UNIVERSITY OF WISCONSIN SYSTEM
TRUST FUNDS

ANNUAL REPORT
Year Ended June 30, 2009

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To the UW System Board of Regents, Donors and Friends, UW Campuses and Departments

The University of Wisconsin System Trust Funds is composed mostly of gifts, grants, and bequests from individuals and corporations. Although active fundraising is primarily the purview of individual campus foundations, the University also benefits from the generosity of alumni and friends who have gifted directly to one of the UW institutions rather than through an affiliated foundation.

For the fiscal year ended June 30, 2009, UW System Trust Funds received $13.9 million in gifts, up from the $11.6 million received in the prior year. Disbursements from Trust Funds to benefiting UW institutions totaled $19.7 million, compared to $20.0 million in fiscal year ended June 30, 2008. Consistent with donor designations, disbursements have predominately gone toward student aid, research, instruction, and public service. As of June 30, 2009, Trust Funds' net assets totaled $375.0 million, down from $430.3 million at the end of the prior fiscal year.

The fiscal year ended June 30, 2009 included the last half of calendar year 2008, during which the financial markets experienced their steepest declines since the Great Depression, as the credit crisis and ensuing “Great Recession” unfolded. (For the full calendar year 2008, the S&P 500 Index declined by an astounding 37 percent.) And while substantial declines continued into the first three months of 2009, a significant market rebound began in the second quarter of 2009. For the full fiscal year ended June 30, 2009, the *Long Term Fund*, which is used for endowed assets and represents the bulk of total assets held by the Trust Funds, fell 14.7 percent. As one point of comparison, a benchmark comprised of 70 percent global equities and 30 percent high quality bonds declined 17.7 percent. The *Intermediate Term Fund*, invested largely in intermediate-maturity bonds but with some equity exposure, returned +2.2 percent for the fiscal year. Finally, the low-risk, short-term *Income Fund* returned +1.3 percent, as short-term interest rates continued to plummet.

The Annual Report that follows includes detailed information on the various investment funds; contributions, disbursements, and expenses; as well as statements of financial position and cash activities.

To the donors, families and friends of all our contributors, we extend our deep gratitude.

Deborah A. Durcan
Vice President for Finance & Trust Officer
University of Wisconsin System

Douglas J. Hoerr, CFA
Director & Assistant Trust Officer
University of Wisconsin System

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INDEX

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SECTION 1:
Summary

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SUMMARY

Overview

The invested Trust Funds of the University of Wisconsin System (UW Trust Funds) consist predominately of gifts from individuals via wills or other trusts, as well as outright gifts from living donors, corporations (including matching gift programs), and external foundations and trusts. Such bequests and gifts come to the Board of Regents of the University of Wisconsin System (the Board) whenever the donor and documentation name the beneficiary as either the Board of Regents, directly, or any UW System institution, without specifically identifying a UW-related foundation. (UW-related foundations are independent entities with separate governing boards.) These gifts or donations originate as either, 1) "true endowments," where the donor has restricted the use of "principal" and may or may not have imposed additional restrictions as to purpose (in accounting parlance, "restricted – nonexpendable" gifts), or 2) "quasi-endowments," where the donor has placed no restriction on use of principal and may or may not have imposed restrictions as to purpose (in accounting parlance, either "restricted – expendable" or fully "unrestricted" gifts).

Recognizing that assets invested with UW Trust Funds may have distinctly different investment time horizons, three separate investment pools (or funds) have been created. To accommodate endowed assets (where the "principal" is to be preserved into perpetuity) and other long-term investments, the *Long Term Fund* has been created. To accommodate fully expendable assets that may have a shorter or immediate investment time horizon, the *Intermediate Term Fund* and *Income Fund* have been created (collectively, the Funds). Each of these Funds are accounted for on a unitized basis, similar to a mutual fund, where investors buy and sell Fund units representing proportional shares of the Funds' underlying investments. The investment objectives for each of the Funds are inherently different and are discussed separately below.

Long Term Fund

Used primarily for investing endowed assets, the principal investment objective of the *Long Term Fund* is to achieve, net of administrative and investment expenses, significant and attainable "real returns;" that is, nominal returns net of expenses, over and above the rate of inflation. By distributing a significant real return stream, disbursements for current expenditure will grow with the rate of inflation so as to maintain their purchasing power and support level into perpetuity. Assets invested in the *Long Term Fund* receive an annual "spending rate" distribution of a set percentage (currently four percent) of the average market value over the prior twelve quarters (three years). The spending rate percentage is reviewed periodically by Trust Funds and the Business, Finance, and Audit Committee of the Board of Regents.

Intermediate Term Fund

The primary objective of the *Intermediate Term Fund* is to provide competitive investment returns consistent with very moderate levels of volatility (ideally, equal to or lower than that expected from an intermediate, investment-grade bond portfolio) and low probability of loss of "principal." Furthermore, the Fund seeks to maximize its expected return for any given targeted level of volatility.

Income Fund

The *Income Fund* receives spending and interest income distributions from the other Funds. All Trust Funds spending is conducted through the *Income Fund*. The primary objective of the *Income Fund* is to provide competitive investment returns consistent with the need for preservation of "principal" and immediate liquidity. Expected risk and return for the Fund is also expected to be similar to high-quality "money market" funds. By statute, this Fund must reside with the State as part of its agency-commingled State Investment Fund, and it is managed by the State of Wisconsin Investment Board.

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SECTION 2:
Investment Fund Data

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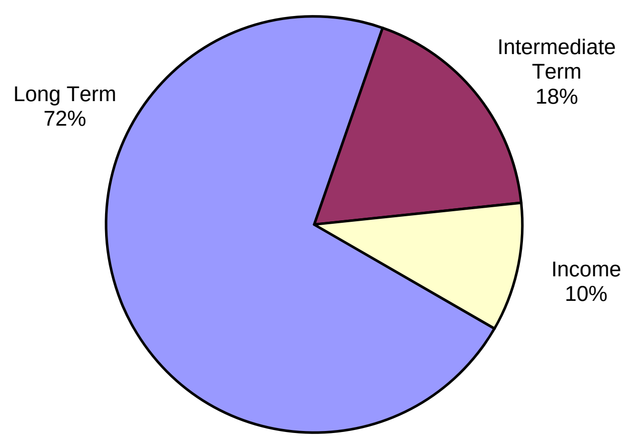
TOTAL ASSETS
As of Fiscal Years Ended June 30

The tables and graphs below provide summary data on the invested assets of the UW System Office of Trust Funds.

