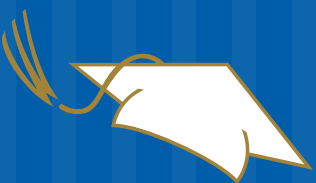


ANNUAL REPORT 11-12



FUND FOR
WISCONSIN
SCHOLARS



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

This past spring, the Trustees of the Fund For Wisconsin Scholars presented recognitions to 52 graduates who had received FFWS grants for the last four years and were part of the first cohort of FFWS recipients. It was exciting and encouraging to begin to realize our mission, supporting access to and ultimately **college completion with less debt**. This mission remains constant. The FFWS is beginning the fifth year of providing need-based grants to recent graduates of Wisconsin public high schools attending Wisconsin public colleges and providing stipends to identified students for whom a bit of extra financial help makes a difference in their college success.



In these past four years, we have learned a great deal about how best to distribute grants, how to work with the fantastic financial aid staff at each of the schools and the challenges that many of our young Wisconsin citizens face as they strive to complete their college education. This annual report of the Fund For Wisconsin Scholars for the fiscal year ending June 30, 2012 illustrates many key facts about the grant recipients and our portfolio and also highlights areas in which improvement is needed.

We continue to strive 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 society.

The new 2011-2012 FFWS recipients again come from all areas of the state and are represented at all of the WTCS sixteen schools, 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 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, Fund For Wisconsin Scholars

MESSAGES FROM THE STUDENTS

"My financial situation had put a damper on my ability to purchase my school books and attend college all together. You have no idea what you have done for me and my family. Thank you again so much for everything." — Ashton

"I was on the verge of quitting college for several reasons, most of them financial. Thanks to wonderful groups and individuals like you I was able to earn scholarships to offset some of my expenses so that I could continue to seek out my lifelong dream of becoming an elementary teacher. With your scholarship, as well as the others I have earned, I can continue to be more effective as a single mother who works and attends college full-time." — Cheryl

"The Fund For Wisconsin Scholars grant relieved an enormous financial burden off my shoulders. Because of your grant I no longer feel guilty for choosing a four-year college over a technical school." — Emily

"I cannot tell you how much this scholarship means to me. I was in danger of not being able to pay my tuition. You have given so much to someone you don't even know and your kindness will be remembered." — Hana

"I received your scholarship during a particular time of need and truly appreciate the support in affording my education. I am looking to graduate this May and hope to continue my education in a graduate program for art therapy." — Sharayah

"I heard of the study abroad program but never considered it because of my financial situation. But after receiving the scholarship, I saved up and applied. Next thing I know I'm in England traveling and studying. It was a fast way to learn a lot about myself and the world around me. This great experience changed my life and was possible because of the generosity of people like you." — Lindsey

"This grant is extremely helpful in funding college. I will complete this semester with a GPA of 3.96 with a major in accounting." — Tyler

