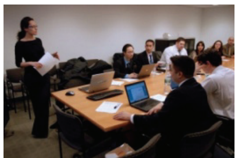
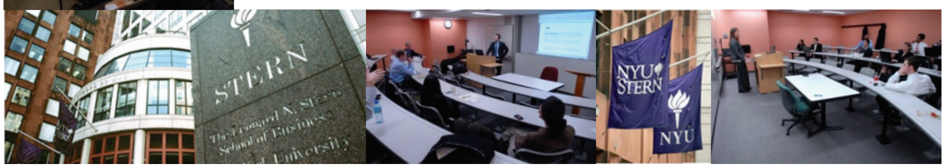


The Michael Price Student Investment Fund



MPSIF

The Michael Price Student Investment Fund

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

Semi-Annual Report

28 February, 2009

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 nearly $1.4 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 pays students' tuition so they can attend summer classes at Stern. Additionally, MPSIF maintains between two and three times the membership relative to other student investment funds at our peer institutions.

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 45 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 2009

President	Helvecio Borges Guimaraes
Co-Portfolio Manager, Fixed Income Fund	Nilesh Mandhare
Co-Portfolio Manager, Fixed Income Fund	Lester Lie
Portfolio Manager, Growth Fund	Steve Katchur
Co-Portfolio Manager, Small Cap Fund	Aditi Chandarana
Co-Portfolio Manager, Small Cap Fund	Joseph Longobardi
Co-Portfolio Manager, Value Fund	Benjamin Canet
Co-Portfolio Manager, Value Fund	Joon Kim
Faculty Advisor	Professor Richard Levich

Executive Committee – Fall 2008

President	Michael Glickstein
COO	Cindy Chan
Treasurer	Joshua Michaels
Co-Portfolio Manager, Fixed Income Fund	Christopher Bolton
Co-Portfolio Manager, Fixed Income Fund	Luiz Caselli
Co-Portfolio Manager, Growth Fund	Derek Apfel
Co-Portfolio Manager, Growth Fund	David Paz
Co-Portfolio Manager, Small Cap Fund	Jaspal Singh
Co-Portfolio Manager, Small Cap Fund	Jorge Trujillo
Co-Portfolio Manager, Value Fund	Ward Jones
Co-Portfolio Manager, Value Fund	Amy Klug
Faculty Advisor	Professor Richard Levich

Internal Leadership – Spring 2009

Vice President, Business Development	Annamalai Veerapan
Vice President, External Affairs	Ameet Parbhu Salgaonker
Vice President, Economic Strategy	Carlos Amaya
Vice President, Portfolio Analytics	Nilesh Mandhare
Vice President, Sector Strategy	Arjun Mehra
Vice President, Political Strategy	Marina Rokhman
Vice President, Annual Report	Diego Parra

Management Advisory Council

Nomi Ghez, Co-founder of Circle Financial Group, retired Partner and Managing Director, Goldman Sachs
Randall Haase, Portfolio Manager, Baron Fifth Avenue Growth Fund
Christopher Long, Director of the North American Financing Desk, Tudor Investment Corporation
Ray Pullaro, Managing Director, Blackstone Alternative Asset Management

Board of Advisors

Dean Thomas Cooley, Stern School of Business, New York University
Duane R. Stock, Professor of Finance, Price College of Business, University of Oklahoma
Michael F. Price, Benefactor
Paul Affuso, Associate Dean, Stern School of Business
Martin Gruber, Professor of Finance, Stern School of Business
Richard Levich, Professor of Finance, Stern School of Business
Arthur Zeikel, Adjunct Professor of Finance, Stern School of Business

Resource Faculty

Aswath Damodaran, Professor of Finance, Stern School of Business
Martin Gruber, Professor of Finance, Stern School of Business
Edward Kerschner, Adjunct Professor of Finance, Stern School of Business
Fred Renwick, Emeritus Professor of Finance, Stern School of Business
Matthew Richardson, Professor of Finance, Stern School of Business

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LETTER FROM THE FACULTY ADVISOR

On behalf of the students who participate in the Michael Price Student Investment Fund, I am pleased to introduce the semi-annual report for the six-month period ending February 28, 2009.

This was a turbulent period for stock markets in the United States and around the world, and hence a difficult period for investment managers. Real economic activity continued its downward slide putting further pressure on banks and other financial institutions. While policymakers have responded, in many cases on a scope and scale not seen in decades, the imbalances facing certain sectors (e.g. housing) and industries (e.g. automobiles) continue to hold a firm grip, creating considerable uncertainty for large parts of the global economy. With financial capital in tight supply and consumer sentiment and demand still drifting down, nearly all market segments have been impacted.

Against this backdrop, MPSIF has performed well relative to our benchmarks, but like most equity funds with a long-only mandate, our absolute performance has suffered. Over the six-month period, MPSIF lost 22.1% compared to a loss of 34.3% in our benchmark. This outperformance is bitter-sweet as our assets under management now stand at only $1.36 million, the lowest figure in our nine-year history. All of our equity funds beat their benchmarks by substantial double digit amounts, aided in large part by unusually high cash balances. Our fixed income fund was the lone underperformer as corporate and sovereign holdings lost ground relative to the safe haven of U.S. Treasuries.

Despite the harsh economic climate, overall interest in MPSIF remains high. Applications for MPSIF in the spring semester were twice the available slots. Our student's stock analysis and market commentary have become regular features in *Opportunity*, the Stern student newspaper. In the last few months, both the *New York Times* and the *Financial Times* ran feature stories on MPSIF emphasizing our collective decision making process and outperformance relative to the market.

Without question, this has been a difficult year. However, markets as well as our students, are always forward looking. Spring is a natural time for optimism and reawakening and some economists have begun talking about "green shoots." Our students have been given a unique opportunity to see how they themselves, as well as markets, managers and policymakers, react as the crisis evolves. Our goal is to have both MPSIF students and our funds well-positioned for the economic recovery.

Richard M. Levich
Professor of Finance
Deputy Chairman, Department of Finance
March 24, 2009

LETTER FROM THE PRESIDENT

As tumbling stock markets and dire economic outlooks continued to prevail, we at the Michael Price Student Investment Fund worked hard to identify great investment opportunities in the middle of such a blood bath. The frustration from seeing investment ideas being accepted and lately floundering as stock prices kept nose-diving has made us as MPSIF analysts conscious about defensive investment strategies and the power of discussion and thorough analysis.

The work initiated last semester to enforce stop-loss measures has been followed by a careful approach to putting cash to work. MPSIF analysts have learned that with volatility levels seen only in major recessions, good investments must not only be sound but also provide for adequate returns vis-à-vis those volatility levels. To support our stock-picking and analytical exercise, the sector strategy, political and economic outlook groups did a superb job in shedding light on the best paths moving forward.

The result, while far from the desirable returns we all worked for, has not been bad. MPSIF in the past 6 months beat its blended benchmark and overall generated a relative return, net of fees, of 12.6%. This shows the commitment to the class as a real world learning experience and the talent and dedication of our group.

This semester we focused on getting in-house advice on how to better thrive in the current economic conditions. MPSIF's Management Advisory Council members Chris Long, Nomi Ghez, Randall Haase and Ray Pullaro came to NYU Stern to share their views on recent market moves, both in equities and fixed income. Also, to get insights from an experienced endowment manager, we were pleased to host Ms. Linda Strumpf, who has been the Chief Investment Officer for the Ford Foundation since 1992, overseeing $11 billion.

In order to move MPSIF forward, we kept our work on developing the fund and studying new opportunities. Researching other student investment funds around the country, we were able to understand possible avenues for growth and which best practices we can approach in order to increase assets under management. We also promoted the strength of the MPSIF network through organizing our fourth alumni reunion, which happened in the beginning of April and attracted more than 40 participants.

There is no doubt MPSIF analysts are likely going through the most difficult times their investment careers have seen so far. While this will not be the only and last crisis we'll go through, it is likely to be one of major lessons and unique investment experiences. From this point of view, our return on investment is certainly positive.

Helvecio Borges Guimaraes
MPSIF President
April 5, 2009

THE MICHAEL PRICE STUDENT INVESTMENT FUND

Review of Operations

Four autonomous sub-funds form the Michael Price Student Investment Fund: the Fixed Income Fund, the Growth Fund, the Small Cap Fund and the Value Fund. While diligent, thorough analyses and disciplined investment and diversification strategies are at the heart of all four funds, portfolio managers act independently.

In the 6 months ending February 28, 2009, we kept working on achieving the milestones the preceding Executive Committee set for the fund:

- The equity funds adopted the stock pitch feedback form revised in the previous semester, allowing analysts to get more candid feedback on stock updates and pitches
- The transition process to the Fidelity account continues and is expected to be completed by the end of the current semester
- Stop-loss procedures have been revised in the wake of massive volatility in equity markets
- Analysts have been engaged in timely updates via email once news breaks and markets react
- Internal and external public relations continue to develop

Some of the actions taken towards that continuous improvement include:

We have continued to stress the importance of discussions and feedback among analysts to identify great investment opportunities and enhance the learning experience of the group. Analysts have been encouraged to explore the circumstances of any investment idea and vote based on fundamentals and perspectives, not market behaviors.

Our move from Merrill Lynch to Fidelity continues and we expect to complete the process by the end of the semester. We have worked continuously on the move to obtain all the necessary clearances from NYU officials.

After hosting conversations with several legendary investment managers last semester, we are looking inwards this semester for closer advice on our investment practices and analytical approaches in the middle of a downward market. Members of our Management Advisory Council visited us and shared important views on our holdings and the market moving forward. Also, close to our endowment structure, we were pleased to host Ms. Linda Strumpf, Chief Investment Officer at the Ford Foundation.

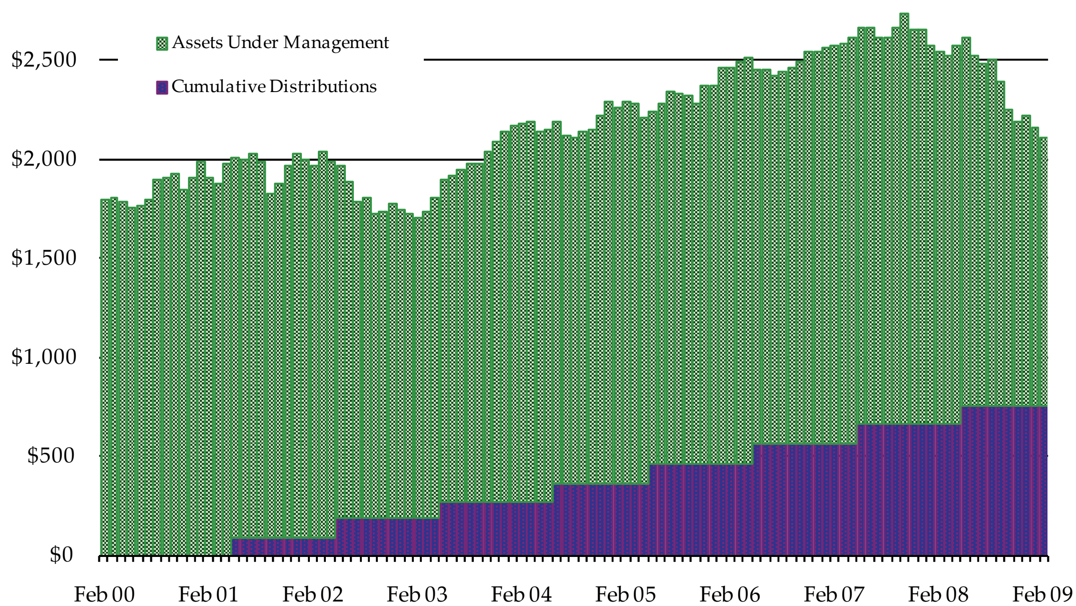
We kept the practice of using sector, economic and political teams to provide detailed reviews of current market behaviors and give guidance on likely opportunities in the near future. Special attention was given to the Federal economic stimulus package by then recently approved.

The practice of 'live' updates, usually happening via email, has continued and been of great benefit. Analysts engage in email discussions once profit-taking or loss-stopping circumstances appear, with decisions taken rapidly on the best course to follow. Similar procedures are followed once a change in fundamentals occur and undermines the investment thesis. This update practice is now engrained. Significant events in the life of stock holdings are closely monitored and communicated.

Our internal and external relations groups have continued to develop and give visibility to the fund and its practices. In January the *Financial Times* published an article about MPSIF and some of the strategies followed to avoid the market downfalls. This semester, MPSIF is scheduled to appear in a FOX Business program, also helping leverage our brand. We have continued to work closely with the *Stern Opportunity*, NYU Stern's MBA students' newspaper, to publish analysts' views on industry sectors, the economy and particular stocks. Finally, with the support from Stern Development and Alumni Affairs, we have been able to strengthen our network and connect to past MPSIF alumni at our Alumni reunion meeting.

Assets Under Management and Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on Mach 1, 2000. As of February 28, 2009, our assets under management stood at $1.36 million. Total distributions to the Michael Price School at the University of Oklahoma over the nine years are now nearly $757,000.



