

Form **990-PF**  
 Department of the Treasury  
 Internal Revenue Service

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

OMB No 1545-0052  
**2016**  
**Open to Public Inspection**

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 ▶ Information about Form 990-PF and its instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

**For calendar year 2016, or tax year beginning 08-01-2016, and ending 07-31-2017**

Name of foundation The Quercus Fund Inc c/o Dudley & Shanley LLC		<b>A Employer identification number</b> 13-4156738
Number and street (or P O box number if mail is not delivered to street address) 205 Worth Avenue No 311	Room/suite	<b>B Telephone number (see instructions)</b> (561) 855-4742
City or town, state or province, country, and ZIP or foreign postal code Palm Beach, FL 33480		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<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		<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/> <b>2.</b> Foreign organizations meeting the 85% test, check here and attach computation <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		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 15,710,488	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	<b>F</b> 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> <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions) )</small>		(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 <b>not</b> required to attach Sch B				
	<b>3</b> Interest on savings and temporary cash investments				
	<b>4</b> Dividends and interest from securities	166,728	166,728		
	<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	1,717,268			
	<b>b</b> Gross sales price for all assets on line 6a	4,223,420			
	<b>7</b> Capital gain net income (from Part IV, line 2)		1,717,268		
	<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 Total.</b> Add lines 1 through 11	1,883,996	1,883,996			
<b>Operating and Administrative Expenses</b>	<b>13</b> Compensation of officers, directors, trustees, etc	0	0		0
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule)	490	0		0
	<b>b</b> Accounting fees (attach schedule)	8,020	8,020		0
	<b>c</b> Other professional fees (attach schedule)	73,384	73,384		0
	<b>17</b> Interest				
	<b>18</b> Taxes (attach schedule) (see instructions)	15,500	0		0
	<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)	9,403	9,403		0
	<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	106,797	90,807		0
	<b>25</b> Contributions, gifts, grants paid	850,000			850,000
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	956,797	90,807		850,000	
<b>27</b> Subtract line 26 from line 12					
<b>a Excess of revenue over expenses and disbursements</b>	927,199				
<b>b Net investment income</b> (if negative, enter -0-)		1,793,189			
<b>c Adjusted net income</b> (if negative, enter -0-)					

<b>Part II Balance Sheets</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .			
	<b>2</b> Savings and temporary cash investments . . . . .	903,602	2,252,729	2,252,729
	<b>3</b> Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>4</b> Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>5</b> Grants receivable . . . . .			
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	<b>8</b> Inventories for sale or use . . . . .			
	<b>9</b> Prepaid expenses and deferred charges . . . . .			
	<b>10a</b> Investments—U S and state government obligations (attach schedule)			
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	13,642,345	13,457,759	13,457,759
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .			
	<b>11</b> Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	<b>12</b> Investments—mortgage loans . . . . .			
	<b>13</b> Investments—other (attach schedule) . . . . .			
	<b>14</b> Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
<b>15</b> Other assets (describe ▶ _____)				
<b>16 Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	14,545,947	15,710,488	15,710,488	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .			
	<b>18</b> Grants payable . . . . .			
	<b>19</b> Deferred revenue . . . . .			
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons			
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .			
	<b>22</b> Other liabilities (describe ▶ _____)	194,017	0	
	<b>23 Total liabilities</b> (add lines 17 through 22) . . . . .	194,017	0	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	<b>24</b> Unrestricted . . . . .			
	<b>25</b> Temporarily restricted . . . . .			
	<b>26</b> Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 27 through 31.</b>			
	<b>27</b> Capital stock, trust principal, or current funds . . . . .	0	0	
	<b>28</b> Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
<b>29</b> Retained earnings, accumulated income, endowment, or other funds	14,351,930	15,710,488		
<b>30 Total net assets or fund balances</b> (see instructions) . . . . .	14,351,930	15,710,488		
<b>31 Total liabilities and net assets/fund balances</b> (see instructions) .	14,545,947	15,710,488		

**Part III Analysis of Changes in Net Assets or Fund Balances**

<b>1</b> 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>	14,351,930
<b>2</b> Enter amount from Part I, line 27a . . . . .	<b>2</b>	927,199
<b>3</b> Other increases not included in line 2 (itemize) ▶ _____	<b>3</b>	431,359
<b>4</b> Add lines 1, 2, and 3 . . . . .	<b>4</b>	15,710,488
<b>5</b> Decreases not included in line 2 (itemize) ▶ _____	<b>5</b>	0
<b>6</b> Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	<b>6</b>	15,710,488