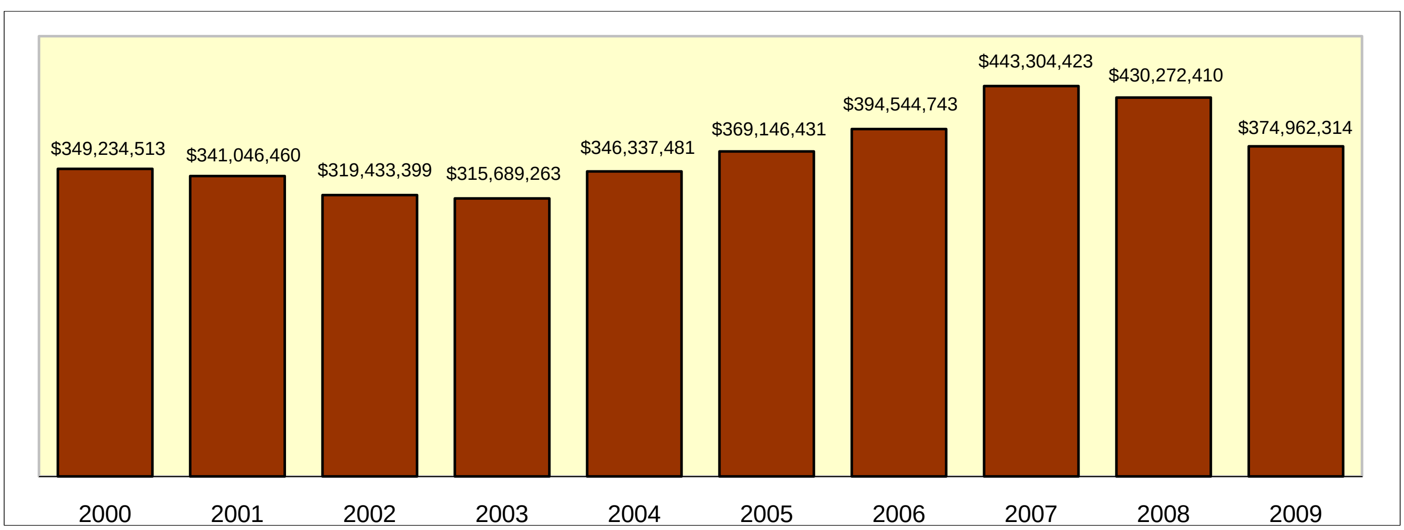
MARKET VALUES AND PERCENTS BY FUND

	Market Values ($millions)	
Investment Fund	2009	2008
Long Term Fund	$269.0	$330.8
Intermediate Term Fund	66.2	62.3
Income Fund	39.8	37.2
TOTAL	$375.0	$430.3

As of June 30, 2009



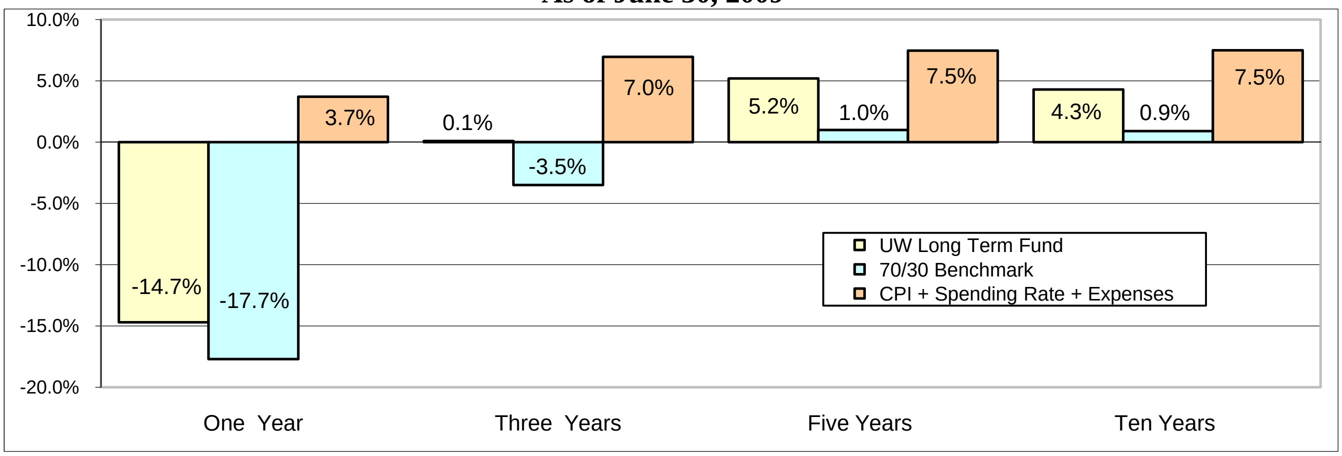
CHANGE IN TOTAL NET ASSETS



LONG TERM FUND
As of Fiscal Years Ended June 30

The following chart depicts the investment performance of the *Long Term Fund* for the most recent fiscal year as well as over longer periods. For comparative purposes, the performance of the following benchmarks are also shown: a more "traditional" and passive portfolio consisting of 70 percent global equities and 30 percent bonds; and a "target" or "hurdle" rate consisting of the inflation rate, plus the spending distribution rate, plus expenses.

INVESTMENT PERFORMANCE
As of June 30, 2009



The annual "spending rate" distribution for the *Long Term Fund* has remained at four percent since June 30, 2005. The ten-year history of the spending rate and dollar distributions is given in the table below.

TEN-YEAR HISTORY OF
SPENDING RATES AND DISTRIBUTIONS

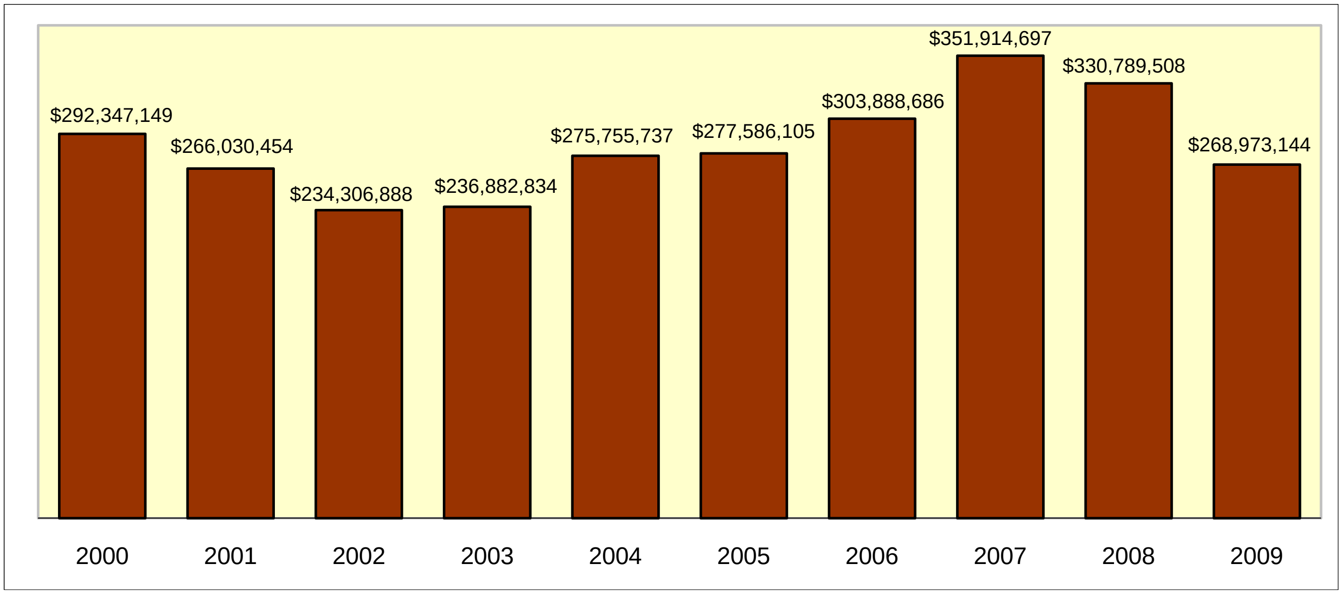
Fiscal Year	Spending Rate	Distribution
2000	5.0%	12,696,616
2001	5.0%	13,374,215
2002	5.0%	13,451,186
2003	4.9% [1]	12,466,702
2004	4.5%	10,902,801
2005	4.4% [2]	10,836,217
2006	4.0%	10,704,542
2007	4.0%	11,636,132
2008	4.0%	12,683,559
2009	4.0%	12,809,947
TEN YEAR TOTAL		$ 121,561,917

[1] This reflects a 5.0% annual rate for the first three quarters and a 4.5% rate for the fourth quarter.
[2] This reflects a 4.5% annual rate for the first three quarters and a 4.0% rate for the fourth quarter.