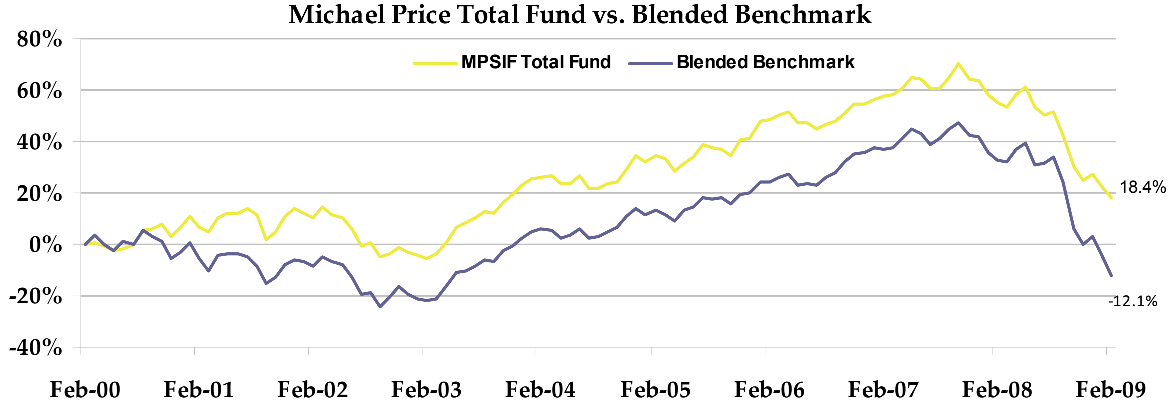
Performance of the Michael Price Student Investment Fund

For the period ending February 28, 2009

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum	Annualized	Cum	Annualized	Cum	Annualized
The Price Fund	**-21.90%**	**-23.58%**	**-20.14%**	**-7.22%**	**-6.05%**	**-1.24%**	**18.39%**	**1.89%**
Management Fees	-0.28%	-0.59%	-1.60%	-0.54%	-2.68%	-0.54%	-4.68%	-0.53%
Blended Benchmark	-34.29%	-33.70%	-29.29%	-10.91%	-17.09%	-3.68%	-12.14%	-1.43%
Relative - Gross of Fees	12.39%	10.12%	9.15%	3.69%	11.05%	2.44%	30.53%	3.32%
Relative - Net of Fees	12.17%	9.67%	7.87%	3.19%	8.53%	1.91%	24.98%	2.78%
Small Cap Fund	**-33.15%**	**-35.84%**	**-42.24%**	**-16.72%**	**-14.95%**	**-3.19%**	**35.87%**	**3.46%**
Management Fees	-0.26%	-0.52%	-1.66%	-0.56%	-2.99%	-0.60%	-5.13%	-0.58%
Russell 2000 Index	-46.91%	-42.38%	-44.57%	-17.85%	-29.22%	-6.68%	-24.35%	-3.05%
Relative - Gross of Fees	13.76%	6.55%	2.33%	1.14%	14.27%	3.49%	60.23%	6.52%
Relative - Net of Fees	13.59%	6.21%	1.38%	0.67%	11.73%	2.91%	53.26%	5.91%
Value Fund	**-27.28%**	**-26.74%**	**-12.49%**	**-4.35%**	**-4.96%**	**-1.01%**	**32.71%**	**3.19%**
Management Fees	-0.24%	-0.54%	-1.82%	-0.61%	-3.13%	-0.63%	-5.50%	-0.63%
Russell 1000 Value Index	-44.71%	-47.35%	-43.46%	-17.31%	-29.10%	-6.65%	-8.67%	-1.00%
Relative - Gross of Fees	17.43%	20.61%	30.97%	12.96%	24.14%	5.63%	41.38%	4.20%
Relative - Net of Fees	17.26%	20.21%	29.38%	12.38%	21.17%	5.01%	34.08%	3.55%
Growth Fund	**-25.25%**	**-29.97%**	**-30.38%**	**-11.37%**	**-21.69%**	**-4.77%**	**-38.62%**	**-5.28%**
Management Fees	-0.31%	-0.68%	-1.45%	-0.49%	-2.36%	-0.48%	-4.50%	-0.51%
Russell 1000 Growth Index	-39.89%	-40.02%	-34.93%	-13.35%	-27.97%	-6.35%	-57.26%	-9.01%
Relative - Gross of Fees	14.64%	10.05%	4.56%	1.98%	6.28%	1.58%	18.64%	3.73%
Relative - Net of Fees	14.41%	9.58%	3.55%	1.55%	4.43%	1.12%	15.88%	3.25%
Fixed Income Fund	**-1.98%**	**-1.45%**	**10.69%**	**3.44%**	**14.42%**	**2.73%**	**31.38%**	**4.08%**
Management Fees	-0.24%	-0.57%	-1.36%	-0.46%	-2.05%	-2.05%	-2.50%	-0.37%
Vanguard Total Bond Fund	2.07%	1.96%	15.93%	5.05%	21.75%	6.78%	37.48%	4.77%
Relative - Gross of Fees	-4.05%	-3.42%	-5.24%	-1.61%	-7.33%	-4.05%	-6.10%	-0.69%
Relative - Net of Fees	-4.29%	-3.98%	-6.75%	-2.08%	-9.68%	-6.16%	-9.38%	-1.08%

** 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.

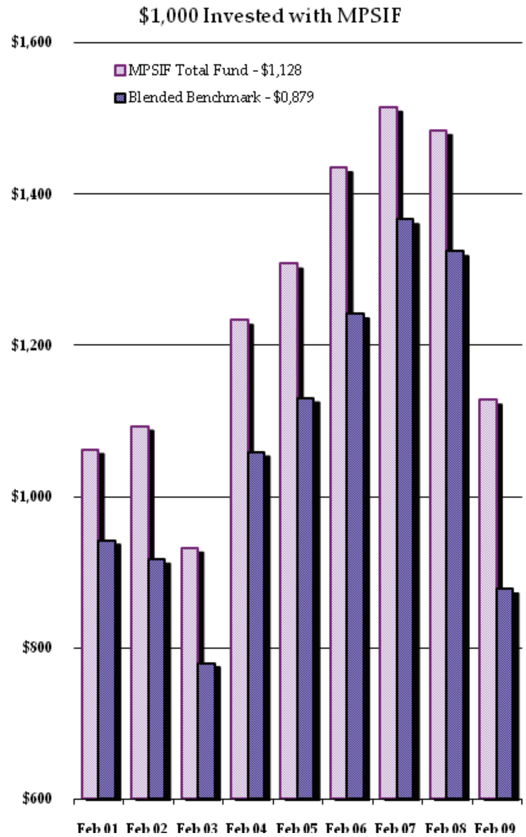
Michael Price Total Fund vs. Blended Benchmark

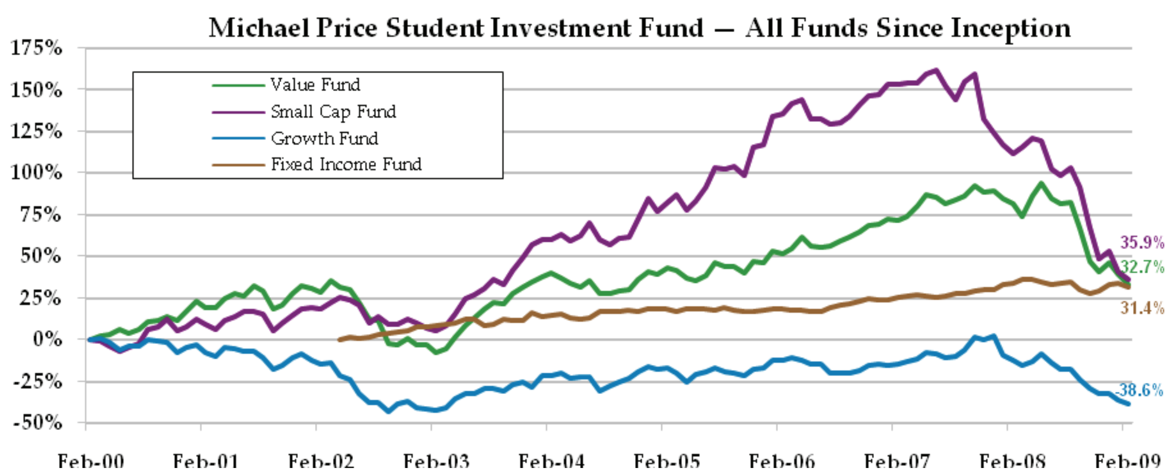


For the half-year period ending February 28, 2009 The Michael Price Student Investment Fund lost 22.18% net of fees. This half-year period has proven to be the most challenging operating environment for MPSIF since the Fund's inception in March 2000. The deepening financial crisis over the summer of 2008 led to the failure of Lehman Brothers, among numerous other financial institutions, as well as the conservatorship of Fannie May, Freddie Mac, and AIG. The crisis in the financial stocks led to a broader economic recession that sparked the deepest bear market since the 1930s.

While operating in an extremely difficult market environment, MPSIF managed to outperform the blended benchmark index, which was down 34.29%, by over 1200 basis points during the six-month period ending February 28, 2009. The Value fund, which outperformed its benchmark by 17.26%, was the top-performing segment, followed by the Growth and Small Cap funds, which had net out-performances of 14.42% and 13.59% over their respective benchmarks. The Fixed Income fund, which lost 2.23% over the period, was the only fund to underperform finishing 4.29% below the Vanguard Total Bond Fund's returns.

Since inception, MPSIF has earned a cumulative, net annual return of 1.36%, outpacing the blended benchmark by 2.78%.





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 also 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 Return Bond Index Fund
- Growth: Russell 1000 Growth Index
- Small Cap: Russell 2000 Index
- Value: Russell 1000 Value Index

Vanguard Total Return 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, and asset-backed securities
- Seeks to track the performance of the Lehman Brothers Aggregate Bond Index
- Broadly diversified exposure to investment-grade U.S. bond market
- Passively managed using index sampling
- Intermediate-duration portfolio
- Provides moderate current income with high credit quality

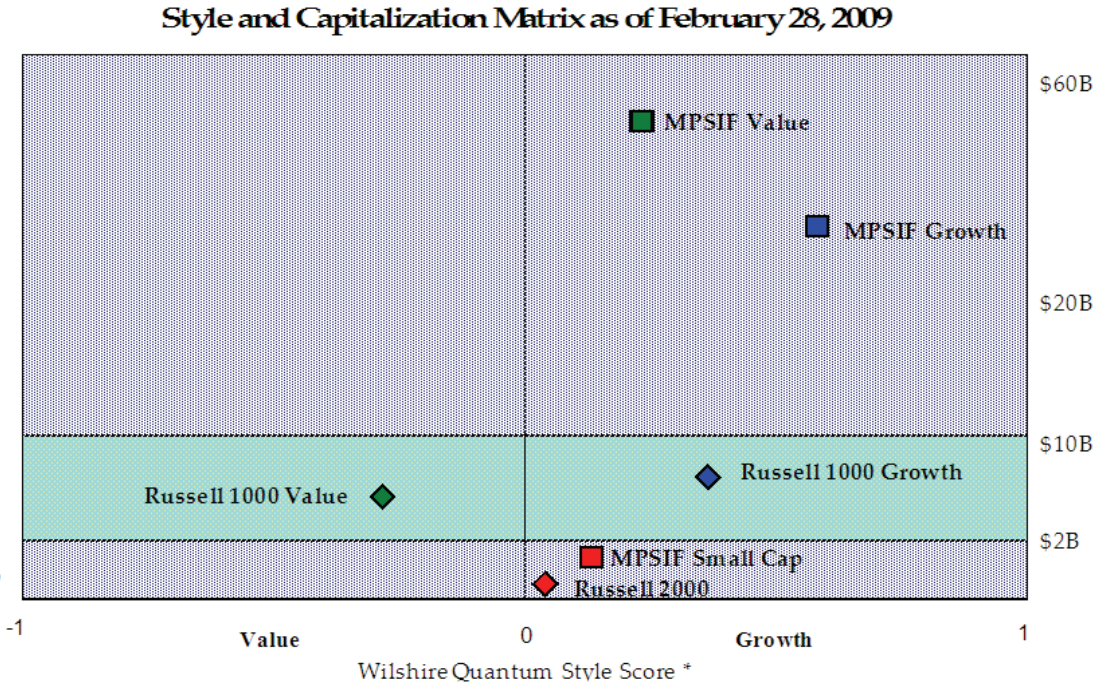
The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

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.

Valuation, Style and Capitalization

The matrix below shows the relative positions of the MPSIF strategies and their benchmarks for both style and average market capitalization. Our stock selection process is based upon security fundamentals and the stated strategy for each portfolio, thus there are no hard restrictions regarding what a particular fund may own. The smaller average market cap of our value and growth strategies is indicative of our total return approach.



Source: Wilshire Analytics
**The Quantum Growth/Value Style Score is created from a weighted average of a standardized book/price and forward looking earnings/price (standardized against the Dow Jones Wilshire U.S. 2500 Index, 75% book/price and 25% forward earnings/price).*

Equity Valuation Characteristics

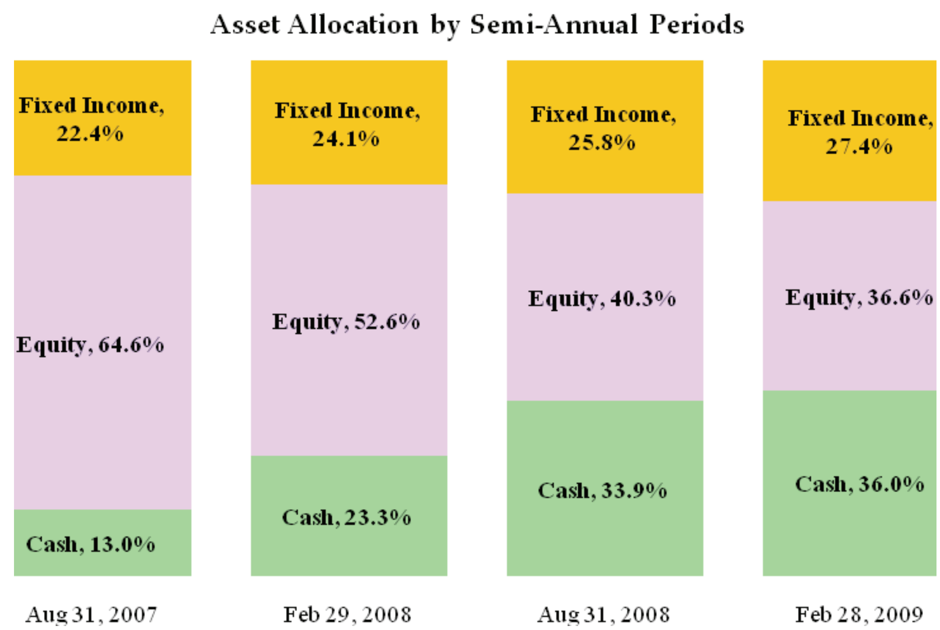
	P/E	ROE	P/BV	Div. Yield
MPSIF Growth	15.2	14.7%	3.1	1.7%
Russell 1000 Growth	11.7	33.2%	2.2	2.2%
Relative	*1.3x*	*0.4x*	*1.4x*	*0.8x*
MPSIF Value	12.7	29.1%	2.6	2.5%
Russell 1000 Value	16.7	16.0%	1.0	2.2%
Relative	*0.8x*	*1.8x*	*2.5x*	*1.1x*
MPSIF Small Cap	11.4	19.7%	1.6	1.8%
Russell 2000	10.8	17.4%	1.0	4.3%
Relative	*1.1x*	*1.1x*	*1.6x*	*0.4x*