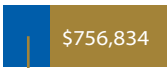
FFWS GIFTS 2011–2012

\$6,569,849

FFWS Grants



FFWS Stipends



■ WTCS ■ UW System

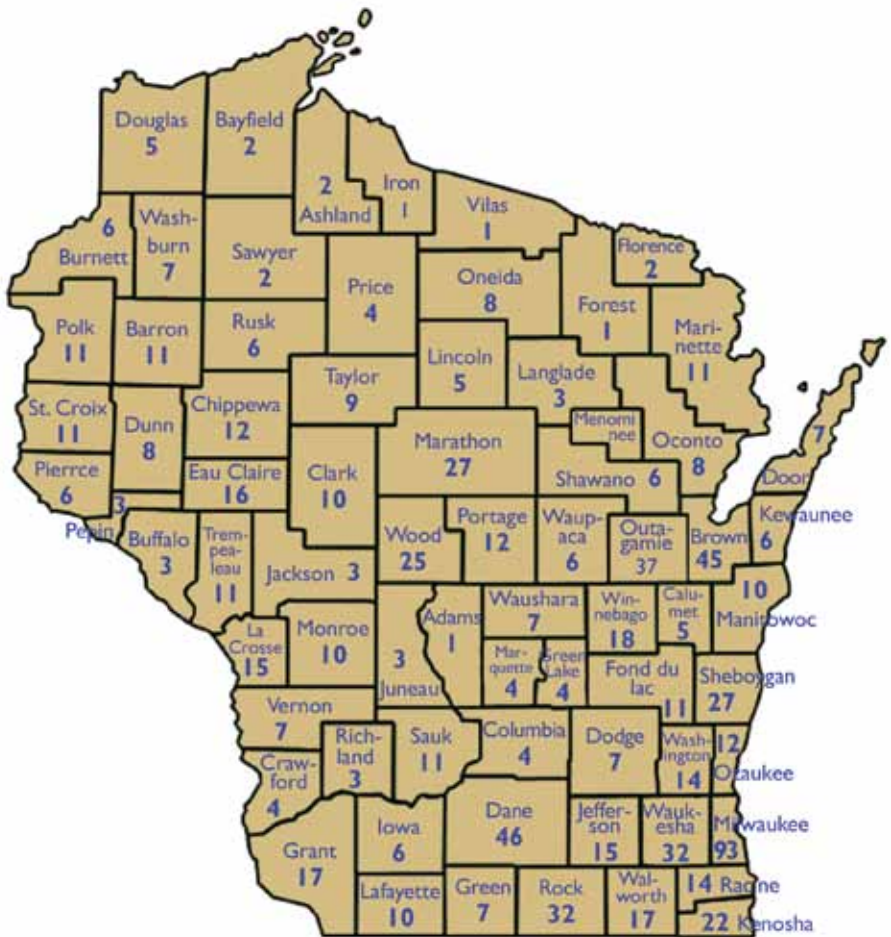


NEW FFWS GRANT RECIPIENTS

Twelve hundred and seventy students were randomly selected to receive a grant from FFWS, 650 two year students and 621 four year students. Eight hundred and fifty-two new students responded to the invitation and received the grant first semester 2011-2012, seven hundred and fifty-eight, 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

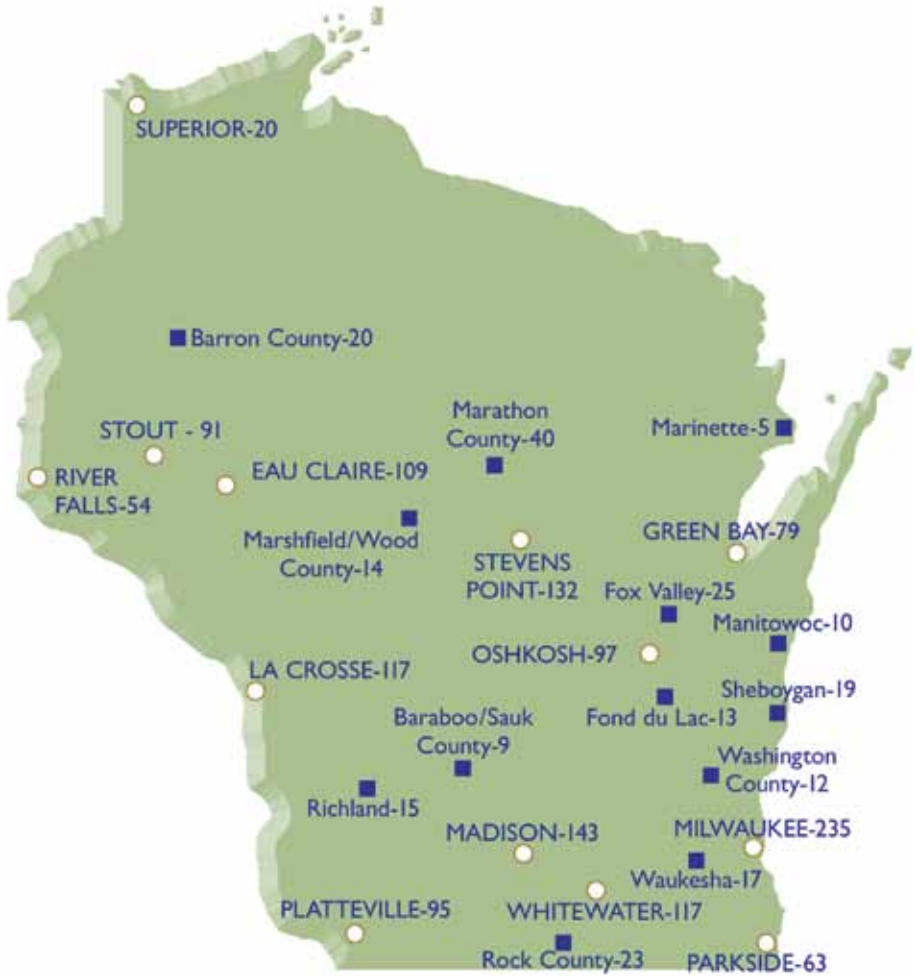
There were students at all thirteen UW Four Year Colleges and Universities and students at all thirteen UW Two Year Colleges who received a first year FFWS grant. In addition to the new FFWS grant awards at each campus, FFWS provides ongoing grants to eligible, continuing recipients and stipend money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