LONG TERM FUND
As of Fiscal Years Ended June 30

Contributing to the overall change in the *Long Term Fund's* net assets are the following: new gifts, plus investment returns, less spending distributions and expenses. The following chart depicts the historical change in net assets of the Fund.

CHANGE IN NET ASSETS

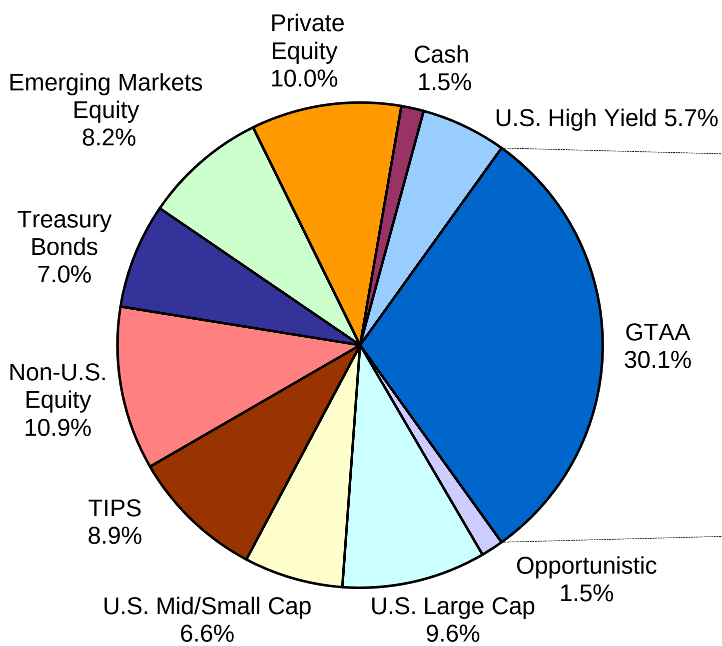


The graphs and charts that follow, present information on the Fund's asset allocation, investment managers, and investment positions.

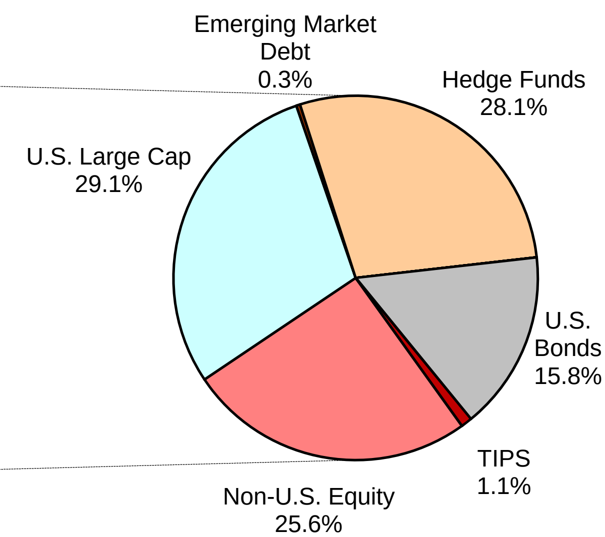
LONG TERM FUND
As of Fiscal Year Ended June 30, 2009

ASSET/STRATEGY ALLOCATIONS

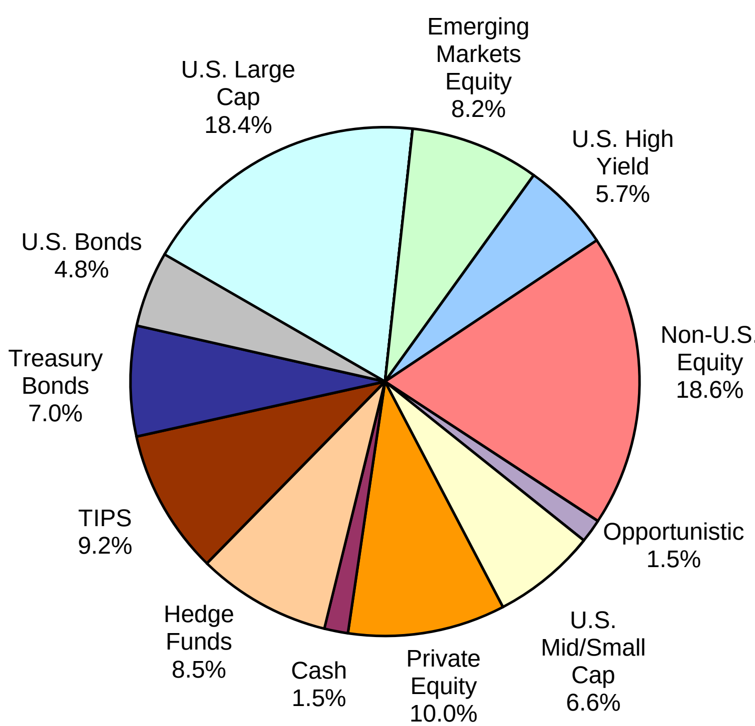
Total Portfolio Asset/Strategy Allocation



Global Tactical Asset Allocation



Total Effective Portfolio Asset Allocation



LONG TERM FUND
As of Fiscal Years Ended June 30

ALLOCATION BY INVESTMENT MANAGER AND ASSET CLASS

	2009		2008	
	Market Value	% of Fund	Market Value	% of Fund
Global Tactical Asset Allocation				
GMO Real Return Balanced Strategy	$80,917,507	30.1%	$86,727,128	26.2%
U.S. Equities - Large Cap				
UBS Global Asset Management	25,906,261	9.6%	35,548,907	10.8%
U.S. Equities – Mid/Small Cap				
Provident Investment Counsel	8,367,766	3.1%	11,611,387	3.5%
Russell 2000 ETF	4,703,446	1.8%	6,358,124	1.9%
Russell Mid-Cap ETF	4,548,742	1.7%	6,653,358	2.0%
		6.6%		7.4%
Developed Non-U.S. Equities				
UBS Global Asset Management	29,240,208	10.9%	37,462,492	11.3%
Emerging Market Equities				
GMO Emerging Markets Fund	21,947,411	8.2%	30,673,379	9.3%
U.S. High Yield Fixed Income				
Seix Advisors High Yield Fund	15,312,577	5.7%	16,008,699	4.8%
U.S. Investment-Grade Fixed Income				
Applied Security Analysis Program	42,819,100	15.9%	54,052,024	16.3%
Private Equity/Venture Capital				
Adams Street Partners	15,959,249	5.9%	17,935,408	5.4%
JP Morgan Investment Management	11,022,781	4.1%	11,140,605	3.4%
		10.0%		8.8%
Opportunistic				
GMO Emerging Illiquid Fund	4,064,571	1.5%	5,443,358	1.7%
Cash and Cash Equivalents				
Mellon Common Trust Investment Fund	4,163,515	1.5%	11,174,639	3.4%
TOTALS	$ 268,973,144	100.0%	$ 330,789,508	100.0%