Source: Wilshire Analytics

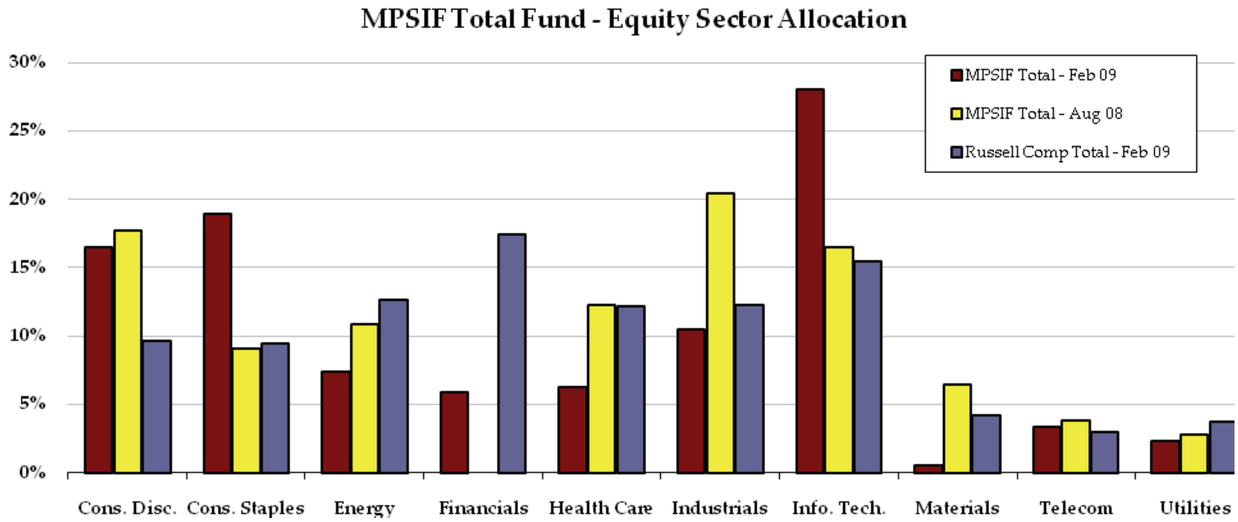
Asset Allocation

Much of the strength behind MPSIF's performance rested in our cash allocations and sector selection throughout this difficult market period. During the months of September, October, and November MPSIF held cash of 34%, 44%, and 39%, which were historically high levels of cash reserves for the Fund.

The investment discipline that the Fund showed in the fall is a major reason for MPSIF's market outperformance. September, October, and November saw swift declines in the S&P 500 of -9%, -12%, and -6% for a cumulative three-month loss of over 30%. Because of MPSIF's large cash reserve, the fund only lost 17.9% over this three-month span.



The Michael Price Student Investment Fund has not only shown discipline in its cash allocation during the 2008 year, but has also displayed astute sector selection. As of August 2008 MPSIF had zero exposure to the financial services industry. While no industry was spared during the market crash of September and October of 2008, our lack of exposure to financials cushioned the impact of the market crash to our portfolio. As of February 2009 the Fund has crept back into financials as global governments have instituted financial and legislative policies to bailout the financial services industry. MPSIF's financial allocation (approximately 6% of investments), however, remains cautiously below our benchmark's financial sector allocation of over 17%. From August 2008 to February 2009 we shifted MPSIF's allocation heavily into the Information Technology and Consumer Staples sectors, which have outperformed the overall market by 13% and 16% respectively over the last twelve months.



Fund Turnover

The Growth Fund and Small Cap Fund have been the most active in turning throughout their portfolios throughout the last year, followed by the Value Fund and the Fixed Income Fund.

Portfolio Turnover for the Six Months Ending August 31, 2008

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	84,365	239,851	428,516	135,584
Total Sales	84,261	407,139	391,337	242,807
Minimum (Sales, Purchases)	84,261	239,851	391,337	135,584
Average Invested Assets	452,972	256,859	347,430	369,211
Turnover	19%	93%	113%	37%

Portfolio Turnover for the Six Months Ending February 27, 2009

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	45,068	399,084	292,628	151,932
Total Sales	111,876	335,433	201,024	129,449
Minimum (Sales, Purchases)	45,068	335,433	201,024	129,449
Average Invested Assets	357,704	177,323	251,467	239,667
Turnover	13%	189%	80%	54%

** 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

The script for the financial markets during September 2008 through February 2009 could not have been imagined by the most sadistic Hollywood screenwriter. The Dow Jones, S&P 500 and Nasdaq collapsed dramatically, posting losses of 39%, 42% and 41%, respectively, during the period. September started ominously with the federal takeover of beleaguered government agencies Fannie Mae and Freddie Mac. A week later, Merrill Lynch was sold to Bank of America, and in the worst calamity of the financial crisis, Lehman Brothers filed for the largest bankruptcy in US history. By the end of the month, AIG had received $85 billion in government aid amidst fears of insolvency related to risky derivatives. Concluding September, the month's bloodbath culminated with the FDIC-inspired sale of Washington Mutual to J.P. Morgan and the proposed acquisition of Wachovia by Citigroup (though Wachovia was ultimately taken over by Wells Fargo after an acquisition battle).

In March 2008, Treasury Secretary Henry Paulson expressed "great confidence in our financial market." By November the tone had dramatically changed. Investors witnessed a painful deleveraging of the private sector which was facilitated through an equally magnificent leveraging of the US Government. While the details of the bailout remain fluid to this day, hundreds of billions of dollars were doled out to the most prestigious institutions in the form of asset guarantees and capital infusions. This resulted in Goldman Sachs and Morgan Stanley transforming to bank holding companies along with a partial nationalization of Citigroup.

A collapse in the real economy matched the collapse in the markets. In the third and fourth quarter of the year, GDP collapsed (-0.5% and -6.2%, respectively) as private consumption plummeted (-3.8% and -4.3%, respectively). Consumers had finally given up on severe wealth shocks (equities and homes prices) and tighter credit conditions. By early March analysts were predicting a severe economic contraction with GDP falling more than 3% in the first and second quarter improving to more modest growth declines in H2 2009 due to the impact of the massive fiscal stimulus.

The collapse of financial markets and institutions and the real economy during this period was met with unprecedented government action. On the monetary policy side, the Federal Reserve dramatically increased its balance sheet helping capitalize financial institutions and providing much needed liquidity to the economy. In December, the FOMC cut the Fed funds rate to 0-0.25% and engaged in aggressive quantitative easing. Specific focus was given to the housing industry so that the securitized mortgage investments that are weighing on the entire industry may get a backstop in prices. Over half a billion dollars have been committed to the purchase of Fannie and Freddie paper with the intention of bringing long-term mortgage rates down to around 4.50%, therefore making the housing market attractive again. With the supply of houses in the market looming at above average levels, prices continue to fall as the buyers remain on the sidelines.

On the fiscal policy side, the Treasury, in coordination with the Fed and the FDIC, intervened strongly for financial institutions in order to prevent collapse. By late September, the first financial rescue plans were drafted. After intense discussion, in February President Obama signed the American Recovery and Reinvestment Act of 2009. This controversial $787 billion "stimulus bill" offers a combination of tax breaks and federal spending initiatives with a primary goal of creating and saving a total of 3.5 million American jobs. Nearly $282 billion of the bill is dedicated to individual and business tax cuts. On the spending side, some of the many widespread initiatives include $112 billion in energy and infrastructure upgrades, $71.2 billion in labor, health services and education, $57.3 billion in unemployment benefits and $25.1 billion in health insurance assistance. The effectiveness of the bill will depend on how fast the spending initiatives can be executed and to what extent tax cuts will be saved.

Looking ahead, the investment environment continues to remain unclear. In our view, the macroeconomic fundamentals will remain weak and will not support a recovery by the middle of 2009. Fiscal policy will play a key a role in smoothing the economic cycle, particularly in the second half of 2009 and throughout 2010.

The U.S. economy also suffers from severe weakness of its primary trading partners. The Eurozone and U.K. fell into recession in the middle of 2008 and are not expected to post positive growth until early 2010. The U.K. has been more proactive with its policy response, with the Bank of England slashing rates to record lows, essentially nationalizing major financial institutions, and recently agreeing to purchase non-performing assets. The Eurozone has been slower to cut interest rates and many Western European countries' banks are at risk from default from loans to Eastern Europe. Japan's economic output has plunged due to a dramatic drop-off in demand for Japanese exports. Japan's GDP growth tumbled more than -12% annualized in Q4 2008 and is poised to drop over -10% in the current quarter. Signs of a recovery in the near term look bleak.

Emerging markets are struggling as decoupling has proved to be too good to be true. There has been a sharp slowdown in China and India due to very weak export demand from developed markets. Governments in both countries have launched large stimulus measures, focusing on infrastructure and assistance to rural workers.

The rest of Emerging Asia will remain soft in response to weak export demand from the U.S., Europe and Japan. Emerging European economies at or near recession in 2009 experienced plunging currencies and weak commodity prices due to weak export demand from Eurozone. Further, Latvia and Ukraine have required IMF bailouts due to large exposure foreign currency loans combined with deep currency depreciation. Latin America is also suffering from weak U.S. demand for exports. Commodities need to recover to get growth back on track.

It is in this challenging economic environment that MPSIF operates, endeavoring to select prudent investments which will maximize long-term value.

THE GROWTH FUND

Message from the Portfolio Manager

For the six-month period ending February 28, 2009, our fund generated gross returns of -25.25%, easily our worst six-month return since inception. The benchmark Russell Growth 1000 Index returned -39.89% for the same period. Our 1,464 basis points of outperformance gives us no satisfaction. We are unhappy with this performance and have taken bold steps toward improving our stock selection process and have developed a strategy for the deployment of cash.

Because we have a mandate for growth stocks, we are not as concerned with perceived value as we are with realistic projections for top-line expansion into the future. We recognize that sell-side analysts have yet to revise their 2009 valuations for many companies. To neutralize these stale expectations, we entered conservative assumptions into our models. Our goal is to be well positioned to take advantage of economic growth by building moderate positions in attractive sectors that can be added to as investment catalysts come to fruition.

A large percentage of our assets are held in cash. This is no accident. Our investment team has held little enthusiasm for the near-term prospects of even our favorite names. That said, we have built small positions in companies we expect to emerge first from this recession. Moreover, we are unconvinced that bottom-up research alone works well in this market. We have chosen a blended approach of identifying promising sectors, (including healthcare and consumer discretionary) and implemented a bottom-up process for selecting names in these areas.

In light of the continued and unrelenting market turmoil, I recognize my responsibility to be prudent with our holdings and chose to enforce our stop-loss policy throughout the spring semester. Ideally, this capital preservation measure will help prevent outsized losses resulting from churning markets. Our policy has been to set stop prices at levels that take into consideration the increased volatility that even the most staid of names have experienced. Once a position has reached this price, the covering analyst updates our investment team with the next steps in our relationship with the company. In some cases, we found that even appealing investment theses have quickly turned downbeat. We then move the company to our watch list and step back from the investment. The rationale here is to separate our passion for great stories from the irrational nature of this bear cycle. We tracked the performance of 21 positions that we exited during the previous six months and found, with few exceptions, extreme losses, including three with 50%-plus downside moves from where we sold them. We are proud of the discipline we used in this area.

Looking ahead, I believe this challenging economic period will have shaped the way we operate as investors for the remainder of our lives. When the dust finally settles on the current recession, I am confident each member of this team will have added a more developed method of critical thinking to their analytical arsenal.

