The Michael Price Student Investment Fund

The Leonard N. Stern School of Business – New York University

Photo Credit: Bob Handelman

MPSIF

Semi-Annual Report
February 28, 2014

NYU STERN'S MICHAEL PRICE STUDENT INVESTMENT FUND
A FAMILY OF FUNDS MANAGED BY
NYU STERN SCHOOL OF BUSINESS MBA STUDENTS

WHAT IS THE MICHAEL PRICE STUDENT INVESTMENT FUND?

With over $2.0 million currently under management, the Michael Price Student Investment Fund ("MPSIF" or "the Funds") is a family of funds managed directly by NYU Stern MBA students. The Funds, part of the overall NYU endowment, were established in 1999 through a generous gift from Michael Price, Managing Partner, MFP Investors, LLC and former Chairman of Franklin Mutual Series Funds.

WHAT IS UNIQUE ABOUT MPSIF?

The Michael Price Student Investment Fund provides Stern MBA students with hands on experience managing real Funds with significant assets. In addition, the Funds are required to pay an annual 5% dividend to the University Of Oklahoma Price School Of Business, Mr. Price's undergraduate alma mater. This dividend assists students with their tuition and living expenses so they can attend summer classes at Stern. Additionally, MPSIF maintains a transparent record of our performance and classroom activities.

WHAT IS THE PORTFOLIO COMPOSITION?

For diversification purposes, MPSIF is divided into three equity Funds - Growth, Value and Small Cap - and one Fixed Income Fund. While each sub-Fund has its own performance benchmark (Russell 1000 Growth Index, Russell 1000 Value Index, Russell 2000 and the Vanguard Total Bond Index, respectively), MPSIF's primary goal is to deliver overall positive returns.

WHAT ROLE DO STERN MBA STUDENTS PLAY IN MANAGING THE FUNDS?

Students must go through a competitive process to become a portfolio manager or analyst with the Funds, which is the basis of Stern's "Managing Investment Funds" course. Stern MBAs must apply to this course, and demand has always exceeded available spots. About 40 students enroll each year and are then responsible for all Fund activities—screening and evaluating stocks, preparing and presenting pitches for buy and sell recommendations and strategizing on broader portfolio issues as they relate to sectors allocation. For the Fixed Income Fund the primary role of analysts is to make tactical allocation recommendations and decisions based on market outlook and economic analyses among various product sectors.

Executive Committee – Spring 2014

President	Ankit Gupta
Manager, Fixed Income Fund	Javier Gondo
Co-Portfolio Managers, Growth Fund	Benjamin Miller and Judah Sokel
Co-Portfolio Managers, Small Cap Fund	John Dorost and Timothy Wengerd
Co-Portfolio Managers, Value Fund	Louis Pavia and Matthew Weber
Faculty Advisor	Professor Richard Levich

Executive Committee – Fall 2013

President	Justin Montminy
Co-Portfolio Managers, Fixed Income Fund	Paolo Di Marco and Daryn Katzen
Co-Portfolio Managers, Growth Fund	Connor Lynagh and Darryl Pinkus
Co-Portfolio Managers, Small Cap Fund	Cage Brewer and Michael Burley
Co-Portfolio Managers, Value Fund	Adam Moore and Andrew Ralph
Faculty Advisor	Professor Richard Levich

Internal Leadership – Spring 2014

Vice President, Alumni Relations & External Communications	Taylor Price
Vice President, Economic Outlook & Sector Strategy	Jason Thompson
Vice President, Portfolio Analytics	Ruchin Jain
Vice President, Semi-Annual Report	Trent Trujillo

Management Advisory Council

David Dineen, Senior Portfolio Manager, Pinnacle Associates
Nomi Ghez, Co-founder of Circle Financial Group, retired Partner and Managing Director, Goldman Sachs
Randall Haase, CIO, REH Investments
Nik Mittal, Partner, JANA Partners, LLC
Richard Saperstein, Managing Partner/Principal/Senior Portfolio Manager, Treasury Partners
Mitchell Williams, CIO, Real Economy Capital

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Tina Surh, Chief Investment Officer, New York University

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Arthur Zeikel, Adjunct Professor of Finance, Stern School of Business

Resource Faculty

Aswath Damodaran, Professor of Finance, Stern School of Business
Martin Gruber, Emeritus Professor of Finance, Stern School of Business
Edward Kerschner, Adjunct Professor of Finance, Stern School of Business
Bruce Tuckman, Clinical Professor of Finance, Stern School of Business

TABLE OF CONTENTS

Letter from the Faculty Advisor

I am pleased to introduce the Semi-Annual Report for the Michael Price Student Investment Fund for the first half of the fiscal year ending February 28, 2014.

For the six-month period, MPSIF earned 14.4% reflecting double-digit returns from each of its three equity funds and strong returns in fixed income. The MPSIF Growth, Value and Fixed Income funds each outperformed their respective benchmarks, enabling MPSIF overall to outperform our blended benchmark by about 1.5%. With gains of this size, MPSIF assets under management now exceed $2.09 million, a record high.

Stronger growth in the second and third quarters of 2013 helped push stocks further upward toward the end of the calendar year. However, concerns about fourth quarter results and problems in interpreting economic performance associated with some severe winter weather pushed the markets sideways through January and February. On the bright side, Washington produced a fiscal détente of sorts by funding Federal expenditures through next year and killing talk of another sequestration. On the other hand, real growth remains below potential and slower than usual now that we are four years past the end of the recession. Still economic activity seems to be improving to the extent that the Federal Reserve, now Chaired by Janet Yellen, continues to taper Quantitative Easing purchases and offers guidance that interest rates may start to creep up by early 2015. Whether the Fed gets it right and engineers a soft landing remains to be seen. To some observers, it does seem as if valuations are stretched; either the real economy needs to pick up or stocks may need to catch their breath before moving ahead.

On the academic side, MPSIF continues to benefit from the friendship and generosity of many industry professionals and Stern alumni. Members of our Management Advisory Council continue to visit class each semester to share their considerable investment experience with students and review our periodic reports. We also thank Mr. Ted Tabasso of Deutsche Bank Securities and Mr. Paul Krikler, a veteran from Goldman Sachs and now an independent consultant, who have made presentations to the class for several years running.

Later this spring, the Fund will pay its 14th annual 5% distribution bringing our cumulative distributions to nearly $1.3 million. These distributions provide support for students from the University of Oklahoma to take classes at Stern in the summer semester.

MPSIF is a special course that offers students an opportunity to put their knowledge of financial markets, security analysis and portfolio management into practice. Students learn by doing – gaining confidence from their successes, but also learning through mistakes that reveal the limitations of their analysis or a failure to capture unforeseen risks. MPSIF offers students a classroom laboratory for learning, but a lab that embodies much of the realism our graduates will find in the real world of asset management. It continues to be a pleasure to work with students who meet these challenges.

Richard M. Levich
Professor of Finance
March 24, 2014

Letter from the President

The six-month period ending February 2014 was a strong period for the Michael Price Student Investment Fund. The fund was up 14.4% versus 12.9% for our blended benchmark. The Value Fund, Growth Fund, and Fixed Income Fund all beat their respective benchmarks over the six-month period and the total fund grew considerably more than its mandated 5% distribution.

The markets are poised at a very interesting position. There have been only a few times in history that stock markets have seen a minimum return of 20% per year for five consecutive years. However, this most recent period of stock market performance has been preceded by a banking and financial crisis not seen since the Great Depression. During the last five years, Central Banks globally have taken unprecedented measures to stabilize the world economy and stock markets. As the Fed starts to taper the QE programs and eventually starts raising the Fed Funds rate, there will be implications on the markets that might be governed by more than valuations. We might be moving into a period where stock-picking, rather than trend following, will generate alpha. MPSIF's focus on fundamental analysis is best suited for such a period and I am hopeful of continued outperformance.

MPSIF's outperformance relative to its benchmark was driven primarily by superior stock selection by the Growth Fund and Value Fund. The Growth Fund has not only shown outperformance but also significant improvement over the last year through various initiatives like formulating a clear 'Sell' strategy, managing sector exposure, and creating an allocation model to determine position sizing. The Value Fund continued to focus on picking stocks trading below their intrinsic value through rigorous bottom-up analysis. While the Small Cap Fund underperformed, the fund managers have initiated actions to reverse this trend and positive outcomes are already evident at the time of this writing.

Each fund has rebuilt its portfolio with a variety of stocks that will help us beat our benchmarks over the next year as our theses play out. Current cash holdings in the fund are minimal at 0.4% for the period ending February 28, 2014 due to the executive committee's continued emphasis on remaining fully invested by holding ETFs instead of cash.

Portfolio managers in each fund are also examining different approaches to improve our overall portfolio management to increase returns and manage risk. New risk management measures include employing bear stock pitches and implementing qualitative and quantitative stock screens. We believe these new measures will help avoid the large drawdowns in individual positions that led to the underperformance of MPSIF over the last few years. We have also started to measure portfolio betas and individual fund alphas to measure risk-adjusted performance.

The Michael Price Student Investment Fund is now positioned well for the future with a healthy selection of 10-20 stocks in each of the component funds. We are excited about the new students that joined MPSIF this semester and the experience and talent they bring to the fund. With the market continuing to rise to record levels, we look forward to the remainder of the spring session and believe we are positioned well for the next six months.

To close, on behalf of all students this semester, I would like to thank Michael Price for the creation of a unique learning experience at NYU Stern. I would also like to thank the Management Advisory Council for taking the time to come speak with students each semester and impart real world investment knowledge to all of us. Finally, I would like to thank our Faculty Advisor, Professor Levich, for his continued efforts to improve the learning experience within the classroom.

Ankit Gupta
MPSIF President
March 31, 2014

The Michael Price Student Investment Fund

Review of Operations

The Michael Price Student Investment Fund is divided into four autonomous sub-funds: the Fixed Income Fund, the Growth Fund, the Small Cap Fund and the Value Fund. The Fund managers employ a well-defined, disciplined investment and diversification strategy.

We continued to work towards achieving the goals set by preceding Executive Committees while continuously striving to set new and better goals for the current year. Our progress and strategic objectives for the fiscal year were as follows:

- Continue to adjust our pitching structure to allow for more concise investment recommendations, requiring the same deep level of due diligence while increasing the number of actionable ideas presented in the funds
- Continue to measure our performance against more appropriate benchmarks
- Provide more focused sector and economic analysis to help make timely actionable investment recommendations
- Continue to invite successful investors as guest speakers to stimulate the learning process
- Decrease our holdings of cash and hold more Exchange Traded Funds (ETFs) and individual stocks
- Improve the risk management process and employ quality screens and bear pitches across the funds to better vet stock ideas

We started the semester with a “Pitching 101” session in which experienced second semester analysts presented stock pitches in front of the entire class. Three analysts, one from each equity fund, pitched a stock as a way to demonstrate (especially to students in their first semester in MPSIF) the various elements of a pitch and the types of questions that typically arise during a presentation. Louis Pavia presented Oracle (ORCL), a stock that he originally pitched for the Value Fund during the fall of 2013. Jonathan Baluzy presented United Rentals Inc. (URI), a stock that he originally pitched for the Growth Fund during the fall of 2013. Finally, Jason Thompson pitched Air Lease Corporation (AL), a company he originally pitched for the Small Cap Fund in the previous semester.

In addition, we had the privilege of hosting a number of speakers who are veterans of institutional investing. Having an opportunity to learn from experienced market professionals, and engage them with questions is an important feature of MPSIF.

On February 11, we were privileged to have Paul Krikler, ex-Goldman Sachs MD, as a guest speaker. Mr. Krikler provided advice for creating great investment research reports, highlighting the importance of high impact writing.

On March 4, we heard from David Dineen, Senior Portfolio Manager at Pinnacle Associates. Mr. Dineen walked through an illustrative case study that emphasized the significance of discipline and a repeatable investment process.

On March 25 we welcomed Randall Haase, formerly a Portfolio Manager at Baron Capital and currently of REH Investments, and Mitchell Williams, CIO of Real Economy Capital. Mr. Haase presented his ideas on stock selection and offered views on sound investment strategies going forward. Mr. Williams provided his view on the macro environment and answered various questions about portfolio management.

Finally, on April 3 Richard Saperstein, Managing Partner and Senior Portfolio Manager at Treasury Partners, directed an enlightening session that focused on current domestic conditions while articulating his thoughts on the relative attractiveness of equity and bond markets.

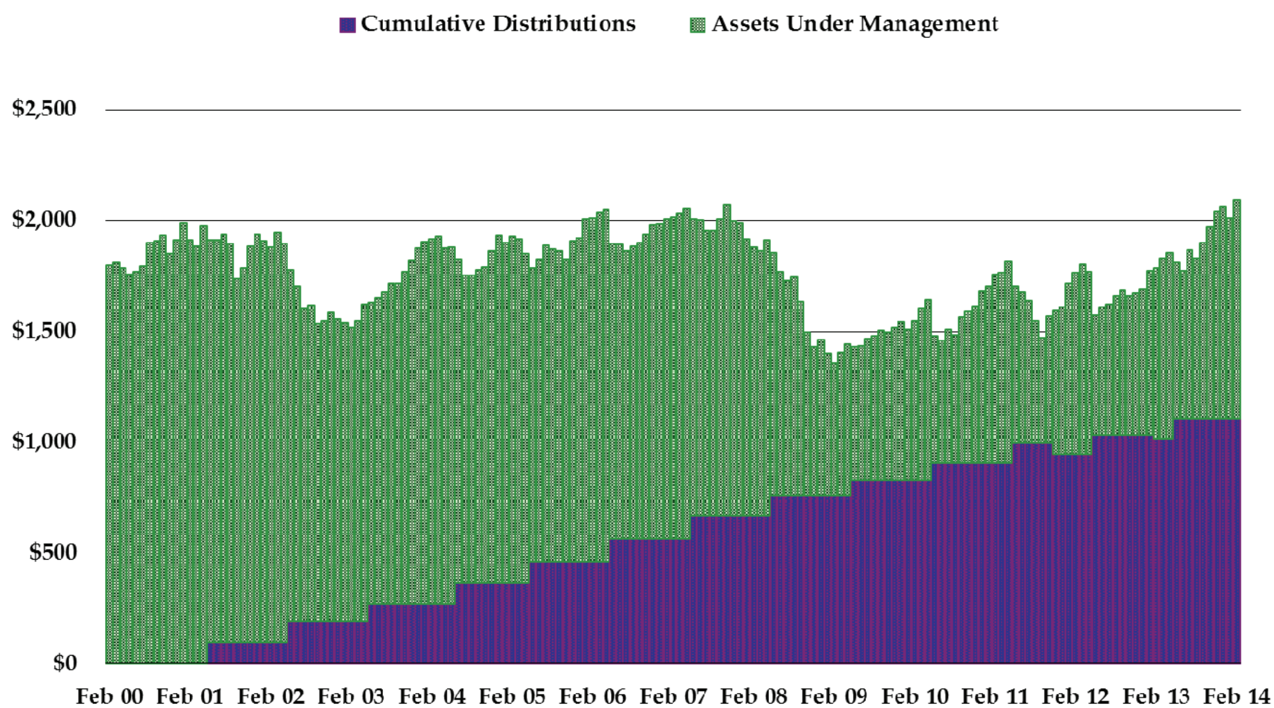
We scheduled economic and sector analysis presentations at the beginning of the semester so that the sub-funds were better able to leverage the views to generate stock ideas. The scope of the presentations has been narrowed to allow for more in depth research and actionable investment recommendations. Given ongoing uncertainty and elevated risk across the globe, sector and economic analysis are now more important than ever before.

Finally, we instituted additional risk management and due diligence procedures to limit the potential for large losses on individual positions.

Assets Under Management & Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on March 1, 2000. As of February 28, 2014, our assets under management stand at $2.09 million, which represents a cumulative return of 114.78% (net), taking into account net distributions of almost $1.12 million to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, the MPSIF funds have returned 5.61% net of brokerage commissions and fees, exceeding our annual 5% distribution requirement, although the fund's actual distributions have been slightly lower due to the return of unused funds (as noted in the figure below).

Assets Under Management and Cumulative Distributions Since Inception



Note: In November 2011, $52,217 of the May 2011 distribution representing unspent monies was returned to the fund.
In February 2013, $20,745 of the May 2012 distribution representing unspent monies was returned to the Fund.

Performance of the Michael Price Student Investment Fund

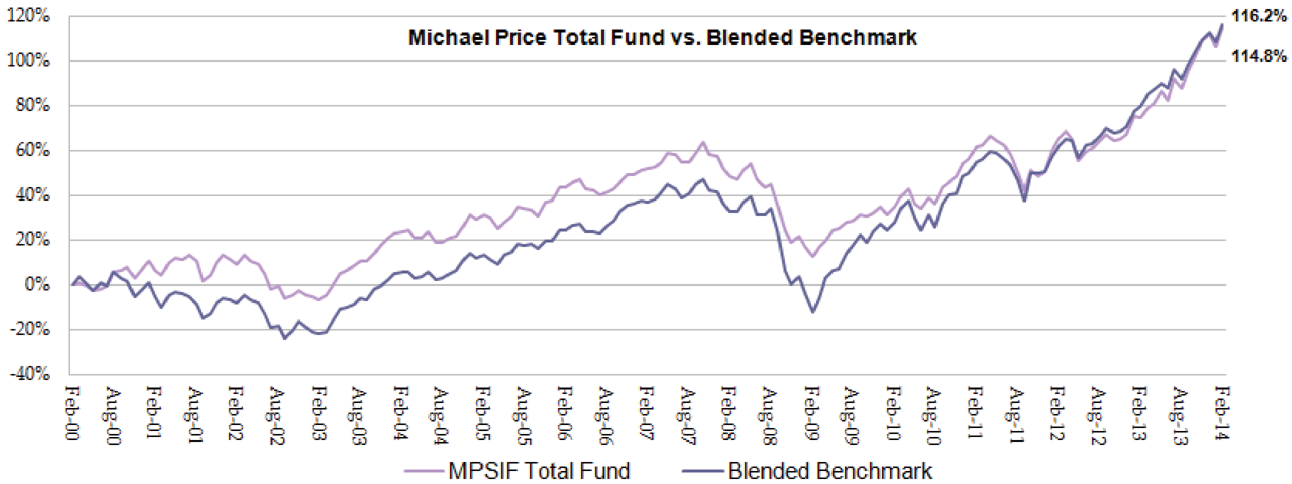
For the period ending February 28, 2014

	6 Month	1 Year	3 Year		5 Year		Inception**	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	14.42%	23.19%	33.26%	10.04%	90.52%	13.76%	114.78%	5.61%
*Blended Benchmark**	12.89%	20.57%	39.85%	11.83%	145.73%	19.70%	116.21%	5.66%
Relative - Net of Fees	1.53%	2.62%	-6.59%	-1.79%	-55.21%	-5.94%	-1.43%	-0.05%
Small Cap Fund	14.98%	24.64%	28.22%	8.64%	104.84%	15.42%	164.01%	7.18%
Russell 2000 Index	17.75%	31.56%	49.79%	14.42%	225.61%	26.63%	146.32%	6.65%
Relative - Net of Fees	-2.77%	-6.92%	-21.57%	-5.78%	-120.78%	-11.21%	17.69%	0.53%
Value Fund	13.97%	27.75%	45.41%	13.29%	122.31%	17.33%	178.44%	7.59%
Russell 1000 Value Index	13.46%	23.44%	48.33%	14.04%	183.59%	23.18%	159.00%	7.03%
Relative - Net of Fees	0.51%	4.31%	-2.91%	-0.75%	-61.28%	-5.85%	19.44%	0.55%
Growth Fund	20.69%	33.36%	41.07%	12.15%	102.61%	15.17%	18.98%	1.25%
Russell 1000 Growth Index	17.84%	29.14%	52.32%	15.06%	193.43%	24.02%	25.41%	1.63%
Relative - Net of Fees	2.86%	4.22%	-11.25%	-2.90%	-90.82%	-8.85%	-6.43%	-0.38%
Fixed Income Fund	3.68%	-0.24%	10.46%	3.37%	28.87%	5.20%	64.72%	4.31%
Vanguard Total Bond Fund	2.78%	0.08%	9.66%	3.12%	25.85%	7.97%	73.93%	4.79%
Relative - Net of Fees	0.90%	-0.31%	0.80%	0.25%	3.02%	-2.76%	-9.21%	-0.48%

