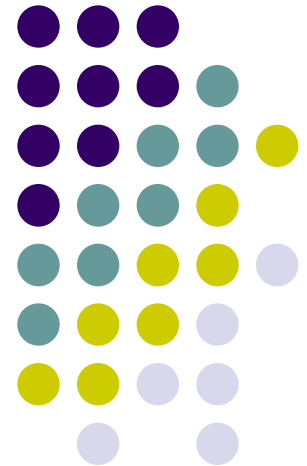
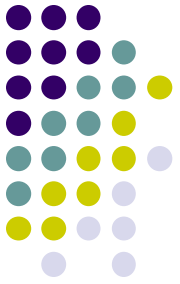


Pieper Challenge Grant and Match Program 2021 Annual Report



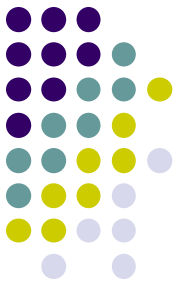
Prepared by Marquette University – College of Business Administration

Table of Contents



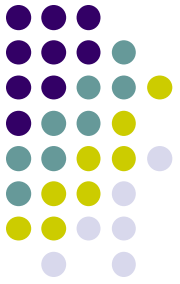
		<u>Page</u>
• Grantee Summary Comments	3	
• Performance Summary Comments		4-6
• Description of Evaluation Method		7
• Grantee Fund Performance Summary Table		8-9
• Grantee Fund Performance Rankings	10-11	
• General Market Overview	12	
• Performance Disclaimer	13	

Grantee Summary



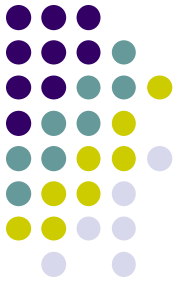
- The Pieper Family Foundation has created the Challenge Grant and Match program to stimulate the trustees of not-for-profits to sharpen their investment policy and oversight. The objective of these grants is growth of capital and the expectation is that investment results will fall within the upper quartile of diversified growth-oriented funds' returns over time.
- Pieper Fund returns are provided by each Grantee. The Grantees also provide a description of how their Pieper Fund is invested and the current investment policy. Morningstar data is used to evaluate performance. The Challenge Grant and Match program completed the transition from Lipper data in 2014. Morningstar is widely accepted in the investment industry.
- In addition to comparing performance to large groups of peers, results are compared to the Greater Milwaukee Foundation – Investment Pool, the in-house managed pool for a large local foundation.
- Ten Grantees reported on their Pieper Challenge & Match results for 2021. Grantees reported results in a range of 14.2% to 27.3% compared with 25.9% for the Vanguard Total Stock Market Index.
- During the last 10 years, five Grantees earned returns that met or exceeded the return of the Greater Milwaukee Foundation – Investment Pool.
- Over the course of the Challenge, all of the Grantees have sharpened their investment policy focus and oversight. Like most investors, most of the Grantees have experienced missteps during their participation in the Pieper Challenge (primarily early on in their respective tenure). Corrections by the Grantees have produced fruit, in the form of higher and more stable returns.

Performance Summary



- All Grantee funds had double digit returns in 2021. The Vanguard Total Stock Market Index Fund gained 25.9% for the year. Two of the ten Grantees performed as well as or better than the Vanguard Total Stock Market Index.
- The highest return for 2021 was 27.3%, achieved by Grantee Seven. The lowest return for 2021 was 14.2% achieved by Grantee Four.
- Three Grantees' five-year performance was in the top quartile versus the Morningstar Aggressive Allocation comparison group. Grantee Nine had the highest five-year average return (+18.1%/year). Grantee Two (+15.8%) and Grantee Five (+14.9%/year) also had a first quartile ranking over the five-year period.
- Grantee performance since inception is summarized on the next page. We are interested in Grantees' change in relative performance over time. In other words, have Grantees learned lessons from participating in the Challenge Grant Program that they have implemented to improve performance over time?