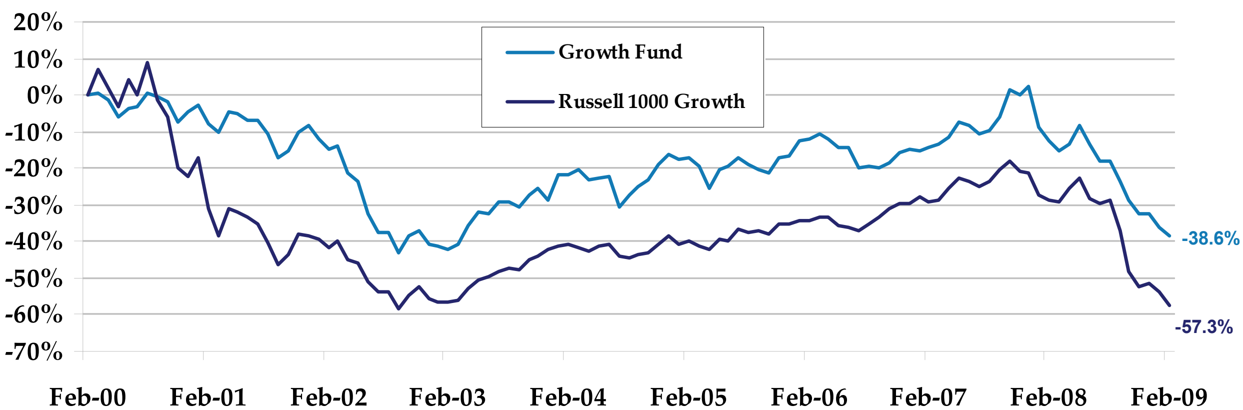
Stephen G. Katchur

Portfolio Manager, Growth Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum	Annualized	Cum	Annualized	Cum	Annualized
Growth Fund	-25.25%	-29.97%	-30.38%	-11.37%	-21.69%	-4.77%	-38.62%	-5.28%
Management Fees	-0.31%	-0.68%	-1.45%	-0.49%	-2.36%	-0.48%	-4.50%	-0.51%
Russell 1000 Growth Index	-39.89%	-40.02%	-34.93%	-13.35%	-27.97%	-6.35%	-57.26%	-9.01%
Relative - Gross of Fees	14.64%	10.05%	4.56%	1.98%	6.28%	1.58%	18.64%	3.73%
Relative - Net of Fees	14.41%	9.58%	3.55%	1.55%	4.43%	1.12%	15.88%	3.25%

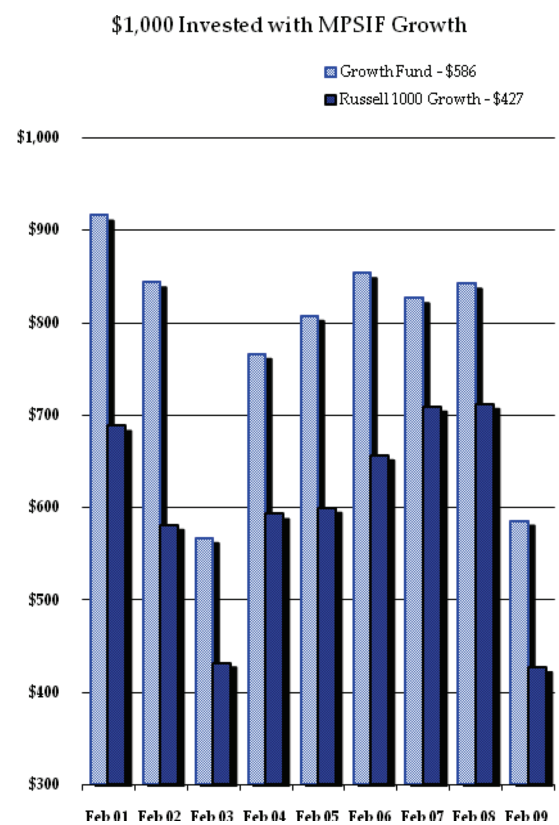
Michael Price Growth Fund vs. Russell 1000 Growth Index



During the first half of fiscal year 2009, the Fund outperformed its benchmark, the Russell 1000 Growth Index by 14.64% The Fund's relatively large cash position (61.59% of total holdings as of February 28, 2009) acted as a shelter from the market's general turmoil. In terms of its stock holdings, the Fund's decisions were based on fundamental analysis.

On a longer-term view, the last decade has not been positive for growth stocks. If we invested $1,000 dollars in the Russell 1000 Growth in March 2000 (since the fund's inception) we would have just $427 by February 2009. Although the Growth Fund has consistently outperformed its benchmark, the result of investing $1,000 in the Fund since its inception would be $586 now.

Three stocks in particular deserve comment from a performance-contribution perspective between August 2008 and February 2009: Itron Inc, FTI Consulting, Inc and Burger King Holdings Inc.



Itron (ITRI), a company that provides products and services to utilities for the energy and water markets worldwide gained 41.94% during our holding period and realized a gain of $5,992 for the Fund. Itron significantly outperformed other shares in the technology sector and was a significant contributor to the overall's fund performance.

Research in Motion (RIMM), a company that designs, manufactures and markets wireless solutions for the mobile communications markets worldwide, including Blackberry Smartphones, gained 14.66% during our holding period and realized a gain of $2,884 for the Fund.

Shares in Burger King (BKC) had a return of 4.50% and realized a gain of $362 for the Fund. BKC significantly outperformed the rest of the Restaurant industry and was a positive contributor to the fund's comparative performance.

It is important to point out that during the last fall we set a Stop Loss Policy based on analysis of intraday volatility and technical support levels, in order to cover breaks. The policy was refined in the spring to cover the entire semester. We recognized that extreme volatility across our portfolio made it important to protect ourselves from any rapid sell-off beyond a pre-determined price. According to this policy, the decisions to sell many names prevented a large capital loss estimated at nearly $27,000. During the spring we also actively decided that we did not want to rush into buying companies that had not revised 2009 estimates for fear of revisions or downgrades.

On the other hand, some holdings were very disappointing. For example, based on the strength of the commodity markets through much of the second half of fiscal 2008, we held Cia Vale Rio Doce (RIO), a diverse Brazilian mining company. However, the stock did not rise commensurately with commodity prices and then fell sharply after the commodities peak in July 2008. The Fund decided to keep the position for a while and then liquidated RIO in December 2008, at depressed levels. For this reason, the stock was a drag in the Fund's performance with a negative return of –53.71% and a monetary loss of $16,157.

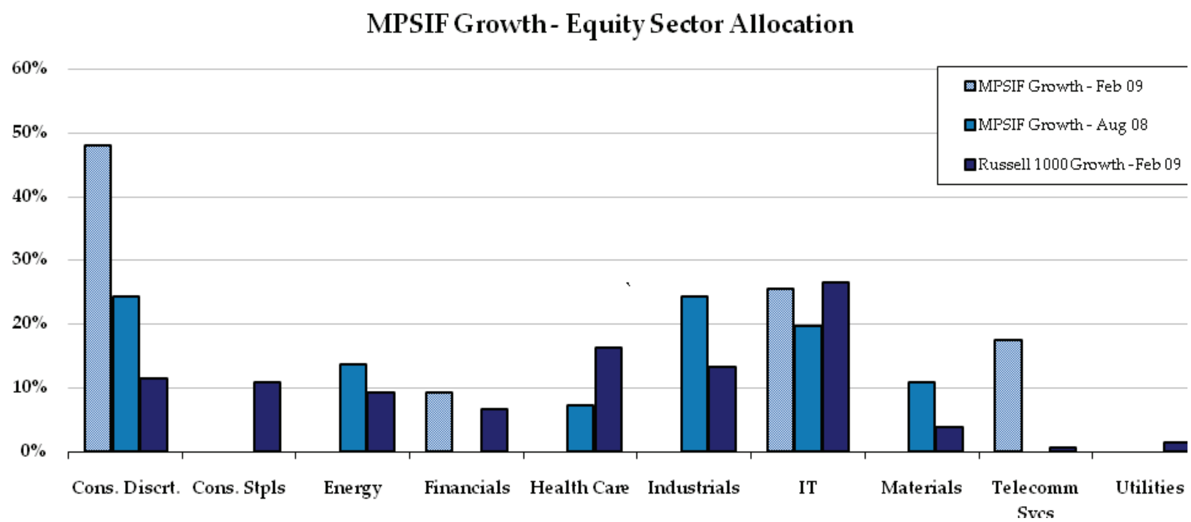
FTI Consulting Inc. (SPWR.A), a business advisory company worldwide, had a large negative return of –44.65%, and a loss of $8,955. Similarly, Adobe Systems (ADBE) fell –46.83% during our holding period, and had a loss of $7,025.

Asset Allocation

As of February 28, 2009, the sectors with the most significant weight in the Growth Fund are:

- Consumer discretionary: this sector's weight in the Growth Fund is 47.9%, a significant overweight from the Russell 1000 Growth (11.4%).
- Information technology: with a 25.6% in the Growth Fund, IT is a neutral weight compared to the Russell 1000 Growth.
- Telecomm services: has a 17.4% share in the Growth Fund, a significant overweight from the Russell 1000 Growth (0.7%).

This year we have focused on a blended approach of identifying promising sectors which could prove to be resilient amid the current recession (including healthcare and some consumer services) and implemented a bottom-up process for selecting best of breed in these areas. The bottom-up alone could be insufficient in the current market.



Holdings Profile

Growth Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Ishares R1000 Growth	IWF	Index	0	55.05	0	0.00%
Coinstar Inc	CSTR	Consumer Discretionary	375	26.14	9,803	3.37%
Mcdonalds Corp	MCD	Consumer Discretionary	362	52.25	18,915	6.50%
Nike Inc	NKE	Consumer Discretionary	450	41.53	18,689	6.42%
Gamestop Corp New	GME	Consumer Discretionary	230	26.92	6,192	2.13%
Intercontinentalexch	ICE	Financials	180	56.77	10,219	3.51%
Mantech Intl Corp	MANT	Information Technology	343	52.17	17,894	6.15%
Starent Networks Corp	STAR	Information Technology	680	15.81	10,751	3.70%
China Mobile (Hk)	CHL	Telecomm Services	450	43.35	19,508	6.71%
Direct Equity Holdings					111,968	38.49%
Total Equity Holdings					111,968	38.49%
Cash as of February 29, 2008					178,967	61.51%
Total Assets					**290,935**	**100.00%**

Growth Portfolio as of August 31, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Adobe Sys Inc	ADBE	Information Technology	355	42.83	15,205	4.03%
Amphenol Corp New	APH	Information Technology	241	47.52	11,452	3.03%
Chicago Bridge & Iron	CBI	Industrials	299	32.02	9,574	2.54%
Cia Vale Rio Doce	RIO	Materials	558	26.55	14,815	3.92%
Gamestop Corp New	GME	Consumer Discretionary	230	43.87	10,090	2.67%
Marvel Entertainment	MVL	Consumer Discretionary	339	33.87	11,482	3.04%
Polo Ralph Lauren Co	RL	Consumer Discretionary	148	75.88	11,230	2.97%
Schering Plough Corp	SGP	Health Care	501	19.4	9,719	2.57%
Sunpower Corp	SPWRA	Industrials	240	97.55	23,412	6.20%
Transocean Inc New	RIG	Energy	65	127.2	8,268	2.19%
Walter Inds Inc	WLT	Energy	109	93.8	10,224	2.71%
Direct Equity Holdings					135,472	35.89%
Total Equity Holdings					135,472	35.89%
Cash as of August 31, 2008					242,042	64.11%
Total Assets					**377,514**	**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 source their growth from a unique business model or a strong competitive position in a rapidly growing industry. We believe that companies with these characteristics can achieve more than 15% annual EPS growth over the next five years and in turn experience substantial stock price appreciation. 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 static 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: 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: Amid the selected sectors, our analysts look for firms with clear growth catalysts. 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 examines relative valuations and then finally performs a fundamental analysis of the company. The analyst then writes a research report and pitches the stock to the class. The class engages in a debate to challenge the investment rationale. After this rigorous process, the group votes whether or not to purchase the stock.

Sell Discipline: In 2006, the Fund added stop-loss orders to provide more self discipline. In 2009 we updated the policy and began taking into consideration the analysis of intraday volatility and technical support levels, in order to cover breaks. 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 issuer's growth rate deteriorates or its performance otherwise disappoints.
- The price of the security attains our price target or otherwise appears relatively high to our fund's analysts.
- 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 SMALL CAP FUND

Message From the Portfolio Managers

The break between fall and spring semesters is a time of transition for the Small Cap Fund. This year had the additional impact of a slowing economy and unprecedented financial unrest. In response, this led to a Fund-wide decision to tighten the stop loss orders, to better manage the risk associated with market volatility. As the markets dipped, stop-losses were triggered resulting in the liquidation of two positions in January, leaving the Fund with twenty positions.

During February, we reassessed our holdings and consequently sold eight positions. Additionally, we were stopped out of three positions. As a result, we effectively minimized our downside risk. We have decided to continue to hold a large amount of cash while commencing research on new positions to add prudently as opportunities arise.

Eleven holdings from 2008 remain in our portfolio. Some of these positions have been extremely resilient through the past few months and are in areas that could continue to weather the economic slowdown. A few examples of our current positions include Sohu.com (SOHU), which provides a range of online services from online gaming to search engines in the Peoples Republic of China. It is a high growth, high margin company that is well positioned to capture market share in a market with significant barriers to entry and has near term catalysts in new product offerings. EPIQ Systems Inc. (EPIQ), a legal software services company whose primary business segments are electronic discovery, bankruptcy, and settlement administration. EPIQ should benefit as the economic turmoil will likely lead to increases in bankruptcy and class action activity. McCormick & Company Incorporated (MKC) is a recognized global leader in the manufacture, marketing and distribution of spice, flavor and other specialty food products. It is a defensive, low beta stock which has held up well during the ongoing economic downturn.

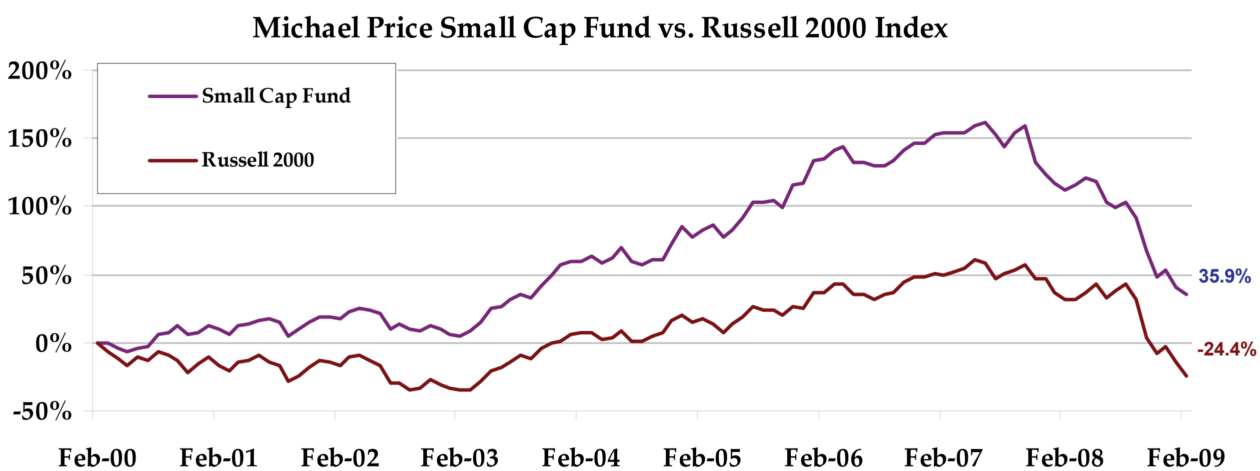
Though the Small Cap Fund has significantly outperformed the benchmark, our absolute performance has not been stellar. The volatility and uncertainty in the financial markets over the last few months has made this extremely challenging, however it has also led to a greater emphasis on thorough research and analysis. In order to improve the performance of the Fund, we have continued to encourage analysts to keep up to date with their stock selections throughout the semester, by adding additional update presentations on earnings calls and significant events to complement the traditional update at the beginning of the semester. We have also revisited the stop loss prices for all the stocks in our portfolio. In addition, we have increased awareness of the Fund's sector allocation through discussions of the portfolio weightings. We hope to improve the Fund's diversification and performance under all market conditions.