** The blended benchmark is a simple weighted average of the four benchmarks.*

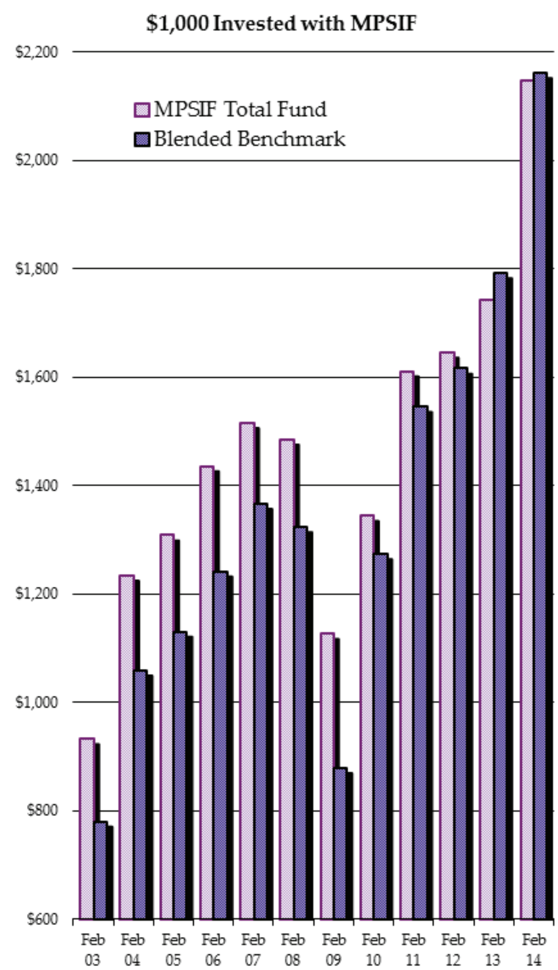
*** Inception for all equity funds is March 1, 2000. The Fixed Income fund began operations on May 20, 2002.*

All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.



As of February 28, 2014, MPSIF had approximately 0.4% in cash holdings, down from 1.7% as of August 31, 2013.

The equity funds, collectively, also held a smaller portion of assets in ETF's as of February 28, 2014. Our stated goal this past year was to have less of our holdings in cash and more in stocks and ETFs. The portfolio managers and analysts identified buying opportunities in both individual holdings and broad-based market and sector ETFs to deploy the cash positions. We now hold what we feel is a better mix of ETFs, individual holdings, and cash.



The overall Fund returned 14.42% in the first six months of the fiscal year and 23.19% over the last twelve months. This compares to 12.89% and 20.57% for the benchmark over the same periods (note that the blended benchmark is calculated using a simple average of the four benchmarks). With respect to the individual funds, results were mixed.

The Small Cap Fund underperformed the benchmark on both a six-month and 12-month basis by 2.77% and 6.92%, respectively.

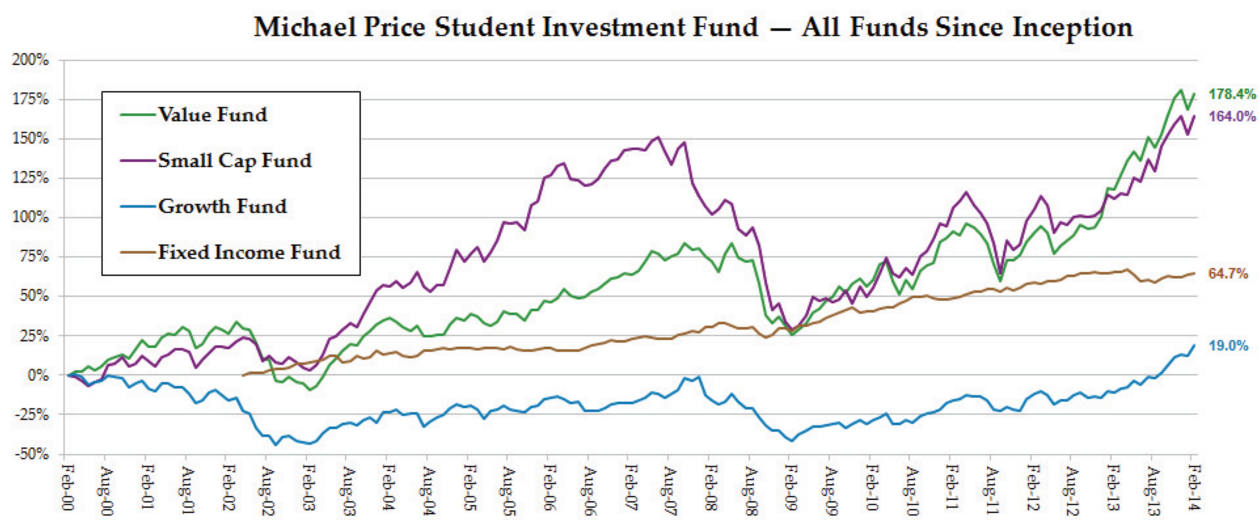
The Value Fund outperformed the benchmark by 0.51% over the last six months and 4.31% over the last 12 months.

The Growth Fund outperformed the benchmark by 2.86% for the last six months and 4.22% over the last 12 months.

The Fixed Income Fund outperformed the benchmark by 0.90% for the last six months while underperforming by 0.31% for the last 12 months.

Since inception, MPSIF has earned a cumulative return of 114.78% net of fees, underperforming the blended benchmark by 1.43%, or 0.05% on an annualized basis.

From inception until October 2011, our brokerage accounts were held at Merrill Lynch and subject to a wrap fee of approximately 0.55% per annum. Since November 2011, our accounts are at Bank of New York–Mellon, where we incur per transaction trading costs equal to the greater of $0.02/share or $15. Under this new arrangement, our brokerage costs have dropped substantially. While trading activity varies across funds, we estimate that brokerage fees have cost MPSIF roughly 0.37% over the last 12 months of our trading activity at BNYM.



Benchmark Index Description

The purpose of benchmarking is to track the Funds' performance relative to the index that most closely resembles the investment mandate of each portfolio. It is important to note that while the Funds are measured against the market, our more critical and overarching goal is to provide an absolute rate of return that exceeds our annual distribution mandate to the University of Oklahoma plus the rate of inflation in a given year. Therefore, although we consider the aforementioned indices our benchmark, we are keenly focused on risk management in the construction of each sub-Fund.

Each of the four sub-Funds, Fixed Income, Growth, Small Cap, and Value, are benchmarked to a leading index in order to measure relative performance. The benchmarks are as follows:

- Fixed Income: Vanguard Total Bond Index Fund
- Growth: Russell 1000 Growth Index
- Small Cap: Russell 2000 Index
- Value: Russell 1000 Value Index

Vanguard Total Bond Index Fund measures the performance of fixed income securities. The benchmark has the following characteristics:

- Invests in U.S. Treasury, Investment-grade corporate, mortgage-backed, asset-backed securities
- Seeks to track the performance of the Barclays Capital Aggregate Bond Index
- Broadly diversifies exposure to investment-grade U.S. bond market
- Passively manages using index sampling
- Intermediate-duration portfolio and
- Provides moderate current income with high credit quality

The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

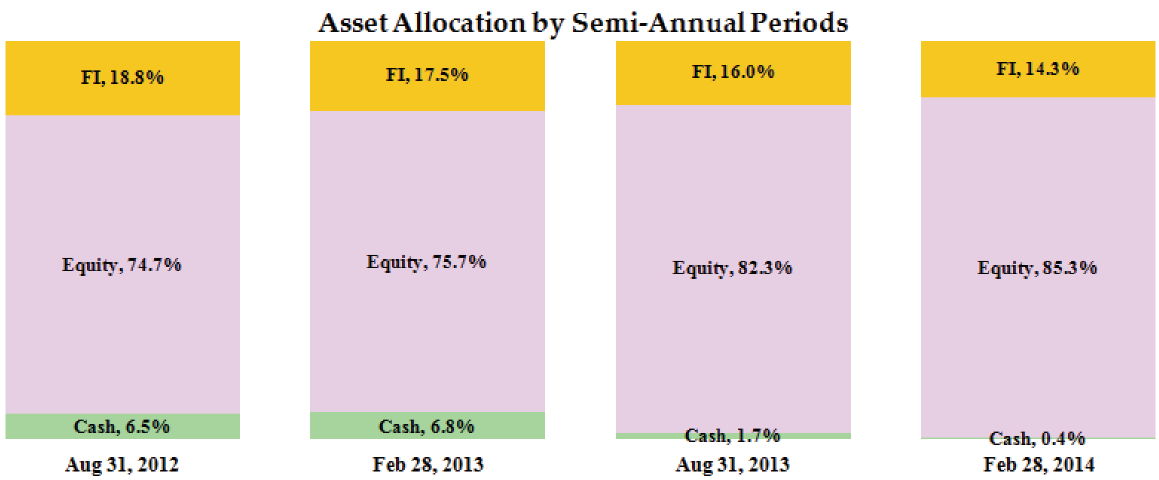
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

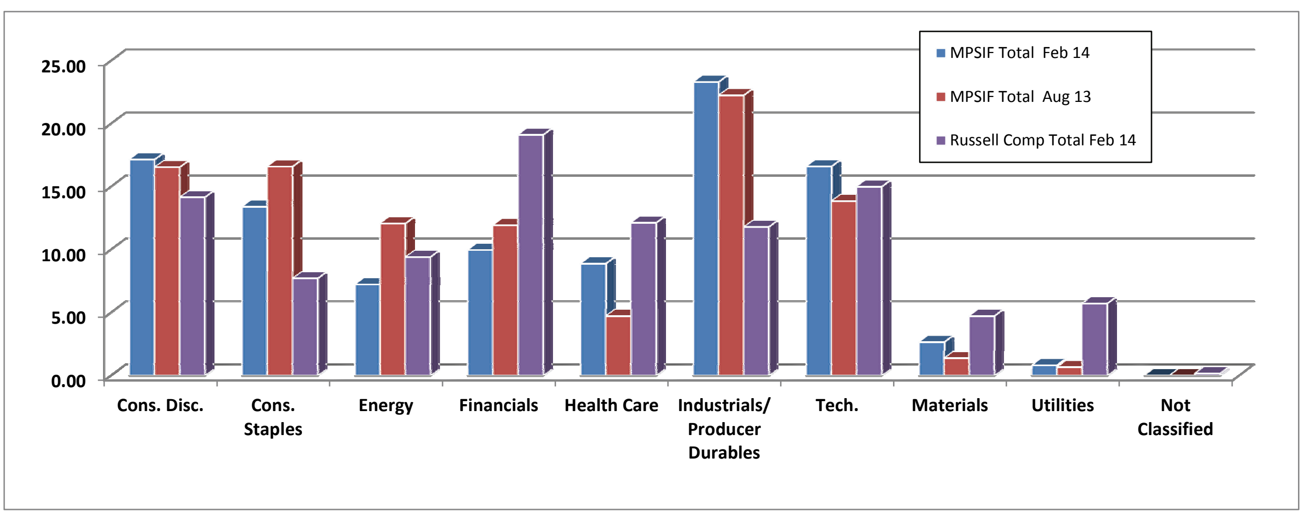
The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Asset Allocation

The following charts show our total asset allocation by asset class and our composite equity sector allocation. The Executive Committee does not utilize any top-down approach to set a target allocation. In May 2010, the Executive Committee voted to reduce our allocation to Fixed Income and Value, transferring those funds to Growth and Small Cap.

As indicated in the Asset Allocation chart, cash holdings have steadily decreased from 6.5% 18 months ago to 0.4%. Equities increased from 74.7% to 85.3% while Fixed Income decreased from 18.8% to 14.3%.





Fund Turnover

Portfolio Turnover for the Six Months Ending February 28, 2014

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	98,644	752,731	401,254	395,817
Total Sales	99,548	724,496	397,869	388,428
Minimum (Sales, Purchases)	98,644	724,496	397,869	388,428
Average Invested Assets	298,223	552,137	582,089	581,841
Turnover	33%	131%	68%	67%

** Turnover is calculated as the minimum of (sales during the period, purchases during the period) divided by the average invested assets for the period on a monthly basis. Average invested assets does include beginning of period assets in the calculation. As we are considering invested assets, these values exclude cash holdings.

Portfolio Turnover for the Six Months Ending August 31, 2013

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	194,184	404,704	397,497	339,843
Total Sales	200,289	442,847	319,013	361,921
Minimum (Sales, Purchases)	194,184	404,704	319,013	339,843
Average Invested Assets	291,399	472,569	487,491	514,807
Turnover	67%	86%	65%	66%

** Turnover is calculated as the minimum of (sales during the period, purchases during the period) divided by the average invested assets for the period on a monthly basis. Average invested assets does include beginning of period assets in the calculation. As we are considering invested assets, these values exclude cash holdings.

Macroeconomic and Market Review

Markets have rallied as the United States economy appears to be continuing its fragile recovery in 2013. Real GDP growth remains at approximately 2%, and the unemployment rate continues to fall. The market's attention has been fixed on the Federal Reserve as the role of the Chairman has transitioned to a new appointee, as the potential slowdown or end of quantitative easing has dominated the market at times since the idea was introduced in May.

US Economy

The final six months of 2013 delivered the strongest second half US GDP growth numbers since 2003. Higher stock prices and home values helped bolster household finances and boosted consumer confidence as well as consumer expectations following the winter-related slowdown. We see Federal Reserve Chair Janet Yellin as a dovish replacement for Bernanke. Her Fed will continue to taper the 2008 quantitative easing program, and this decision signals Fed conviction in the strengthening of the US economy. From an economic viewpoint, lost interest income from lower rates has been offset by increases in GDP and employment. From an investing standpoint, we view the persistence of low interest rates through the next several years and accommodating bank lending standards as positive for US corporates as debt financing should remain cheap and accessible for growing companies.

Global Economy

Global growth is expected to accelerate in 2014 to roughly 3.5%, as compared to 2.9% in 2013. Most of the improvement will come from higher growth in developed market economies which are expected to grow at 2%, two times 2013 growth. Emerging Markets will improve marginally compared to 2013 and will grow at a rate of 5%. Although growth will improve, it will continue to be below trend in the majority of economies. Inflation will remain below target in most Developed Markets given the wide output gaps, slow growth of credit and monetary aggregates, and slack in goods, labor and commodity prices. With growth still below potential and low inflation, global monetary policy is expected to remain accommodative along the year. Within Developed Markets, the US and UK are expected to grow faster than the Eurozone and Japan. Within Emerging Markets, smaller economies with strong fundamentals will perform better than the BRICS and some fragile Emerging Markets that will find difficulties to finance their current account deficits given the return of capital to Developed Markets.

Sector Strategy

Identifying where we are in the business cycle is crucial to understanding equity performance over the intermediate time horizon. Historically, changes in economic indicators have been fairly reliable predictors of the economy's position across the four different phases of the business cycle – early, mid, late, and recession. This approach provides a framework to allocating to sectors based on probabilities from historical performance. As such, certain sectors have historically underperformed and outperformed. MPSIF looks to make sector allocations based on this approach.

MPSIF believes the current business cycle is "mid-cycle." This phase is generally associated with equilibrium states, strong credit growth, and peaking profits. The recent record highs in the equity markets are representative of an economic recovery after the great recession and a "flight to yields" given a sustained low interest rate environment. Since year-end 2013, unemployment has trended lower and mergers & acquisition activity picked-up, however housing has seen some weakness as a result of the extreme winter weather. The Fed continues to "taper", yet the market has been fairly resilient.

Buyback activity is at near record levels, which provides strong downside support for the markets, however companies need to grow earnings for current valuations to be justified (on a top-down basis). Price-to-earnings ratios are near or above historic highs across most sectors, and some of the "new technology" names (cloud computing, Tesla, 3D printing, social media, etc.) seem to have very extended valuations. It is important to be mindful of sector positioning and selective between companies within each sector as valuations are at near record levels.

Based on historical trends, information technology has been the best performer of all the sectors during this phase, having certain industries—such as software and computers & peripherals—that typically pick up momentum once companies gain more confidence in the stability of an economic recovery and are more willing to spend capital. The industrials sector may lack consistent outperformance, but contains industries that are well suited for a mid-cycle expansion. For example, demand for certain industrials—such as airlines and industrial conglomerates—tends to pick up during this phase because they have generally fared well in environments of sustained and more predictable economic growth. Utilities and materials sectors have lagged by the greatest magnitude. Due to the lack of clear sector leadership, the mid-cycle phase is a market environment where investors may want to consider keeping their tactical sector bets to a minimum.

Based on our analyses, we recommend overweighting information technology, energy, and industrial stocks, underweighting materials and utilities stocks, and maintaining an equal weight to financials and consumer discretionary stocks.

The Growth Fund

Message from the Portfolio Managers

For the six months ending February 28, 2014, the Growth Fund ("the Fund") had a return of 20.69% while the benchmark, the Russell 1000 Growth Index, generated a return of 17.84% over the same time period. For the 12 months ending February 28, 2014, the Fund returned 33.36% while the benchmark generated a return of 29.14%. This computes to a positive alpha of 286bps and 422bps, respectively. In the following, we will discuss how our experiences over the past twelve months have helped shape our investment process going forward. We have learned from both our successes and failures and used these lessons to adopt new strategies we hope to use in the fund going forward. While we had a few big losers throughout the year and substantially outperformed the benchmark on both a 6-month and 12-month basis, we continuously seek to refine our investment processes. We are proud of the Fund's past returns, and equally excited about the structural changes to the investment and allocation process that will serve as foundations for a better risk/return profile long into the future.

Incorporating Board Advice

During the December 2012 Annual meeting, our external Board members questioned the Fund's "sell" strategy. Historically it seemed that we would sell our winners too early and sell the losers too late. In addition, the Board questioned our allocation strategy. We had previously sized positions based on a confidence vote and risk-return profile, but largely ignored correlation and covariance among the holdings.

Based on the advice of our Board, the Fund implemented new processes and strategies that give our investment process more structure and give our portfolio a better risk-reward profile.