LONG TERM FUND
As of Fiscal Year Ended June 30, 2009

SUMMARY OF INVESTMENT POSITIONS

Public Equities – 51.7% of Fund

Top Ten Country Positions	% of Equities
Unites States	47.6%
Japan	8.2%
United Kingdom	6.8%
Korea	3.0%
France	2.9%
Switzerland	2.8%
Germany	2.6%
China	2.6%
Brazil	2.3%
Taiwan	1.9%
TOTAL	80.8%

Top Ten Sector Positions	% of Equities
Financials	15.8%
Information Technology	14.0%
Health Care	13.1%
Consumer Discretionary	11.0%
Energy	10.9%
Consumer Staples	10.9%
Industrials	8.0%
Materials	6.6%
Telecommunications	5.9%
Utilities	3.2%
TOTAL	99.4%

Top Ten Holdings	% of Equities
Microsoft	1.5%
Johnson & Johnson	1.3%
Exxon Mobil	1.1%
Chevron	1.1%
PepsiCo	1.0%
Oracle	1.0%
Wal-Mart	1.0%
Cisco	0.9%
Coca-Cola Co.	0.9%
Pfizer Inc.	0.9%
TOTAL	10.7%

Fixed Income – 26.8% of Fund

Top Country Positions	% of Fixed Income
Unites States	99.7%
Non-U.S.	0.3%
TOTAL	100.0%

Top Sector Positions	% of Fixed Income
U.S. TIPS	37.8%
Cash and Cash Equivalents	29.6%
Corporate Bonds	25.3%
Asset Backed Securities	6.0%
TOTAL	98.7%

Top Ten Non-Govt Holdings	% of Fixed Income
NRG Energy	0.4%
Teck Resources	0.3%
Ashland Inc.	0.3%
Bank of America	0.3%
Community Health	0.2%
Kabel Deutschland	0.2%
HCA Inc.	0.2%
Hertz Corp.	0.2%
Citigroup	0.2%
RailAmerica Inc.	0.2%
TOTAL	2.5%

Average Portfolio Maturity	5.4 Years
Average Portfolio Duration	3.0 Years
Average Portfolio Quality	AA-

Cash – 1.5% of Fund

Mellon Common Trust Investment Fund 100.0%

LONG TERM FUND
As of Fiscal Year Ended June 30

SUMMARY OF INVESTMENT POSITIONS

Hedge Funds – 8.5% of Fund

Hedge Fund Classifications	% of Hedge Funds
Market Neutral/Absolute Return	100.0%

Number of Fund Holdings	12

Top Five Funds	% of Hedge Funds
GMO Mean Reversion	17.1%
GMO Tactical Opportunities	14.9%
GMO Completion	14.6%
GMO Pan-European Long/Short	9.6%
GMO Fixed Income Hedge	9.3%
TOTAL	65.5%

Opportunistic – 1.5% of Fund

Investment	% of Opportunistic
GMO Emerging Illiquid Fund, L.P.	100%

Private Equity – 10.0% of Fund

U.S./Non-U.S. Positions	% of Private Equity
U.S.	77.5%
Non-U.S.	22.5%

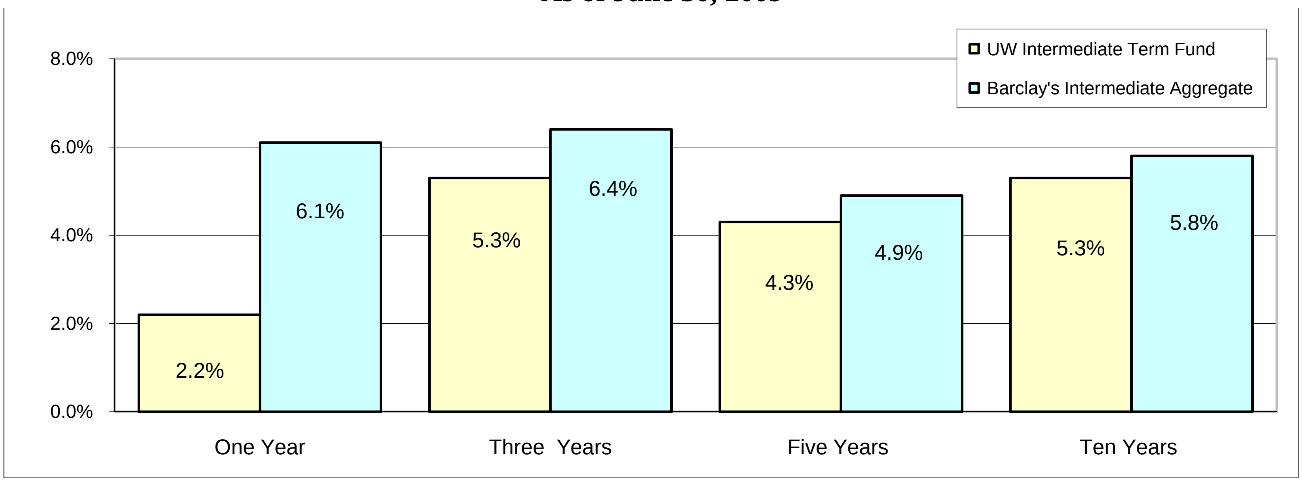
Types of Partnerships	% of Private Equity
Buyouts	49.7%
Venture Capital	26.0%
Special Situations	13.1%
Debt/Restructuring	11.2%
TOTAL	100.0%

Investment Program Inception	2002
Number of Vintage Years	8
Number of Partnerships	412
Number of Underlying Companies	6,912

INTERMEDIATE TERM FUND
As of Fiscal Years Ended June 30

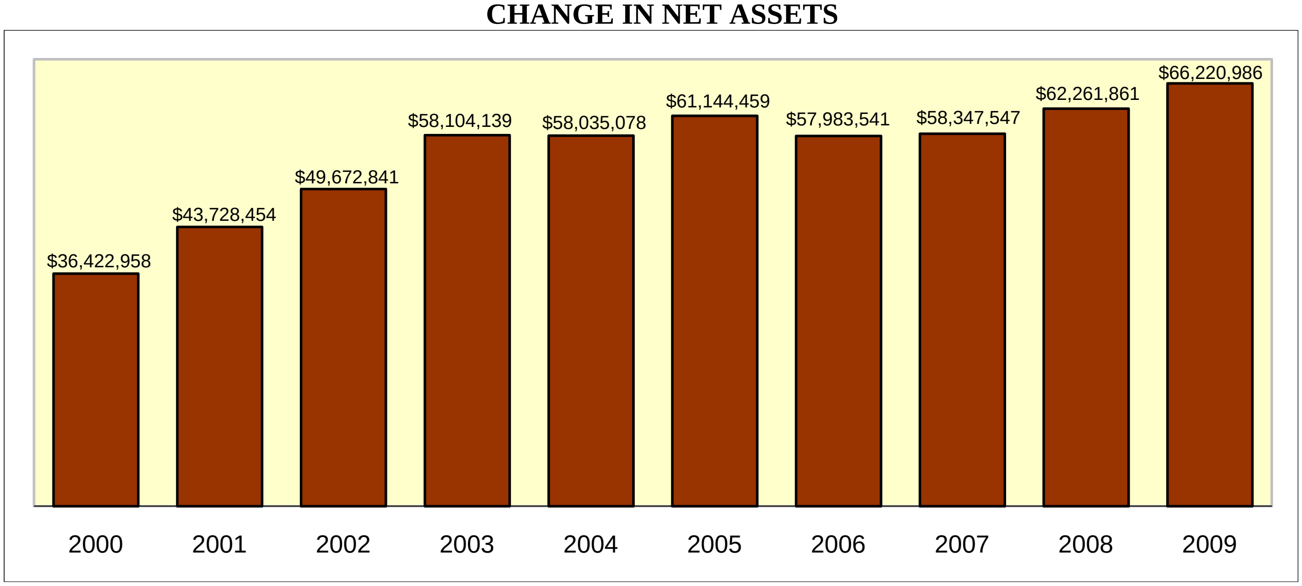
The following chart depicts the investment performance of the *Intermediate Term Fund* for the most recent fiscal year as well as over longer periods. Also shown is the performance of a passive, benchmark index – the Barclay's Intermediate Aggregate Bond Index.