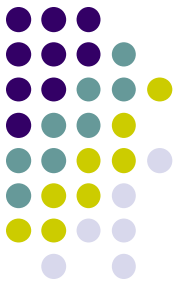
Grantee Fund Performance Since Inception



Grantee	Return /year since inception	Vanguard Total Mkt	Inception	Quartile/ Inception	Progress
Grantee 1	6.4%	8.5%	1999	2	Consistent
Grantee 2	10.2%	9.8%	1997	1	Consistent
Grantee 3	4.4%	8.5%	1999	4	Consistent
Grantee 4	6.0%	8.5%	1999	3	Worsened
Grantee 5	5.6%	8.5%	1999	3	Improved
Grantee 6	4.6%	8.7%	2000	4	Consistent
Grantee 7	6.3%	8.7%	2000	3	Consistent
Grantee 8	5.9%	9.9%	2002	4	Consistent
Grantee 9	10.5%	10.8%	2003	1	Improved
Grantee 10	5.3%	9.2%	2002	4	Improved

- The inception year has a significant impact on annualized return. Note that inception dates range from 1997 to 2003. This was a very volatile period for the stock market. For example, the late 1990s were very strong years for the stock market, while the early 2000s included a powerful bear market. So each grantee's annualized return must be understood within the context of the respective inception year. For long-term performance comparison, the most helpful figure is the quartile the grantee's performance falls. This compares the grantee to the peer group over the respective investment time frame.
- Endnotes:
 - Grantee One – performance in 1999 and 2000 is a simple average of two managers during a transition in management.
 - Grantee Four – inception date is 3/31/1999.
 - Grantee Six – inception date is 11/20/2000.
 - Grantee Seven – inception date is 9/1/2000.
 - Grantee Eight – inception date is 1/1/2002.
 - Grantee Nine – inception date is 11/1/2003.
 - Grantee Ten – inception date is 9/31/2002.

Value creation over time

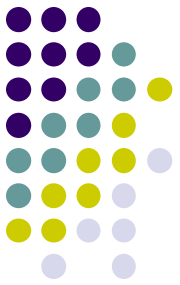


- The Pieper Challenge Grant and Match program allows for half of the annual gain to be withdrawn for spending by the Grantee and half to be added back to the principal of the portfolio.
- A summary of what \$1 at inception has grown to for each Grantee:

Grantee	Inception	Available for spending	Currently in portfolio	Total
Grantee 1	1999	\$1.10	\$2.02	\$3.12
Grantee 2	1997	\$2.09	\$3.31	\$5.40
Grantee 3	1999	\$0.70	\$1.57	\$2.27
Grantee 4	1999	\$1.03	\$2.07	\$3.10
Grantee 5	1999	\$0.93	\$1.82	\$2.75
Grantee 6	2000	\$0.77	\$1.58	\$2.35
Grantee 7	2000	\$1.12	\$1.85	\$2.97
Grantee 8	2002	\$0.85	\$1.69	\$2.54
Grantee 9	2003	\$1.56	\$2.50	\$4.06
Grantee 10	2002	\$0.90	\$1.82	\$2.72

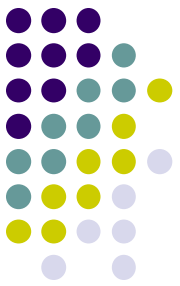
- Dollar amounts are a function of 1) investment performance and 2) amount of time Grantees have been in the Pieper Challenge Grant and Match program.

Evaluation Method



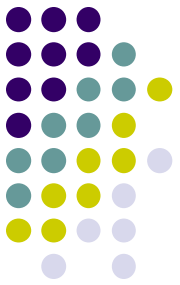
- Performance of each total Pieper Challenge and Match Fund is compared:
 - among the Grantees
 - versus the Vanguard Total US Stock Market Index Fund, as a tool for evaluation against all publicly traded U.S. stocks
 - against the Consumer Price Index +5% to consider growth of purchasing power plus a market risk premium.
 - against the Morningstar Aggressive Allocation composite, a widely-used benchmark for diversified, growth-oriented portfolios.
 - against the Greater Milwaukee Foundation – Investment Pool, the in-house portfolio for a large, local foundation
- Each individual fund is compared with its respective industry peer group. Up through 2012, this peer group was calculated by Lipper. Starting in 2013, we use the Morningstar peer group.
- In recent years, some grantees have introduced allocations to “alternative investments” – asset classes that cannot be easily classified as “stocks” or “bonds.” This includes real estate, commodities, hedge funds, and private equity. For purposes of this project, all asset classes other than bonds are combined in “equity.”

