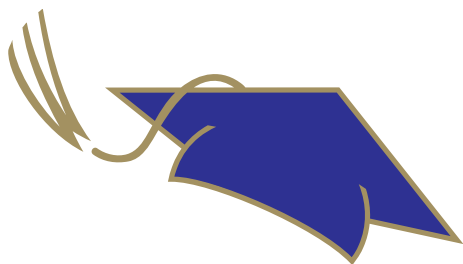


# Annual Report 08–09



---

## FUND FOR

---

## WISCONSIN

---

## SCHOLARS

Expanding Our State of Minds



---

## A MESSAGE FROM THE EXECUTIVE DIRECTOR

With this message, I offer the first annual report of the Fund For Wisconsin Scholars for the fiscal year ending June 30, 2009. In the report, we seek to provide student recipients, parents, and friends of the FFWS with information about our first year FFWS recipients and key facts about our portfolio. This report highlights our commitment to helping ensure that higher education is accessible and affordable.

The Fund For Wisconsin Scholars is a private, not-for-profit charitable foundation established in 2007 by a founding gift of six million shares of Cisco stock from John P. and Tashia F. Morgridge. Their gift reflects both a love for Wisconsin and a commitment to education. We provide need based grants to recent graduates of Wisconsin public high schools attending Wisconsin public colleges.

We are grateful for the support the FFWS receives from the Wisconsin Higher Education Aids Board, the universities and colleges of the University of Wisconsin System and the Wisconsin Technical College System. We believe that using existing quality systems eliminates duplication and additional work by college staff and families.

The FFWS endowment declined this past year, yet distribution of FFWS grants and stipends met our expectations and we will maintain similar distributions next year. Our operating costs have been kept to a minimum which enables us to invest our resources with the college students of Wisconsin.

The FFWS will continue its forward momentum even in these uncertain economic times. We will continue patiently and persistently to ensure the opportunity for generations of young people to further their education. We believe that increasing the number of citizens who complete post secondary education will improve the quality of life for Wisconsin citizens by benefiting both the individual and society.

We thank you for reading this report and caring about the future of the young people of Wisconsin.

**Mary W. Gulbrandsen**  
Executive Director  
Fund For Wisconsin Scholars

## MESSAGES FROM THE STUDENTS

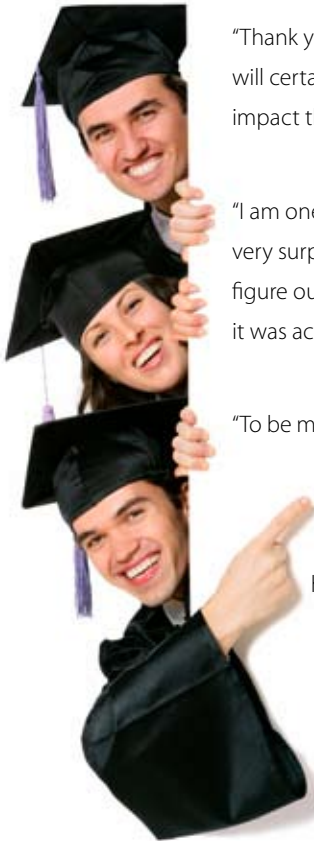
"Thank you! Very, very generous grant! It is being used for my books and tuition. I am pursuing a certificate in Automated Packaging. My first year went great and am looking forward to next year. Your financial help has helped me realize my education goals."

"Thank you for contributing to my education. You gave a gift that will certainly keep on giving. Because you impacted my life, you will impact the lives of everyone I touch. Thank you again."

"I am one of the recipients of the scholarship from your fund. I was very surprised and happy when I got the letter. I actually couldn't figure out what it was at first! I talked to my mom, and realized that it was actually a great honor."

"To be more specific about myself, I am a music performance major who plays the violin. In my first semester, I was having trouble balancing hours of daily practice with my job. Because of this scholarship, I was able to reduce my work hours and focus more on school and violin."

"I can't stress enough what a big deal this is for me. This has freed me up to be more productive with my studies. I was even able to cancel one of my loans! Thank you so much for your help—it is really appreciated."