INVESTMENT PERFORMANCE
As of June 30, 2009



Contributing to the overall change in the *Intermediate Term Fund's* assets are the following: new gifts, plus investment returns, less interest income distributions, expenses, and expenditures of principal. The following chart depicts the historical change in net assets of the Fund.

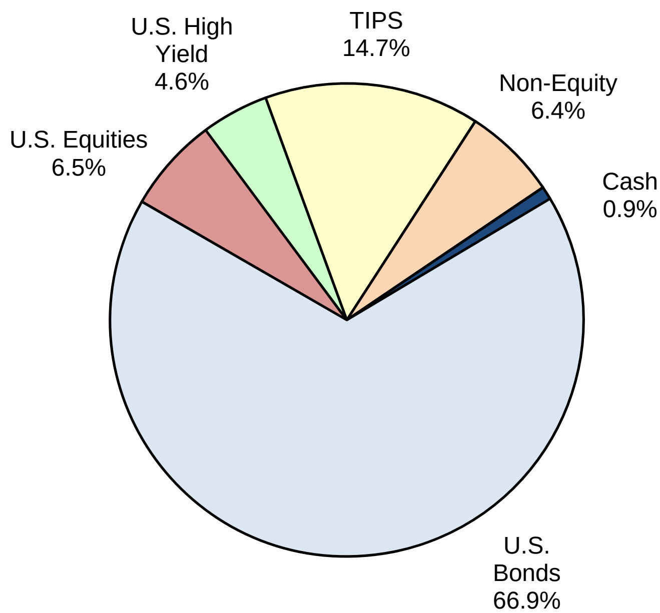
CHANGE IN NET ASSETS



The graphs and charts that follow, present information on the Fund's asset allocation, investment managers, and investment positions.

INTERMEDIATE TERM FUND
As of Fiscal Years Ended June 30

ASSET/STRATEGY ALLOCATIONS



ALLOCATION BY INVESTMENT MANAGER AND ASSET CLASS

	2009 Market Value	2009 % of Fund	2008 Market Value	2008 % of Fund
U.S. Equities – Large Cap				
S&P 500 ETF	$ 4,305,634	6.5%	$ 2,364,800	3.8%
Developed Non-U.S. Equities				
MSCI EAFE ETF	4,203,800	6.4%	2,353,656	3.8%
U.S. High Yield Fixed Income				
Seix Advisors High Yield Fund	3,075,005	4.6%	1,587,866	2.6%
U.S. Investment-Grade Fixed Income				
Reams Asset Management	34,992,599	52.8%	39,323,493	63.1%
Applied Security Analysis Program	9,342,334	14.1%	10,204,144	16.4%
Barclays TIPS ETF	9,701,335	14.7%	6,337,896	10.2%
		81.6%		89.7%
Cash and Cash Equivalents				
Mellon Common Trust Investment Fund	600,278	0.9%	90,005	0.1%
TOTALS	$ 66,220,986	100.0%	$ 62,261,860	100.0%

INTERMEDIATE TERM FUND
As of Fiscal Year Ended June 30, 2009

Public Equities – 12.9% of Fund

Top Ten Country Positions	% of Equities
Unites States	50.6%
Japan	10.5%
United Kingdom	10.2%
France	5.1%
Germany	4.0%
Australia	4.0%
Switzerland	3.8%
Spain	2.4%
Italy	1.8%
Netherlands	1.3%
TOTAL	93.7%

Top Ten Sector Positions	% of Equities
Financials	20.8%
Information Technology	11.8%
Industrials	10.8%
Health Care	10.6%
Consumer Staples	10.6%
Energy	9.9%
Consumer Discretionary	9.4%
Materials	6.4%
Utilities	4.9%
Telecommunications	4.5%
TOTAL	99.7%

Top Ten Holdings	% of Equities
Exxon Mobil	1.8%
Microsoft	1.1%
HSBC Holdings	1.0%
General Electric	1.0%
JP Morgan Chase & Co.	0.9%
Proctor & Gamble	0.9%
Johnson & Johnson	0.9%
Apple Inc.	0.9%
AT&T	0.9%
BP	0.8%
TOTAL	10.2%

Fixed Income – 86.2% of Fund

Top Country Positions	% of Fixed Income
Unites States	100.0%

Top Sector Positions	% of Fund
Corporate & Private Placements	42.5%
U.S. TIPS	17.0%
U.S. Government Mortgages	14.7%
U.S. Government	12.3%
Commercial Mortgage Backed	11.1%
Asset-Backed	1.4%
Money Market	1.0%
TOTAL	100.0%

Number of Non-Government Holdings 406

Top Ten Non-Govt Holdings	% of Fund
Wachovia Bank Mortgage	3.0%
New Valley Generation	2.6%
Credit Suisse Mortgage	2.4%
UBS	1.7%
MetLife	1.6%
General Electric	1.4%
Citigroup	1.1%
Lincoln National	1.1%
Monumental Global	1.0%
Simon Property	1.0%
TOTAL	16.9%

Average Portfolio Maturity	5.8 Years
Average Portfolio Duration	3.8 Years
Average Portfolio Quality	AA+