Grantee	2021 Return	Investment Policy	
	(%)	Equity (%)	Bonds (%)
Grantee 1	17.0	80	20
Grantee 2	24.5	100	0
Grantee 3	18.5	100	0
Grantee 4	14.2	77	23
Grantee 5	17.4	100	0
Grantee 6	15.8	80	20
Grantee 7	27.3	86	14
Grantee 8	17.6	100	0
Grantee 9	25.9	100	0
Grantee 10	17.9	100	0
Vanguard Total Stock Mkt Index	25.9		
CPI + 5%	12.0		
Morningstar Aggressive Allocation	17.6		
Greater Milwaukee Fdn – Inv Pool	15.8		



Grantee Fund Performance Summary Table

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Grantee One	14.8	24.4	6.8	-1.4	10.1	18.1	-8.3	24.5	15.4	17.0
Grantee Two	15.4	28.8	5.9	-1.7	12.1	21.2	-7.8	34.4	11.6	24.5
Grantee Three	11.0	8.5	5.5	-1.5	4.3	13.0	-10.0	26.4	14.0	18.5
Grantee Four	12.9	18.3	7.1	0.3	7.2	14.1	-6.1	19.7	10.5	14.2
Grantee Five	13.2	12.5	11.4	-5.6	10.7	22.0	-7.3	26.4	19.5	17.4
Grantee Six	11.5	15.2	5.5	-0.8	3.6	15.2	-7.2	18.4	11.0	15.8
Grantee Seven	10.5	13.6	5.5	-2.7	4.0	12.4	-3.7	14.1	9.7	27.3
Grantee Eight	14.9	14.9	5.5	-3.5	8.1	18.1	-12.0	23.4	12.3	17.6
Grantee Nine	16.4	33.5	12.5	0.3	12.7	21.2	-5.2	30.7	21.3	25.9
Grantee Ten	15.0	21.6	3.3	-2.3	7.1	17.1	-6.6	27.2	13.0	17.9
Vanguard Total Stock Mkt Index Fund	16.3	33.5	12.5	0.3	12.7	21.2	-5.2	30.9	21.3	25.9
Consumer Price Index +5%	6.8	6.5	5.8	5.7	7.1	7.1	6.9	7.3	6.4	12.0
Morningstar Aggressive Allocation	13.4	21.3	5.7	-2.8	7.9	15.8	-8.2	25.9	13.3	17.6
Greater Milwaukee Foundation - Investment Pool	13.1	16.7	4.4	-1.2	8.1	16.7	-4.5	17.0	15.0	15.8



Grantee Fund Performance Summary Table

	Annualized		
	5-year	10-year	15-year
Grantee One	12.7%	11.7%	7.5%
Grantee Two	15.8%	13.7%	8.6%
Grantee Three	11.7%	8.5%	7.2%
Grantee Four	10.1%	9.5%	8.0%
Grantee Five	14.9%	11.5%	5.1%
Grantee Six	10.2%	8.5%	6.5%
Grantee Seven	11.5%	8.7%	6.0%
Grantee Eight	11.1%	9.4%	5.8%
Grantee Nine	18.1%	16.3%	10.2%
Grantee Ten	13.1%	10.9%	7.3%
Vanguard Total Stock Mkt Index Fund	18.1%	16.3%	10.7%
Consumer Price Index +5%	7.9%	7.1%	7.2%
Morningstar Aggressive Allocation	12.3%	10.5%	6.9%
Greater Milwaukee Foundation - Investment Pool	11.7%	9.8%	7.4%

Annualized return rankings



5-year annualized returns

Grantee	Return
Grantee 9	15.5%
Vanguard Total Mkt	15.5%
Grantee 5	13.6%
Grantee 2	13.4%
Grantee 1	11.4%
Grantee 10	11.0%
Morningstar Aggres Alloc	10.3%
Greater Milw Fnd – Inv Pool	10.1%
Grantee 8	9.3%
Grantee 3	8.9%
Grantee 4	8.7%
Grantee 6	7.8%
Grantee 7	7.1%