## FFWS GIFTS 2008–2009 \$4,458,000

### FFWS Grants

\$430,200

\$2,027,800

### FFWS Stipends

\$572,524

\$1,427,475

■ WTCS ■ UW System

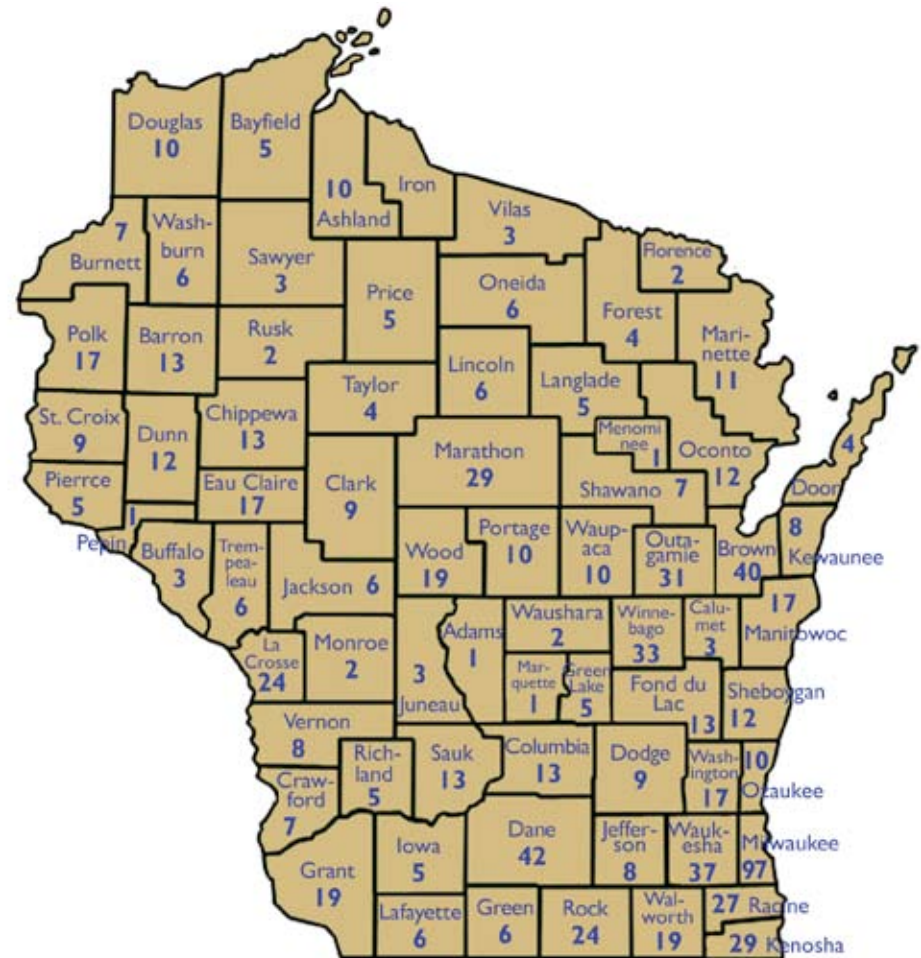


## FFWS GRANT RECIPIENTS

Over six thousand names of eligible students were submitted to the Higher Education Aids Board (HEAB) in the fall of 2008. Twelve hundred students were randomly selected to receive a grant from FFWS, 600 two year students and 600 four year students. Nine hundred students responded to the invitation and received the grant first semester 2008-2009, eight hundred and thirty, second semester. They graduated from high schools in all but one county throughout the State of Wisconsin.