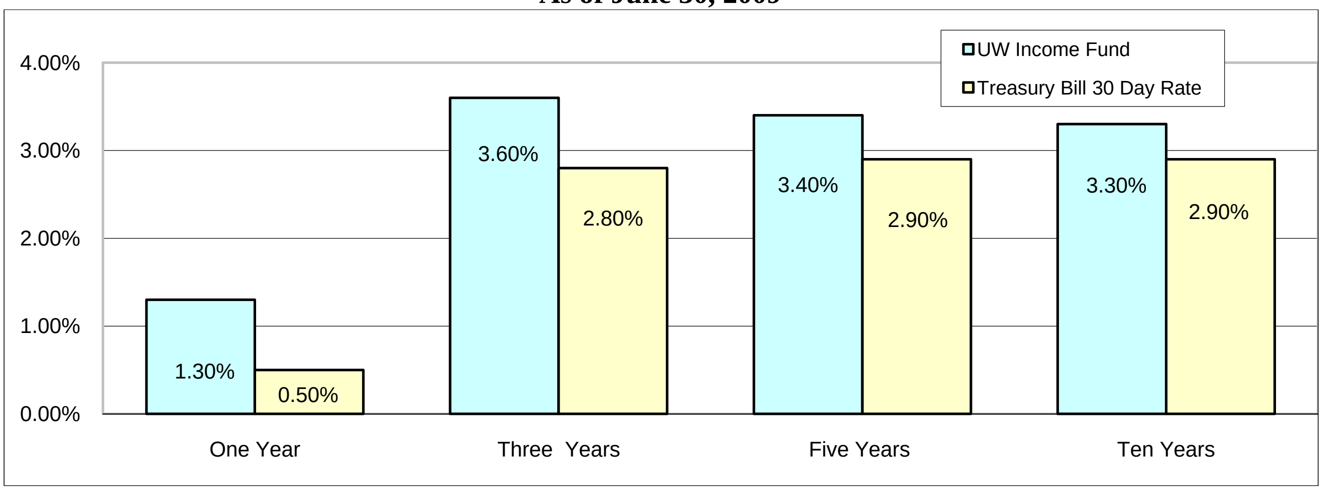
Cash – 0.9% of Fund

Mellon Common Trust Investment Fund 100.0%

INCOME FUND
As of Fiscal Years Ended June 30

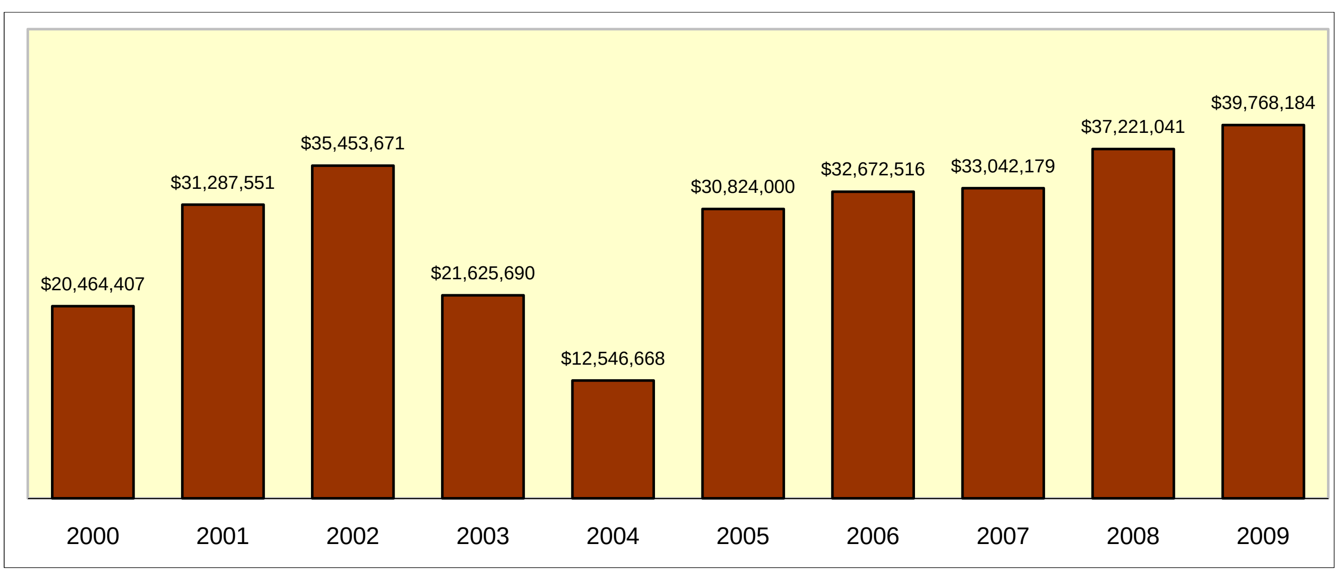
The following chart depicts the investment performance of the *Income Fund* for the most recent fiscal year as well as over longer periods. Also shown, for comparative purposes, is the performance of 30-day Treasury Bills.

INVESTMENT PERFORMANCE
As of June 30, 2009



Contributing to the overall change in the *Income Fund's* net assets are the following: interest income and spending rate distributions received from the *Intermediate* and *Long Term Funds*, plus interest earnings, less expenses and expenditures. The following chart depicts the historical change in net assets of the Fund.

CHANGE IN NET ASSETS



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SECTION 3:
Gifts and Disbursement Data

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GIFTS
For Fiscal Years Ended June 30

2009 GIFTS BY TYPE OF GIFT

Gift Type	Total Gifts	Number of Gifts
Bequests	$ 8,148,580	114
General Gifts	5,741,139	420
Matching Gifts	1,850	6
TOTAL	$ 13,891,569	540

Note: Bequests are generally gifts made through a will or other form of legal trust. General Gifts are generally gifts received from individual living donors, corporations, or foundations. Matching Gifts are generally those made by employers or other organizations to match the gifts made by individuals.

2009 GIFTS BY ENDOWMENT CATEGORY

Endowment Category	Total Gifts	Percentage
Quasi Endowment	$ 13,148,935	94.6%
True Endowment	400,506	2.9%
Designated Endowment	342,128	2.5%
TOTAL	$ 13,891,569	100.0%

Note: Quasi Endowments are those where the donor has not restricted use of principal. Designated Endowments are those where the donor has not restricted principal, but the benefiting institution or Board of Regents have elected to do so. True Endowments are those gifts where the donor has restricted the use of principal.

2009 GIFTS BY USAGE DESIGNATION

Usage Designation	Total Gifts	Percentage
Miscellaneous	$ 9,408,255	67.7%
Public Service	2,131,871	15.3%
Research	1,683,504	12.1%
Student Aid	660,759	4.8%
Library	7,180	0.1%
TOTAL	$ 13,891,569	100.0%

Note: The Miscellaneous designation generally indicates that the gift could be used for a purpose not falling strictly within one of the other classifications, for purposes falling within multiple classifications, or for fully discretionary purposes.

GIFTS
For Fiscal Years Ended June 30

2009 GIFTS BY CAMPUS AND COLLEGE

Campus		Total Gifts	Number of Gifts
Madison			
	School of Medicine and Public Health	$ 5,257,564	59
	College of Letters and Science	3,271,824	205
	General Education Administration	759,469	4
	School of Education	393,714	32
	College of Nursing	231,452	18
	Law School	201,759	6
	College of Engineering	198,924	16
	College of Agriculture & Life Sciences	127,757	20
	Graduate School	91,883	3
	School of Pharmacy	87,935	1
	General Services	86,446	5
	School of Human Ecology	24,174	1
	School of Business	15,000	1
	General Library	5,035	2
	Officer Education	810	4
	Division of Continuing Studies	500	1
Madison Subtotal		$ 10,754,247	378
Extension		$ 2,131,871	49
System Administration		543,494	72
River Falls		200,000	1
Milwaukee		139,834	20
Superior		52,654	5
Green Bay		40,255	2
Parkside		23,038	8
Colleges		6,176	5
TOTAL		$ 13,891,569	540

Note: The categories of General Education Administration and General Services reflect gifts that are administered by campus administrative units not tied to a specific college or department. These primarily involve student scholarship and loan funds. The gift amount for System Administration is also impacted by timing differences between when new gifts are deposited into the System pending account, and when they are transferred out to individual permanent accounts.