10-year annualized returns

Grantee	Return
Vanguard Total Mkt	13.8%
Grantee 9	13.8%
Grantee 2	10.9%
Grantee 1	9.7%
Grantee 5	9.1%
Grantee 10	8.5%
Grantee 4	8.5%
Morningstar Aggres Alloc	8.3%
Greater Milw Fnd – Inv Pool	8.2%
Grantee 6	7.0%
Grantee 3	6.9%
Grantee 8	6.8%
Grantee 7	6.1%

15-year annualized returns

Grantee	Return
Vanguard Total Mkt	10.7%
Grantee 9	10.2%
Grantee 2	8.6%
Grantee 4	8.0%
Grantee 1	7.5%
Greater Milw Fnd – Inv Pool	7.4%
Grantee 10	7.3%
Grantee 3	6.4%
Morningstar Aggres Alloc	6.9%
Grantee 6	6.5%
Grantee 7	6.0%
Grantee 8	5.8%
Grantee 5	5.1%

Sharpe ratio rankings



Sharpe ratio is a measure of risk-adjusted return. It measures excess return (i.e. risk premium – the return achieved above the Treasury bond’s return, for example) per unit of risk. Higher Sharpe ratios imply better risk-adjusted performance.

5-year Sharpe ratio

Grantee	Ratio
Grantee 9	1.24
<i>Vanguard Total Mkt</i>	1.24
<i>Greater Milw Fnd – Inv Pool</i>	1.18
Grantee 5	1.07
Grantee 10	0.99
Grantee 7	0.97
Grantee 4	0.95
Grantee 1	0.95
Grantee 2	0.94
Grantee 6	0.92
<i>Morningstar Aggres Alloc</i>	0.90
Grantee 3	0.80
Grantee 8	0.74

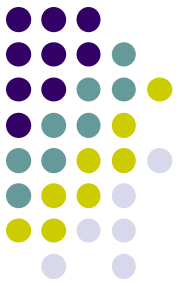
10-year Sharpe ratio

Grantee	Ratio
Grantee 9	1.26
<i>Vanguard Total Mkt</i>	1.26
<i>Greater Milw Fnd – Inv Pool</i>	1.15
Grantee 4	1.11
Grantee 1	1.04
Grantee 5	0.99
Grantee 2	0.98
Grantee 6	0.96
Grantee 10	0.95
<i>Morningstar Aggres Alloc</i>	0.94
Grantee 7	0.90
Grantee 8	0.81
Grantee 3	0.77

15-year Sharpe ratio

Grantee	Ratio
Grantee 3	0.58
Grantee 4	0.55
<i>Vanguard Total Mkt</i>	0.51
Grantee 9	0.48
<i>Greater Milw Fnd – Inv Pool</i>	0.48
Grantee 2	0.36
Grantee 10	0.36
Grantee 1	0.35
<i>Morningstar Aggres Alloc</i>	0.34
Grantee 7	0.33
Grantee 6	0.32
Grantee 8	0.26
Grantee 5	0.20

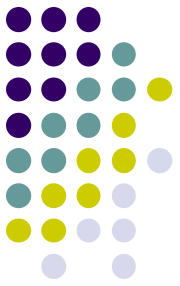
General Market Performance Overview



Index	Description	2021
S&P 500	Large-Cap US Equity	28.7%
Dow	Large-Cap US Equity	20.9%
Russell 2000	Small-Cap US Equity	14.8%
MSCI EAFE	International – Developed Markets	11.3%
MSCI EM	International – Emerging Markets	-2.5%
Bloomberg Barclays T-Bill	Cash	0.1%
Bloomberg Barclays Agg	Fixed Income	-1.5%

Total return = Price change + income

Performance disclaimer



- This report has been prepared by undergraduate students in Marquette University's College of Business Administration. Every effort has been made to calculate and report accurate information.
- The information contained in this summary is prepared from records which Marquette University considers reliable. However it is not intended to and should not be used as a substitute for periodic statements that you receive on a regular basis from your investment advisor and custodian. Please compare the data on this document carefully with your monthly statements to verify its accuracy.
- If you discover an error in this report, please report it to Dan Geigler, Adjunct Instructor, daniel.geigler@mu.edu.