Managing Sector Exposure

Earlier PMs have noted that the Growth Fund is a bottom-up stock selection fund, and sector selection was thus viewed as a secondary concern. We have decided, however, that this view in and of itself takes a stance on the relative attractiveness of different sectors. We believe that absent a fund-level view of our desired sector allocation, we should seek to be in-line with our benchmark on sector allocation. We have found that our analysts are at their best when assessing sectors they know well, and thus do not assign analysts sectors to cover with which they are unfamiliar. Therefore, we find it necessary to use sector ETFs in the Health Care, Financial Services, Industrials, and Consumer Staples in order to maintain our target sector allocations in-line with our desired allocations.

The Allocation Model

We are excited about our allocation model that is designed to maximize the portfolio Sharpe ratio. Once a security receives a majority "buy" vote, we run the entire portfolio through a model that sizes each stock position on a scale between 3-6% of the portfolio. To calculate each security's risk-return profile, we use our price targets as expected returns and implied volatilities as a measure of risk. The model uses these inputs to calculate portfolio variance and maximize the portfolio's Sharpe Ratio. In order to minimize transaction costs, we do not adjust allocations per the model unless the suggested adjustment is greater than 3%. Therefore, should there be significant movements in the share prices of our holdings and the overall market, this approach provides a clear way to maximize our portfolio's Sharpe Ratio.

Once we determine our target position sizing, we use sector-concentrated ETFs to balance our portfolio sector exposure to be within 2% variance bands of the index sector weights. Our goal is to take exposure to individual names, but remain neutral in sector exposure versus our index.

Holding Winners and Selling Losers

To deal with the historical issue of holding our "losers" too long, the Fund has implemented a dynamic stop-loss system. The goal has been to limit negative alpha on any single name to a set limit. Across all positions, we have set a negative 15% alpha limit. If a position falls greater than 15% below the index performance, we are automatically stopped out of the position. If the analyst feels that his/her thesis is still intact, they are forced to "re-pitch" the stock for us to initiate a new position. We feel this eliminates the emotional bias of holding a position just because we have a substantial unrealized loss. Naturally, this strategy incurs additional trading costs, but we feel the benefit of a more disciplined investing process is worth this cost.

Controlling Downside while Capturing Upside

The final issue we have tried to address is our habit of selling our winners too early. Many times a stock would exceed our price target and we would immediately sell, realizing months later that the name had continued to outperform. In order to capture greater upside gains and prevent downside, the Fund has implemented a strategy to not sell outright, but to put a tight stop-loss on our winners that are above their price targets and dynamically adjust the stop price as the stock appreciates. The risk to this strategy is that the name may experience a sudden steep drop and sell at a price far below our stop, or that we may sell on a temporary drop and miss further upside. We are still working to improve this strategy and do not use it on every name that we choose to sell. We limit this strategy to names with which we have strong conviction, where we see limited negative catalysts, and where we feel there is upward potential.

Improving Stock Selection

A consistent theme in prior Fund portfolio managers' letters has been our need to improve stock selection and limit large downside losses. We have taken what we believe to be two key initiatives toward this end: 1) reinstating the "bear pitch" process and 2) improving the idea generation process by adding "thematic pitches."

Reinstating the Bear Case Pitch

In the Spring 2013 semester, our managers decided to eliminate the "bear case" pitches that were used as a check on analyst pitches. Subsequent managers felt that this resulted in the fund being at the mercy of the pitching analyst, as non-sector experts had difficulty identifying key risks or negative catalysts looming for the stocks. Those managers reinstated the bear pitches, and we have maintained that practice, as we believe the bear pitches are a valuable means of informing our investment discussion. These are still relatively new to the Growth Fund, and we will continue to evaluate their efficacy throughout this and next semester.

Thematic Investing

We are very excited about the changes we have made in our idea generation process. In the past, we relied on "speed pitches" which involved analysts presenting a series of unrelated stocks for potential research. We felt that this process was prone to bias by the fund's preconceived opinion on stocks rather than the fundamental value of an overall investing idea. Thus, the Fund has revamped the process to involve presentation of macroeconomic or secular growth themes, and a listing of potential stocks for further research as a result of these themes. Although the thematic pitches have yet to commence this semester, last semester saw this process spawn new ideas and pitches that were not part of the initial theme pitching process. Thus, we believe this method is far superior for outright idea generation than the speed pitching process. Key themes discussed in last semester's thematic trades were the U.S. housing recovery, North American shale drilling, population aging, manufacturing "re-shoring" and a variety of other quality investment themes.

We are very excited with the progress of the Fund so far this semester and proud of the Fund's performance during the past 6 months and year. We believe that the Fund's move to a coherent, quantitative portfolio allocation strategy in addition to the improvements to fundamental stock analysis will set the Fund up to excel many years into the future.

Benjamin Miller and Judah Sokel
Co-Portfolio Managers, MPSIF Growth Fund

Discussion of Performance

For the period ending February 28, 2014:

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	20.69%	33.36%	41.07%	12.15%	102.61%	15.17%	18.98%	1.25%
Russell 1000 Growth Index	17.84%	29.14%	52.32%	15.06%	193.43%	24.02%	25.41%	1.63%
Relative - Net of Fees	2.86%	4.22%	-11.25%	-2.90%	-90.82%	-8.85%	-6.43%	-0.38%

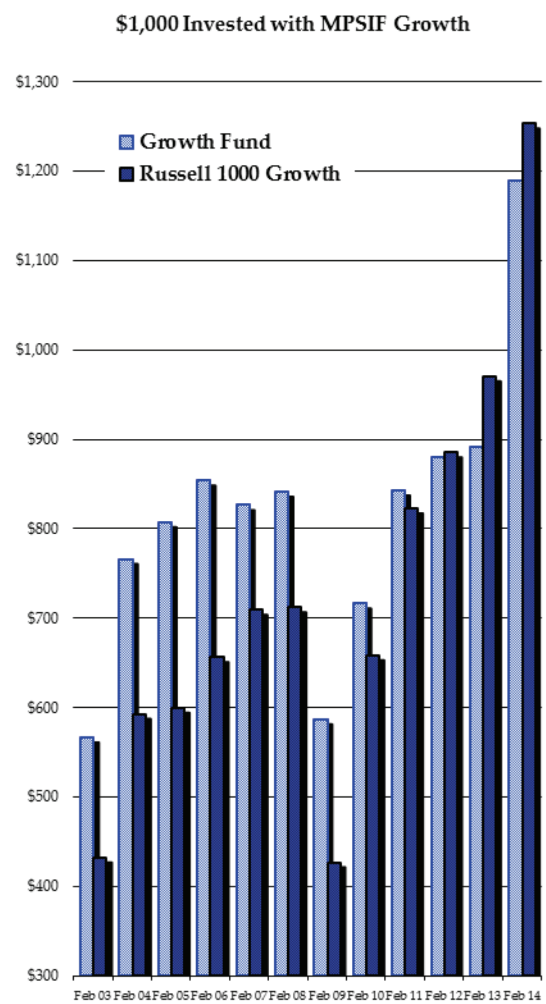
**Inception from March 1, 2000*

Performance Overview

During the first half of fiscal year 2014, the Fund outperformed its benchmark, the Russell 1000 Index, by 2.86% net of management fees. The Fund's one-year return outperformed the benchmark by 4.22%.

Several of the Fund's bottom-up picks had terrific performance. In this growth environment, the Fund was able to capture gains across 18 of 25 of our holdings. Industrials was our best performing sector, in absolute and relative terms producing a return of 39.52% led by our holdings, in Generac, MasTec and United Rentals. Our second best performing sector was Consumer Discretionary, where The Fund outperformed the benchmarks by 19.80%. Technology was our worst relative performer, lagging the benchmark by 10.46%, driven in particular by weak performance in Trulia and Yelp.

Since inception, the Fund is still working to recover heavy losses during its first few years. An investment of $1,000 in the Growth Fund in March 2000 would be valued at $1,190 on February 28, 2014. By comparison, a $1,000 investment in the Russell 1000 Growth index would be valued at $1,254.



Six months ended February 28, 2014	
Top Performers	**Return**
Under Armour Inc.	55.77%
Pandora Media Inc.	48.91%
Tempur Sealy International Inc.	40.70%
Bottom Performers	
Lululemon Athletica Inc.	-22.60%
Yelp Inc.	-10.42%
Amazon.Com Inc.	-8.01%

Return: *measures the stock's return (excluding dividends) since the later of August 31, 2013 or the date of acquisition to the earlier of February 28, 2014 or the date of disposition.*

Note: *In addition, this report uses prices as of the market close and not intraday numbers.*

Stock Picking

According to our Wilshire Analytics team, our stock-selection decisions had a positive effect on our performance during this most recent period, resulting in an impact of +6.63% towards the performance of the Fund. Our sector allocation was generally in line with the index, but as noted above we have worked to make this more tightly matched going forward.

On a sector basis, we saw strong returns in the Consumer Discretionary, and Industrials sectors. Consumer Discretionary and Industrials also benefitted from strong stock selection, so these two sectors accounted for excellent returns this past six months.

Our top three performers this year were Tempur Sealy International Inc., Under Armour Inc., and Pandora Media Inc. All of these were relatively large positions, and yielded a combined 6.6% total return to the fund. Tempur Sealy International Inc. (TPX) generated a 40.70% return and translated into a large positive impact of 2.34%. The Fund closed its position in TPX in December 2013.

Our position in Under Armour Inc. (UA) was closed prior to our fiscal half-year end, but the fund booked a 55.77% return from UA as of our closing. Because of our large position in the stock, it added a strong positive impact of 2.13% to our overall performance. Another positive performing stock was Pandora Media Inc. (P), appreciating by a comparable amount, 48.91%, and impacted our overall performance by 2.13%. The fund continued to hold its position in Priceline as at the half-year end.

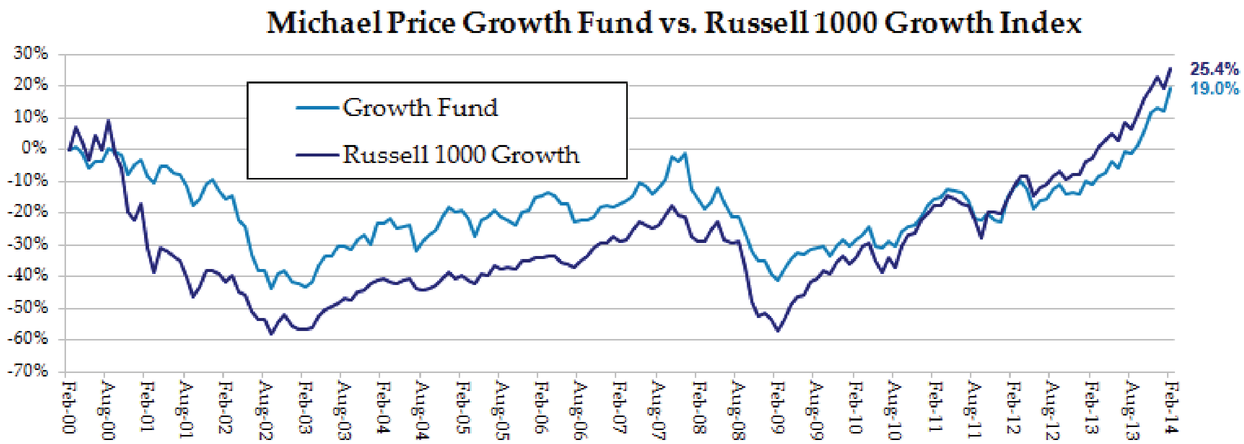
The half-year was not without some losing positions, however. Our three worst-performing positions on the year were Yelp Inc. (YELP), Amazon.com Inc. (AMZN), and Lululemon Athletica Inc. (LULU). Together, these positions accounted for nearly 2.21% negative return in the portfolio. We hope that our improved allocation and selection strategies will help to limit these types of losses in the future.

Lululemon Athletica Inc. (LULU), relatively a large individual position was our worst performer during the last six months, with a 22.60% negative return. Our relatively large position in the stock also translated into a negative impact of 1.09% to the overall fund performance. We have since closed our position in LULU.

We also closed our position in YELP in November 2013. Yelp fell 10.42% during the period of our holding, leading to a fund impact of -0.55%.

Driving Fund Performance

In general, we are encouraged by the performance of the Fund in the first half of the year. We have improved our skew of winners to losers and outperformed our benchmark in general. We believe that our sector allocation strategy and improved fundamental research process will allow us to continue our momentum into the coming fiscal year.



Asset Allocation

The Growth Fund continues to focus on bottom up stock-picking and fundamental analysis, and as such asset allocation was in the past a secondary priority. Despite our new commitment to sector allocation, the fund did differ from its benchmark at the end of the fiscal year.

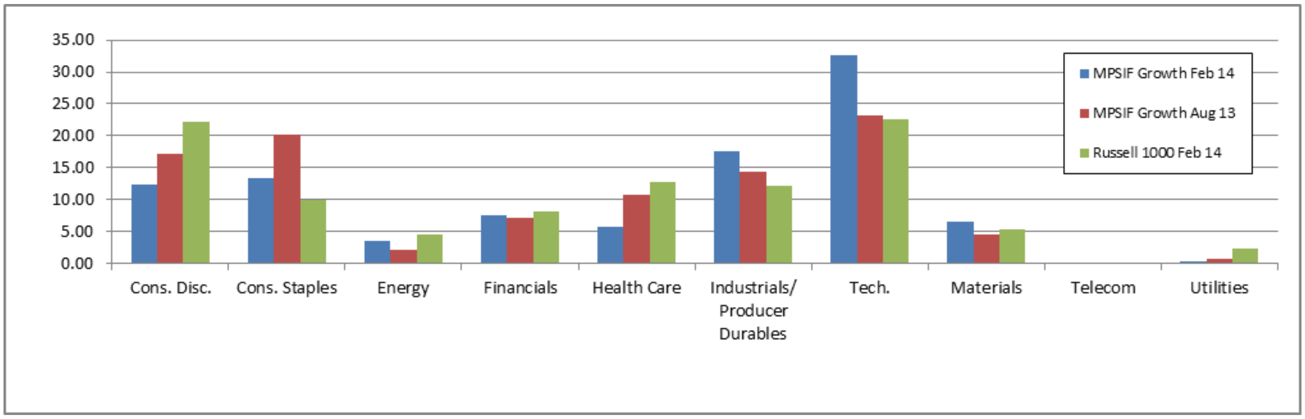
The Fund's continued commitment to bottom-up stock selection derives from the purpose of the course. The Fund is a seminar style course in which students use and combine skills learned in other classes in a hands-on environment. We believe there are enormous benefits derived from this course design.

That said, asset allocation is a significant consideration and the Fund carefully considers appropriate allocation strategies. The fund has continued using ETFs to increase exposure to sectors with fewer individual security holdings, and we closely examine our holdings in a sector context regularly.

As of February 28, 2014, the sectors with the most significant weight in the Growth Fund are:

- Technology, which represents approximately 33% of the Fund's holdings, is actually the largest overweight relative to the benchmark. We have made significant purchases in this sector since the fiscal year-end, and find that this continues to be a preferred sector for our analysts.
- Industrials/ Producer Durables, at about 18% of our holdings, is also an overweight position relative to the benchmark. We continue to maintain most of our positions in this sector, and find that this continues to be a preferred sector for our analysts. This was also one of the strongest performing sectors for the Fund in the six months ended February 28, 2014.
- Consumer Staples, which represents about 13% of the Fund's holdings as of the half-year end is is slightly overweight relative to the benchmark's target holdings. We have closed our position in HAIN. However, we are comfortable with our selection of SBUX as a high-growth name within the sector.

Over the past year, we have continued to focus on a blended approach of identifying promising sectors which could prove to be resilient amid the aftermath of the recession and implemented a bottom-up process for selecting best of breed in these areas. As of February 28, 2014, to keep sector exposure in-line with the index, the fund held positions in iShares Russell 1000 Growth (IWF), Health care SPDR (XLV), iShares S&P Global Industrials Sec (EXI), Vanguard Cons Staples (VDC), and Vanguard Info Tech (VGT).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Financials
Health Care
Industrials/ Producer Durables
Tech.
Materials
Telecom
Utilities
MPSIF Growth Feb 14
MPSIF Growth Aug 13
Russell 1000 Feb 14

Holdings Profile

Growth Portfolio as of February 28, 2014

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Amazon.com, Inc.	AMZN	Technology	87	362.1	$31,503	**5.29%**
Apple Inc	AAPL	Technology	18	526.24	$9,472	**1.59%**
Discover Financial Services	DFS	Financials	635	57.38	$36,436	**6.12%**
Generac Holdings Inc. Com.	GNRC	Industrials	325	56.97	$18,515	**3.11%**
Harley-Davidson Inc	HOG	Consumer Discretionary	247	66.06	$16,317	**2.74%**
MasTec, Inc.	MTZ	Industrials	1062	40.94	$43,478	**7.30%**
Melco Crown Entertainment Ltd	MPEL	Consumer Discretionary	780	42.92	$33,478	**5.62%**
National Oilwell Varco Inc	NOV	Energy	217	77.04	$16,718	**2.81%**
Pandora Media Inc	P	Technology	711	37.42	$26,606	**4.47%**
Priceline Com Inc	PCLN	Technology	20	1348.84	$26,977	**4.53%**
Starbucks Corp	SBUX	Consumer Staples	284	70.96	$20,153	**3.39%**
U.S. Silica Holdings Inc	SLCA	Materials	1009	32.8	$33,095	**5.56%**
United Rentals, Inc.	URI	Industrials	242	88.34	$21,378	**3.59%**
iShares Russell 1000 Growth Index	IWF	Index ETF	1202	87.73	$105,451	**17.72%**
Health Care SPDR	XLV	Health Care	351	59.44	$20,863	**3.51%**
iShares S&P Global Industrials Sec	EXI	Industrials	123	71.08	$8,743	**1.47%**
Vanguard Consumer Staples	VDC	Consumer Staples	457	108.28	$49,484	**8.31%**
Vanguard Information Technology	VGT	Technology	832	91.69	$76,286	**12.82%**
Direct Equity Holdings					$334,125	**56.13%**
Total Equity Holdings					$594,953	**99.95%**
Cash as of February 28, 2014					$269	**0.05%**
Total Assets					**$595,223**	**100.00%**

Growth Portfolio as of Aug 31, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc	AAPL	Technology	55	487.216	$26,797	**5.44%**
Cirrus Logic Inc	CRUS	Technology	335	22.5	$7,538	**1.53%**
Eagle Materials Inc. Com.	EXP	Materials	168	64.16	$10,779	**2.19%**
Express Scripts Hldg Co Com	ESRX	Health Care	277	63.88	$17,695	**3.59%**
Generac Holdings Inc. Com.	GNRC	Industrial	382	39.59	$15,123	**3.07%**
Hain Celestial Group	HAIN	Consumer Staples	195	81.78	$15,947	**3.24%**
Michael Kors Holdings	KORS	Consumer Discretionary	218	74.09	$16,152	**3.28%**
Nanitowoc Inc	MTW	Industrial	333	19.98	$6,653	**1.35%**
National Oilwell Varco Inc	NOV	Energy	217	74.3	$16,123	**3.27%**
Priceline Com Inc	PCLN	Technology	18	938.53	$16,894	**3.43%**
Qualcomm Inc	QCOM	Technology	219	66.28	$14,515	**2.95%**
Starbucks Corp	SBUX	Consumer Staples	284	70.52	$20,028	**4.06%**
Under Armour Inc	UA	Consumer Discretionary	251	72.64	$18,233	**3.70%**
Ishares R1000 Growth	IWF	Index ETF	2678	75.13	$201,198	**40.83%**
Health care Spdr	XLV	Health Care	198	49.22	$9,746	**1.98%**
Vanguard Cons Staples	VDC	Consumer Staples	367	102	$37,434	**7.60%**
Financial Spdr	XLF	Financials	895	19.44	$17,399	**3.53%**
Direct Equity Holdings					$202,476	**41.09%**
Total Equity Holdings					$468,252	**95.03%**
Cash as of August 31, 2013					$24,472	**4.97%**
Total Assets					**$492,724**	**100.00%**

Investment Style and Strategy

Our goals: The goal of the Growth Fund is to identify and capitalize on investments that have significant growth potential. The companies we invest in may derive their growth from a unique business model or a strong competitive position in a rapidly growing industry. Our criterion for companies that meet this requirement is that forecasted earnings growth over the next five years should be at least 15%. These growth opportunities can be uncovered by identifying companies that are pioneering a new product or service that will see significant future demand. Other companies may be altering pre-established norms in a mature industry and gaining significant market share. Additionally, these companies could be applying their business model to new regions or they could simply be a leader in an industry that is experiencing high levels of growth. Our analysts use comparable and intrinsic valuation techniques to determine if these growth opportunities are available at attractive prices.