**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</b> See Additional Data Table				
<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> See Additional Data Table			
<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			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
<b>a</b> See Additional Data Table			
<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>	1,717,268
<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 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	736,439	13,938,212	0 052836
2014	777,674	15,465,192	0 050285
2013	787,500	15,000,249	0 052499
2012	637,500	12,869,760	0 049535
2011	587,500	11,680,301	0 050298

  

<b>2</b> Total of line 1, column (d)	<b>2</b>	0 255453
<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>	0 051091
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	<b>4</b>	14,857,833
<b>5</b> Multiply line 4 by line 3	<b>5</b>	759,102
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	17,932
<b>7</b> Add lines 5 and 6	<b>7</b>	777,034
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	850,000

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

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

Table with 11 rows for excise tax calculations. Includes sub-tables for 6a-6d (Credits/Payments) and 7-11 (Total credits and tax due/overpayment). Values include 17,932, 0, 15,787, and 2,146.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, 'Yes', and 'No' boxes. Questions cover political influence, expenditures, and reporting requirements.

Part VII-A Statements Regarding Activities (continued)

Table with 3 columns: Question, Yes, No. Rows 11-14 regarding controlled entities, donor advised funds, public inspection requirements, and books in care.

Located at 205 Worth Avenue 311 Palm Beach FL 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.

Table with 3 columns: Question, Yes, No. Row 16 regarding interest in foreign countries.

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.

Main table with 3 columns: Question, Yes, No. Rows 1a-4b regarding Form 4720 exceptions and requirements.

**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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
See Additional Data Table				

**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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				

**Total** number of other employees paid over \$50,000.  Yes  No 0

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

<b>3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".</b>		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Dudley & Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Investment management	73,384
<b>Total</b> number of others receiving over \$50,000 for professional services. . . . . ▶		0

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

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

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

**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>	15,084,094
<b>b</b>	Average of monthly cash balances.	<b>1b</b>	0
<b>c</b>	Fair market value of all other assets (see instructions).	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c).	<b>1d</b>	15,084,094
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	<b>1e</b>	0
<b>2</b>	Acquisition indebtedness applicable to line 1 assets.	<b>2</b>	0
<b>3</b>	Subtract line 2 from line 1d.	<b>3</b>	15,084,094
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	<b>4</b>	226,261
<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>	14,857,833
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5.	<b>6</b>	742,892

**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>	742,892
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5.	<b>2a</b>	17,932
<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>	17,932
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1.	<b>3</b>	724,960
<b>4</b>	Recoveries of amounts treated as qualifying distributions.	<b>4</b>	0
<b>5</b>	Add lines 3 and 4.	<b>5</b>	724,960
<b>6</b>	Deduction from distributable amount (see instructions).	<b>6</b>	0
<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>	724,960

**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>	850,000
<b>b</b>	Program-related investments—total from Part IX-B.	<b>1b</b>	0
<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>	850,000
<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>	17,932
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4.	<b>6</b>	832,068

**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				724,960
<b>2</b>	Undistributed income, if any, as of the end of 2016				
<b>a</b>	Enter amount for 2015 only. . . . .			0	
<b>b</b>	Total for prior years 20___, 20___, 20___		0		
<b>3</b>	Excess distributions carryover, if any, to 2016				
<b>a</b>	From 2011. . . . .	15,107			
<b>b</b>	From 2012. . . . .	29,721			
<b>c</b>	From 2013. . . . .	75,496			
<b>d</b>	From 2014. . . . .	44,551			
<b>e</b>	From 2015. . . . .	41,756			
<b>f</b>	<b>Total</b> of lines 3a through e. . . . .	206,631			
<b>4</b>	Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>850,000</u>				
<b>a</b>	Applied to 2015, but not more than line 2a			0	
<b>b</b>	Applied to undistributed income of prior years (Election required—see instructions). . . . .		0		
<b>c</b>	Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
<b>d</b>	Applied to 2016 distributable amount. . . . .				724,960
<b>e</b>	Remaining amount distributed out of corpus	125,040			
<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) )				0
<b>6</b>	<b>Enter the net total of each column as indicated below:</b>				
<b>a</b>	Corpus Add lines 3f, 4c, and 4e Subtract line 5	331,671			
<b>b</b>	Prior years' undistributed income Subtract line 4b from line 2b . . . . .		0		
<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. . . . .		0		
<b>d</b>	Subtract line 6c from line 6b Taxable amount—see instructions . . . . .		0		
<b>e</b>	Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .			0	
<b>f</b>	Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017 . . . . .				0
<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). . . . .		0		
<b>8</b>	Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions). . . . .	15,107			
<b>9</b>	<b>Excess distributions carryover to 2017.</b> Subtract lines 7 and 8 from line 6a . . . . .	316,564			
<b>10</b>	Analysis of line 9				
<b>a</b>	Excess from 2012. . . . .	29,721			
<b>b</b>	Excess from 2013. . . . .	75,496			
<b>c</b>	Excess from 2014. . . . .	44,551			
<b>d</b>	Excess from 2015. . . . .	41,756			
<b>e</b>	Excess from 2016. . . . .	125,040			

