

ANNUAL REPORT 10-11



FUND FOR
WISCONSIN
SCHOLARS



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Expanding Our State of Minds

The Fund for Wisconsin Scholars provides need-based grants to graduates of Wisconsin public high schools attending Wisconsin public colleges. A private, not-for-profit charitable foundation established in 2007 by a founding gift from John P. and Tashia F. Morgridge, we aim to:

- reduce the financial barriers to college
- lighten the debt incurred by college
- improve the frequency of degree completion
- ensure the opportunity for generations of young people to further their education

A MESSAGE FROM THE EXECUTIVE DIRECTOR

In the three years since the establishment of the Fund For Wisconsin Scholars, over \$15.5 million dollars of grants and stipends have been provided to Wisconsin college students from the FFWS. The wisdom of creating this entity to help lighten the debt load of many Wisconsin college students and encourage their completion of college is clear.

Once again, I am delighted to provide the annual report of the Fund For Wisconsin Scholars for the fiscal year ending June 30, 2011. In this report, we provide information about FFWS recipients, and information about our portfolio. Highlighted, is our continuing commitment to helping ensure that higher education is more accessible and affordable to our young citizens by providing need based grants to recent graduates of Wisconsin public high schools attending Wisconsin public colleges and by providing stipends to identified students for whom a bit of extra financial help makes a difference in their college success.

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 both college staff and families.

We hope to ensure the opportunity for generations of young people to further their education. The value of a college education remains a priority for families in Wisconsin. 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 the society.

The new 2010-2011 FFWS recipients again come from all areas of the state and are represented at all of the WTCS sixteen schools and the thirteen UW two year schools and the thirteen UW four year schools. We have met with many of the students and they consistently remind us of their joy for learning, their enthusiasm for the future and their appreciation for the support that they receive both financially and emotionally from family and friends. It is a privilege to support them.

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

Mary W. Gulbrandsen
Executive Director

MESSAGES FROM THE STUDENTS

"I work full time while being a full time student but it's never enough. I cried when I received this grant because it means so much to me. Thank you." — Krista C.

"Money is always a huge stress in my life and takes up a majority of my thoughts. My life has been made so much easier now that I have received this grant. I can put more energy into my studies instead of worrying about the next paycheck. I am determined to finish my schooling, and you have made it significantly easier for me to achieve that goal." — Jessica W.

"This grant was better than Christmas and my birthday combined!" — James E.

"You truly have inspired me to give back and one day I hope I can change a young college student's life like you have changed mine." — Angelina C.

"Because of your generosity, the financial burden of paying for my education is reduced, allowing me more time for focus on my studies. By receiving this grant, I am inspired to help others and give back to the community. I hope to be able to one day help students just as you have helped me." — Cody P.

"After receiving this grant, the burden of tuition, room and board fees shrank to an affordable price where I could afford college as an independent young woman." — Brittany B.

"This grant is helping me travel to Namibia, Africa for a service learning project where I will be teaching children about nutrition and gardening while they teach me about their culture. I am planning on joining the Peace Corp after college and this grant helps me realize that opportunity."

— Alicia N.