TEN-YEAR HISTORY OF TOTAL GIFTS

Fiscal Year	Total Gifts		As Percent of Prior Year Principal Market Value
2000	$ 8,575,442		2.8%
2001	12,643,480		3.8%
2002	11,558,611		3.6%
2003	10,789,314		3.6%
2004	12,805,149		4.3%
2005	8,640,969		2.6%
2006	8,059,469		2.3%
2007	16,478,500		4.5%
2008	11,617,369		3.2%
2009	13,891,569		3.5%
TEN YEAR TOTAL	$ 115,059,872	AVERAGE	3.3%

DISBURSEMENTS
For Fiscal Years Ended June 30

2009 DISBURSEMENTS BY DESIGNATION

Designation	Total Disbursements	Percentage
Research	$ 8,623,844	49.4%
Student Aid	4,194,220	24.1%
Extension & Public Service	1,924,202	11.0%
Instruction	1,079,776	6.2%
Academic Support	972,947	5.6%
Physical Plant	420,341	2.4%
Student Services	213,250	1.2%
Auxiliary Services	16,392	0.1%
Library	1,603	0.0%
TOTAL	$ 17,446,575	100.0%

TEN-YEAR HISTORY OF TOTAL DISBURSEMENTS

Fiscal Year	Total Disbursements		As Percent of Prior Year Principal Market Value
2000	$ 15,681,329		5.1%
2001	17,350,809		5.3%
2002	18,700,470		5.9%
2003	17,014,555		5.7%
2004	21,771,311		7.4%
2005	20,412,504		6.1%
2006	22,382,067		6.5%
2007	24,980,366		6.5%
2008	20,348,667		5.6%
2009	17,446,575		4.4%
TOTAL	$ 196,088,653	AVERAGE	5.8%

TOTAL BALANCES
As of Fiscal Year Ended June 30, 2009

2009 TOTAL FUNDS BY CATEGORY

Category	Principal Market Value	Percentage	Number of Accounts
True Endowment	$ 178,823,904	39.5%	552
Quasi Endowment	184,360,512	40.7%	811
Designated Endowment	89,412,033	19.8%	132
Term Endowment	145,702	0.0%	2
TOTAL	$ 452,742,145	100.0%	1,497

Note: The total market value shown in the table above and the two that follow reflect only what is classified as "principal" by the Trust Funds accounting system. Therefore, it does not equal the total Trust Funds market value shown elsewhere in this report, which includes "income." Essentially, total principal market value consists of the market values of the *Long Term* and *Intermediate Term Funds*, plus that portion of the *Income Fund* designated as “principal,” which is generally monies awaiting investment in the other Funds.

2009 TOTAL FUNDS BY USAGE DESIGNATION

Usage Designation	Principal Market Value	Percentage	Number of Accounts
Miscellaneous	$ 217,268,920	48.0%	492
Student Aid	122,028,117	27.0%	650
Research	85,198,359	18.8%	232
Library	13,788,609	3.0%	54
Instruction	9,152,950	2.0%	31
Public Service	3,964,835	0.9%	28
Physical Plant	1,274,756	0.3%	7
General Operations	33,362	0.0%	1
Auxiliary Services	32,243	0.0%	2
TOTAL	$ 452,742,145	100.0%	1,497

Note: The Miscellaneous designation generally indicates that the gift could be used for a purpose not falling strictly within one of the other classifications, for purposes falling within multiple classifications, or for fully discretionary purposes.

TOTAL BALANCES
As of Fiscal Year Ended June 30, 2009

2009 TOTAL FUNDS BY CAMPUS AND COLLEGE

Campus	Principal Market Value	Percentage	Number of Accounts
Madison			
School of Medicine and Public Health	$ 84,339,792	18.5%	337
College of Letters & Sciences	63,785,253	14.1%	321
College of Ag & Life Sciences	58,650,836	13.0%	166
General	47,107,847	10.4%	4
General Services	25,420,725	5.6%	77
General Education Administration	20,472,141	4.5%	15
Graduate School	20,667,872	4.6%	30
Business Services	17,090,917	3.8%	24
College of Engineering	10,773,583	2.4%	59
School of Education	7,408,104	1.6%	43
School of Nursing	6,765,689	1.5%	21
General Library	6,336,824	1.4%	16
School of Business	5,835,537	1.3%	20
Division of International Studies	4,315,732	0.9%	4
School of Human Ecology	3,976,941	0.9%	26
School of Pharmacy	3,903,882	0.8%	22
Academic Services	2,959,250	0.7%	8
Law School	3,301,960	0.7%	29
Other	2,595,420	0.6%	11
Intercollegiate Athletics	984,550	0.2%	8
University Housing	947,479	0.2%	3
School of Veterinary Medicine	400,007	0.1%	5
Officer Education (ROTC)	72,605	0.0%	3
Madison Subtotal	$ 398,112,946	87.8%	1,252
Extension	$ 15,309,884	3.4%	31
Milwaukee	13,089,275	2.9%	87
System Administration	11,536,349	2.5%	24
Platteville	3,657,006	0.8%	6
La Crosse	2,541,806	0.6%	7
Superior	2,467,193	0.5%	14
Colleges	1,172,889	0.3%	14
Parkside	1,228,791	0.3%	21
Eau Claire	866,133	0.2%	5
Oshkosh	752,778	0.2%	6
Stout	743,086	0.2%	10
Whitewater	511,417	0.1%	11
Green Bay	360,648	0.1%	4
River Falls	253,997	0.1%	1
Stevens Point	137,947	0.0%	4
TOTAL	$ 452,742,145	100.0%	1,497

Note: The categories of General, General Education Administration, General Services, Business Services, and Academic Services reflect gifts that are administered by campus administrative units not tied to a specific college or department. These primarily involve student scholarship and loan funds. The System Administration market value is also impacted by timing differences between when new gifts are deposited into the System pending account, and when they are transferred out to individual permanent accounts.

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SECTION 4:
Financial Statements

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FINANCIAL STATEMENTS
As of Fiscal Years Ended June 30

STATEMENTS OF FINANCIAL POSITION

	2009	2008
ASSETS	Total Principal and Income Market Value	Total Principal and Income Market Value
Current Assets		
Cash and Cash Equivalents	$ 68,529,201	$ 83,405,433
Accounts Receivable, Net	1,150,638	9,930,666
Prepaid Expenses	0	20,000
Total Current Assets	$ 69,679,839	$ 93,356,099
Investments		
U.S. Government & Agency Obligations	38,665,656	48,613,986
Corporate Bonds	20,602,238	18,003,291
Mortgage & Asset Backed Securities	6,465,377	11,089,772
Common Stocks	33,931,083	46,198,532
GMO Strategic Opportunities Fund	58,155,616	57,456,075
UBS Int'l Relationship Fund	29,240,208	37,462,492
GMO Emerging Markets Fund III	21,947,411	30,673,379
GMO Emerging Illiquid Fund	4,064,571	5,443,358
iShares Russell Midcap Index	4,548,752	6,653,358
iShares S&P 500 Index	4,305,634	1,164,800
iShares MSCI EAFE Index	4,203,800	1,153,656
iShares Barclays TIPS Index	9,701,335	3,137,896
iShares Russell 2000 Index	4,703,446	6,358,124
Seix High Yield Fund	18,387,582	16,796,566
Limited Partnerships	49,743,921	58,347,066
Total Investments	$ 308,666,630	$ 348,552,351
TOTAL ASSETS	$ 378,346,469	$ 441,908,450
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	3,004,980	11,364,093
Compensated Absences	379,175	271,997
Total Liabilities	$ 3,384,155	$ 11,636,090
Net Assets		
Restricted:		
Nonexpendable	122,923,573	150,149,852
Expendable	165,295,490	176,179,645
Student Loans	12,084,217	10,950,435
Other	15,340,719	17,511,266
Unrestricted:	59,318,315	75,481,212
Total Net Assets	$ 374,962,314	$ 430,272,410
TOTAL LIABILITIES & NET ASSETS	$ 378,346,469	$ 441,908,450