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

**1a** 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. . . . . ▶

**b** Check box to indicate whether the organization is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

	Tax year	Prior 3 years			<b>(e) Total</b>
	<b>(a) 2016</b>	<b>(b) 2015</b>	<b>(c) 2014</b>	<b>(d) 2013</b>	
<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 . . . . .					

**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 Supplementary Information (Complete this part only if the organization 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) )  
See Additional Data Table

**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

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**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 email address of the person to whom applications should be addressed

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

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**c** Any submission deadlines

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**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 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> Highstead Foundation Inc PO Box 1097 Redding, CT 16875		501(c)3	Research & education	750,000
Arizona Land & Water Trust 3127 N Cherry Road Tucson, AZ 85719		501(c)3	Research & education	100,000
<b>Total</b> . . . . . ▶ <b>3a</b>				850,000
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> . . . . . ▶ <b>3b</b>				0





**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

(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)
ABM Industries, 600 shares		2015-04-29	2016-08-22
ABM Industries, 900 shares		2015-04-29	2016-08-23
ABM Industries, 150 shares		2015-04-28	2016-08-23
ABM Industries, 1,000 shares		2015-04-28	2016-08-25
ABM Industries, 350 shares		2015-04-28	2016-08-26
ABM Industries, 800 shares		2015-04-27	2016-08-26
ABM Industries, 700 shares		2015-04-27	2016-08-29
ABM Industries, 900 shares		2015-04-30	2016-08-29
ABM Industries, 600 shares		2015-03-02	2016-08-29
Aon plc, 1,000 shares		2013-07-19	2017-07-13

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(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)
22,875		19,377	3,498
34,453		29,066	5,387
5,742		4,825	917
38,152		32,169	5,983
13,290		11,259	2,031
30,376		25,696	4,680
26,581		22,484	4,097
34,176		28,811	5,365
22,784		18,698	4,086
135,526		67,333	68,193

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			3,498
			5,387
			917
			5,983
			2,031
			4,680
			4,097
			5,365
			4,086
			68,193

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

List and describe the kind(s) of property sold (e.g., real estate, (a) 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)
D R Horton Inc, 6,450 shares		2016-07-06	2016-12-15
D R Horton Inc, 2,150 shares		2016-07-06	2016-12-16
Ecolab Inc, 400 shares		2015-02-09	2017-07-12
Ecolab Inc, 792 shares		2009-07-17	2017-07-12
Ecolab Inc, 8 shares		2009-07-16	2017-07-12
Fastenal Co, 1,700 shares		2014-02-27	2017-02-22
Fastenal Co, 800 shares		2014-07-23	2017-02-22
Knight Transportation, 2,075 shares		2015-06-26	2016-12-02
Knight Transportation, 1,425 shares		2015-06-26	2016-12-05
Knight Transportation, 3,900 shares		2014-07-23	2016-12-05

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(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)
183,388		209,128	-25,740
60,158		69,709	-9,551
53,101		42,889	10,212
105,141		21,374	83,767
1,062		215	847
86,272		80,562	5,710
40,598		35,600	4,998
74,809		55,717	19,092
51,774		38,264	13,510
141,697		98,570	43,127

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-25,740
			-9,551
			10,212
			83,767
			847
			5,710
			4,998
			19,092
			13,510
			43,127

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

(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)
Knights Transportation, 600 shares		2014-07-23	2017-02-22
Knights Transportation, 1,000 shares		2014-05-29	2017-02-22
Knights Transportation, 4,200 shares		2014-05-29	2017-07-10
Knights Transportation, 2,800 shares		2014-05-30	2017-07-10
Linear Technology, 2,700 shares		2006-08-31	2016-08-18
Linear Technology, 1,300 shares		2006-08-31	2016-08-24
Linear Technology, 1,000 shares		2009-05-29	2016-08-24
Linear Technology, 1,600 shares		2008-10-21	2016-08-24
Linear Technology, 900 shares		2008-10-21	2016-08-25
Linear Technology, 2,000 shares		1993-10-26	2016-08-25