FFWS GIFTS 2010–2011

\$5,840,252

FFWS Grants

\$624,600

\$4,221,100

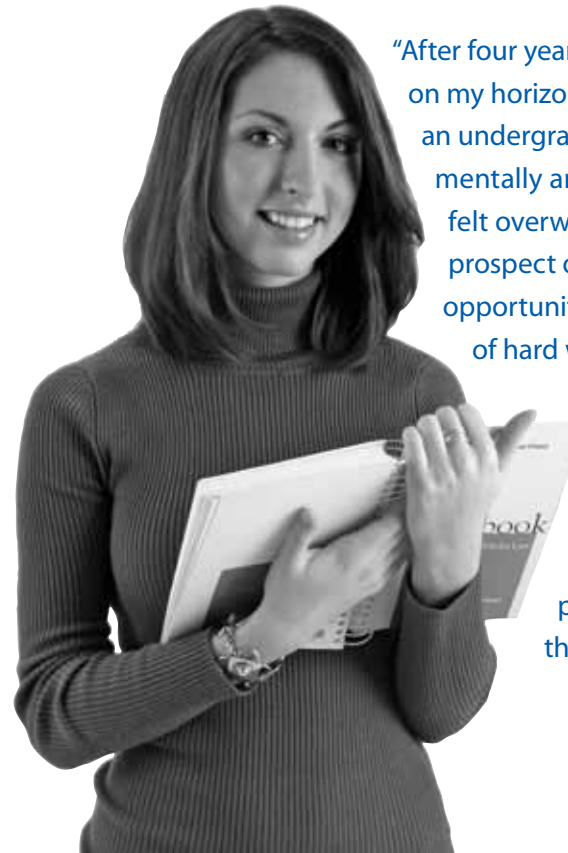
FFWS Stipends

\$253,390

\$741,162

■ WTCS

■ UW System



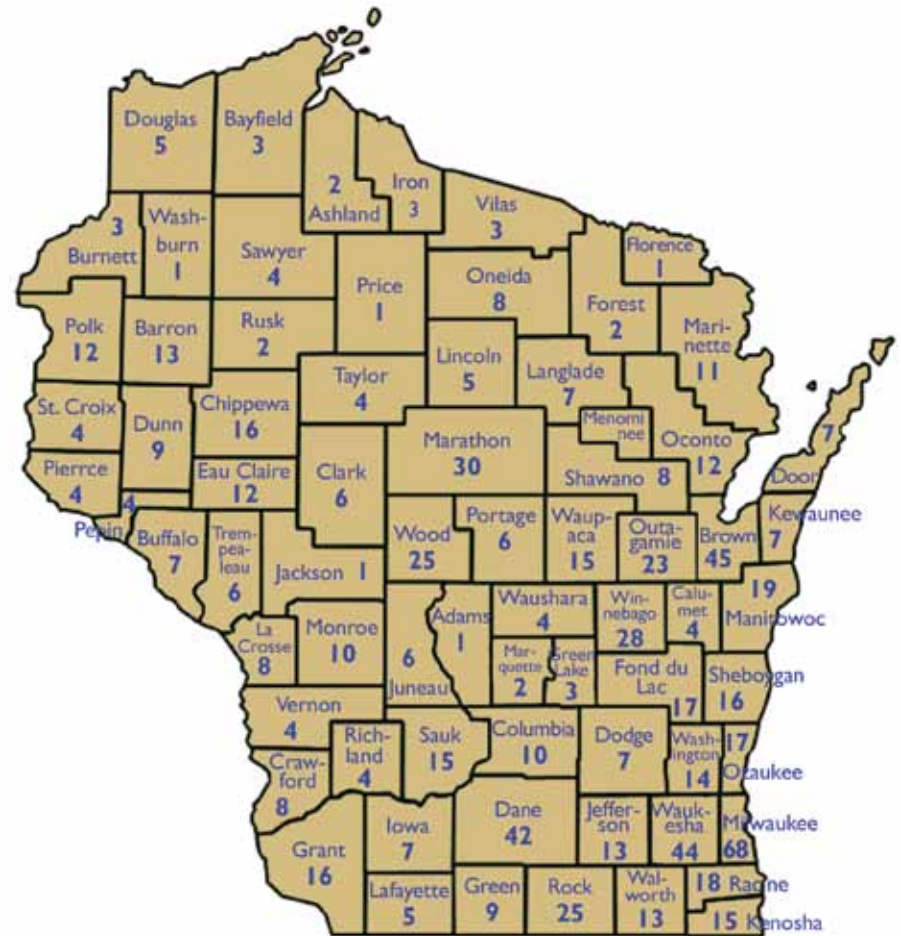
"After four years, graduation is finally on my horizon! The costs of completing an undergraduate degree, financially, mentally and emotionally, often felt overwhelming. However, the prospect of new beginnings and opportunities to be gained after years of hard work made the journey worth it. Receiving the FFWS Grant was a bright moment in this journey and I'm so grateful for financial relief that it provided and to the doors that it helped open."

