/24/2016	NEA.BPD	Health/Welfare	-10,000.00
Check	2196	10/26/2016	The Sunshine Kids Foundation	Health/Welfare	-5,000.00
Check	2197	10/26/2016	Houston SPCA	Other	-5,000.00
Check	2198	11/01/2016	Indiana Women In Need Foundation Inc	Other	-500.00
Check	2199	11/14/2016	Vernon Memorial Healthcare Foundation	Health/Welfare	-1,000.00
Check	2200	11/15/2016	WSU College of Veterinary Medicine	Educational	-10,000.00
Check	2201	11/18/2016	Youth Reach Houston	Health/Welfare	-10,000.00
Check	2202	11/18/2016	US Fund for UNICEF	Health/Welfare	-25.00
Check	2203	12/02/2016	Agape Adoptions	Health/Welfare	-250.00
Check	2204	12/02/2016	American Cancer Society - GA	Health/Welfare	-25.00
Check	2205	12/16/2016	Polk County Fair Society	Civic	-500.00
Check	2206	12/16/2016	Order of the Arrow/BSA	Civic	-1,000.00
				Subtotal:	<u><u>-428,869.61</u></u>