Managing a portfolio in this turbulent environment has been a unique and invaluable educational experience for us. However we believe that this uncertainty will present significant opportunities, from which we hope to benefit.

Aditi Chandarana and Joseph Longobardi
Portfolio Managers, Small Cap Fund

Discussion of Performance

	6 Month	1 Year	3 Year Cum	3 Year Annualized	5 Year Cum	5 Year Annualized	Inception Cum	Inception Annualized
Small Cap Fund	**-33.15%**	**-35.84%**	**-42.24%**	**-16.72%**	**-14.95%**	**-3.19%**	**35.87%**	**3.46%**
Management Fees	-0.26%	-0.52%	-1.66%	-0.56%	-2.99%	-0.60%	-5.13%	-0.58%
Russell 2000 Index	-46.91%	-42.38%	-44.57%	-17.85%	-29.22%	-6.68%	-24.35%	-3.05%
Relative - Gross of Fees	13.76%	6.55%	2.33%	1.14%	14.27%	3.49%	60.23%	6.52%
Relative - Net of Fees	13.59%	6.21%	1.38%	0.67%	11.73%	2.91%	53.26%	5.91%



Throughout the period we have been faced with the global economic crisis which has caused significant volatility and overall downward pressure across the broader market. Over the 6-month period ending February 28, 2009, the Small Cap Fund outperformed the Russell 2000 by 13.76%.

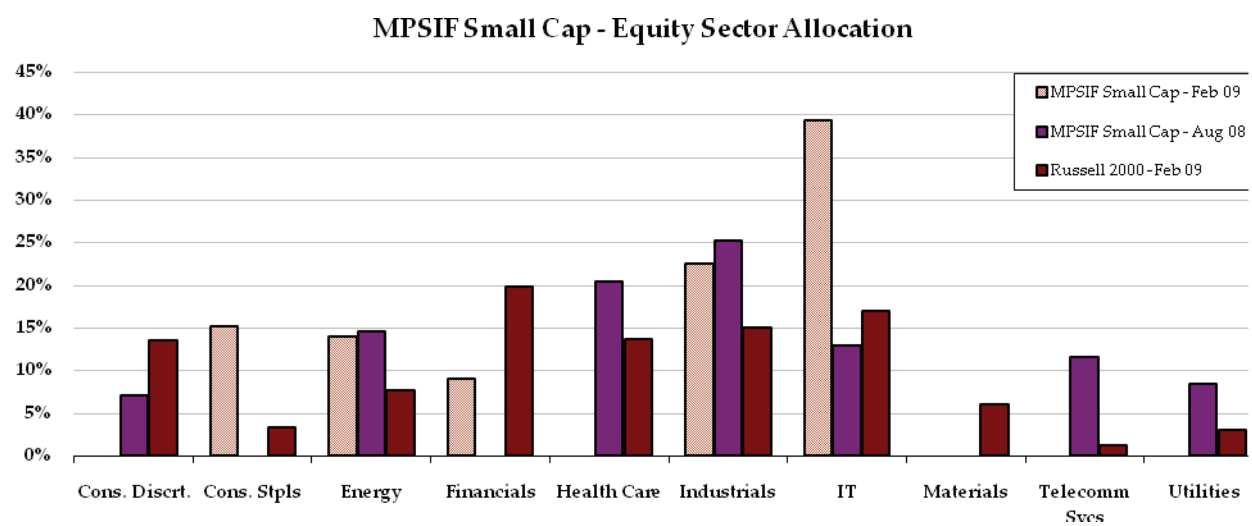
The sectors which contributed the most to the six-month outperformance were Consumer Staples and Information Technology. The best performing stock in the portfolio was Epiq Systems Inc. (EPIQ), which jumped 49.4% during the period on strong earnings and the expectation that the financial crisis would result in a significant increase in Chapter 11 filings driving revenue growth. Other top performers include ICF International Inc. (ICFI), McCormick & Co. (MKC) and Sohu.com Inc. (SOHU) which gained 29.9%, 6.1% and 4.4% respectively.

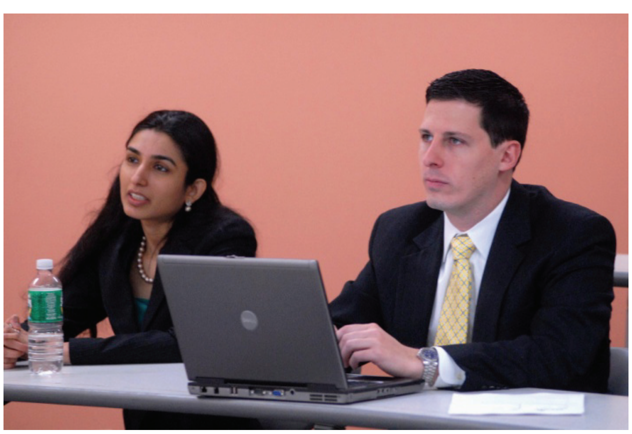
Over the period the Russell 2000 index was down (46.9%) as the global financial crisis has hit the small cap sector especially hard. The Small Cap Fund re-evaluated the original thesis of each position and exited several positions in advance of further deterioration in the market. These positions include: Regency Energy Partners LP (RGNC), Blackboard Inc. (BBBB), Knoll Inc. (KNL), Boyd Gaming Corp. (BYD) and Brunswick Corp (BC). While many of these positions were sold at a loss, our proactive approach to the changing market conditions allowed us to avoid incremental losses. The Fund realized a 9.6% gain on the sale of half of its position in McCormick & Co (MKC) during the period. As a result of these sales, the Small Cap Fund has a large cash position which we are looking to put to work to drive improved performance.

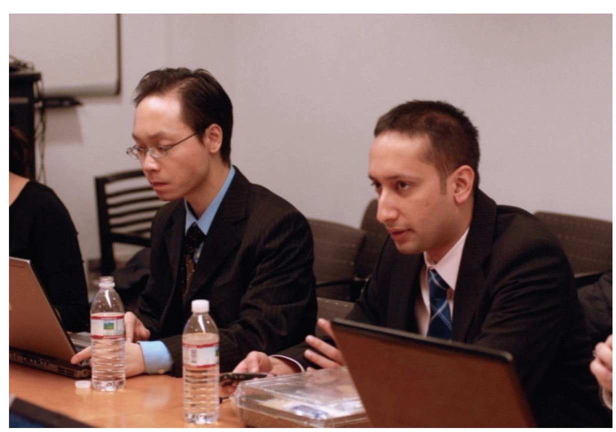
Asset Allocation

While the Fund primarily employs a bottom-up approach to analyzing potential investments, optimal sector allocations are taken into consideration for any additions to the portfolio. In addition, the Fund's use of price targets and lack of bias towards either growth or value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund seeks to be fully invested as opportunities avail themselves but due to the committee structure, the extent of equity participation may vary significantly, especially during the winter and summer school recess when liquidations may occur because of stop-losses without the benefit of having new stock pitches to take the original position's place. This situation was the case during the winter of 2008. The Fund's small number of holdings means that diversification is difficult to maintain across sectors and within the sector. For the current period, the Fund has an over-exposure to information technology, utilities, consumer discretionary, healthcare, and telecommunications but is underweight financials, industrials, energy, materials, and consumer staples.

Below is the asset allocation at the midpoint of FY 08 and beginning of FY 09. Please note that the Fund does not maintain mandatory guidelines regarding asset allocation among sectors.







Holdings Profile

Small Cap Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Alliance Resource LP	ARLP	Energy	875.0	26.47	23,161.25	8.61%
Autodesk Inc	ADSK	Information Technology	500.0	12.69	6,345.00	2.36%
Chattem Inc	CHTT	Consumer Staples	140.0	63.43	8,880.20	3.30%
China Nepstar Chain Drugstore	NPD	Healthcare	1,600.0	3.64	5,824.00	2.17%
Energy Conversion Devices	ENER	Technology	400.0	21.93	8,772.00	3.26%
EPIQ Sys Inc	EPIQ	Information Technology	1,400.0	16.87	23,618.00	8.78%
Hexcel Corp New	HXL	Industrials	897.0	6.21	5,570.37	2.07%
Hughes Communications	HUGH	Telecommunications	1,230.0	10.46	12,865.80	4.79%
ICF Int Inc	ICFI	Services	524.0	23.99	12,570.76	4.68%
Interactive Brokers Group	IBKR	Financial Services	1,070.0	14.05	15,033.50	5.59%
McCormick & Co Inc	MKC	Consumer Staples	335.0	31.35	10,502.25	3.91%
Sohu.com Inc	SOHU	Information Technology	460.0	49.40	22,724.00	8.45%
Waste Services Inc	WSII	Industrials	2,450.0	4.35	10,657.50	3.96%
Direct Equity Holdings					166,524.63	61.93%
Total Equity Holdings					166,524.63	61.93%
Cash as of February 27, 2009					102,347.07	38.07%
Total Assets					**268,871.70**	**100.00%**

Small Cap Portfolio as of August 31, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Allete Inc	ALE	Utilities	470	42.22	19,843	4.65%
Blackboard Inc	BBBB	Information Technology	370	39.96	14,785	3.46%
Epiq Sys Inc	EPIQ	Information Technology	1400	11.29	15,806	3.70%
Frontier Communications	FTR	Telecomm Services	2172	12.57	27,302	6.39%
Global Inds Ltd	GLBL	Energy	1255	9.67	12,136	2.84%
Hexcel Corp New	HXL	Industrials	897	20.78	18,640	4.36%
Icf Intl Inc	ICFI	Industrials	524	18.47	9,678	2.27%
Kendle International	KNDL	Health Care	460	49.45	22,747	5.33%
Knoll Inc	KNL	Industrials	1900	16.47	31,293	7.33%
Regency Energy Partn	RGNC	Energy	900	24.92	22,428	5.25%
Sirona Dental System	SIRO	Health Care	925	27.49	25,428	5.95%
Skechers USA Inc	SKX	Consumer Discretionary	865	19.12	16,539	3.87%
Direct Equity Holdings					236,625	55.40%
Total Equity Holdings					236,625	55.40%
Cash as of August 31, 2008					190,479	44.60%
Total Assets					**427,104**	**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 accordance with the Fund's role as a part of the 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 capitalizations of less than $4 billion and benchmarks its returns against the Russell 2000 Index. The portfolio does not have a value or growth bias or primarily utilize a top-down methodology. Rather, 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, the company's earnings outlook, valuation, M&A activity, management team, and/or other specific catalysts or events.

Strategy. The Small Cap Fund targets a relatively concentrated portfolio comprised of 20 to 25 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. Throughout the semester, Fund analysts provide both updates on existing positions and pitches for new investments. With regard to existing allocations, each semester the analyst assigned to a particular stock provides updates to the Small Cap Fund throughout the course of the semester. At that time, the entire Fund votes on the analyst's recommended course of action. Options include selling all or half of the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment highlights and weighs them against any potential macro or company-specific risks. Furthermore, the analyst and the Fund review the expected timing of the investment as well as all upside price targets and downside stop-losses if applicable. When implementing a stop-loss order, the Fund tries to differentiate between firm specific negative events and a general market downturn. When considering a new position, the Fund may vote for a full (approximately $20,000), half, or zero allocation or wait and watch the position until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

Why Small Cap Stocks? Small cap stocks are defined by the Fund as stocks that have market capitalization of less than $4 billion. They have proven to offer the greatest returns to investors over time based on historical data. However, these stocks may take longer to be recognized and valued by the market and tend to plunge upon negative earnings announcements.

Risk Management. As stated earlier, stop-loss prices are implemented during the winter and summer breaks. Stop-loss prices are established using various techniques, including the stock's trading volatility, technical analysis, or fundamental analysis by modeling downside scenarios. When class is in session, all members continuously monitor the selected stock, particularly during earnings season. Considering the volatility of Small Cap stocks, it is very important to take action immediately against price movement and market sentiment. Every position is assigned to a particular analyst. In order to maintain continuity between semesters, stocks assigned to outgoing analysts are temporarily assigned to second-semester Small Cap analysts (over the recess periods) until new analysts join the Fund and the stock coverage may be re-assigned.

The Value Fund

Message from the Portfolio Managers

For the fiscal year ending February 28, 2009, the Value Fund ("the Fund") marked a loss of 27.28% (gross of fees) on an absolute basis, yet outperformed our benchmark Russell 1000 Value Index by 1,743 bps. While it is difficult to feel celebratory about such a loss, we are encouraged that we outperformed the benchmark.

The Fund began the year with a cash position of 31%. With the market in free fall and uncertainty abounding, our main objective at the start of the Spring semester was to quickly evaluate each of our stock holdings and their unique risk/reward profiles in this challenging environment. In addition to selling some holdings usually due to their high risk profile, we stopped out of numerous positions as markets continued on an unrelenting decline at the start of the New Year.

With significant cash on hand and feeling comfortable with our current holdings, our focus turned to locating undervalued stocks. As a group, we first discussed certain qualities that we wanted to focus on during these uncertain times (e.g., solid balance sheets, positive cash flow, strong brand, top-notch management teams, and sustainable dividend yields). The majority of our early acquisitions have been defensive-oriented names that are likely to outperform during a prolonged recession. This may be a common theme going forward, but there has been an increasing interest in searching for more cyclical stocks that have been oversold despite their strong fundamentals. Overall, we believe there are significant opportunities to find great values in the current market.