FFWS GRANT RECIPIENTS

Eleven hundred, fifty students were randomly selected to receive a grant from FFWS, 600 two year students and 550 four year students. Eight hundred and nine new students responded to the invitation and received the grant first semester 2010-2011, seven hundred and twenty, 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



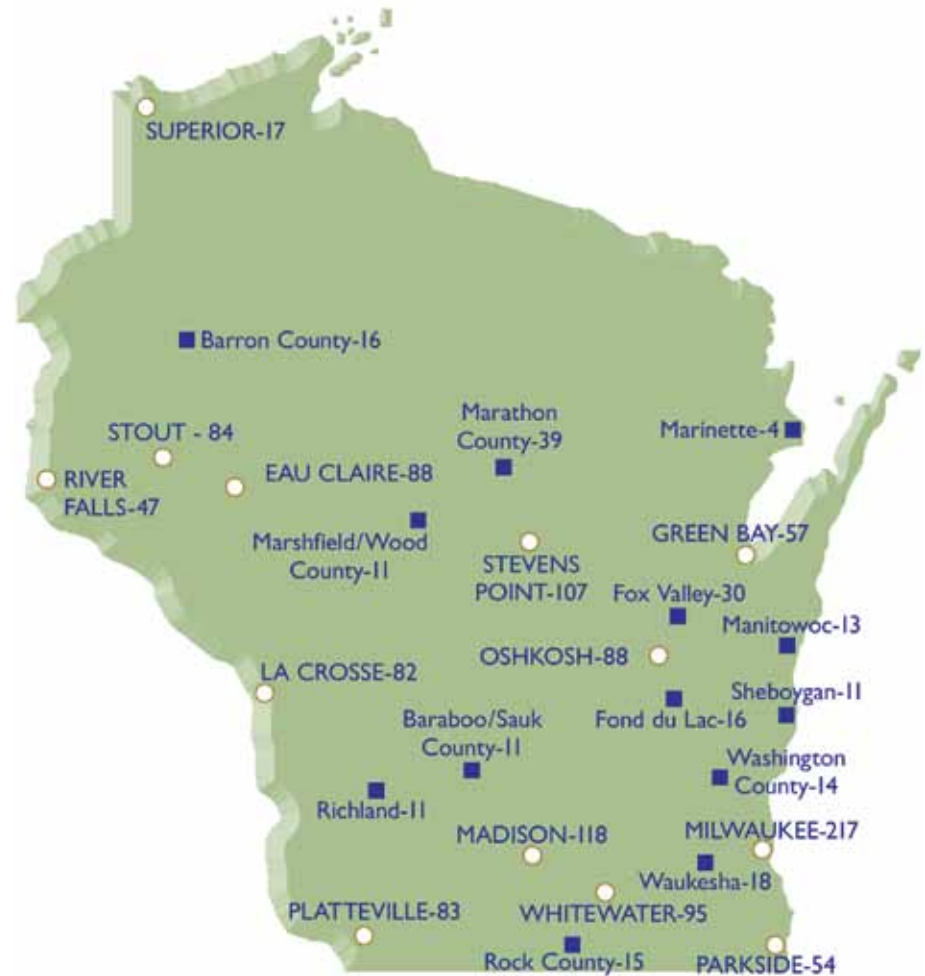
UW RECIPIENTS

There were students at all thirteen UW Four Year Colleges and Universities and students at all thirteen UW Two Year Colleges who received a first year FFWS grant. In addition to the new FFWS grant awards at each campus, FFWS provides ongoing grants to eligible, continuing recipients and stipend money for distribution by the Financial Aid Officers to qualified students. Students can receive grants for up to ten semesters, if eligibility is maintained.

School	10-11 New Grant Recipients	Continuing Grant Recipients	Total 2010-11 Grants & Stipends
UW Colleges	120	89	\$430,100
UW Eau Claire	37	51	\$349,754
UW Green Bay	28	29	\$226,208
UW La Crosse	26	56	\$317,390
UW Madison	44	74	\$489,422
UW Milwaukee	88	129	\$879,018
UW Oshkosh	30	58	\$358,866
UW Parkside	18	36	\$220,352
UW Platteville	27	56	\$321,358
UW River Falls	20	27	\$182,918
UW Stevens Point	48	59	\$423,000
UW Stout	46	38	\$317,338
UW Superior	4	13	\$74,822
UW Whitewater	40	55	\$371,718
Total	576	770	\$4,962,264

FFWS GRANT RECIPIENTS AT UW CAMPUSES

- UW - Two Year Campus - 209
- UW - Four Year Campus - 1,137



WISCONSIN TECHNICAL COLLEGE SYSTEM RECIPIENTS

There were students at all sixteen WTCS Districts who received first year FFWS grants. In addition to the new FFWS grant awards at each campus, FFWS provides ongoing grants to eligible, continuing recipients and stipend money for distribution by the Financial Aid Officers to qualified students. Students can receive grants for up to ten semesters, if eligibility is maintained.