School	11-12 New Grant Recipients	Total Grant Recipients	Total 2011-12 Grants & Stipends
UW Colleges	139	225	\$444,049
UW Eau Claire	37	109	\$420,866
UW Green Bay	33	79	\$308,362
UW La Crosse	35	117	\$435,496
UW Madison	40	143	\$570,837
UW Milwaukee	71	235	\$955,188
UW Oshkosh	36	97	\$388,877
UW Parkside	25	63	\$255,242
UW Platteville	35	95	\$365,982
UW River Falls	21	54	\$209,098
UW Stevens Point	46	132	\$512,274
UW Stout	31	91	\$345,245
UW Superior	6	20	\$81,133
UW Whitewater	46	117	\$456,858
Total	601	1,577	\$5,749,508

*as of 10/11/12

FFWS GRANT RECIPIENTS AT UW CAMPUSES

- UW - Two Year Campus - 225
- UW - Four Year Campus - 1,352



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	11-12 New Grant Recipients	Total Grant Recipients	Total 2011-12 Grants & Stipends
Blackhawk	5	6	\$19,439
Chippewa Valley	32	41	\$81,167
Fox Valley	20	34	\$70,280
Gateway	2	8	\$34,670
Lakeshore	3	4	\$11,684
Madison Area	31	41	\$87,090
Mid-State	16	28	\$57,153
Milwaukee Area	23	27	\$96,411
Moraine Park	4	4	\$14,897
Nicolet Area	10	14	\$28,457
Northcentral	9	12	\$28,401
Northeast	30	47	\$91,935
Southwest	9	14	\$27,983
Waukesha County	11	21	\$44,906
Western	24	31	\$64,213
WI Indianhead	22	31	\$61,655
Total	251	363	\$820,341

FFWS GRANT RECIPIENTS AT WTCS DISTRICTS

Total grant recipients - 363



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.



WISCONSIN ECONOMIC REGIONS: TOTAL 2011-2012 FFWS GRANT & STIPEND \$



*as of 7/15 /12

ENDOWMENT

The Fund For Wisconsin Scholars was endowed by a generous gift of Cisco Systems Inc. common stock from John and Tashia Morgridge. The endowment has been diversifying the investment portfolio into other asset classes and investments so the fund's returns do not depend on the market fluctuations of a single stock. This diversification process began in the first quarter of 2008 and is close to completion.

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. In an effort to achieve the long-term objective, the Board has established asset allocation targets for the diversification of the portfolio.

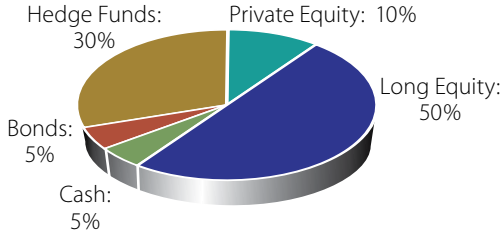
The Endowment has distributed over \$22 million of grants and stipends to Wisconsin college students since its founding in March 2008. The value of the investment portfolio on June 30, 2012 was \$130 million.