On operational issues, we have decided to implement new trading procedures and processes. On setting the stop loss, we as a group decided to be much more systematic on how these levels were set. We also eliminated the ease by which an analyst could reset these stop loss levels, limiting the potential of taking a significant loss on a single holding. On stock purchases, we added the option to acquire shares in stages. This dollar cost averaging approach could potentially reduce risk versus making a single large purchase in a volatile market. However, the fund may choose to take a full position immediately if there is a near-term catalyst or limited near-term risks.

Over the six-month period through February 28, 2009, the fund earned $3,039 in dividends and $792 in interest income from our holdings. The Fund's cash balance ended at $150,055. Since inception, the Value Fund has gained 32.7% (gross of fees), or 3.2% (gross of fees) on an annualized basis.

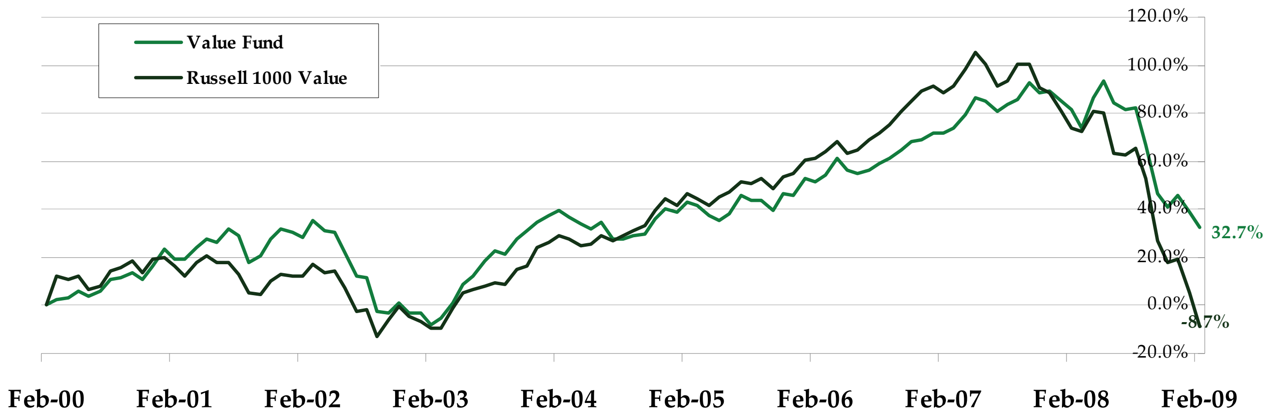
Benjamin Canet and Joon Kim

Portfolio Managers, Value Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum	Annualized	Cum	Annualized	Cum	Annualized
Value Fund	**-27.28%**	**-26.74%**	**-12.49%**	**-4.35%**	**-4.96%**	**-1.01%**	**32.71%**	**3.19%**
Management Fees	-0.24%	-0.54%	-1.82%	-0.61%	-3.13%	-0.63%	-5.50%	-0.63%
Russell 1000 Value Index	-44.71%	-47.35%	-43.46%	-17.31%	-29.10%	-6.65%	-8.67%	-1.00%
Relative - Gross of Fees	17.43%	20.61%	30.97%	12.96%	24.14%	5.63%	41.38%	4.20%
Relative - Net of Fees	17.26%	20.21%	29.38%	12.38%	21.17%	5.01%	34.08%	3.55%

Michael Price Value Fund vs Russell 1000 Value



The sectors that contributed most to the six-month outperformance are Utilities, Technology and Services. These sectors returned respectively -8.6%, -10.7% and -16.4%. The (only) gainer in the portfolio was Fiserv, which increased by 3.01% during the six month period. Other outperforming stocks included Colgate Palmolive (-2.97%), Medtronic (-7.23%), Exelon (-8.59%), Exxon Mobil (-9.53%) and Cisco Systems (-9.94%). Due to exits triggered by votes or our stricter stop loss limit policy, our increasing allocation to cash (41.48% as of 2/27/09 vs. 34.97% as of 8/31/08) helped our Fund's outperformance. Obviously, we cannot be satisfied by a -27.28% performance.

Over the six month period, we made some very good and some very bad decisions. For instance: We voted to sell General Electric on 9/22/08 for $26.62 (vs. $19.32 on 2/27/09) and purchased Fiserv on 12/8/08 and returned 3.01%. Eleven of our 13 purchase decisions outperformed our benchmark. But we sold RIO at close to historic lows and should have sold our historically losing Freeport position (-69.58%) in November and cut our losses. More generally, taking into account the Freeport experience as well as the falling market, we decided to enforce a stricter stop-loss policy.

That allowed the fund to exit 7 positions, including Halliburton on 10/2/08 at $29.91 (vs. $16.31 on 2/27/09). These exits explain our higher allocation to cash and now give us now more resources to invest in attractive stocks.

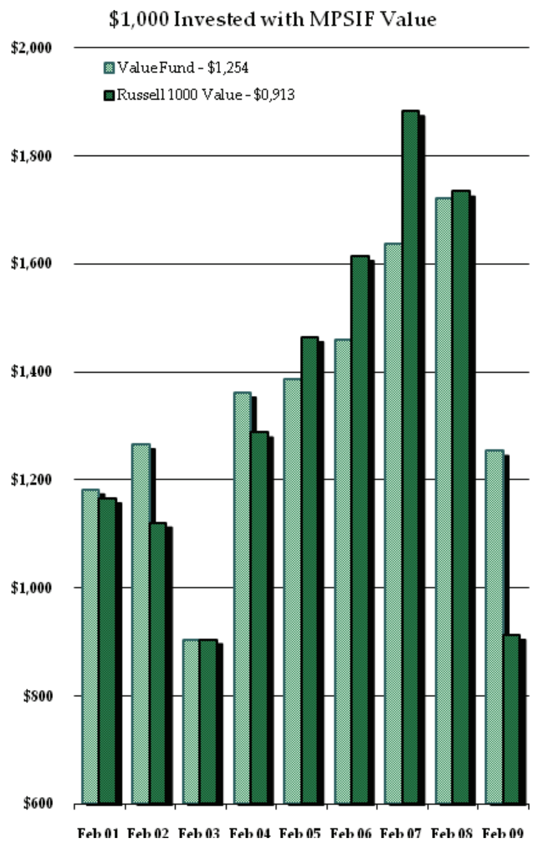
Asset Allocation

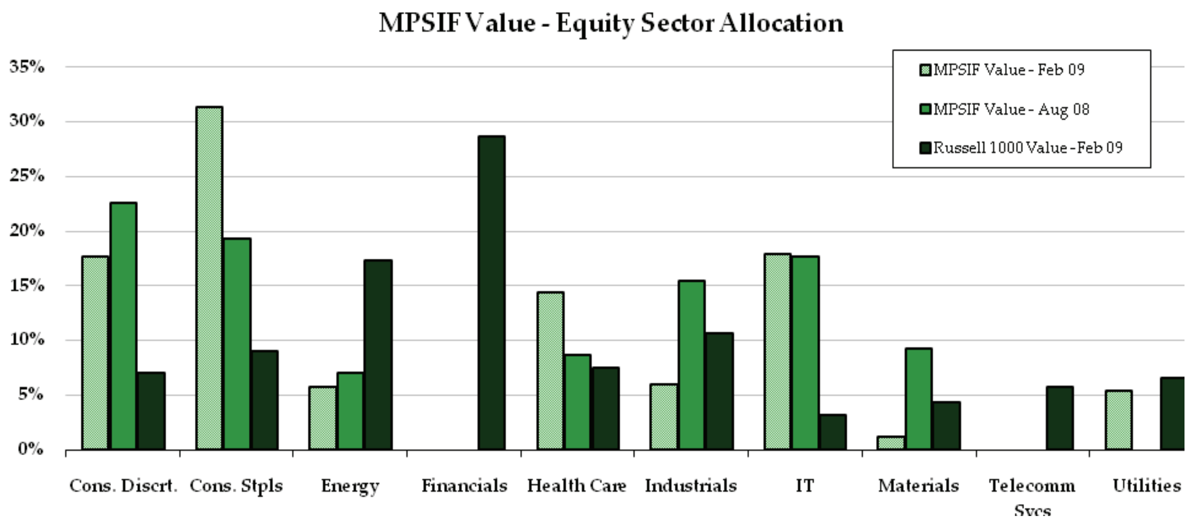
Value Fund analysts take a bottom-up approach to stock selection. While we discuss sector weightings relative to the Russell 1000 Value benchmark, we do not make active sector bets. Instead, we look at all stocks within the range of our investment policy.

Over the last six months, especially in November and December, we took the opportunity to increase our exposure to consumer staples and healthcare. We significantly decreased our exposure to Basic Materials (from 9.26% to 1.27%) and Industrial Goods (from 15.41% to 6.05%). We sold half of our position in Freeport-McMoRan Copper & Gold These sectors are typically more resistant during times of economic recession and we are seeking to (FCX) in November 2008 at prices significantly higher than today in an effort to harvest gains and reposition the portfolio.

On the other hand, we added names in Consumer Staples and Healthcare, taking our relative weighting in those sectors to 3.5x and 1.9x the benchmark, respectively. We also added one Utilities stock, Exelon.

evaluate the relative merits on a stock-by-stock basis.




MPSIF Value - Equity Sector Allocation
35%
30%
25%
20%
15%
10%
5%
0%
MPSIF Value - Feb 09
MPSIF Value - Aug 08
Russell 1000 Value - Feb 09
Cons. Discrt.
Cons. Stpls
Energy
Financials
Health Care
Industrials
IT
Materials
Telecomm Svcs
Utilities

Holdings Profile

Value Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Advanced Auto Parts	AAP	Consumer Discretionary	390	38.25	14,918	4.12%
Avon Products	AVP	Consumer Discretionary	593	17.59	10,431	2.88%
Charles River Laboratories	CRL	Industrials	457	24.8	11,334	3.13%
Cisco Systems	CSCO	Technology	738	14.57	10,753	2.97%
Colgate Palmolive	CL	Consumer Staples	201	60.18	12,096	3.34%
CVS Caremark Corp	CVS	Consumer Staples	427	25.74	10,991	3.04%
Exelon Corporation	EXC	Utilities	241	47.22	11,380	3.15%
Exxon Mobil Corp	XOM	Energy	177	67.9	12,018	3.32%
Fiserv Inc	FISV	Technology	393	32.62	12,820	3.54%
Freeport-Mcmoran Cop	FCX	Materials	87	30.42	2,647	0.73%
Intuit	INTU	Information Technology	600	22.79	13,674	3.78%
Johnson and Johnson	JNJ	Consumer Staples	222	50	11,100	3.07%
Kinetic Concepts Inc	KCI	Healthcare	335	21.78	7,296	2.02%
McDonalds Corp	MCD	Consumer Staples	220	52.25	11,495	3.18%
Medtronic Inc	MDT	Healthcare	391	29.59	11,570	3.20%
Pepsico Inc	PEP	Consumer Staples	271	48.14	13,046	3.61%
Philip Morris Intl Inc	PM	Consumer Staples	554	33.47	18,542	5.13%
Raytheon	RTN	Conglomerates	132	39.97	5,276	1.46%
Toyota Motor Co	TM	Consumer Discretionary	163	63.14	10,292	2.85%
Direct Equity Holdings					211,677	58.52%
Total Equity Holdings					211,677	58.52%
Cash as of February 29, 2009					150,055	41.48%
Total Assets					**361,732**	**100.00%**

Value Portfolio as of August 31, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Advanced Auto Parts	AAP	Consumer Discretionary	390	43.04	16,786	3.46%
Charles River Laboratories	CRL	Industrials	305	65.19	19,883	4.10%
Cia Vale Rio Doce	RIO	Materials	563	26.55	14,948	3.08%
Corning Inc	GLW	Telecom & Cable	1021	20.54	20,971	4.32%
Cvs Corp	CVS	Consumer Staples	427	36.6	15,628	3.22%
Dell Inc	DELL	Information Technology	892	21.73	19,383	3.99%
Freeport-Mcmoran Cop	FCX	Materials	175	89.32	15,631	3.22%
General Elec Co	GE	Industrials	457	28.1	12,842	2.65%
Halliburton Co	HAL	Energy	204	43.94	8,964	1.85%
Idex Corp	IEX	Industrials	490	37.07	18,164	3.74%
Ims Health Inc	RX	Healthcare	760	22.22	16,887	3.48%
Intuit	INTU	Information Technology	600	30.07	18,042	3.72%
Kinetic Concepts Inc	KCI	Healthcare	335	35.16	11,779	2.43%
Kohls Corp	KSS	Consumer Discretionary	356	49.17	17,505	3.61%
Mattel Inc	MAT	Consumer Discretionary	886	19.33	17,126	3.53%
Mcgraw Hill Inc	MHP	Consumer Discretionary	205	42.84	8,782	1.81%
Pepsico Inc	PEP	Consumer Staples	271	68.48	18,558	3.82%
Philip Morris Intl Inc	PM	Consumer Staples	554	53.7	29,750	6.13%
Talisman Energy Inc	TLM	Energy	800	17.59	14,072	2.90%
Toyota Motor Co	TM	Consumer Discretionary	163	89.59	14,603	3.01%
Direct Equity Holdings					315,700	65.03%
Total Equity Holdings					315,700	65.03%
Cash as of August 31, 2008					169,768	34.97%
Total Assets					**485,468**	**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.

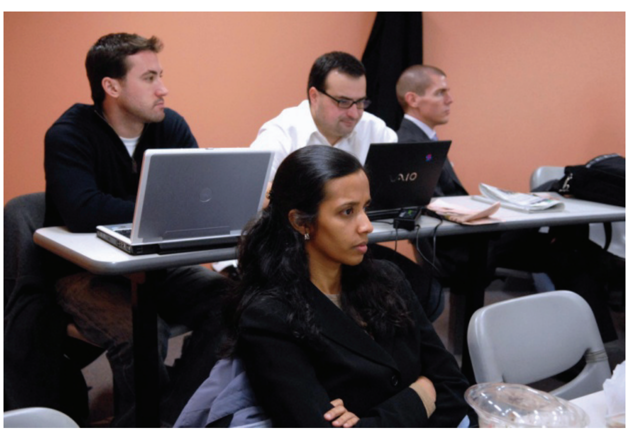
Benchmark: Russell 1000 Value Index

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 make actual 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.