School	10-11 New Grant Recipients	Continuing Grant Recipients	Total 2010-11 Grants & Stipends
Blackhawk	1	0	\$11,606
Chippewa Valley	23	18	\$84,222
Fox Valley	26	13	\$79,338
Gateway	9	6	\$48,002
Lakeshore	3	4	\$9,900
Madison Area	28	22	\$105,792
Mid-State	18	8	\$54,944
Milwaukee Area	12	4	\$85,165
Moraine Park	4	0	\$16,352
Nicolet Area	5	3	\$18,011
Northcentral	7	6	\$31,604
Northeast	32	20	\$104,160
Southwest	23	9	\$55,480
Waukesha County	14	5	\$39,500
Western	11	25	\$73,890
WI Indianhead	15	16	\$60,024
Total	231	159	\$877,990

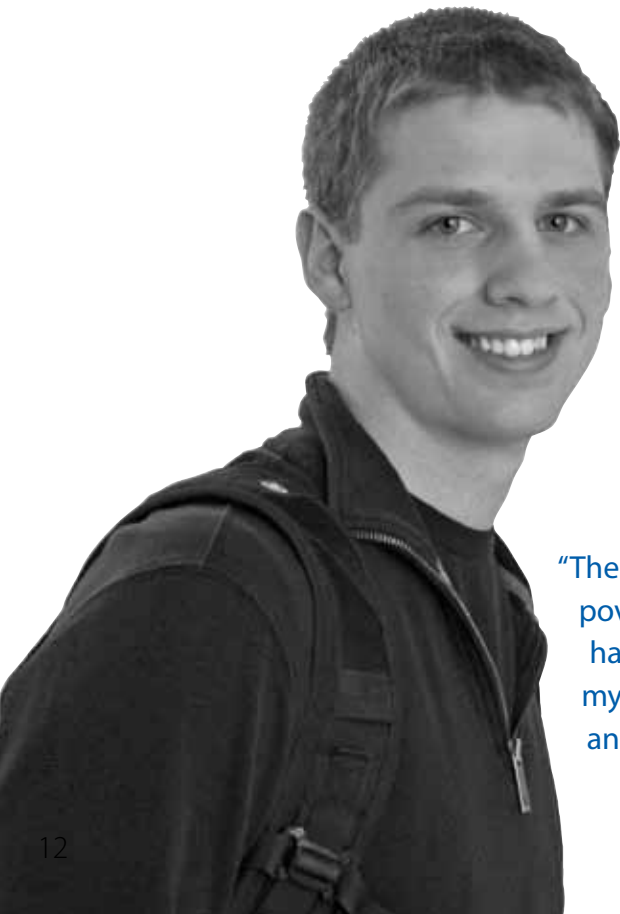
FFWS GRANT RECIPIENTS AT WTCS DISTRICTS

Total grant recipients - 390



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 is highlighted.



“The FFWS grant has provided me funding that has allowed me to pursue my desired educational and career goals.”

WISCONSIN ECONOMIC REGIONS: TOTAL 2010–2011 FFWS GRANT & STIPEND \$



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 6 million shares of Cisco Systems from John and Tashia Morgridge. The Board is diversifying the investment portfolio into other asset classes and investments so that the endowment returns are not as dependent on the market fluctuations of a single stock. This diversification process began in the first quarter of 2008 and is approximately 80% complete.