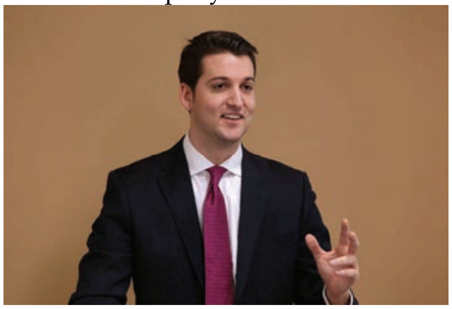
Our objective: Our goal is to outperform the benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

Investment Process: Our analysts look at a firm and ask: "What is the catalyst for growth?" Then the analyst considers whether the company's business model will succeed. A valuation analysis follows, which begins with balance sheet analysis as well as revenue and earnings trends. The analyst completes a fundamental analysis of the company and examines relative valuations. The analyst then writes a research report and pitches the stock to the class. The class engages in a discussion to challenge the investment rationale. After this rigorous process, the group votes whether or not to add the security to the portfolio.

Sell Discipline: In 2006, the Fund added stop-loss orders to provide more sell discipline. The stop-loss price is determined by the analyst and is related to the stock's volatility and downside risk. The Fund's consensus model also helps determine stop-loss orders. Additionally, the stop-loss policy is regularly evaluated to ensure that these risk controls stay relevant. This includes actively reducing our exposure to a specific stock when our investment thesis no longer sees room for upside. Some of the factors that would change our investment thesis are:

- The company growth rate deteriorates or its performance otherwise disappoints.
- The price of the security attains our price target or otherwise appears relatively high to the analyst.
- The company publishes negative earnings announcements that could affect the long-term outlook and industry attractiveness.
- Unfavorable changes in management.

Why Growth Stocks? Growth companies have above average earnings growth, which we believe will translate into above average price appreciation. Thus, we believe investing in growing companies that are not currently overpriced should lead to realization of potentially superior investment returns over the long term.



The Value Fund

Message from the Portfolio Managers

Stocks continued their incredible run during the six months ended February 28, 2014. For value investors, this market provides both a challenge and an opportunity. With valuations approaching their highest levels since the financial crisis of 2008, finding stocks that fit the mold of a traditional value investment has been relatively difficult, but the rewards of owning stocks have been great. In the face of these challenges, the Value Fund has maintained a disciplined approach.

During the six-month period, the Value Fund (the Fund) generated a total return of 13.97%, outperforming the benchmark Russell 1000 Value Index by 51 basis points. We attribute this performance to a disciplined, value-based philosophy which drives both our stock selection and sector allocation. After weathering macro-related stress in December, the Fund rebounded nicely in January and February to end the year on a positive note.

In 2013, the Fund continued its strategy of allocating all excess cash to the benchmark ETF. The Benchmark ETF allows the portfolio managers to maintain a prudent level of diversification while seeking attractive situations for individual stock investments. The Fund ended the period with 0.10% in cash and an aggregate ETF position of 29.72%, consisting entirely of the benchmark ETF.

The Value Fund's approach to sector allocation is based on a philosophy of bottom-up analysis of intrinsic value and risk management through margin of safety. While we seek to maintain prudent diversification through investment in the benchmark ETF, we seek to deviate from the benchmark to invest in situations that we think offer unique value and downside protection. Particularly in the current market environment, our approach is driven by finding idiosyncratic situations such as Taro Pharmaceuticals and InterDigital to find value in a richly priced market. A critical component of our investment strategy is the alignment of our sector allocation philosophy with our investment approach. The Fund has successfully implemented this strategy so far in fiscal 2014.

During the six-month period, we focused on sharpening the fund's focus on value. As a result we removed longtime holdings, such as Louis Vuitton, from the portfolio. Our investment decisions include a discussion not only of why each stock is a good investment, but why it is a good fit for our value portfolio.

Looking forward, we believe value is scarce and risks are weighted to the downside. We believe that in order to be successful in this environment, the Value Fund must continue its bottom-up approach to finding stocks with attractive valuations and uncorrelated catalysts. While our portfolio is currently strongly positioned, in order to maintain the level of success we've seen, analysts will have to be very diligent in searching out unrecognized, unappreciated and undervalued companies.

Louis Pavia and Matthew Weber
Co-Portfolio Managers, MPSIF Value Fund

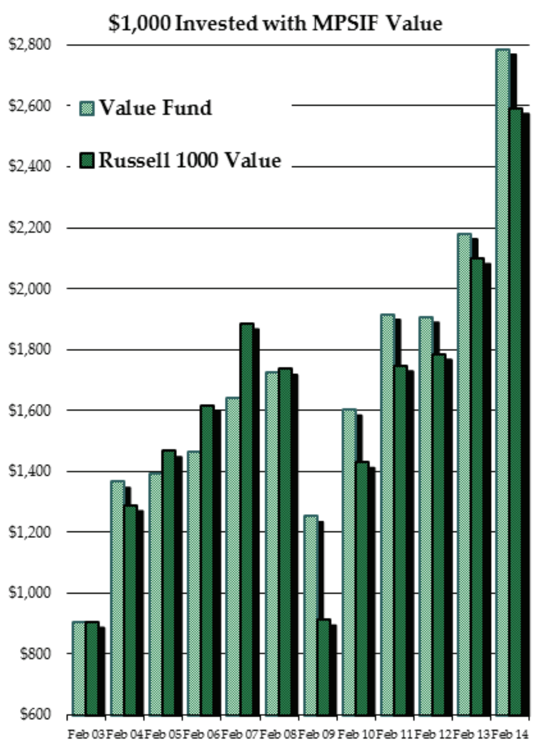
Discussion of Performance

For the period ending February 28, 2014:

	6 Month	1 Year	3 Year		5 Year		Inception**	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**13.97%**	**27.75%**	**45.41%**	**13.29%**	**122.31%**	**17.33%**	**178.44%**	**7.59%**
Russell 1000 Value Index	13.46%	23.44%	48.33%	14.04%	183.59%	23.18%	159.00%	7.03%
Relative - Net of Fees	0.51%	4.31%	-2.91%	-0.75%	-61.28%	-5.85%	19.44%	0.55%

** Inception from March 1, 2000*

The past six months offered a strong market for stocks, and the Value Fund capitalized on this environment by investing in quality stocks. The Fund outperformed the index by more than 4% in the last year and 0.5% during the most recent six month period. We are proud to contribute to the Value Fund's track record of outperformance for the last 14 years.



Stock Picking

The top contributing stock to the Fund's performance for the second consecutive six-month period was Taro Pharmaceutical Industries (TARO). Taro is a science-based pharmaceutical company that engages in the research, development, production, and marketing of products in the United States, Canada, and Israel. Taro operates primarily in the dermatological, cardiovascular, neuropsychiatric, and anti-inflammatory therapeutic categories. The main theses behind this investment were market inefficiencies due to small size, lack of liquidity, and little to no analyst coverage, as well as interesting dynamics with the parent company. TARO stock returned close to 70 percent over the last six months. We have now exited the position as the main thesis points played out.

The second top-performing stock during the period was Gentex (GNTX). The main thesis points behind this pick were increased focus on active safety in the auto market, sustainable margins with higher ASPs, potential application of company technology to nonautomotive products, and solid balance sheet with strong free cash flow generation. This stock was sold during the period, allowing the value fund to harvest a 32% gain.

The third top-performer over the period was CVS Caremark (CVS). We believe that by combining the Caremark pharmacy benefit management model with CVS' retail pharmacies, CVS offers a very compelling value proposition to corporate clients, and the economics of the pharmacy benefit management business are very attractive. We continue to hold CVS because of its attractive valuation and entrenched competitive advantage in an industry that is growing as healthcare costs come into focus and mail order and specialty pharmacy channels grow.

The worst stocks over the period were InterDigital (IDCC, -23.8%) and Staples (SPLS, -13.9%). We continue to hold these stocks through tough times because our theses remain intact. InterDigital is one of the fund's largest holdings, and subsequent to the end of the fiscal half-year has begun to rebound. InterDigital owns one of the world's largest and most important portfolios of standards-essential wireless communication patents. The market heavily discounts the potential of future license agreements, but the Fund is confident in the quality of the portfolio and the track record of the company licensing technologies in the past.

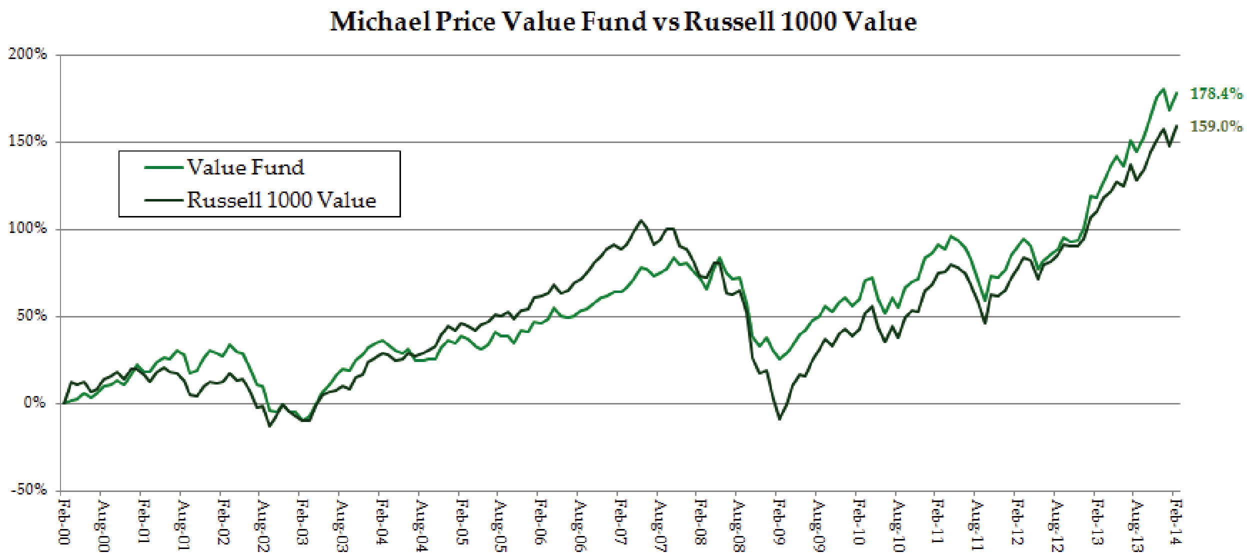
Driving Fund Performance

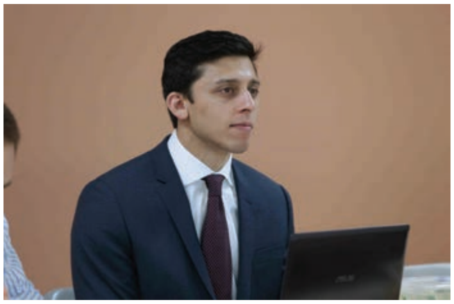
In light of the performance of these stocks, we are proud of our annual performance in both absolute and relative terms. MPSIF Value Fund analysts began the annual period with 29.7% of the assets in the ETF, and have utilized the index as a tool to keep us invested in the market while we search for opportunities, ending with the index representing 38.1% of the portfolio. We are currently evaluating new value opportunities moving forward. Even in the light of what we consider to be an expensive broader market, we look forward to the upcoming year where we continue to outperform the index through prudent risk taking based on deep fundamental analysis.

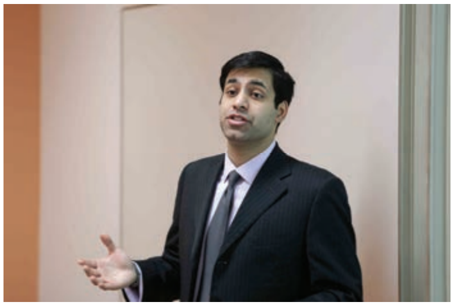
Six months ended February 28, 2014	
Top Performers	**Return**
Taro Pharmaceutical	69.62%
Gentex	31.39%
CVS Caremark	25.99%
Bottom Performers	
InterDigital	-23.80%
Staples	-13.90%
GNC Holdings	-8.06%

Return *: measures the stocks return (excluding dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 31, 2013 or the date of disposition.*

Note *: in addition, this report uses prices as of the market close and not intraday numbers.*





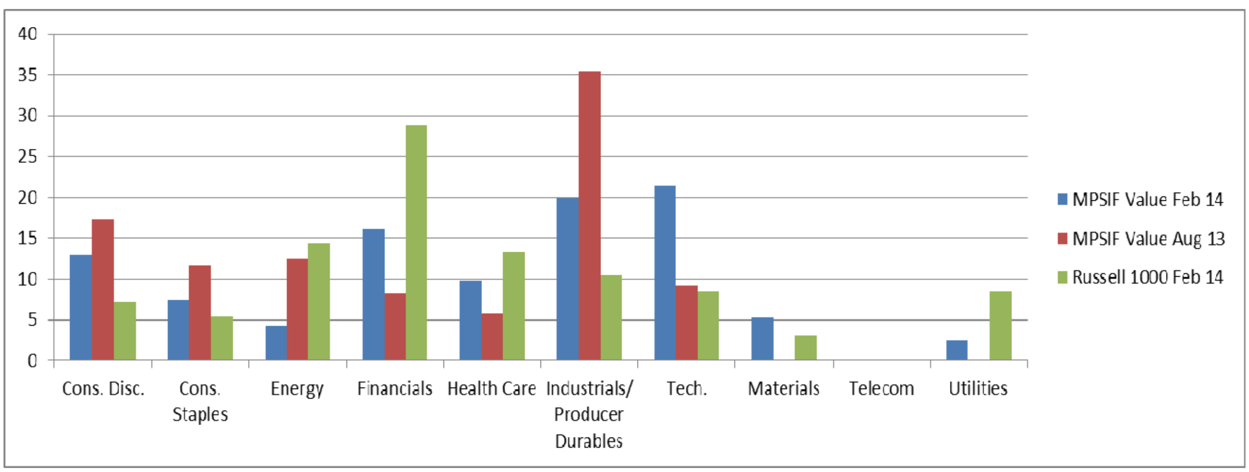


Asset Allocation

Value Fund analysts take a bottom-up approach to stock selection. Although we listen to the advice of our sector strategy team, our investment process is concentrated on identification of intrinsic value, regardless of industry. While we strive to limit overexposure to specific sector risk, we look at all stocks within the range of our investment policy.

As of February 2014, the Fund was significantly overweight in the Technology and Industrial sectors. We have found very attractive value opportunities in the rapidly changing technology sector. We are significantly underweight in the energy, financials, and utilities sectors. Over the past six months we have diversified our holdings in individual stocks, but remain concentrated by sector. Moving forward we are conscious of placing some emphasis on value opportunities across sectors.

Our portfolio currently holds 38.1% of its assets in the benchmark ETF, which is an increase from the 29.7% ETF position held by the Fund on August 31, 2013. We continue to identify new attractive investments to add to the portfolio. We have exited positions since and are continuing to evaluate new positions and reduce our direct exposure to the benchmark through ETFs. We have also begun to track portfolio beta to better understand our exposure to the market. The Value Fund's beta at the end of the six-month period was 1.19, which we believe is consistent with prudent risk management. As we add stocks to the portfolio based on fundamental analysis, the portfolio management team will continue to be mindful of our market risk exposure.