Number of Holdings: An objective of 30 positions, 3.3% of assets under management per new position.

Cash: The goal of the Fund is to be invested in the best value opportunities in the marketplace. To the extent we have uninvested cash, we will search for opportunities to employ that capital that fits our strategy. We do not have a maximum cash balance and only utilize ETFs to reduce our cash exposure on a short-term basis. These ETFs are focused in sectors that we are underweight and are sold off when investment ideas are added to the portfolio.



THE FIXED INCOME FUND

Message from the Portfolio Managers

In the current unsettling times, a sensible allocation plan can help preserve capital and drive returns. We continue to see volatility in the fixed income markets primarily due to the turmoil outsized only by the Great Depression. Strong evidence of impending economic weakness, both domestically and abroad, and a freeze in credit liquidity amongst financial institutions have resulted in widening credit spreads as the market continually re-prices risk. In response, the Federal Reserve Board, in concert with other developed countries' central banks, has implemented a variety of responses to cope with the crisis - the impact of which remain to be seen. While the fund anticipated and was able to profit from some of these developments, other factors detracted from the fund's profitability in the most recent period.

During the period from 8/29/08 through 2/27/09, the fund maintained an overweight position in the front end of the treasury yield curve in anticipation of further steepening as a result of the Fed's continued attempts to stimulate the economy and relieve tension in the overnight lending markets. While the spread between 2 and 10-year treasury notes, a reflection of the steepness of the curve, was volatile, we believe our positioning remains appropriate given our outlook. More recently, our positioning in the 1-3 year duration has allowed us to take advantage of the latest round of yield curve steepening implemented by the Fed and other central banks, ultimately benefiting the fund's returns. We believe going forward investors will continue to find favor in the front end of the yield curve due to rising inflation expectations due to drastic rate cuts by the Fed.

Most recently, credit market volatility caused us to liquidate our position in our investment grade corporate bonds at a loss. We originated this investment to take advantage of widening spreads in high-quality securities with strong fundamentals that had been unfairly beaten down by market turmoil.

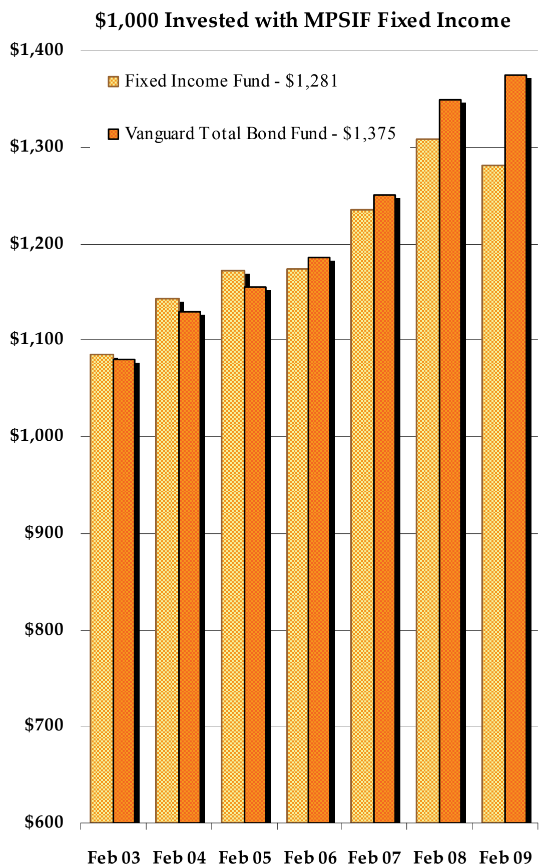
Going forward we believe the crisis in the credit and financial markets will continue to cause developed economies to operate well below potential for some time. Further, we believe select emerging economies will continue to experience partial decoupling with respect to growth though as they struggle to credibly battle inflation in their respective economies. However, in the short run, most emerging markets are impacted adversely either due to sentiments or exposure to global credit markets. Taking this into consideration, we reduced our emerging markets exposure by 1/3. In addition we have increased our position in a Global Bond Fund, to protect against the falling U.S. dollar and to hedge against potential increase in U.S. inflation and inflation expectations.

Regarding fund structure, we remain at 10 active members with sector specific coverage responsibilities, although have added commodities sector coverage primarily to supplement our views on global inflation, currencies, and trade balances.

Lester Lie and Nilesh Mandhare
Portfolio Managers, Fixed Income Fund

Discussion of Performance

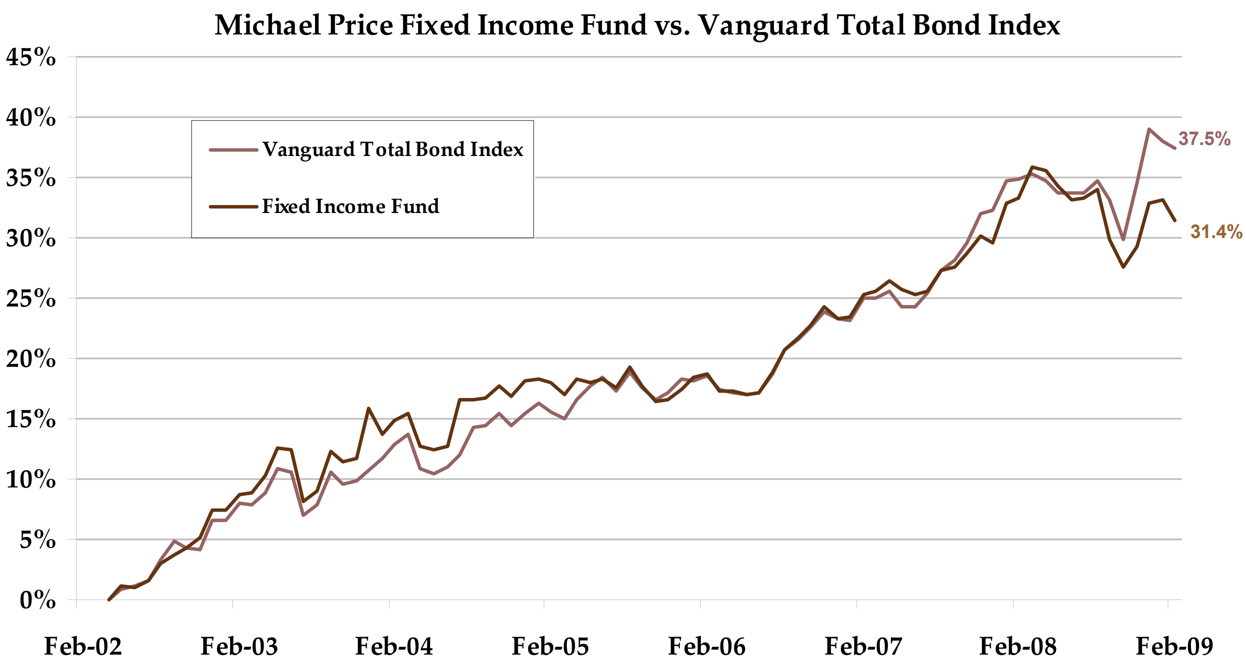
Over the past 6 and 12 months, the Fund has earned -1.98% and -1.45% returns, respectively. These numbers indicate a decline in the relative return over the most recent 6-month period as compared to the full 12-month period. During the most recent 6-month period, the Fund fell 4.04% short of the benchmark Vanguard Total Bond Fund. For the full 12 months timeframe, the fund return was 3.41% below the benchmark.



During the past 6 months, we have made two changes in the portfolio. We eliminated our position in the corporate bond fund and replaced it with an inflation protected treasury security (TIPS). This movement was to reduce our exposure to the highly volatile corporate bond markets and take advantage of a long-term high inflation outlook. At these very low prices, TIPS look attractive.

In October 2008 we adjusted our treasury yield curve exposure to reduce our exposure to anticipated reduction in long-term yields and take advantage of an anticipated increase in yield in the middle of the curve. To implement this, we cut our entire position in the iShares Lehman 20+ Year Treasury Bond Fund. At the same time, due to our outlook on inflation and attractiveness of price,, we entered into a TIPS position by buying iShares Trust Barclays Treasury Inflation Bond Fund. In addition, we reduced our exposure to the highly volatile and inflated corporate bond fund by selling our position in iShares GS $ Invest Grade Corp Bond Fund. These positional changes have been driven by our continued investment approach in which we take a top-down macro view of the economy and position the fund to benefit from anticipated developments. Factors driving our positional changes in the most recent period have included an anticipated recession, rising inflation expectations, and continued credit scarcity amongst financial and non-financial corporate names. We believe the interest rate cuts by the FED will ultimately raise inflation expectations, impacting the yield curve in middle durations.

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum	Annualized	Cum	Annualized	Cum	Annualized
ixed Income Fund	**-1.98%**	**-1.45%**	**10.69%**	**3.44%**	**14.42%**	**2.73%**	**31.38%**	**4.08%**
Management Fees	-0.24%	-0.57%	-1.36%	-0.46%	-2.05%	-2.05%	-2.50%	-0.37%
Vanguard Total Bond Fund	2.07%	1.96%	15.93%	5.05%	21.75%	6.78%	37.48%	4.77%
Relative - Gross of Fees	-4.05%	-3.42%	-5.24%	-1.61%	-7.33%	-4.05%	-6.10%	-0.69%
Relative - Net of Fees	-4.29%	-3.98%	-6.75%	-2.08%	-9.68%	-6.16%	-9.38%	-1.08%



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 Fund over-weights the MBS, Global Bonds and Treasuries sectors and under-weights the emerging markets sector. As we go forward, we intend to continue making investments consistent with our view (which currently contemplates reducing our exposure to MBS and closely following our exposure in foreign markets debt). 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.

Holdings Profile

Fixed Income Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	13,597	10.11	137,466	32.01%
Templeton Global Bond Fund	TPINX	Foreign	5,092	10.47	53,313	12.41%
iShares Barclay 1 - 3 Year Treasury Bond	SHY	Treasuries	400	84.03	33,612	7.83%
iShares Barclays 3 - 7 Year Treasury Bond	IEI	Treasuries	368	113.1	41,621	9.69%
iShares Barclays 7 - 10 Year Treasury Bond	IEF	Treasuries	445	93.74	41,714	9.71%
Pimco Emerging Markets	PAEMX	Foreign	2,097	8.2	17,195	4.00%
iShares Trust Barclays Treasury Inflation Bond	TIP	Treasuries	484	97.02	46,958	10.93%
Total Securities					371,879	86.59%
Cash as of February 27, 2009					57,604	13.41%
Total Assets					**429,483**	**100.00%**

Fixed Income Portfolio as of August 31, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	13,031	10.49	136,705	31.12%
Templeton Global Bond Fund	TPINX	Foreign	4,806	11.41	54,843	12.49%
iShares Lehman 1- 3 Year Treasury Bond	SHY	Treasuries	400	83.15	33,260	7.57%
iShares Lehman 3 - 7 Year Treasury Bond	IEI	Treasuries	368	108.02	39,751	9.05%
iShares Lehman 7 - 10 Year Treasury Bond	IEF	Treasuries	445	89.38	39,774	9.06%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	175	93.84	16,422	3.74%
iShares GS $ Invest Grade Corp Bond Fund	LQD	Corporate	875	101.04	88,410	20.13%
PIMCO Emerging Markets Bond Cl A	PAEMX	Foreign	3,976	10.31	40,995	9.33%
Total Securities					450,160	102.49%
Cash as of August 31, 2008					(10,920)	-2.49%
Total Assets					**439,240**	**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 three main sub-sectors of the US Fixed Income investment grade market, namely – US 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 any 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 other publicly traded funds to implement its sector allocation. However, given the current market opportunities, we are working on a strategy to incorporate individual securities which provide superior returns with limited risk.

Due to 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 use the Vanguard Total Bond Fund as our benchmark, as opposed to the more widely used Lehman Brothers Aggregate Bond Index. Instead, we make sector allocation decisions and invest through established mutual fund management fees, and thus benchmark to an index whose performance is also adversely impacted by mutual fund management fees. We feel it most appropriate to benchmark to the bond mutual fund index with the least tracking error to the Lehman Aggregate Bond Index, and thus chose the Vanguard Fund. Going forward, when the Fund gains the capability to choose individual bond issues, a shift of our benchmark will be considered.

Sector Review & Outlook

US Treasuries: As we had anticipated, the Federal Open Market Committee cut the Federal Funds target rate in an effort to spur lending and aid banks in rebuilding their balance sheets. At historically low Federal Funds Target Rates, we are now worried about inflation in the longer term. This is consistent with our portfolio positioning where we are reducing our exposure to long term treasuries.

Near zero yields in the shortest tenor (1-12 month) of the yield curve make it clear that upside potential for treasuries in this range is limited. In contrast, we believe that Treasuries in the 1-3 year tenor on the curve still provides a short term yield that will continue to attract increasingly risk averse investors seeking generate some returns by rolling down the curve.

We believe the market's 3-5 year inflation expectations, as evidenced by the yield differential between TIPs and constant maturity treasuries (CMTs), is unrealistically low. While a recessionary environment certainly will restrain inflation in the year ahead, we do not believe that inflation will be completely absent from the domestic economy in the five years ahead. Based on historical inflationary averages and our skepticism that the country is entering a long recession, we believe TIPs are currently undervalued and the 5-10 year duration of the yield curve is overvalued.

Corporate Bonds: Spreads on corporate bonds remain at high levels, however, the spreads are seen tightening a bit and some activity has started in the corporate bond market. We continue to believe that certain high quality corporate names represent an attractive investment opportunity for investors with credit expertise and an ability to take a position in select names that have been unfairly beaten down by recent market turmoil. We anticipate the corporate default rate to continue to climb from 4.6% in December 2008. In fact, Moody's and Stern Professor Edward Altman predict that the default rate will exceed 13% in 2009 uncovering opportunities in high yield bond funds. However, we believe the opportunity to earn close to 8% on a high quality AAA rated corporate bond remains an attractive investment.