For the fiscal year ended June 30, 2012 the diversified portion of the endowment portfolio returned -3.9% net of all fees and expenses. This compares to returns of -5.7% for the portfolio's total benchmark and -6.5% for the Morgan Stanley index of global equity markets (MSCI All Country World Net).

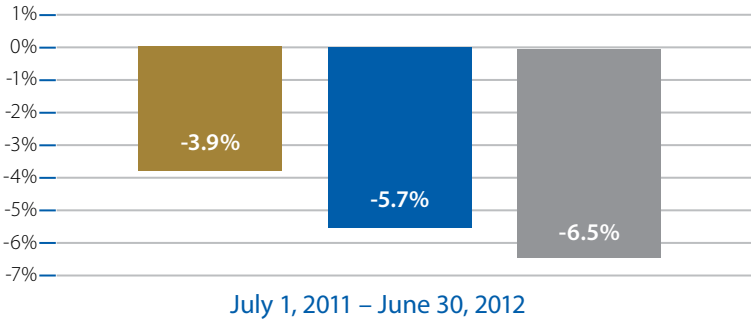
From inception March 2008 to June 30, 2012 the portfolio has compounded at an annual rate of return of +3.9% net of all fees with significantly less volatility than the underlying global equity markets (12.2% vs. 22.8%). This compares to returns of -3.0% for the portfolio benchmark and -1.6% for the Morgan Stanley index of the global equity markets over the same time period.

To maximize the potential return from the investment portfolio the Board approved an options program in 2008. The program involved selling listed call options against unsold Cisco stock in the portfolio and generated \$8.3 million in net premium income for the portfolio. This income covered the Endowment's operating and funding expenses for a 12-month period and meant the endowment did not have to raise these funds from the investments in the diversified portfolio.

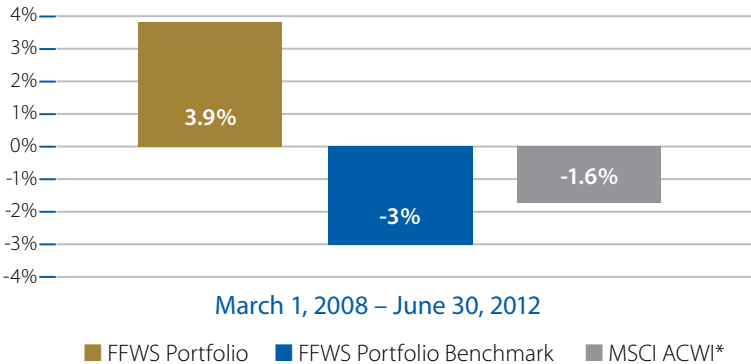
FFWS APPROVED LONG-TERM ASSET ALLOCATION TARGETS



FFWS vs. PORTFOLIO BENCHMARK & S&P 500 FISCAL YEAR 2012



FFWS vs. PORTFOLIO BENCHMARK & GLOBAL EQUITY MARKETS* SINCE INCEPTION



*MSCI All Country World Index (Net): The MSCI All Country World Net Index is a free-float adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. This index measures performance of the markets generated by both price appreciation and dividend income.

BY THE NUMBERS 2011 – 2012

- \$6,569,849 was distributed to UW and WTCS colleges and universities for FFWS grants and stipends.
- 2,752 students across Wisconsin received either a FFWS grant or stipend.
- 16 WTCS Districts received \$820,341 to distribute FFWS grants and stipends to students.
- 13 UW two year colleges received \$444,049 to distribute FFWS grants and stipends to students.
- 13 UW four year colleges received \$5,305,459 to distribute FFWS grants and stipends to students.
- A total of \$22,119,280 has been distributed to UW and WTCS students over the last four academic years.
- 73 students received their baccalaureate degree within four years.



FUND FOR
WISCONSIN
SCHOLARS

Expanding Our State of Minds