Holdings Profile

Value Portfolio as of February 28. 2014

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
ACI Worldwide Inc	ACIW	Technology	240	60.03	$14,407	**2.41%**
AMERCO	UHAL	Industrials	167	232.94	$38,901	**6.52%**
Apple Inc.	AAPL	Technology	43	526.24	$22,628	**3.79%**
Ashland Inc.	ASH	Materials	276	94.37	$26,046	**4.36%**
Coach, Inc.	COH	Consumer Discretionary	400	48.81	$19,524	**3.27%**
Covanta Holding Corp	CVA	Industrials	1630	18.00	$29,340	**4.91%**
CVS Caremark Corporation	CVS	Consumer Staples	300	73.14	$21,942	**3.68%**
Forest City Enterprises, Inc.	FCE A	Financials	1124	19.48	$21,896	**3.67%**
GNC Holdings Inc	GNC	Consumer Staples	270	46.52	$12,560	**2.10%**
Hertz Global Holdings, Inc.	HTZ	Industrials	700	28.01	$19,607	**3.28%**
Infosys Ltd	INFY	Technology	211	61.67	$13,012	**2.18%**
InterDigital, Inc.	IDCC	Technology	783	30.50	$23,882	**4.00%**
International Paper Company	IP	Industrials	255	48.89	$12,467	**2.09%**
Leucadia National Corp.	LUK	Financials	831	27.94	$23,218	**3.89%**
Oracle Corporation	ORCL	Technology	502	39.11	$19,633	**3.29%**
Philip Morris International Inc.	PM	Consumer Discretionary	160	80.91	$12,946	**2.17%**
Staples, Inc.	SPLS	Consumer Discretionary	1021	13.59	$13,875	**2.32%**
Taro Pharmaceutical Industries Ltd.	TARO	Healthcare	310	111.61	$34,599	**5.80%**
Verisign, Inc.	VRSN	Technology	358	55.11	$19,729	**3.30%**
Wyndham Worldwide Corporation	WYN	Consumer Discretionary	257	72.88	$18,730	**3.14%**
iShares Russell 1000 Value Index	IWD	Index ETF	1,874	94.68	$177,430	**29.72%**
Direct Equity Holdings					$418,943	**70.18%**
Total Equity Holdings					$596,374	**99.90%**
Cash as of February 28, 2014					$590	**0.10%**
Total Assets					**$596,964**	**100.00%**

Value Portfolio as of August 31, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
ACI Worldwide Inc	ACIW	Technology	240	48.67	$11,681	**2.23%**
AMERCO	UHAL	Industrials	167	163.60	$27,321	**5.22%**
Apple Inc.	AAPL	Technology	43	487.22	$20,950	**4.00%**
Baker Hughes, Inc	BHI	Energy	215	46.49	$9,995	**1.91%**
Coach, Inc.	COH	Consumer Discretionary	400	52.81	$21,124	**4.04%**
CVS Caremark Corp	CVS	Consumer Staples	300	58.05	$17,415	**3.33%**
Dean Foods Co.	DF	Consumer Staples	246	19.16	$4,713	**0.90%**
Deere & Co	DE	Producer Durables	256	83.64	$21,412	**4.09%**
Gentex Corp.	GNTX	Consumer Discretionary	504	22.53	$11,355	**2.17%**
Genworth Financial, Inc	GNW	Financials	2510	11.80	$29,618	**5.66%**
GNC	GNC	Consumer Staples	270	50.87	$13,735	**2.62%**
Halliburton Co	HAL	Energy	242	48.00	$11,616	**2.22%**
Hertz Global Holdings, Inc.	HTZ	Industrials	700	24.03	$16,821	**3.21%**
International Paper Co.	IP	Industrials	255	47.21	$12,039	**2.30%**
LVMH Moet Hennessy Louis Vuitton	LVMUY	Consumer Discretionary	444	34.96	$15,520	**2.97%**
Murphy Oil Co	MUR	Energy	340	67.42	$22,923	**4.38%**
Philip Morris International Inc.	PM	Consumer Discretionary	160	83.44	$13,350	**2.55%**
Taro Pharmaceutical Industries Ltd.	TARO	Healthcare	310	65.80	$20,398	**3.90%**
Timken Co	TKR	Industrials	279	56.06	$15,641	**2.99%**
W.W. Grainger, Inc.	GWW	Producer Durables	65	247.35	$16,078	**3.07%**
Waste Management, Inc	WM	Producer Durables	420	40.44	$16,985	**3.25%**
Whitewave Foods Co, Class A	WWAV	Consumer Staples	125	19.12	$2,390	**0.46%**
Whitewave Foods Co, Class B	WWAV.B	Consumer Staples	178	18.95	$3,373	**0.64%**
Ishares R1000 Value	IWD	Index ETF	1,938	84.47	$163,703	**31.28%**
Direct Equity Holdings					$356,453	**68.12%**
Total Equity Holdings					$520,156	**99.40%**
Cash as of August 31, 2013					$3,141	**0.60%**
Total Assets					**$523,297**	**100.00%**

Investment Style and Strategy

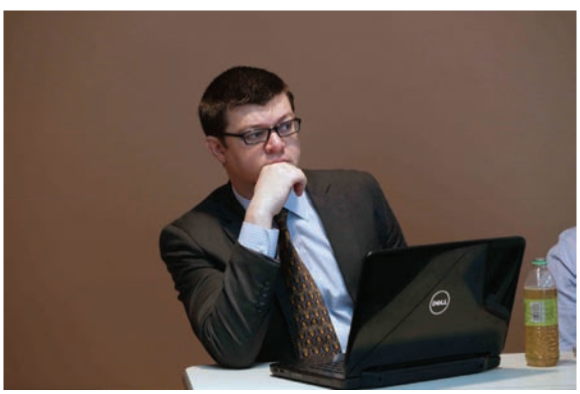
Fund Objective: Outperform the benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

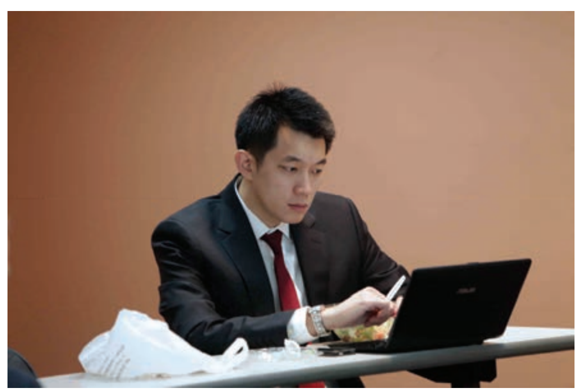
Benchmark: Russell 1000 Value Index

Fund Strategy: The Value Fund utilizes a bottom-up fundamental approach. Our analysts go through a rigorous screening process to select deep value positions. The team pursues this strategy by investing primarily in large capitalization companies with consistent year-over-year earnings that are trading at a discount relative to their peer group. We estimate the value of our securities primarily through an intrinsic value methodology. Additionally, we examine each security's valuation relative to its peer group. For the purposes of this analysis, we utilize many of the following metrics: price-to-earnings, price-to-book, dividend yield, and various free-cash-flow ratios. There is, however, no specific country or region quota. Analysts discuss the Fund's overall sector allocation compared to our benchmark to monitor our exposure, though we do not intentionally make sector bets. The Fund seeks absolute returns in order to fulfill our distribution requirements and monitors our performance against the Russell 1000 Value index.

Why Value Stocks? Value stocks are stocks that tend to be out of favor. A value stock is one that is underpriced by the market for reasons that may have nothing to do with the business itself. They are undervalued relative to their comparables on various metrics used to value comparable companies. Stocks that are undervalued on metrics compared to the index may not be Value stocks because sectors trade differently. Historical trading multiples are often a good indicator of whether a sector has a favorable perception.

Cash: The goal of the Fund is to be invested in the best value opportunities in the marketplace. To the extent we have non-invested cash, we will invest in our benchmark ETF in an effort to minimize any cash drag. We currently invest all excess cash in the benchmark ETF and do not hold sector specific ETF's.





The Small Cap Fund

Message from the Portfolio Managers

From September 1, 2013 through February 28, 2014, the Small Cap Fund returned 14.98%, underperforming its Russell 2000 benchmark by 2.77%. The portfolio beta for the past 60 months was 1.13, yielding a risk weighted expected return of 20.06%. However, the portfolio alpha throughout this period was -5.08%.

December 2013 proved to be a strong month of performance as the Fund beat the benchmark by 14 basis points. However, this was not enough to offset the Fund's underperformance during January 2014. This was a period of passive management, with no trading activity. During January, the Russell 2000 benchmark lost 2.77% whereas the Small Cap Fund was down 4.55%. The portfolio turnover ratio for the 6 months ending February 2014 was 68%.

For the six-month period, our top winners were Ceasarstone (+47.7%), Stone Energy Corporation (+31.2%), and Air Lease (+27.3%), while LeapFrog (-29.5%), Gordmans (-24.1%), Liquidity Services (-13.6%) and several other positions negatively impacted Fund performance.

The turnover of the outgoing Portfolio Managers in December initially left the Fund with a sole second semester PM to assume full responsibility. However, Timothy Wengerd volunteered to serve as Co-PM during his first semester in MPSIF. Tim brings a wealth of experience in investment management and has been a great addition to the Small Cap Fund.

As incoming PMs, we have recently developed a tool to help us and future Small Cap Fund members create discipline, track performance, and retain institutional knowledge. For all of the stocks that we currently own, we indicate the stock's current price, the analyst's valuation, and the crux of the thesis. If and when news breaks, we believe that having a one-line ex-ante thesis will help us reach correct decisions quickly and enforce sell discipline. The tool also allows us to easily track our performance and attribution. Importantly, as we exit positions – which frequently happens once the primary analyst leaves the fund – the names of the tickers and alumni that did the research remain in the tool. We hope the tool encourages students to review alumni research and perhaps connect with the original analyst. The tool was created within Google Drive, which allows for easy sharing and access. Long-term, we hope the tool creates a better learning experience by smartly organizing information and encouraging dialog with small cap alumni.

We continued the Sector ETF strategy, which was designed to bring our industry sector weightings in-line with the Russell 2000 and to reduce the size of the actively-managed portion of the portfolio. As of February 28, 2014, the Small Cap Fund had 15 holdings vs. 54.7% of AUM in ETFs. Relative to the benchmark, the Fund is currently overweight in Energy, Financials, and Materials while being underweight in Technology, Consumer Discretionary, and Industrials. This is primarily due to the outgoing PMs' design and recent stock performance.

To drive increased Fund performance, we've continued the three primary reforms implemented by the outgoing PMs. They include: (1) require analysts to use a 10-point quality screen during the research process; (2) ensure analysts utilize a standard update and speed pitch template, along with guidelines for stock pitches; and (3) maintain the web-based silent-auction style voting process.

To improve the Fund's quality of security selection, as part of an analyst's fundamental research process they must analyze and make a subjective judgment of ten elements which we believe influence long-term price performance. We believe this 10-point quality screen helps improve the Fund's risk-return profile while investing in the Small Cap universe. The ten elements which our quality screen captures include: differentiated product/service and/or lower cost structure, legal risk, clean audit letter, positive operating cash flow in the past three fiscal years, little to no debt, return on equity above industry average, obsolescence risk, large customer risk, regulatory risk, and understandability of the business. The quality screen encourages analysts to think about and address potential red flags, with the ultimate goal of the quality screen being to limit left tail risk events. However, it is important to note that just because a company fails to meet one aspect of the quality screen it does not mean that the stock is automatically dismissed as a potential holding for the portfolio.

At the beginning of each semester, analysts in the Small Cap Fund provide an update on each current holding in the portfolio. This semester the Portfolio Managers provided analysts with a standardized update template that was created by the outgoing PMs. The template focuses on highlighting any changes since the last Analyst report to determine if the investment thesis is still intact and if the price target has changed. Additionally, the updates were presented in conjunction with each company’s quarterly and/or year-end earnings release. The stock updates on our current holdings during February 2014 took longer to complete relative to the fall of 2013 due to one class being utilized for MPSIF Bloomberg training.

As part of our idea generation process, the Small Cap team holds a “speed pitch” day, during which each analyst pitches two to three potential investment ideas that may warrant additional research. We collectively decided that each Analyst could pitch two ideas (opposed to requiring three during the fall of 2013) so that they could focus more time on research and developing a stronger thesis. During the “speed pitch” day, the Fund votes on a scale of 1-4. The PMs ultimately decide based on a weighted average formula, which ideas received the highest vote. The goal of the “speed pitch” day is to identify the top ten to fifteen strongest candidates to be considered as additions to the portfolio.

As PMs, we decided to continue the outgoing PMs’ methodology of utilizing the silent auction method and 1-5 point scale (with conviction levels) to vote on stock updates and full pitches. This was proven during the fall of 2013 to limit bias and “group think” in a public voting setting. Additionally, it provided analysts with more time to conduct their own analysis or ask follow up questions after each fund meeting. Given a “buy” decision based upon the web-based voting process, the Fund PMs ultimately have the final decision regarding position sizing. However, the incoming PMs now require analysts to recommend a position size during the voting process. Additionally, the Fund collectively agreed to increase the maximum potential position size from 4% to 6%. However, a holding can only be considered for a full position if it has the strongest voting conviction level across the entire Fund.

Our goal as PMs is to increase our number of holdings in the Fund from 15 into the 18-22 range, which will allow us to continue to reduce our ETF exposure.

We believe the investment strategy implemented by outgoing Portfolio Managers in the fall of 2013 has been enhanced by the refinements to operations that we have made in the spring of 2014. These reforms aim to improve idea generation and investment recommendations. We are encouraged by the early results and hope to see strong performance in the coming months as the improvements we have made to the Fund continue to drive improved security selection.

John Dorost and Timothy Wengerd
Co-Portfolio Managers, MPSIF Small Cap Fund

Discussion of Performance

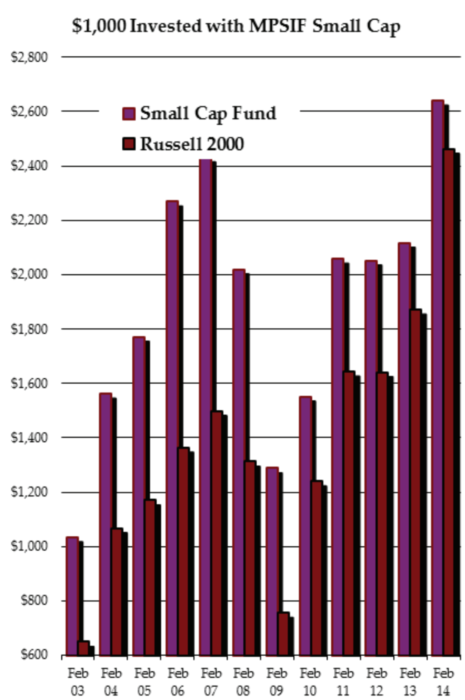
For the period ending February 28, 2014:

Performance Overview

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**14.98%**	**24.64%**	**28.22%**	**8.64%**	**104.84%**	**15.42%**	**164.01%**	**7.18%**
Russell 2000 Index	17.75%	31.56%	49.79%	14.42%	225.61%	26.63%	146.32%	6.65%
Relative - Net of Fees	-2.77%	-6.92%	-21.57%	-5.78%	-120.78%	-11.21%	17.69%	0.53%

**Inception from March 1, 2000*

During the first half of fiscal year 2014, the Fund underperformed its benchmark, the Russell 2000 Index, by 2.8% net of management fees. The Fund underperformed its benchmark by approximately 6.9% for the 12 months ending February 28, 2014. This relative underperformance was largely the result of a handful of positions that were stopped out or experienced material decreases in the stock price. The implementation of the Sector ETF strategy in April 2013 combined with efforts to increase individual stock exposure should help to diversify risk while preserving the potential for alpha generation.



Six months ended Feb 28, 2014	
Top Performers	**Return**
Ceasarstone	47.70%
Stone Energy Corporation	31.20%
Air Lease	27.30%
Bottom Performers	
LeapFrog Enterprises	-29.50%
Gordmans Stores	-24.10%
Liquidity Services	-13.60%

***Return** : measures the stock's return (excluding dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 30, 2013 or the date of disposition.*

***Note** : in addition, this report uses prices as of the market close and not intraday numbers.*

Stock Picking – Winners and Losers

The top contributing stock for the Fund in the six months ended February 28, 2014 was CeasarStone (CSTE), up 47.7%. CeasarStone is an Israeli-based manufacturing company that produces and sells quartz surfaces used for countertops, wall panels, floor tiles, etc. Though quartz represents just 7% of the global materials market, it is the fastest growing material in the countertops segment (15% CAGR from 1999-2012, compared to 4.5% for overall countertop materials market). The quartz manufacturing market is highly fragmented, with just two companies having greater than 10% market share (CeasarStone being the second largest). The Fund purchased the stock in October 2013 due to the recognition of a growth "trifecta" – top tier company operating in an underpenetrated market in a midst of a secular upswing. Since the purchase, CSTE beat and raised guidance in Q3 2013, declared a one-time dividend, and beat again in Q4. Given that the thesis largely played out with the stock was up 40+%, the Fund elected to reduce the position by 50%, locking in some of the gain while also maintaining exposure to further upside.

The Fund's second-best performer for the period was Stone Energy Corporation (SGY), up 31.2%. Stone Energy is an independent oil and natural gas company that engages in the acquisition and development of oil and gas properties in the Gulf of Mexico and the Appalachia region. At the time of purchase in April 2013, there had recently been temporary operating issues that hurt production and caused the stock to trade at a discount to its peers. Since then, SGY's earnings improved due to high natural gas realizations and increased production, and the stock's multiples expanded to be more in line with comparable firms. Due to a lack of foreseeable future catalysts and no meaningful discount remaining, the Fund sold the position in March 2014, capturing a total profit of 76% since original purchase.

Air Lease (AL) was the third-best performer, up 27.3%. Air Lease is engaged in the purchase and leasing of commercial jets to airline companies worldwide. Essentially, Air Lease is a financing company that operates in the aircraft space, making a spread between the cost of capital and the lease rate factor (i.e. "rent"). The Fund purchased the stock due to favorable industry factors (air traffic growth, leasing trend increasing) and attractive company-specific dynamics (focus on high-growth markets, young fleet, diversified customer base, and strong management team). Since the purchase in October 2013, Air Lease had a positive earnings surprise in Q3 2013, driving the stock to a one-year high. The Fund elected to hold the stock in February 2014.

Underperforming investments included LeapFrog Enterprises (down 29.5%), Gordmans Stores (down 24.1%), and Liquidity Services (down 13.6%).

LeapFrog Enterprises (LF) designs and develops technology-based learning products and content for children – namely the "LeapPad" children's tablets. The Fund purchased the stock in April 2013 when it looked very cheap both on an absolute and relative basis. Despite mounting competition from Amazon, Apple, and Samsung, the Fund posited that the bears were underestimating LeapFrog's competitive advantage in the space. Despite strong initial performance in connection with initiation by various sell-side research firms, the stock stumbled following a Q2 2013 earnings miss. And although Q3 earnings numbers were inline, management lowered guidance significantly, leading to another drop in the stock price. The company missed yet again in Q4, sending the stock down a third time. Amidst a thesis that was not playing out and a falling stock price, the Fund elected to liquidate the position in February 2014 for a 21% total loss. While the investment did not yield any return, it did yield some valuable lessons – that competitive advantage in the technology space can be very fleeting and that it is important to avoid potential "value traps." Anyone involved in this trade will not soon forget these valuable lessons.

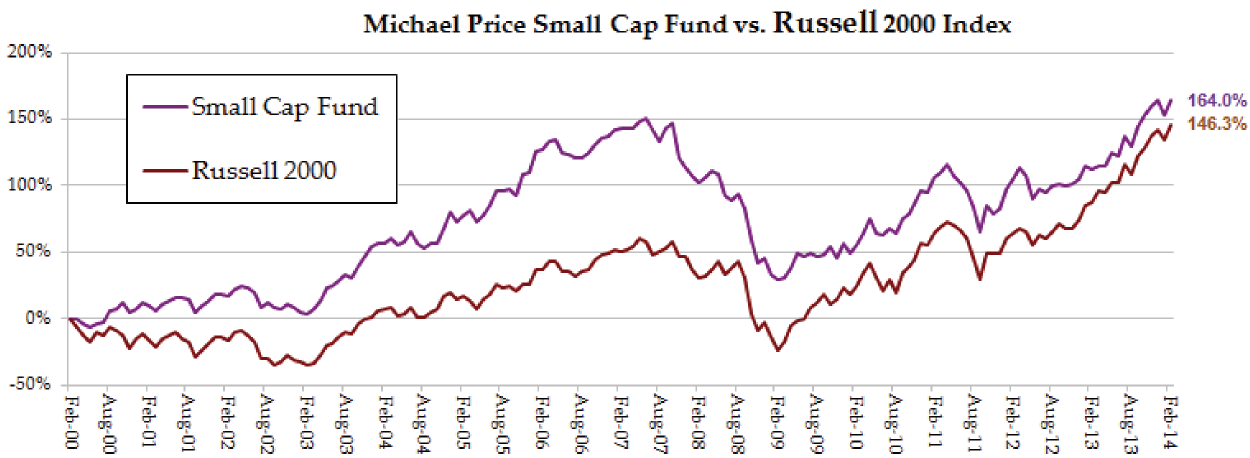
Gordmans Stores (GMAN) is a discount department store operator with 93 stores in 13 states concentrated in the Midwest. The Fund purchased the stock in December 2013 on the basis of improving operating metrics (same store sales, margins) and a recent large private equity investment by Sun Capital. Since the purchase, Gordmans reported lower than expected Q3 2013 earnings and lowered Q4 guidance, sending the stock down 20%. While the Fund continues to hold the stock, the analyst is closely monitoring it in advance of the upcoming Q4 earnings release in late March.