## RECIPIENTS GRADUATED FROM HIGH SCHOOL IN THESE COUNTIES



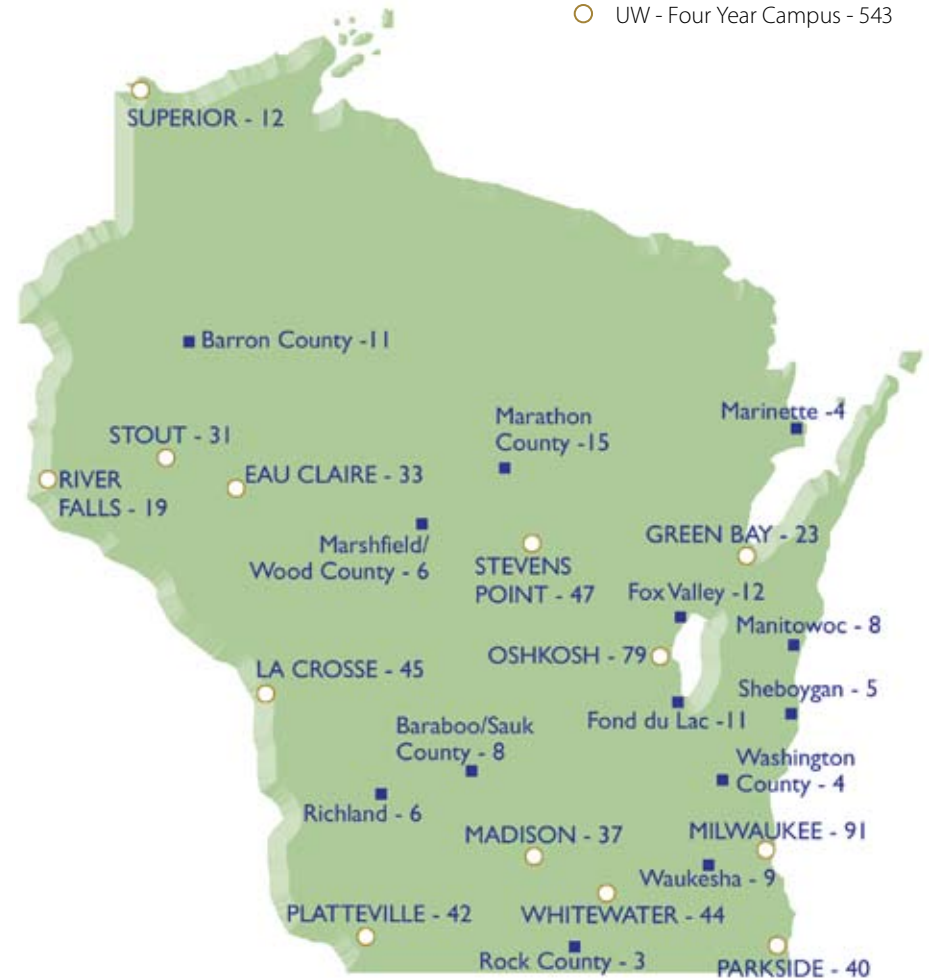
## UW RECIPIENTS

There were students at all thirteen UW Four Year Colleges and Universities and students at all thirteen UW Two Year Campuses who received FFWS grants. In addition to FFWS grant awards at each campus, FFWS provided stipend money for distribution by the Financial Aid Officers to qualified students.

School	Grant Recipients	Grant & Stipend \$
UW Colleges	101	\$320,417.69
UW Eau Claire	33	\$208,249.67
UW Green Bay	23	\$140,710.67
UW La Crosse	45	\$222,721.49
UW Madison	37	\$287,165.64
UW Milwaukee	91	\$587,846.82
UW Oshkosh	79	\$391,883.35
UW Parkside	40	\$209,297.82
UW Platteville	42	\$211,296.97
UW River Falls	19	\$112,072.86
UW Stevens Point	47	\$267,812.44
UW Stout	31	\$173,473.66
UW Superior	12	\$69,204.92
UW Whitewater	44	\$251,371.58
Total	644	\$3,371,625.58

## FFWS GRANT RECIPIENTS AT UW CAMPUSES

- UW - Two Year Campus - 101
- UW - Four Year Campus - 543



## WTCS RECIPIENTS

There were students at all sixteen WTCS Districts who received FFWS grants. In addition to FFWS grant awards at each campus, FFWS provided stipend money for distribution by the Financial Aid Officers to qualified students.

School	Grant Recipients	Grant & Stipend \$
Blackhawk	7	\$31,777.39
Chippewa Valley	25	\$87,872.31
Fox Valley	23	\$75,112.67
Gateway	11	\$63,945.86
Lakeshore	5	\$23,158.82
Madison Area	23	\$95,268.29
Mid-State	9	\$37,878.06
Milwaukee Area	30	\$189,415.50
Moraine Park	1	\$22,890.82
Nicolet Area	3	\$16,185.17
Northcentral	12	\$42,007.72
Northeast	33	\$100,745.17
Southwest	16	\$40,173.01
Waukesha County	5	\$24,286.68
Western	29	\$83,410.64
Wisconsin Indianhead	24	\$68,596.32
<b>Total</b>	<b>256</b>	<b>\$1,002,724.42</b>

## FFWS GRANT RECIPIENTS AT WTCS DISTRICTS



## ECONOMIC REGIONS

The Wisconsin Department of Workforce Development identifies eleven Workforce Development Areas. The Office of Economic Advisors publishes monthly and annual reports that compile information from multiple resources to analyze local economic conditions in these areas. The amount of FFWS grant and stipend dollars to each area are shown.