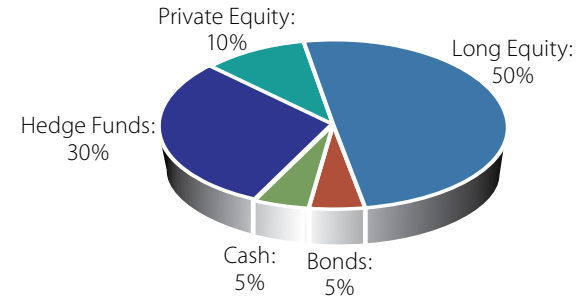
The Board has established long-term asset allocation targets, depicted in the pie chart, for the diversification of the portfolio.

For the fiscal year ended June 30, 2011, the diversified portion of the endowment portfolio was up 18.5 % net of all fees and expenses. This compares to 18.3% for the portfolio's total benchmark and 30.7% for the S&P 500. The portfolio has compounded at an annual rate of 6.4% from inception in March 2008 through June 2011. This compares with -2.3% for the portfolio benchmark and 2.0% for the S&P 500 over the same time period.

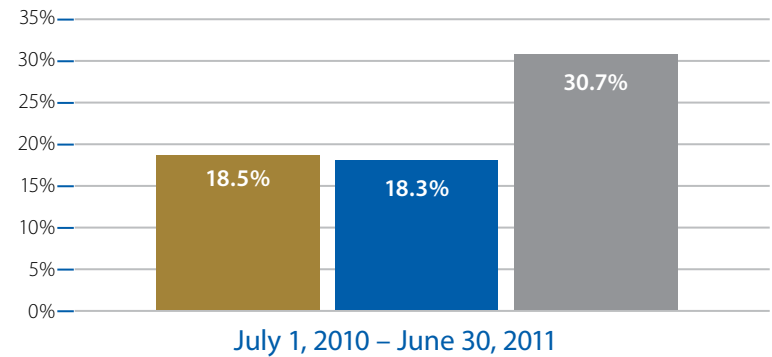
The value of the investment portfolio, including Cisco stock, on June 30, 2011 was \$138,650,259.

To maximize the potential return from the investment portfolio, the Board has approved an options program. The program involves selling listed call options against the Cisco stock we hold with strike prices above the current market price of Cisco, and at levels where the Board is comfortable selling shares if they are called away. From June 2008 through June 2011 this strategy generated \$7.9 million in net premiums for the portfolio. This premium income covered the Foundation's operating and funding expenses for 12 months and meant it did not have to raise these funds from the investments in the diversified portfolio.

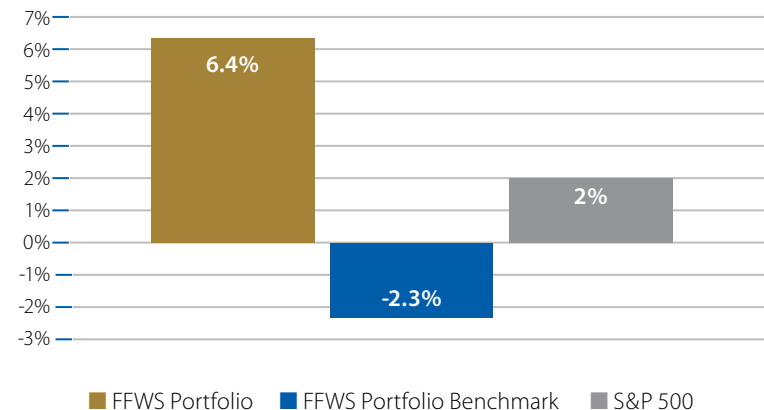
FFWS APPROVED LONG-TERM ASSET ALLOCATION TARGETS



FFWS vs. PORTFOLIO BENCHMARK & S&P 500 FISCAL YEAR 2011



FFWS vs. PORTFOLIO BENCHMARK & S&P 500 SINCE INCEPTION



BY THE NUMBERS

2010 – 2011

- \$5,840,252 was distributed to UW and WTCS colleges and universities for FFWS grants and stipends.
- 2,612 students across Wisconsin received either a FFWS grant or stipend.
- 16 WTCS Districts received \$877,989 to distribute FFWS grants and stipends to students.
- 13 UW two year colleges received \$430,100 to distribute FFWS grants and stipends to students.
- 13 UW four year colleges received \$4,532,163 to distribute FFWS grants and stipends to students.
- A total of \$15,356,131 was distributed to UW and WTCS students over the last three academic years.



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