Liquidity Services (LQDT) operates an online auction marketplace for buyers and sellers of surplus, salvage, and scrap assets in the United States. The Fund originally purchased the stock in April 2013 on a similar thesis to that of CeasarStone, a large and underpenetrated market with favorable macro growth tailwinds. Since the purchase, LQDT missed Q4 2013 earnings and guided lower for the FY 2014, primarily due to margin pressure resulting from cyclical change in the product mix. The Fund elected to hold the stock due to an unchanged favorable long-term market opportunity and recent positive trends in gross merchandise value.

We continue to actively monitor all of the Fund's positions and believe that the implementation of thesis "one liners" will help improve the quality and timeliness of decision making in the portfolio management process.

Driving Fund Performance Going Forward

As a result of recent Fund idea generation via "speed pitching", the team has identified a number of potentially attractive investment opportunities. Over the next few weeks Analysts will conduct in-depth research on these ideas and present recommendations to the Fund. The ultimate goal is to find attractive stocks that will replace ETFs and bring down overall passive ETF exposure. In addition, analysts will perform ongoing surveillance of existing positions, including monitoring news reports, listening to earnings calls and company presentations, and updating models periodically.



Asset Allocation

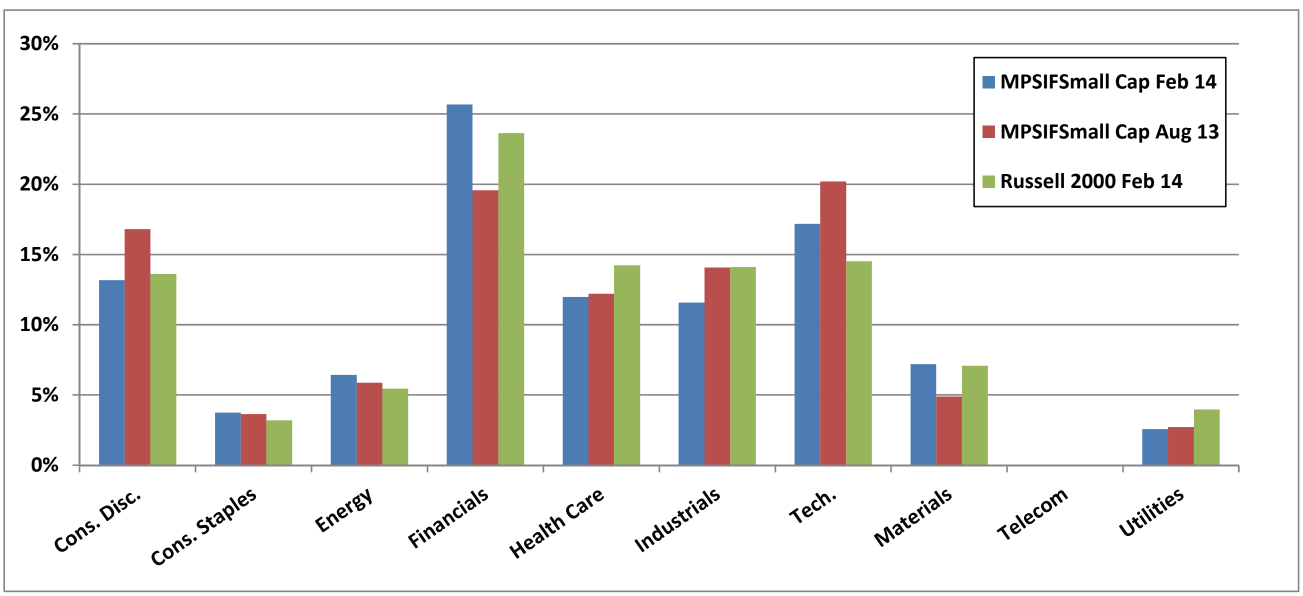
Historically the Fund has primarily focused on bottom-up stock picking and fundamental analysis, with asset allocation being a secondary consideration. The Fund's commitment to bottom-up stock selection is mainly pedagogical in nature, given that the Fund is a seminar style MBA course in which students implement skills learned across the curriculum.

However, it should be clearly understood that the central principle of modern portfolio theory, asset allocation, is not ignored by the Fund. The Fund places more emphasis on asset allocation by using Small Cap Sector ETFs (starting in April 2013) as a part of the portfolio management strategy. Since Small Cap stocks tend to be riskier and more volatile than average stocks in the S&P 500, this strategy helps to diversify the Fund and reduce overall volatility in the portfolio.

Specifically, the Fund sets target exposures for each sector and as individual stocks are purchased (or sold) individual stocks, capital is sourced from (or directed to) the corresponding Sector ETF. This acts as a simple and cost effective mechanism for maintaining a balanced portfolio over time.

As of February 28, 2014, the sectors with the most significant weights in the Fund are as follows:

- **Financials** represented a 25.7% allocation, the largest sector in the Fund. With the Russell 2000 at a 23.6% weighting, the Fund is overweight in financials compared to the benchmark (+2.1%).
- **Technology** captured a 17.2% share in the Fund, above the benchmark allocation of 14.5% (+2.7%).
- **Consumer Discretionary** accounted for a 13.2% allocation in the Fund, in line with the benchmark allocation of 13.2%.



Holdings Profile

Small Cap Portfolio as of February 28, 2014

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Air Lease Corp	AL	Financials	575	36.95	$21,246	**3.56%**
Caesarstone Sdot-Yam Ltd	CSTE	Materials	220	59.12	$13,006	**2.18%**
Conrad Industries, Inc.	CNRD	Industrials	300	38.00	$11,400	**1.91%**
CyrusOne Inc	CONE	Financials	1135	22.22	$25,220	**4.23%**
Gordmans Stores, Inc.	GMAN	Consumer Discretionary	2012	6.35	$12,776	**2.14%**
IPG Photonics Corporation	IPGP	Technology	350	71.77	$25,120	**4.21%**
Liquidity Services, Inc.	LQDT	Technology	609	25.62	$15,603	**2.61%**
LSB Industries, Inc.	LXU	Materials	500	32.69	$16,345	**2.74%**
Movado Group, Inc	MOV	Consumer Discretionary	595	39.37	$23,425	**3.93%**
Mueller Industries, Inc.	MLI	Industrials	190	62.48	$11,871	**1.99%**
Radian Group Inc	RDN	Financials	850	15.55	$13,218	**2.21%**
Sanderson Farms, Inc.	SAFM	Consumer Staples	170	76.84	$13,063	**2.19%**
Smith & Wesson Holding Corp	SWHC	Consumer Discretionary	1,520	11.50	$17,480	**2.93%**
Stone Energy Corporation	SGY	Energy	736	35.94	$26,452	**4.43%**
Thoratec Corporation	THOR	Healthcare	570	37.14	$21,170	**3.55%**
PowerShares S&P SmallCap Consumer Discretio	PSCD	Consumer Discretionary	516	48.23	$24,888	**4.17%**
PowerShares S&P SmallCap Consumer Staples	PSCC	Consumer Staples	192	48.39	$9,291	**1.56%**
PowerShares S&P SmallCap Energy	PSCE	Energy	244	48.89	$11,929	**2.00%**
PowerShares S&P SmallCap Financials	PSCF	Financials	2,394	39.10	$93,608	**15.69%**
PowerShares S&P SmallCap Utilities	PSCU	Utilities	440	34.77	$15,297	**2.56%**
PowerShares S&P SmallCap Materials	PSCM	Materials	307	44.15	$13,554	**2.27%**
PowerShares S&P SmallCap Information Techno	PSCT	Technology	1,350	45.81	$61,844	**10.36%**
PowerShares S&P SmallCap Industrials	PSCI	Industrials	1,008	45.48	$45,844	**7.68%**
PowerShares S&P SmallCap Healthcare	PSCH	Healthcare	910	55.31	$50,333	**8.43%**
Direct Equity Holdings					$267,394	**44.81%**
Total Equity Holdings					$593,981	**99.53%**
Cash as of February 28, 2014					$2,800	**0.47%**
Total Assets					**$596,781**	**100.00%**

Small Cap Portfolio as of August 31, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Aegion Corp	AEGN	Industrials	435	21.40	$9,309	**1.79%**
Americas Car-Mart Inc	CRMT	Consumer Discretionary	210	41.00	$8,610	**1.66%**
Bally Technologies Inc	BYI	Consumer Discretionary	133	72.13	$9,593	**1.85%**
Constant Contact Inc	CTCT	Technology	1075	19.13	$20,565	**3.97%**
Copper Tire & Rubr Co	CTB	Consumer Discretionary	408	31.93	$13,027	**2.51%**
Finish Line Inc	FINL	Consumer Discretionary	754	20.96	$15,804	**3.05%**
Heartland Express Inc	HTLD	Industrials	1,085	13.92	$15,103	**2.91%**
KB Home	KBH	Consumer Discretionary	368	16.03	$5,899	**1.14%**
Leapfrog Enterprises Inc	LF	Consumer Discretionary	1789	9.62	$17,210	**3.32%**
Liquidity Svcs Inc	LQDT	Technology	609	29.64	$18,051	**3.48%**
ManTech Intl Corp	MANT	Technology	555	28.45	$15,790	**3.04%**
Monmouth Real Estate Invt Corp	MNR	Financials	1,191	8.98	$10,695	**2.06%**
Pennymac Mtg Invt Tr	PMT	Financials	552	21.05	$11,620	**2.24%**
RPX Corp	RPXC	Industrials	573	15.69	$8,990	**1.73%**
Smith & Wesson Holding Corp	SWHC	Consumer Discretionary	1520	10.94	$16,629	**3.21%**
Stone Energy Corp	SGY	Energy	736	27.40	$20,166	**3.89%**
Tetra Tech Inc	TTEK	Industrials	540	22.78	$12,301	**2.37%**
PowerShares S&P SmallCap Consumer Staples	PSCC	Consumer Staples	425	44.31	$18,832	**3.63%**
PowerShares S&P SmallCap Energy	PSCE	Energy	244	41.80	$10,199	**1.97%**
PowerShares S&P SmallCap Financials	PSCF	Financials	2,212	35.60	$78,747	**15.18%**
PowerShares S&P SmallCap Utilities	PSCU	Utilities	440	32.01	$14,084	**2.72%**
PowerShares S&P SmallCap Materials	PSCM	Materials	699	36.14	$25,262	**4.87%**
PowerShares S&P SmallCap Information Techno	PSCT	Technology	1,308	38.14	$49,887	**9.62%**
PowerShares S&P SmallCap Industrials	PSCI	Industrials	713	37.89	$27,016	**5.21%**
PowerShares S&P SmallCap Health Care	PSCH	Healthcare	1,350	46.70	$63,045	**12.16%**
Direct Equity Holdings					$229,363	**44.22%**
Total Equity Holdings					$516,435	**99.57%**
Cash as of August 31, 2013					$2,205	**0.43%**
Total Assets					**$518,640**	**100.00%**

Investment Style and Strategy

Objectives: The objectives of the Small Cap Fund are to achieve total returns in excess of the Russell 2000 Index and to achieve an absolute return in excess of inflation, in accordance with the Fund's role as a part of a university endowment.

Style: The Small Cap Fund combines a bottom-up approach for security selection and portfolio construction with consideration of the Fund's current sector weightings for any new additions to the portfolio. The Fund invests primarily in domestic equities with market capitalization less than $2 billion (though this may be higher, in certain instances) and benchmarks its returns against the Russell 2000 Index. Individual company analysis is conducted in conjunction with economic and sector outlooks provided by the MPSIF economic team and evaluated in the context of the consensus economic opinion of the Fund. Various criteria may be reviewed to determine the attractiveness of an investment, including, but not limited to, industry analysis, company analysis and financial valuation, the company's management team, risk factors, M&A activity, and/or other specific catalysts or events.

The Fund instituted the use of Small Cap Sector ETFs in April 2013 to further diversify the portfolio holdings and reduce overall Fund volatility.

Strategy: The Fund targets a relatively concentrated portfolio of individual stock selections with a target of 20-30 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. At least once a semester, Fund Analysts provide updates on existing positions in the portfolio. At that time, each member in the fund votes on the Analyst's recommended course of action. The possible actions are selling/trimming the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. The Fund sets allocations for each position across a range of 2-4%, based on conviction levels and current sector allocations. In some instances, positions may grow to a size in excess of 4%, in which case the Fund collectively evaluates whether it is appropriate to trim such positions.

New pitches are also presented by Analysts of the Fund throughout the semester. During new investment deliberations, members of the Fund analyze the investment merits and weigh them against any potential macro or company-specific risks. Furthermore, members review the expected timing of investment as well as upside cases and downside risks. For new investments that have been approved by the Fund through a majority vote, the Portfolio Managers will determine position sizing based primarily on the collective conviction level of the team. Additionally, while there are no hard sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings relative to the benchmark and may adjust position weights accordingly.

For sectors where the Fund is underweight from individual stock selections relative to the benchmark, the Portfolio Managers will use Sector ETFs to match exposure. Sector allocations may deviate from the benchmark depending on economic and sector outlooks held by the Fund.

Rationale for Small Cap Stocks: Small Cap stocks are defined by the Fund as stocks that generally have market capitalization of less than $2 billion. Based on historical data, small cap stocks have proven to offer the greatest returns to investors over the long term. However, given their size, earnings volatility, and lack of Analyst coverage, these stocks may be subject to greater volatility and price risk, and value may take longer to be recognized by the market.

Risk Management: As stated earlier, target stop-loss prices are implemented during the summer and winter recess periods. While the Fund does not have automatic stop-losses that are triggered upon a price drop, Analysts are required to track price activity and initiate a vote to sell upon a price drop below the pre-determined stop loss price. Every position is assigned to a particular Analyst during these recess periods. Additionally, in order to maintain continuity across semesters, stocks assigned to outgoing Analysts are temporarily assigned to second-semester Analysts (over the recess periods) until new Analysts join the Fund and stock coverage is reallocated.

The Fixed Income Fund

Message from the Portfolio Manager

I am pleased to report that over the six-month period between September 2013 and February 2014, the Fixed Income Fund returned 3.68%, compared to the 2.46% return from our Vanguard Total Bond Fund benchmark.

Our outperformance of the benchmark stems from overweight positions in investment grade corporate debt and emerging market debt. Our Senior Loan and high yield returns were fairly in line with the benchmark, while we gave back some gains in our overweight mezzanine credit, TIPs, Agencies and Treasuries position.

In the past year, the U.S. Yield Curve has shown an increase in its slope particularly for the 2 year to 10 year tranches. The 5-yr, 7yr and 10-yr treasuries increased 100bps, 112 bps and 90 bps, respectively. Additionally, in the recent six months, U.S. corporate debt and Emerging markets corporate debt spreads decreased 55 bps and 45 bps respectively, benefiting its investors. The announcement a year ago by the Fed of a possible end to its QE program initially caused a significant increase in the interest rates of US Government bonds, and triggered risk aversion in investors, significantly hurting risk assets, in particular emerging markets bonds and equities.

The Fund continued under the presumption that domestic interest rates were unlikely to remain at their existing depressed levels considering the ongoing recovery, falling unemployment, and eventual inflation. Given that view, we determined it would be in the Fund's best interest to reduce the duration of our Treasury position (but continue holding TIPS) and diversify into assets with either lower duration or lower exposure to US interest rates risk. As part of this strategy, and given the very narrow spread in credit instruments, we decided to express our preference for credit risk through leveraged loans. We continued to like the diversification and spreads offered by dollar-denominated emerging market debt, a view that produced good results at the beginning of the year, but resulted in partial losses during the winter (with partial recovery in the last few months). We additionally decided to include a bet on mezzanine credit by investing in a private equity mezzanine fund management company (THL Credit).

To express our view on these trends, we undertook several initiatives in our portfolio:

1. Allocation to High-Yield Bonds

High-yield bond yields had increased and were presenting an interesting potential compensation for investors in junk bonds. We believe U.S. corporate default rates should remain relatively benign as the economy shows signs of improvement and therefore decided to re-engage and reinvest in high yield bonds into the portfolio.

2. Increased Allocation to Leveraged Loans

We initiated a position in leveraged loans as an alternative investment in the March-August 2013 period. Since purchasing BKLN in late April, our position has outperformed by 2.70% on a relative basis. We also benefit from the ETF's 4.16% current yield. Our benchmark does not include any allocation to leveraged loans.

3. Decrease Position in Emerging Market Debt

Even though this type of investment offers an attractive yield with strong fundamentals, announcement by the Fed of tapering triggered risk aversion in investors, significantly hurting risk assets, in particular emerging markets

Following this view, we partially decreased our exposure to the PIMCO Emerging Markets Fund, while not divesting from it completely. While emerging market debt is not part of our defined index, we believe this asset class is a growing component of any well-diversified fixed income portfolio. By investing in a fund that holds a basket of both sovereign and the most credit-worthy corporate bonds, we believe we are able to capitalize on the changing dynamics of the global credit market.

4. Allocation in Mezzanine returns

Given that interest rates are expected to increase in the medium term and that returns from credits are starting to reach their limits, we started analyzing several fixed income-related instruments. Among these, we identified THL Credit, a specialized high yield credit manager, which invests across the capital structure, primarily subordinated debt.

Having an exposure to THL, which is required to pass through investment income to shareholders as dividends, provides the fund with an indirect exposure to the returns of the subordinated debt that THL manages.

5. Reduce duration of US TIPs positioning

Following our expectations of increasing interest rates and the ongoing economic recovery, we sought to position the portfolio prudently for a rise in long-term rates by reducing the duration of the portfolio. To do this, we sold out of general TIP ETF (TIP) and replaced it with the Vanguard Malvern Short Term Inflation Protected Index Fund which holds instruments with durations lower than 5 years. Our view was that although we want to protect us against a faster than expected growth in inflation, we don't want to be exposed to the risk that the expected increase in interest rates present.

Outlook

We expect a volatile market over the next few months driven by potential tapering from the Fed. We expect a continuation of the current slow recovery of the economy and an improvement in the credit quality of US Corporates.

We believe that the yield curve will steepen further and inflation will remain rather benign. Longer-term, we believe that the front end of the yield curve has to rise and that inflation will come in above historical averages. Therefore, we are cautiously monitoring our large positions to Mortgage Backed Securities to determine whether the risk/reward profile is appropriate for the portfolio.

Javier Gondo
Portfolio Manager, MPSIF Fixed Income Fund

Discussion of Performance

For the period ending February 28, 2014:

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**3.68%**	**-0.24%**	**10.46%**	**3.37%**	**28.87%**	**5.20%**	**64.72%**	**4.31%**
Vanguard Total Bond Fund	2.78%	0.08%	9.66%	3.12%	25.85%	7.97%	73.93%	4.79%
Relative - Net of Fees	0.90%	-0.31%	0.80%	0.25%	3.02%	-2.76%	-9.21%	-0.48%

** Inception from May 20, 2002*

Over the past 6 and 12 months, the Fund earned 3.68% and -0.24% net returns, respectively. During the most recent 6-month period, net of fees, the Fund outperformed the benchmark Vanguard Total Bond Fund, which was earned 2.78%. This allowed the Fund to recover part of the underperformance from the previous 6-month period, and underperform the benchmark by only 0.31% in the 12-month period.

The top contributing investment was the iShares iBoxx Invest Grade Corp Bond Fund (LQD). The Fund likes LQD because of the high quality assets that it holds. However, given a scenario of increasing interest rates and its higher than desired duration, we partially trimmed the position in November.