## WISCONSIN ECONOMIC REGIONS: TOTAL FFWS GRANT & STIPEND \$ 2008–2009



## ENDOWMENT

The primary long-term objective of the investment program is to manage the assets in a prudent and well diversified manner to ensure sufficient resources to meet all funding requirements while preserving principal and maximizing returns, given appropriate risk constraints.

The Fund for Wisconsin Scholars was funded by a generous gift of Cisco stock from John and Tashia Morgridge. The endowment is in the process of diversifying the investment portfolio into other asset classes and investments so that its returns are not as dependent on the market fluctuations of a single stock. This diversification process began in the first quarter of 2008.

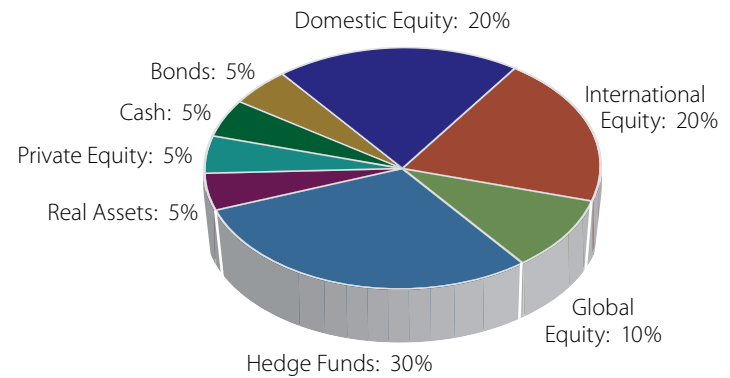
The Board has established long-term asset allocation targets, depicted in the pie chart to the right, for the diversification of the portfolio.

For the fiscal year ended June 30, 2009, the diversified portion of the endowment portfolio declined 17.2% net of all fees and expenses. This compares to a decline of 22.7% for the portfolio's total benchmark and a decline of 26.2% for the S&P 500.

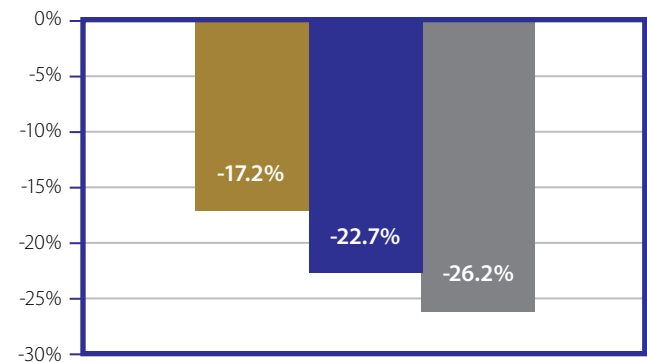
The value of the investment portfolio, including Cisco Stock, on June 30, 2009, was \$119,617,393.

To maximize the potential return from the investment portfolio, the Board approved an options program. The program involves selling listed calls with strike prices above the current market price of Cisco and at levels where the Board is comfortable selling shares if they were called away. From June 2008 through June 2009 this strategy generated \$5.7 million in premiums for the portfolio. This premium income covered the foundation's operating and funding expenses for 13 months and meant it did not have to raise these funds from the investments in the diversified portfolio.

## FFWS APPROVED LONG-TERM ASSET ALLOCATION TARGETS



## FFWS vs. PORTFOLIO BENCHMARK & S&P 500



July 1, 2008 – June 30, 2009

■ FFWS Portfolio ■ FFWS Portfolio Benchmark ■ S&P 500



## BY THE NUMBERS

### 2008 – 2009

- \$4,458,000.00 was distributed to UW and WTCS colleges and universities for FFWS grants and stipends.
- 2910 students across Wisconsin received either a FFWS grant or stipend.
- 16 WTCS Districts received \$1,002,724.42 to distribute FFWS grants and stipends to students.
- 13 UW two year colleges received \$320,417.69 to distribute FFWS grants and stipends to students.
- 13 UW four year colleges received \$3,134,857.89 to distribute FFWS grants and stipends to students.
- 92% of FFWS recipients continued in school from fall to spring.



FUND FOR  
WISCONSIN  
SCHOLARS

Expanding Our State of Minds