Note: Restricted net assets are subject to externally-imposed stipulations. Restricted – Nonexpendable net assets are subject to an externally-imposed stipulation that they be maintained permanently (generally, these equate to the *Long Term Fund's* "historic dollar value," or original gift principal, of all True Endowments). Restricted – Expendable net assets are subject to externally-imposed stipulations as to usage or purpose, but are otherwise fully expendable (generally, these equate to the market values of all such Designated and Quasi Endowments, plus the *Intermediate Term* and *Income Fund* market values of all True Endowments, and the excess/deficit of the market value over/under the "historic dollar value" for the *Long Term Fund* holding of True Endowments). Unrestricted net assets are not subject to externally-imposed stipulations of any kind and are fully expendable (generally, these would equate to the market values of all such Designated and Quasi Endowments, plus the *Intermediate Term* and *Income Fund* market values of all True Endowments.)

FINANCIAL STATEMENTS
As of Fiscal Years Ended June 30

STATEMENTS OF CASH ACTIVITIES AND INVESTMENT GAINS

RECEIPTS/GAINS	2009	2008
Contributions	$13,891,569	$11,617,368
Net Investment Income, Realized/Unrealized Gains	(47,957,805)	(2,825,565)
Total Contributions, Investment Gains/Losses	$ (34,066,236)	$ 8,791,803
Transfers In:		
From Other UW Funds	2,236,232	4,115,745
Student Loans	373,151	229,602
Total Transfers In	$ 2,609,383	$ 4,345,347
TOTAL RECEIPTS/GAINS	$ (31,456,853)	$ 13,137,150
DISBURSEMENTS		
Distributions to UW Institutions:		
Student Aid and Services	4,407,469	6,559,466
Instruction	1,079,776	1,837,553
Research	8,623,844	9,532,441
Extension and Public Service	1,924,202	1,300,733
Academic Support	972,947	663,036
Other	438,337	455,438
Total Distributions to UW Institutions	$ 17,446,575	$ 20,348,667
Transfers Out:		
To Other UW Funds	4,239,102	3,509,055
Student Loans	583,188	316,476
Total Transfers Out	$ 4,822,290	$ 3,825,531
Expenses:		
General Administrative	447,158	463,816
Investment Management and Custody	1,137,219	1,531,057
Total Expenses	$ 1,584,377	$ 1,994,873
TOTAL DISBURSEMENTS	$ 23,853,242	$ 26,169,071
EXCESS OF RECEIPTS/GAINS OVER DISBURSEMENTS	(55,310,095)	(13,031,920)
Net Assets Beginning of Period	430,272,409	443,304,423
Prior Period Adjustment	0	(93)
Net Assets - End of Period	$ 374,962,314	$ 430,272,410

Note: Transfers to/from Other UW Funds consist primarily of transfers to/from sponsored gift and grant appropriations where the sponsor requires the funds be invested (or endowed) to benefit the stipulated programs/projects.

SECTION 5:
Supplementary Data

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SUPPLEMENTARY DATA
For Fiscal Years Ended June 30

INVESTMENT MANAGEMENT AND OTHER RELATED FEES

	2009	2008
Intermediate Term Fund		
Reams Asset Management	$ 77,860	$ 102,953
Applied Security Analysis Program[1]	0	0
Long Term Fund		
GMO	579,202	670,781
UBS Global Asset Management	381,343	538,682
Provident Investment Counsel	89,296	175,368
Legal Fees	2,771	7,313
Total Investment Management Fees[2]	$ 1,130,472	$ 1,495,097

[1] Applied Security Analysis Program is the UW-Madison Business School's applied investment management program for graduate students. Trust Funds pay no management fees to the program.

[2] The fees listed in the above chart are only those separately billed to UW Trust Funds. Trust Funds also invested through various commingled fund providers: GMO Emerging Markets Fund III, GMO Emerging Illiquid Fund, GMO Real Return Global Balanced Fund, Adams Street Partners Private Equity Funds, JP Morgan Private Equity Funds, Seix Advisors High Yield Fund, iShares Russell 2000 Index Fund, iShares Russell Midcap Index Fund, iShares Barclays TIPS Index Fund, iShares S&P 500 Index Fund, and iShares MSCI EAFE Index Fund. Fees for these funds are taken directly out of fund assets rather than separately billed. Estimated investment management expenses for these various providers for 2009 were as follows: $207,756; $65,000; $255,785; $319,000; $233,250; $70,837; $1,553; $1,513; $16,518; $2,771; and $10,155, respectively.

Investment management expenses (including estimated fees through commingled funds) as a percent of total average Trust Fund assets (*Long Term* plus *Intermediate Term Funds*) were 0.68% and 0.68% for fiscal years 2009 and 2008, respectively. Fees as a percent of assets by separate Fund were 0.79% and 0.18% for the *Long Term Fund* and *Intermediate Term Fund*, respectively, for fiscal year ended 2009, versus 0.78% and 0.17%, respectively, for fiscal year ended 2008.

CUSTODY FEES

	2009	2008
Mellon Trust	$ 6,747	$ 35,960

Trust Funds' custodial services are provided through a custodial agreement with Mellon Trust. This agreement was negotiated by the State of Wisconsin Investment Board (SWIB), which also employs Mellon. Fees are billed to SWIB and charged back to Trust Funds. Custodial expenses as a percent of average Trust Fund assets were 0.002% and 0.009% for fiscal years 2009 and 2008, respectively. While commingled fund shares are recorded and custodied at Mellon, the actual securities held by these funds are custodied elsewhere.

SUPPLEMENTARY DATA
For Fiscal Years Ended June 30

ADMINISTRATIVE EXPENSES

	2009	2008
Staff and Staff Support		
Salaries	$ 263,443	$ 273,160
Fringe Benefits	129,233	134,979
Travel and Training Expenses	12,182	12,430
Publications	2,612	632
Telecommunications/Telephone Service	1,327	1,334
Other Expenses	830	471
Computer Hardware/Software	360	7,627
Office Supplies/Equipment	113	359
Professional Services		
Trust Accounting System (SunGard)	34,371	32,364
Information Services Support	2,687	460
Total Administrative Expenses	$ 447,158	$ 463,816

Total administrative expenses as a percent of average total Trust Fund assets (*Long Term*, *Intermediate Term* and *Income Funds*) were 0.13% and 0.12% for fiscal years 2009 and 2008, respectively.

UW SYSTEM TRUST FUNDS:
TRUSTEES AND STAFF

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