Our second largest contributor was the iShares iBoxx $ High Yield Corp Bond Fund (HYG). The shorter duration relative to the benchmark and the higher average coupon yields make this an attractive investment. Given the fund's benchmark, we have viewed HYG as a source of alpha as it provides incremental yield and that is why we bought the ETF in November. Again, given an environment of increasing interest rates and given the asset class reaching historic spread lows, we are closely following the ETF and considering active managers that focus on returns from re-rating high yield bonds.

The weakest performers in the Fund were THL Credit Inc (TCRD) and the PIMCO Emerging Markets Bond Fund (PEMPX). In the second quarter, the Federal Reserve's comments on reducing monetary stimulus drove nominal yields higher. As a result, there was a sharp sell-off in emerging market bonds and this led to a large relative underperformance.

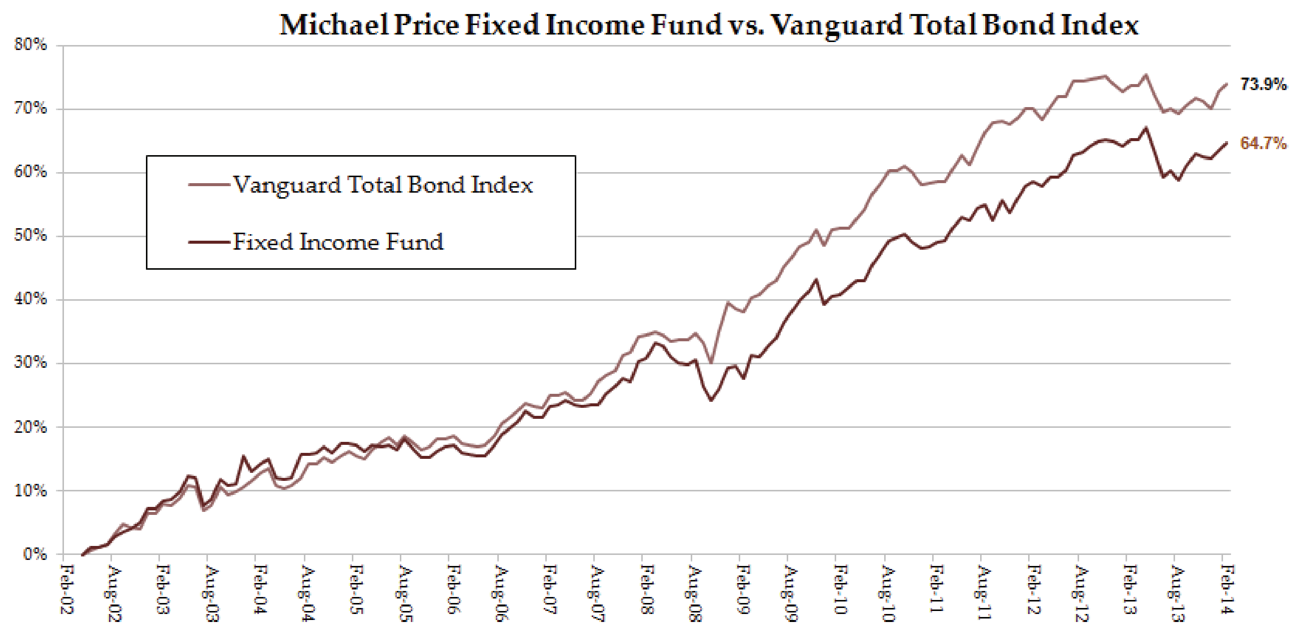
Six months ended February 28, 2014

Top Performers	**Return**
Pimco Emerging Markets	5.10%
Pimco Mortgage Opportunities	4.50%
Bottom Performers	
Vanguard Malvern	0.20%
THL Credit Inc.	-0.40%

Return *: measures return (including dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 31, 2013 or the date of disposition.*

Note *: in addition, this report uses prices as of the market close and not intraday numbers.*

Furthermore, declining yields, given that healthier portfolio companies start refinancing loans at lower rates, have affected TCRD's portfolio yields. However, we believe that TCRD has sufficient growth capital to make up for lower yields and that an environment of increasing interest rates will eventually turn into higher yields for TCRD's portfolio.


Michael Price Fixed Income Fund vs. Vanguard Total Bond Index
80%
70%
60%
50%
40%
30%
20%
10%
0%
Vanguard Total Bond Index
Fixed Income Fund
73.9%
64.7%
Feb-02
Aug-02
Feb-03
Aug-03
Feb-04
Aug-04
Feb-05
Aug-05
Feb-06
Aug-06
Feb-07
Aug-07
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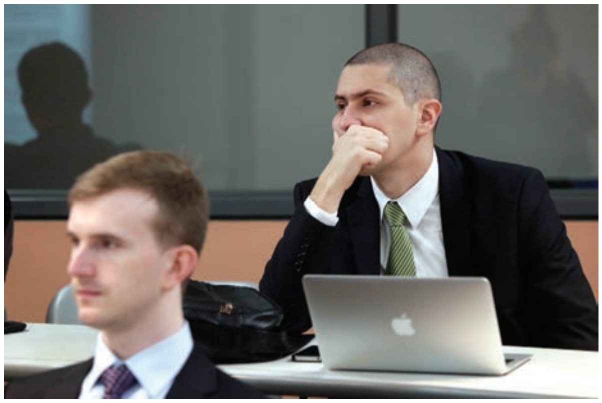


Asset Allocation

Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The largest positions are currently in Mortgage Backed Securities and Senior Loans. As we go forward, we intend to continue making investments consistent with our view that currently includes closely following our exposure to the MBS and emerging market sectors. Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach given the current fixed income environment.

Holdings Profile

Fixed Income Portfolio as of February 28, 2014

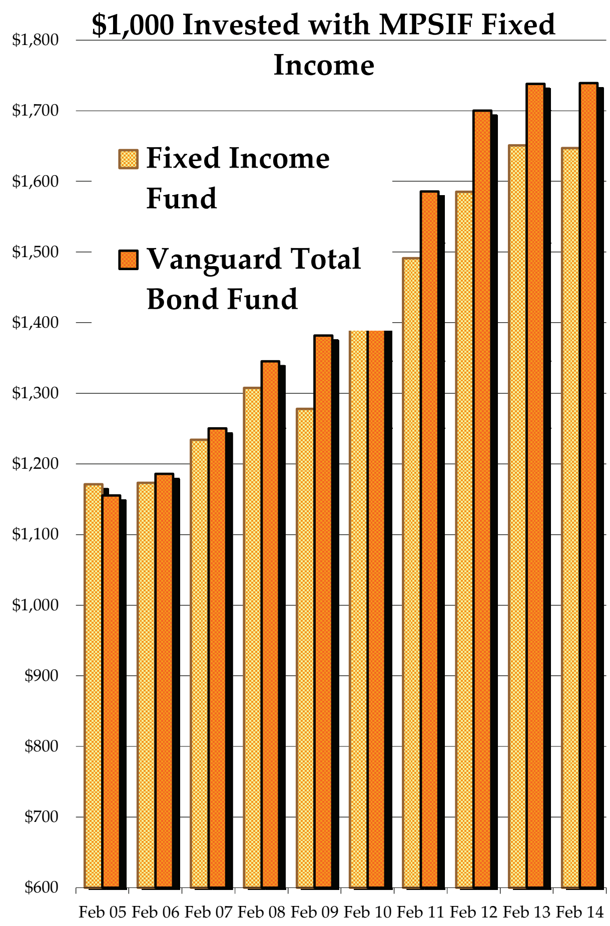
Company Name	**Ticker**	**Sector**	**Shares Held**	**Closing Price**	**Position Value**	**% of Assets**
PIMCO Mortgage Opportunities Fund	PMZPX	MBS/ABS	9,700	$11.08	$107,474	**35.28%**
PowerShares Senior Loan Portfolio	BKLN	Loan	1,663	24.87	41,359	**13.58%**
iShares iBoxx $ High Yield Corp Bond Fund	HYG	High Yield	325	94.93	30,852	**10.13%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	258	117.32	30,269	**9.94%**
Vanguard Malvern FDS Short Term Inflation	VTIP	Treasuries	603	49.55	29,880	**9.81%**
iShares Barclays 3 - 7 Tresaury Bond Fund	IEI	Treasuries	151	121.64	18,368	**6.03%**
iShares Barclays Agency Bond Fund	AGZ	Agency	138	111.95	15,449	**5.07%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	1,355	10.79	14,618	**4.80%**
THL Credit Inc	TCRD	Mezzanine	740	15.83	11,714	**3.85%**
Total Securities					$299,983	**98.47%**
Cash as of February 28, 2014					4,650	**1.53%**
Total Assets					**$304,633**	**100.00%**

Fixed Income Portfolio as of August 31, 2013

Company Name	**Ticker**	**Sector**	**Shares Held**	**Closing Price**	**Position Value**	**% of Assets**
PIMCO Mortgage Opportunities Fund	PMZPX	MBS/ABS	10,394	$ 10.84	$112,669	**38.35%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	515	113.05	58,221	**19.81%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	4,045	10.95	44,297	**15.08%**
iShares Barclays TIP Bonds Protected Securities Fund	TIP	Treasuries	265	110.74	29,346	**9.99%**
iShares Barclays 3 - 7 Tresaury Bond Fund	IEI	Treasuries	151	119.96	18,114	**6.16%**
iShares Barclays Agency Bond Fund	AGZ	Agency	138	110.68	15,273	**5.20%**
PowerShares Senior Loan Portfolio	BKLN	Loan	592	24.72	14,634	**4.98%**
Total Securities					$292,554	**99.57%**
Cash as of August 31, 2013					1,271	**0.43%**
Total Assets					**$293,824**	**100.00%**

Investment Style & Strategy

The Fund seeks to outperform its benchmark, the Vanguard Total Bond Fund (VBMFX). The Fund implements its views through a top-down allocation approach to the four main sub-sectors of the U.S. Fixed Income investment grade market, namely U.S. Treasuries, Corporate Bonds, Mortgage-Backed/Asset-Backed Securities and Foreign Investment Grade Bonds (Emerging Markets and Developed Markets). Due to its tax-exempt status, the Fund does not invest in Municipal bonds. Also, the Fund does not engage in shorting, derivatives trading, or other non-linear investment strategies. Currently, the Fund does not buy individual securities due to the limited size of our trades and market spreads associated with buying individual securities. Instead the Fund invests in ETFs and other publicly traded funds to implement its sector allocation.



Due to the Fund's inability to take positions in specific bond issues (limited dollar resources, the need to maintain a diversified fixed income portfolio and the limitations of our trading account), we make sector allocation decisions and invest through ETFs and established mutual funds. We incur management fees, and thus benchmark to an index whose performance is also adversely impacted by mutual fund management fees. Therefore, we felt it most appropriate to benchmark to the bond mutual fund index with the least tracking error to the Barclays Capital Aggregate Bond Index, and thus chose the Vanguard Fund (VBMFX).

Fund Management

The Executive Committee

Front Row: Ankit Gupta, Louis Pavia, Javier Gondo
Middle Row: Matthew Weber, Timothy Wengerd, Richard Levich
Back Row: John Dorost, Benjamin Miller, Judah Sokel

Professor Richard Levich – ***Faculty Advisor***
Richard Levich is Professor of Finance and International Business and Deputy Chairman of the Department of Finance at New York University's Leonard N. Stern School of Business. Previously, he served as Chairman of the International Business Program at Stern. He is also a Research Associate with the National Bureau of Economic Research and he is a founding editor of the Journal of International Financial Management and Accounting. In 1997, Professor Levich received a CDC Award for Excellence in Applied Portfolio Theory from the Caisse Des Dépôts Group, France. Professor Levich received his Ph.D. from the University of Chicago.

Ankit Gupta – ***President***
Ankit Gupta has a B.E. in Chemical Engineering from Panjab University, India. Prior to Stern, he worked for Deutsche Bank as Product Manager (Mortgages) and Asset Liability Manager (Treasury) for India and China. Over the summer, he worked for Deutsche Bank in London in Sales and Trading. He is the 'Aswath Damodaran Faculty Scholar' at Stern.

Benjamin Miller – *Co-Portfolio Manager, Growth Fund*
Benjamin Miller received a BBA in Finance and Political Science from Emory University in 2009. Prior to Stern, Ben worked at Citigroup as an analyst in credit risk management covering large cap consumer and retail companies. Prior to Citigroup, Ben was a middle market credit analyst at Bank of America Merrill Lynch.

Judah Sokel – *Co-Portfolio Manager, Growth Fund*
Judah Sokel, CPA, graduated summa cum laude from Touro College in 2008 with a BS in Accounting. Prior to attending Stern, Judah worked as an equity research analyst at Palladium Capital Advisors. Judah spent the summer working in Equity Research at J.P. Morgan and will be returning there upon graduation.

Louis Pavia, CFA – *Co-Portfolio Manager, Value Fund*
Louis Pavia, CFA, holds an undergraduate degree in Economics and Finance from Virginia Tech. Prior to Stern, Louis worked for four years as an alternative investment analyst at Honeywell Capital Management. While at Stern, he has held internships at a value-oriented family office and J.P. Morgan Equity Research.

Matthew Weber – *Co-Portfolio Manager, Value Fund*
Matthew Weber graduated from Penn State University with a major in finance and a minor in economics. Prior to NYU Stern, Matt worked for over five years in various roles within performance measurement at Cambridge Associates, a global investment consulting and research firm.

John Dorost - *Co-Portfolio Manager, Small Cap Fund*
John Dorost earned his B.S. in Engineering Management from the United States Military Academy. Prior to Stern, John spent six years in the Army as a Signal Officer where he served both in the US and in Iraq. John will join Credit Suisse after graduation where he will be working in the Global Industrials Group within the Investment Banking Department.

Timothy Wengerd, CFA - *Co-Portfolio Manager, Small Cap Fund*
Timothy Wengerd, CFA, holds a B.S. in economics from the Wharton School at UPenn. Prior to Stern, Tim was an equity research analyst at Deutsche Bank, serving as the lead analyst for small cap lodging REITs and the senior research associate focused on the lodging industry. This summer he will be working as an Equity Research Analyst Intern at Fidelity Investments.

Javier Gondo - *Portfolio Manager, Fixed Income Fund*
Javier Gondo graduated from Universidad del Pacifico (Lima, Peru) with a Bachelor’s degree in Economics. Prior to Stern, Javier worked at Faro Capital SAFI and Compass Group SAFI in the Peruvian Private Equity Fund as a Senior Investment Professional. Over the summer Javier completed his summer internship at Post Capital Partners, a private investment firm based in NYC.

The Growth Fund

Front Row: Jeff Goldstein, Sirisha Kurada, Scott Farmer, Matthew Mitchell
Second Row: Jonathan Baluzy, Siddharth Agarwal, Ruchin Jain
Third Row: Judah Sokel, Benjamin Miller, Erik Woodring, Edward Cavendish, Evan Dryland

Jonathan Baluzy graduated from Syracuse University and is a licensed CPA. Prior to Stern, Jonathan worked as an auditor for Grant Thornton LLP, performing services for large commercial and financial services companies in and around the tri-state area. This past summer he worked for Mars & Company, a strategy-consulting firm, where he will be returning full-time after graduation.

Jeff Goldstein received a BSBA in Finance and International Business from Washington University in St. Louis. Prior to Stern, Jeff was a fixed income trader at Oppenheimer & Co, where he worked with products such as municipal bonds, commercial paper, and auction rate securities. Over the summer, Jeff worked as an equity analyst at Moore Capital Management.

Ruchin Jain holds a Bachelors and Masters in Chemical Engineering from Indian Institute of Technology Delhi. Prior to attending NYU Stern, Ruchin was an Associate with the Institutional Client Group at Deutsche Bank in India and an analyst at McKinsey & Co. After Stern, Ruchin will return to McKinsey & Co. as an Associate in their Dubai office.

Benjamin Miller received a BBA in Finance and Political Science from Emory University in 2009. Prior to Stern, Ben worked at Citigroup as an analyst in credit risk management covering large cap consumer and retail companies. Prior to Citigroup, Ben was a middle market credit analyst at Bank of America Merrill Lynch.

Matthew Mitchell holds a B.B.A. in economics from Temple University. Prior to attending Stern, Matt served in the United States Marine Corps where he led Scout Sniper teams in Iraq and Afghanistan. He spent the past summer working in Syndicated & Leveraged Finance at J.P. Morgan where he covered firms in the Technology, Media, and Telecom industries. Matt currently works as a research analyst with GC Synexus, an event-driven, special situation hedge fund.

Judah Sokel, CPA, graduated summa cum laude from Touro College in 2008 with a BS in Accounting. Prior to attending Stern, Judah worked as an equity research analyst at Palladium Capital Advisors. Judah spent the summer working in Equity Research at J.P. Morgan and will be returning there upon graduation.

Siddharth Agarwal holds a B.Com. in Finance and Accounting from University of Calcutta, India. Prior to attending Stern, Siddharth worked with Ernst & Young, first in Audits and more recently in Transaction Advisory Services (TAS), Siddharth will be joining Credit Suisse's investment banking department this summer as an associate. Siddharth is a Chartered Accountant and has completed the CFA program.

Edward Cavendish holds a M.A. Joint Honors in Economics and Chinese from the University of Edinburgh. Prior to attending Stern, Edward spent four years working in Investment Banking in London; first at Moelis & Company and, more recently, at Houlihan Lokey, where he specialized in restructuring and M&A mandates. Edward will be joining Moore Capital Management this summer as an intern on their Event Driven / Merger Arbitrage team.

Evan Dryland, CFA, holds a BBA in Finance and Economics from Emory University's Goizueta Business School. Prior to attending Stern, Evan spent five years at SunTrust Robinson Humphrey where he specialized in advising clients regarding the execution of equity financings. Evan will be joining J.P. Morgan's Mergers & Acquisitions group this summer as an Associate.

Scott Farmer holds a B.S. in Finance from Wake Forest University and is a CFA Charterholder. Prior to attending Stern, Scott spent six years at Bank of America Merrill Lynch, where he traded asset-backed commercial paper, repo, and total return swaps on equity and equity-linked securities. Scott will be joining J.P. Morgan's equity research department this summer as an associate.

Sirisha Kurada holds a B.Tech and M. Tech in Engineering from Indian Institute of Technology -Madras (IIT-M), India. Prior to attending Stern, Sirisha spent three years at Nomura Structured Finance (Global Markets) in the Risk Analytics and Algorithmic Trading Strategies groups working mainly in Fixed Income. Sirisha will be joining Barclays' Credit Research and Strategy department this summer as an associate.

Erik Woodring holds a B.A. in Economics from Middlebury College. Prior to attending Stern, Erik spent three years at Talson Capital Management where he worked as a senior research analyst conducting investment due diligence on long/short hedge funds. Prior to joining Talson, Erik spent two years as an equity research analyst at Simms Capital Management. Erik will be joining Morgan Stanley's Equity Research Division this summer as an associate.

The Value Fund

Front Row: Brian Jones, Troy Green, Antoine Aurimond, Javier Gondo
Middle Row: Josh Bronstein, Louis Pavia, Jerry Liu, Ankit Gupta
Back Row: Vinny Nyamathi, Matthew Weber, Taylor Price, Rajeev Adya, Owens Huang

Javier Gondo graduated from Universidad del Pacifico (Lima, Peru) with a Bachelor's degree in Economics. Prior to Stern, Javier worked at Faro Capital SAFI and Compass Group SAFI in the Peruvian Private Equity Fund as a Senior Investment Professional. Over the summer Javier completed his summer internship at Post Capital Partners, a private investment firm based in NYC.