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(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)
19,160		15,164	3,996
31,934		24,646	7,288
151,963		103,511	48,452
101,309		68,202	33,107
158,313		91,654	66,659
76,104		44,130	31,974
58,542		23,060	35,482
93,667		35,455	58,212
52,668		19,943	32,725
117,039		8,438	108,601

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			3,996
			7,288
			48,452
			33,107
			66,659
			31,974
			35,482
			58,212
			32,725
			108,601

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

List and describe the kind(s) of property sold (e.g., real estate, (a) 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)
Linear Technology, 1,000 shares		1993-07-19	2016-08-25
Linear Technology, 7,000 shares		1993-07-19	2016-09-23
Paccar Inc, 2,300 shares		2013-03-05	2017-02-21
Paccar Inc, 1,100 shares		2009-10-21	2017-02-21
Paccar Inc, 200 shares		2009-10-15	2017-02-21
SEI Investments, 2,500 shares		2016-02-12	2017-02-22
ServiceMaster Global, 1,450 shares		2016-07-15	2016-11-15
ServiceMaster Global, 1,400 shares		2016-07-14	2016-11-15
ServiceMaster Global, 1,600 shares		2016-07-13	2016-11-15
ServiceMaster Global, 1,350 shares		2016-07-11	2016-11-15

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(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)
58,520		4,062	54,458
412,320		28,438	383,882
157,712		110,979	46,733
75,428		43,810	31,618
13,714		7,604	6,110
125,827		89,610	36,217
53,309		59,203	-5,894
51,470		57,067	-5,597
58,823		64,867	-6,044
49,632		54,276	-4,644

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			54,458
			383,882
			46,733
			31,618
			6,110
			36,217
			-5,894
			-5,597
			-6,044
			-4,644

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

List and describe the kind(s) of property sold (e.g., real estate, (a) 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)
ServiceMaster Global, 2,800 shares		2016-07-08	2016-11-15
ServiceMaster Global, 1,400 shares		2016-07-07	2016-11-15
ServiceMaster Global, 5,000 shares		2016-07-28	2016-11-15
Waters Corporation, 2,900 shares		2001-07-10	2017-01-31
Waters Corporation, 1,000 shares		2003-01-17	2017-01-31
Zions Bancorp, 1,000 shares		2015-08-05	2016-12-02
Zions Bancorp, 2,000 shares		2015-07-28	2016-12-02
Zions Bancorp, 2,000 shares		2015-07-28	2017-02-22
Zions Bancorp, 1,000 shares		2015-07-28	2017-02-24

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(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)
102,941		111,655	-8,714
51,470		54,460	-2,990
183,823		194,017	-10,194
410,020		72,224	337,796
141,386		21,150	120,236
40,226		31,211	9,015
80,453		62,228	18,225
89,338		62,228	27,110
44,354		31,114	13,240

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-8,714
			-2,990
			-10,194
			337,796
			120,236
			9,015
			18,225
			27,110
			13,240

**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
Elisabeth C Dudley c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	President 1 00	0	0	0
Henry C Dudley c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Treasurer & Vice-President 1 00	0	0	0
Sarah Dudley Plimpton c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Vice-President 1 00	0	0	0
Jane C Dudley c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Vice-President 1 00	0	0	0
Frank E Shanley c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Assistant Treasurer 1 00	0	0	0
Anthony J Carroll c/o Dentons 1221 Avenue of the Americas New York, NY 10020	Secretary 1 00	0	0	0
John J McGlinchey c/o Dudley Shanley LLC 205 Worth Avenue 311 Palm Beach, FL 33480	Assistant Treasurer 1 00	0	0	0

**Form 990PF Part XV Line 1a - 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).**

Elisabeth C Dudley

Henry C Dudley

**TY 2016 Accounting Fees Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
Accounting & tax return preparation	8,020	8,020		0

**TY 2016 Investments Corporate Stock Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Common stock	13,457,759	13,457,759

**TY 2016 Legal Fees Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
Legal advice	490	0		0

**TY 2016 Other Expenses Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Bank custody fees	8,583	8,583		0
Miscellaneous fees	820	820		0

**TY 2016 Other Increases Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Description</b>	<b>Amount</b>
Unrealized appreciation of investments	431,359

**TY 2016 Other Liabilities Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Description</b>	<b>Beginning of Year - Book Value</b>	<b>End of Year - Book Value</b>
Due to broker	194,017	0

**TY 2016 Other Professional Fees Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
Investment management	73,384	73,384		0

**TY 2016 Taxes Schedule**

**Name:** The Quercus Fund Inc  
c/o Dudley & Shanley LLC

**EIN:** 13-4156738

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
Federal excise tax on net investment income	15,500	0		0