Ankit Gupta has a B.E. in Chemical Engineering from Panjab University, India. Prior to Stern, he worked for Deutsche Bank as Product Manager (Mortgages) and Asset Liability Manager (Treasury) for India and China. Over the summer, he worked for Deutsche Bank in London in Sales and Trading. He is the Aswath Damodaran Faculty Scholar at Stern.

Jerry Liu graduated from New York University Leonard N. Stern School of Business in 2007 with a B.S. in Finance and Actuarial Science. Prior to returning to Stern for an MBA, he worked in the Retirement, Risk and Finance practice at Mercer. This past summer, he had an internship at Barclays in the Consumer Retail group within the Investment Banking Division, where he will be returning upon graduation.

Louis Pavia, CFA, holds an undergraduate degree in Economics and Finance from Virginia Tech. Prior to Stern, Louis worked for four years as an alternative investment analyst at Honeywell Capital Management While at Stern, he has held internships at a value-oriented family office and J.P. Morgan Equity Research.

Taylor Price is a graduate of Pomona College, where he double majored in Mathematics and Classics. Prior to Stern he evaluated investment opportunities and executed transactions for a private equity fund in Shanghai, and interned at the Overseas Private Investment Corporation during the summer of 2013.

Matthew Weber graduated from Penn State University with a major in finance and a minor in economics. Prior to NYU Stern, Matt worked for over five years in various roles within performance measurement at Cambridge Associates, a global investment consulting and research firm.

Rajeev Adya has a B.A. in Economics with an emphasis in Mathematics from Washington University in St. Louis. Prior to Stern, Rajeev worked as an investment banking analyst at J.P. Morgan within its Syndicated and Leveraged Finance Group. Rajeev will spend the upcoming summer working as an Investment Banking Associate in the Mergers and Acquisitions group at UBS AG.

Antoine Aurimond received a B.A. in Finance from Paris Business College in France. Prior to attending Stern, Antoine spent three years as an analyst at New Harbor, a boutique investment bank focused on the power and utility sector. Antoine will join UBS as a summer associate in their Equity Research Department.

Josh Bronstein, CFA, graduated from the Pennsylvania State University with a Bachelor of Science in Finance and International Business. Prior to attending Stern, Josh spent three years in fixed income at Morgan Stanley managing the credit risk of a $10B derivative and structured product portfolio. Josh will spend the upcoming summer at J.P. Morgan in the Private Bank.

Troy Green received a B.S. in Electrical Engineering from Virginia Tech. Prior to attending Stern, Troy established Green Oak Investment Partners LP in 2007. Troy will spend the upcoming summer at Culmen Capital in Investment Research.

Owens Huang received his B.Sc. in Chemistry from National Taiwan University in 2006. Prior to attending Stern, Owens worked as an investment commissioner at Taiwan Insurance Guaranty Fund, managing the $10 billion portfolio of an insolvent life insurance company.

Brian C. Jones, CFA, earned his Bachelor of Business Administration from James Madison University. Prior to attending Stern, Brian worked in the Private Client Group at Wells Fargo Advisors. Brian will join J.P. Morgan as a summer associate in their Equity Research Department.

Vinny Nyamathi, CFA, received a B.S. in Management Sciences from the University of California, San Diego in 2006**.** Prior to joining Stern, Vinny served as an analyst in the investment research department at LPL Financial Vinny will spend the upcoming summer in Investment Research at American Century.

The Small Cap Fund

Front Row: Timonthy Wengerd, Neerav Bagaria, Ramsy Safadi
Middle Row: Bryce Webster, Daniel Reagan, Mario Acosta, Abhimanyu Sanghi, Gennadiy Ryskin
Back Row: John Dorost, Trent Trujillo, Jason Thompson

John Dorost earned his B.S. in Engineering Management from the United States Military Academy. Prior to Stern, John spent six years in the Army as a Signal Officer where he served both in the US and in Iraq. John will join Credit Suisse after graduation where he will be working in the Global Industrials Group within the Investment Banking Department.

Ramsy Safadi, CFA, holds a B.S. in Computer Engineering from the University of Texas at Austin. Prior to Stern, Ramsy spent six years at Bank of America developing electronic trading and risk management strategies for government bond and derivatives in New York and Tokyo. This past summer, Ramsy worked for Developing World Markets, an investment firm targeting emerging and frontier markets.

Jason Thompson is a graduate of Washington University in St Louis, where he earned his B.S. in Mechanical Engineering. Prior to attending Stern, Jason worked as a management consultant for five years at Accenture where he spent the majority of his time in their Capital Markets practice. He spent this past summer working as an Investment Banking Summer Associate in the Financial Institutions Group at Macquarie Capital. After Stern, Jason will join Barclays in their Investment Banking Department.

Trent Trujillo holds a B.S. in Business Administration with a concentration in Finance from the University of Denver. Prior to attending Stern, Trent spent seven years at Mount Yale Capital Group where he managed the company's alternative investment platform. He spent the summer working in the Equity Research department at UBS, where he covered REITs, and will return to UBS after graduating from Stern.

Mario Acosta, CFA, holds a M.S. in Economics from Universidad de los Andes, Colombia. Prior to attending Stern, Mario spent four years at the central bank of Colombia as an Investment Analyst and Portfolio Manager in the Foreign Reserves Department.

Neerav Bagaria holds a B.E (Hons) in Chemical Engineering from BITS, Pilani (India). Prior to attending Stern, Neerav worked at ICICI Securities as an equity research Associate tracking the Metals & Mining sector in India. This summer Neerav will be working as an Equity Research Associate at UBS.

Daniel Reagan holds a B.A. in Economics and Biology from Bowdoin College. Prior to attending Stern, Daniel worked as an equity analyst at Hamlin Capital Management and Holden Asset Management. Daniel currently interns for one of the consumer teams at Balyasny Asset Management.

Gennadiy Ryskin holds a B.S. in Finance from Bentley University. Prior to Stern, Gennadiy spent a year working abroad for the Office of the Chief Scientist as part of the Israel Government Fellowship after holding various positions at Rocaton Investment Advisors. Gennadiy currently has a semester-internship as a Research Associate Intern at TPH Asset Management.

Abhimanyu Sanghi holds a B.E. in Electronics & Communication Engineering from University of Delhi. Prior to Stern, Abhimanyu focused on public equity and venture capital investments in India at SAIF Partners. This summer, Abhimanyu will be working as an Equity Analyst Intern at Fidelity Worldwide Investment.

Bryce Webster, CFA, holds a B.S. in Industrial and Labor Relations from Cornell University. Prior to attending Stern, Bryce spent four years working in real estate investments at Gramercy Property Trust, a public REIT. Bryce currently works as a part-time intern at Numina Capital Management, an event-driven hedge fund.

Timothy Wengerd, CFA, holds a B.S. in economics from the Wharton School at UPenn. Prior to Stern, Tim was an equity research analyst at Deutsche Bank, serving as the lead analyst for small cap lodging REITs and the senior research associate focused on the lodging industry. This summer he will be working as an Equity Research Analyst Intern at Fidelity Investments.

The Fixed Income Fund

Front Row: Sirishi Kurada, Louis Pavia, Javier Gondo
Back Row: John Dorost, Owens Huang, Mario Acosta

Bios for Fixed Income team members are listed under their respective Equity Funds.

Financial Statements

Michael Price Student Investment Fund Consolidated Financial Statement

	Six Months Ending 2/28/11	Fiscal Year Ending 8/31/11	Six Months Ending 2/29/12	Fiscal Year Ending 8/31/12	Six Months Ending 2/28/13	Fiscal Year Ending 8/31/13	Six Months Ending 2/28/14
Investment Income							
Dividends - Fixed Income	8,310	14,380	6,533	10,681	6,073	10,657	6,182
Dividends - Growth	928	1,862	1,164	3,477	4,522	8,691	4,033
Dividends - Small Cap	2,141	4,646	4,522	7,677	5,047	0	0
Dividends - Value	4,550	10,150	4,192	9,369	6,726	4,751	4,897
Total Dividends	15,929	31,038	16,411	31,203	22,368	24,099	15,112
Interest - Fixed Income	48	67	1	1	0	0	0
Interest - Growth	61	146	60	60	0	0	0
Interest - Small Cap	185	217	7	7	4,522	0	0
Interest - Value	21	35	12	12	0	0	0
Total Interest	314	464	79	79	4,522	0	0
Investment Income - Fixed Income	8,359	14,447	6,533	10,682	6,073	10,657	6,182
Investment Income - Growth	988	2,008	1,224	3,537	4,522	8,691	4,033
Investment Income - Small Cap	2,326	4,863	4,529	7,683	9,569	0	0
Investment Income - Value	4,571	10,185	4,204	9,380	6,726	4,751	4,897
Total Investment Income	16,243	31,502	16,490	31,282	26,890	24,099	15,112
Expenses - Fixed Income	(1,094)	(2,424)	(494)	(463)	0	0	0
Expenses - Growth	(1,094)	(2,424)	(504)	(1,109)	(669)	(580)	(30)
Expenses - Small Cap	(1,038)	(2,657)	(784)	(993)	(522)	0	0
Expenses - Value	(1,402)	(2,996)	(701)	(671)	(604)	(123)	(58)
Total Expenses	(4,629)	(10,502)	(2,484)	(3,236)	(1,794)	(703)	(88)
Net Investment Income - Fixed Income	7,264	12,022	6,040	10,218	6,073	10,657	6,182
Net Investment Income - Growth	(106)	(417)	720	2,428	3,853	8,112	4,003
Net Investment Income - Small Cap	1,288	2,205	3,744	6,690	9,047	0	0
Net Investment Income - Value	3,169	7,189	3,503	8,709	6,123	4,628	4,839
Total Net Investment Income	11,614	21,001	14,006	28,046	25,096	23,396	15,023
Cash Flow from Operations							
Cash Balance, beginning of period - Fixed Income	30,997	30,997	4,242	4,242	3,102	3,102	1,271
Cash Balance, beginning of period - Growth	167,532	167,532	341,686	341,686	1,607	6,133	24,472
Cash Balance, beginning of period - Small Cap	179,764	179,764	25,729	25,729	78,113	0	0
Cash Balance, beginning of period - Value	19,735	19,735	74,739	74,739	25,714	1,935	3,141
Total Cash Balance, beginning of period	398,028	398,028	446,395	446,395	108,537	11,171	28,883
Annual 5% Distribution - Fixed Income	0	(15,500)	9,171	(6,829)	3,684	(12,416)	0
Annual 5% Distribution - Growth	0	(23,700)	14,023	(10,677)	5,687	(18,313)	0
Annual 5% Distribution - Small Cap	0	(26,500)	15,680	(10,920)	6,124	(19,476)	0
Annual 5% Distribution - Value	0	(22,400)	13,254	(9,546)	5,250	(20,250)	0
Total Annual 5% Distribution	0	(88,100)	52,127	(37,973)	20,745	(70,455)	0

Michael Price Student Investment Fund Consolidated Financial Statement (cont.)

	Six Months Ending 2/28/11	Fiscal Year Ending 8/31/11	Six Months Ending 2/29/12	Fiscal Year Ending 8/31/12	Six Months Ending 2/28/13	Fiscal Year Ending 8/31/13	Six Months Ending 2/28/14
Cash Flow from Operations (cont.)							
Sales of Securities - Fixed Income	0	14,153	77,065	104,600	15,939	216,228	99,548
Sales of Securities - Growth	434,332	999,179	289,329	653,769	191,991	634,837	724,511
Sales of Securities - Small Cap	87,402	431,919	326,180	635,732	385,480	634,755	397,884
Sales of Securities - Value	489,269	994,376	260,587	564,973	372,197	361,921	388,428
Total Sales of Securities	1,011,004	2,439,627	953,161	1,959,074	965,606	1,847,741	1,610,372
Purchases of Securities - Fixed Income	0	(31,093)	(80,682)	(106,311)	(16,012)	(210,196)	(98,644)
Purchases of Securities - Growth	(570,870)	(800,858)	(645,112)	(985,944)	(197,041)	(601,833)	(752,716)
Purchases of Securities - Small Cap	(118,696)	(561,650)	(361,000)	(577,478)	(371,481)	(601,810)	(399,463)
Purchases of Securities - Value	(510,144)	(923,972)	(330,911)	(636,632)	(407,292)	(339,843)	(395,817)
Total Purchases of Securities	(1,199,710)	(2,317,573)	(1,417,705)	(2,306,365)	(991,826)	(1,753,683)	(1,646,641)
Net Other Adjustments - Fixed Income	(4,592)	(6,338)	(1,440)	(2,818)	(3,600)	(6,104)	(3,707)
Net Other Adjustments - Growth	(16)	(51)	346	346	36	63	0
Net Other Adjustments - Small Cap	0	(10)	(1,639)	(1,639)	731	63	3
Net Other Adjustments - Value	0	(189)	23,472	23,472	(57)	0	0
Total Net Other Adjustments *	(4,607)	(6,587)	20,738	19,360	(2,890)	(5,978)	(3,704)
Net Change in Cash - Fixed Income	2,672	(26,756)	10,153	(1,139)	6,084	(1,832)	3,379
Net Change in Cash - Growth	(136,659)	174,154	(340,694)	(340,078)	4,526	22,865	(24,203)
Net Change in Cash - Small Cap	(30,006)	(154,035)	(17,035)	52,384	29,901	28,531	595
Net Change in Cash - Value	(17,706)	55,004	(30,095)	(49,025)	(23,779)	6,455	(2,551)
Total Net Change in Cash	(181,699)	48,367	(377,672)	(337,858)	16,731	56,020	(22,779)
Cash Balance, end of period - Fixed Income	33,670	4,242	14,395	3,102	9,186	1,271	4,650
Cash Balance, end of period - Growth	30,872	341,686	991	1,607	6,133	28,998	269
Cash Balance, end of period - Small Cap	149,758	25,729	8,694	78,113	108,014	106,644	2,800
Cash Balance, end of period - Value	2,029	74,739	44,644	25,714	1,935	8,391	590
Total Cash Balance, end of period	216,329	446,395	68,723	108,537	125,268	145,304	8,309

* Taxes owed on foreign securities' dividends, reinvestment of dividends on bond funds.

Growth Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14
Investment Income							
Dividends	928	1,862	1,164	3,477	4,522	8,691	4,033
Interest	61	146	60	60	0	0	0
Total Investment Income	988	2,008	1,224	3,537	4,522	8,691	4,033
Expenses	(1,094)	(2,424)	(504)	(1,109)	(669)	(580)	(30)
Net Investment Income	(106)	(417)	720	2,428	3,853	8,112	4,003
Cash Flow from Operations							
Cash Balance, beginning of period	167,532	167,532	341,686	341,686	1,607	6,133	24,472
Net Investment Income	(106)	(417)	720	2,428	3,853	8,112	4,003
Annual 5% Distribution	0	(23,700)	14,023	(10,677)	5,687	(18,313)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	434,332	999,179	289,329	653,769	191,991	634,837	724,511
Purchases of Securities	(570,870)	(800,858)	(645,112)	(985,944)	(197,041)	(601,833)	(752,716)
Net Other Adjustments *	(16)	(51)	346	346	36	63	0
Net Change in Cash	(136,659)	174,154	(340,694)	(340,078)	4,526	22,865	(24,203)
Cash Balance, end of period	30,872	341,686	991	1,607	6,133	28,998	269

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Six Months Ended 8/31/13	Six Months Ended 2/28/14
Investment Income							
Dividends	4,550	10,150	4,192	9,369	6,726	4,751	4,897
Interest	21	35	12	12	0	0	0
Total Investment Income	4,571	10,185	4,204	9,380	6,726	4,751	4,897
Expenses	(1,402)	(2,996)	(701)	(671) x	(604)	(123)	(58)
Net Investment Income	3,169	7,189	3,503	8,709	6,123	4,628	4,839
Cash Flow from Operations							
Cash Balance, beginning of period	19,735	19,735	74,739	74,739	25,714	1,935	3,141
Net Investment Income	3,169	7,189	3,503	8,709	6,123	4,628	4,839
Annual 5% Distribution	0	(22,400)	13,254	(9,546)	5,250	(20,250)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	489,269	994,376	260,587	564,973 x	372,197	361,921	388,428
Purchases of Securities	(510,144)	(923,972)	(330,911)	(636,632) x	(407,292)	(339,843)	(395,817)
Net Other Adjustments *	0	(189)	23,472	23,472	(57)	0	0
Net Change in Cash	(17,706)	55,004	(30,095)	(49,025)	(23,779)	6,455	(2,551)
Cash Balance, end of period	2,029	74,739	44,644	25,714	1,935	8,391	590

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	Six Months Ended	Twelve Months Ended 8/31/11	Six Months Ended 2/28/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14
Investment Income							
Dividends	2,141	4,646	4,522	7,677	5,047	7,844	3,977
Interest	185	217	7	7	4,522	7,677	
Total Investment Income	2,326	4,863	4,529	7,683	9,569	15,521	3,977
Expenses	(1,038)	(2,657)	(784)	(993)	(522)	(522)	(1,806)
Net Investment Income	1,288	2,205	3,744	6,690	9,047	14,999	2,171
Cash Flow from Operations							
Cash Balance, beginning of period	179,764	179,764	25,729	25,729	78,113	78,113	2,205
Net Investment Income	1,288	2,205	3,744	6,690	9,047	14,999	2,171
Annual 5% Distribution	0	(26,500)	15,680	(10,920)	6,124	(19,476)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	87,402	431,919	326,180	635,732	385,480	634,755	397,884
Purchases of Securities	(118,696)	(561,650)	(361,000)	(577,478)	(371,481)	(601,810)	(399,463)
Net Other Adjustments *	0	(10)	(1,639)	(1,639)	731	63	3
Net Change in Cash	(30,006)	(154,035)	(17,035)	52,384	29,901	28,531	595
Cash Balance, end of period	149,758	25,729	8,694	78,113	108,014	106,644	2,800

* Taxes owed on foreign securities' dividends.

Fixed Income Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14
Investment Income							
Dividends	8,310	14,380	6,533	10,681	6,073	10,657	6,182
Interest	48	67	1	1	0	0	0
Total Investment Income	8,359	14,447	6,533	10,682	6,073	10,657	6,182
Expenses	(1,094)	(2,424)	(494)	(463)	0	0	0
Net Investment Income	7,264	12,022	6,040	10,218	6,073	10,657	6,182
Cash Flow from Operations							
Cash Balance, beginning of period	30,997	30,997	4,242	4,242	3,102	3,102	1,271
Net Investment Income	7,264	12,022	6,040	10,218	6,073	10,657	6,182
Annual 5% Distribution	0	(15,500)	9,171	(6,829)	3,684	(12,416)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	0	14,153	77,065	104,600	15,939	216,228	99,548
Purchases of Securities	0	(31,093)	(80,682)	(106,311)	(16,012)	(210,196)	(98,644)
Net Other Adjustments *	(4,592)	(6,338)	(1,440)	(2,818)	(3,600)	(6,104)	(3,707)
Net Change in Cash	2,672	(26,756)	10,153	(1,139)	6,084	(1,832)	3,379
Cash Balance, end of period	33,670	4,242	14,395	3,102	9,186	1,271	4,650

* Reinvestment of dividends on bond funds.

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