Mortgage-Backed/Asset-Backed Securities: Similar to our views on high quality corporate names, we continue to believe that certain mortgage assets represent appealing investment opportunities as high quality assets that have been unreasonably penalized by broad market turmoil. Further, although mortgage rates have lowered, unavailability of credit, stricter lending policies and declined asset values have reduced refinancing possibility for the foreseeable future adding to the attractiveness of these securities. We anticipate that as the stigma of mortgage related securities recedes, these positions will appreciate strongly. Therefore, we continue to hold footprint in this asset class.

Foreign Investment Grade: The credit crisis has caused developed countries to produce below potential for the medium term. Moreover, we believe that the recent dislocation in the global financial markets is a reflection of market capitulation and investment opportunities are beginning to reflect this. We also believe that organic growth in certain areas of the global economy is sufficient to allow certain emerging economies to maintain higher growth rates, albeit at a slower pace than the recent past.

We believe that interest rates will remain low in developed countries, particularly the EU and UK, in response to policy action by these countries' central banks. Given the outlook of continued low interest rates, we believe exposure to short term rates in these areas is a continuation of our U.S. Treasury outlook. Moreover, we believe exposure to the EU with its Central Banks singular inflation-targeting mandate, will provide an added vehicle by which to benefit from an increase in domestic inflation.

Emerging Market Credit: We believe growth in certain emerging markets will remain moderate and may not provide the returns we expect. Therefore, although we hold the Pimco Emerging Market Bond Fund, our analysts are reevaluating the position. Having said that, we continue to believe that once global economic recovery comes back on track, emerging markets will provide significant investment opportunities, therefore, we will continue to monitor emerging countries with good credit standing and may decide to enter this asset class at an opportune time.

Fund Management

The Executive Committee

Back Row: Nilesh Mandhare, Benjamin Canet, Stephen G. Katchur, Richard M. Levich
Front Row: Joon Kim, Joseph Longobardi, Helvecio Borges Guimaraes, Lester Lie, Aditi Chandarana

Professor Richard Levich – *Faculty Advisor*

Helvecio Borges Guimaraes – *President*

Stephen G. Katchur – *Portfolio Manager, Growth Fund*

Aditi Chandarana – *Co-Portfolio Manager, Small Cap Fund*

Joseph Longobardi – *Co-Portfolio Manager, Small Cap Fund*

Benjamin Canet – *Co-Portfolio Manager, Value Fund*

Joon Kim – *Co-Portfolio Manager, Value Fund*

Lester Lie – *Co-Portfolio Manager, Fixed Income Fund*

Nilesh Mandhare – *Co-Portfolio Manager, Fixed Income Fund*

Bios for Executive Committee team members are listed under their respective Equity Fund

The Growth Fund

Back Row: Leonid Buzik, Seth Weiss, Nilesh Mandhare, Marina Rokhman, Lester Lie, Arjun Mehra
Middle Row:Kuan-Jei Wu, Carlos Amaya, Benjamin Leblanc, Richard Tseng
Front Row: Sobby Arora, Marcela Giraldo, Elena Maximova, Roger (Liang) Zhang, Stephen Katchur

Carlos A. Amaya has a Bachelor and a Master of Arts in Economics from Universidad de los Andes in Colombia.

Sobby Arora has a BA from Colgate University, where he majored in Computer Science and minored in Economics. He is also a CFA Charterholder since September 2007.

Lenny Buzik has a Bachelor of Arts in Economics from NYU.

Marcela Giraldo has a Bachelor of Arts in Economics from Universidad de los Andes in Colombia and holds a certificate in finance from the same university.

Stephen G. Katchur has a B.S. in Finance from the University of Central Florida.

Benjamin LeBlanc has B.A. degrees in Economics and Political Science from Louisiana State University.

Nilesh Mandhare has a Bachelors and Masters degrees in Computer Science and Engineering.

Elena Maximova has a Bachelor of Computer Science and minor in Mathematics from NYU.

Arjun Mehra has a BA degree in Math and Computer Science from Colgate University. He is currently an Associate in the US Equity Research division at Bank of America - Merrill Lynch.

Marina Rokhman has a bachelor of computer science from Boston University.

Richard Tseng graduated from Cornell University with a B.A. in Economics and he has completed all three levels of the CFA program.

Seth Weiss is a graduate from the University of Michigan where he received a Bachelor's of Business Administration in April of 2002.

Kuan Wu holds a Bachelor of Science in Biology from the Massachusetts Institute of Technology.

Roger (Liang) Zhang has a Bachelor of Economics from Shanghai University of Finance and Economics. Roger (Liang) Zhang is a CFA charter holder.

The Small Cap Fund

Back Row: Ruplu Bhattacharya, Annamalai Veerappan, Jessica Gerberi, Alan Fleming, Julie Heckman, Chris Hoon Cho
Middle Row: Seamus Ryan, Christopher Weng, Steven Chuang, Charles Macon
Front Row: Ameet Prabhu-Salgaonker, Joseph Longobardi, Helvecio Borges Guimaraes, Aditi Chandarana, John Brouillard
Not pictured: Satyadeep Jain

Ruplu Bhattacharya has a BS in Electrical Engineering, a BS in Computer Science, and an MS in Electrical Engineering all from the University of Maryland, College Park.

John Brouillard is a graduate of Colgate University where he received a Bachelor of Arts in Economics. He is a CFA charterholder.

Aditi Chandarana has over 5 years of work experience in the financial services sector where she has worked as both an auditor and private banker. She holds a Masters degree in Commerce and is a Chartered Accountant (India) as well as a CPA (US).

Chris Hoon Cho has a Bachelors of Arts in Business Economics and Mathematics from Brown University. He was previously an associate in the investment banking department of Susquehanna Financial Group.

Steven Chuang graduated in 2004 from Princeton University with a degree in Electrical Engineering. Prior to Stern, he was working as a Municipal Bond Analyst at Susquehanna International Group. He is a CFA charterholder.

Alan Fleming has a B.S. in Finance from the Pennsylvania State University. Alan previously worked at PricewaterhouseCoopers, specializing in Forensic Accounting Investigations.

Jessica Gerberi will be completing her MBA at NYU Stern in 2010, specializing in Accounting and Economics. A native Chicagoan, Jessica earned her BA from Northwestern University and has prior work experience at OppenheimerFunds and Goldman Sachs Asset Management.

Helvecio Borges Guimaraes has a bachelor degree of chemical engineering from UNICAMP in Brazil and has a Masters of Science in environmental engineering from KTH in Sweden.

Julie Heckman graduated from Cornell University in 2005 with a BA in English and History. Prior to Stern, she spent three years working in sell-side equity research at a NY-based boutique investment bank.

Satyadeep Jain received his bachelor's degree in management from University of Delhi. Prior to attending Stern, Satyadeep was an Equity Research Analyst at SMC Global Securities in India where he covered Metals and Mining stocks.

Joseph Longobardi holds a B.S. in Finance from Siena College. Prior to attending Stern, Joseph spent six years at JPMorgan Chase most recently as an Associate in Corporate Banking.

Charles Macon has a Bachelor of Arts degree with a concentration in Architecture from Colgate University. He worked as a Real Estate Analyst for T.A. Associates Realty before coming to Stern.

Ameet Prabhu-Salgaonker has a Bachelors in Telecommunication Engineering from Goa University in India and worked in Portfolio Analytics in the Investment Management division of Lehman Brothers.

Seamus Ryan graduated from Harvard University with a degree in Environmental Science, Public Policy and Economics. Most recently, he was an analyst at Financial Engines.

Annamalai Veerappan has a bachelor degree in electrical engineering from Annamalai University in India. He is an active investor and is the president of Optimize Alpha - an investment club.

Christopher Weng graduated from Brandeis University in 2002 with a Bachelor of Arts degree in Economics and a minor in Art History. Prior to Stern, he worked for three years in the investment consulting industry advising ultra high-net worth individuals.

The Value Fund

Back Row: KristinHeitmann, Matthias Rusinski, Christopher Moneypenny, Diego Parra, Tim Fisher
Middle Row: Robert Cohen, Gayathri Sundaram, Roy Carp, Stephan Reinhard
Front Row: Oliver Brassard, Benjamin Canet, Joon Kim, Pakhi Eder
Not pictured: Lorenzo Garza, Robert Sands

Oliver Brassard has a Bachelor of Arts in Mathematical Economics from Colgate University. Prior to Stern he worked as an Economist at Prudential International Investments.

Benjamin Canet has a Bachelor degree in Economics from the Political Science Institute of Paris ("Sciences Po") and a Master's in finance from ESSEC Paris. Prior to Stern, he worked for five years as an M&A analyst and associate for Calyon Securities in New York. Over the summer, Benjamin worked at UBS Equities in the Sales & Trading rotational program.

Roy Carp has a Bachelor degree (cum laude) in Accounting, Business and Economics from Tel Aviv University. He worked in Equity Research and Corporate Finance Advisory for BDO, was a Lieutenant at the Israeli army and is a CPA (Isr).

Robert Cohen has a Bachelors degree in economics from Cornell University. He previously worked as an analyst in the equity research department at Merrill Lynch.

Pakhi Eder, CFA, was a Vice President in JPMorgan's equity research department prior to attending Stern. She graduated magna cum laude from Union College, majoring in Economics and Political Science.

Tim Fisher has a Bachelors of Science in English from the United States Military Academy at West Point and has spent the last six years as an officer in the US Army.

Lorenzo Garza has a Bachelors degree from the University of Texas-San Antonio, a Masters degree from Syracuse, and was a Fulbright Scholar in Mexico. He has worked at Scotiabank, the Federal Reserve Board, and Goldman Sachs.

Kristin Heitmann has an undergraduate degree from Brown University in political science and a Master's degree from the University of California - Berkeley in political science. Prior to returning to school to complete her M.B.A, Kristin worked at Viacom in Corporate Communications.

Joon Kim started a retail apparel business in 2007 after working in Equity Research for 10 years at numerous investment firms including Lehman Brothers, Goldman Sachs, and RBC Capital Markets. Joon holds a B.S. in Finance and International Business from the NYU Stern School of Business.

Christopher Moneypenny has a bachelors degree from Colgate University. Prior to business school he was an investment banker at Credit Suisse.

Diego Parra has a Bachelors degree in Mechanical Engineering and in Industrial Engineering from the Universidad de Los Andes, Colombia, and is a CFA charter holder. He has worked for the Central Bank of Colombia and Standard & Poor's.

Stephan Reinhard has a Diploma in International Business from the University of Bamberg, Germany. Prior to Stern, he worked for UBS as Portfolio Manager in Luxembourg.

Matthias Rusinski interned and currently works as a fixed income investment analyst at Promark Global Advisors, and will continue this role after completing his MBA. Prior to Stern, he worked on trading systems at Deutsche Bank and Merrill Lynch. Matt holds MS in Computer Science from Columbia University.

Robert Sands has a B.S. in Accounting from Bucknell University and is a CPA. He worked in public accounting with Deloitte & Touche and in finance with Bank of America.

Gayathri Sundaram worked as a buy-side equity research analyst, covering technology stocks, at Neuberger Berman over the summer. Prior to attending NYU Stern, she was a software engineer at Microsoft Corporation for four years, working on Windows Vista and XBOX products. Gayathri holds a Masters in Chemistry and a bachelors in Computer Science from Birla Institute of Technology and Sciences in India.

The Fixed Income Fund

Back Row: Steven Chuang, Ameet Prabhu-Salgaonker, Oliver Brassard, Roger (Liang) Zhang, Nilesh Mandhare
Front Row: Benjamin LeBlanc, Elena Maximova, Lester Lie, Richard Tseng

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

THE MICHAEL PRICE STUDENT INVESTMENT FUND

GROWTH COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End*	Total Firm Assets	Composite Assets		Annual Performance Results			
		USD	Number of Accounts	Composite Gross	Composite Net	Russell 1000 Growth	Composite Dispersion
2008	1,742,492	378,066	Five or fewer	(9.26%)	(9.75%)	(6.77%)	N.A.
2007	1,954,881	440,277	Five or fewer	12.44%	12.00%	17.70%	N.A.
2006	1,883,262	413,191	Five or fewer	(0.50%)	(0.93%)	3.68%	N.A.
2005	1,871,781	439,393	Five or fewer	11.25%	10.78%	12.14%	N.A.
2004	1,752,150	241,295	Five or fewer	2.34%	1.77%	5.36%	N.A.
2003	1,716,188	249,986	Five or fewer	13.41%	12.72%	14.08%	N.A.
2002	1,619,555	232,233	Five or fewer	(29.82%)	(30.18%)	(22.17%)	N.A.
2001	1,895,782	506,110	Five or fewer	(11.04%)	(11.49%)	(45.32%)	N.A.
2000**	1,898,439	600,230	Five or fewer	0.33%	0.04%	8.96%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
*The above data is shown as of Fiscal Year End at August 31.
** Results shown for the year 2000 represent partial period performance from February 29, 2000 through August 31, 2000

Growth Composite contains fully discretionary growth accounts and for comparison purposes is measured against the Russell 1000 Growth index. The Growth Composite was created on February 28, 2009.

The Michael Price Student Investment Fund has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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. MPSIF maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 0.75%.

Carve-outs are included in this composite and performance reflects required total segment plus cash returns. Cash is allocated to segment performance based on an average of the percent of cash held in the non-balanced accounts included in this composite.

THE MICHAEL PRICE STUDENT INVESTMENT FUND

SMALL CAP COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End*	Total Firm Assets	Composite Assets USD	Composite Assets Number of Accounts	Annual Performance Results Composite Gross	Annual Performance Results Composite Net	Annual Performance Results Russell 2000	Annual Performance Results Composite Dispersion
2008	1,742,492	427,104	Five or fewer	(16.78%)	(17.23%)	(5.48%)	N.A.
2007	1,954,881	542,253	Five or fewer	6.27%	5.69%	11.36%	N.A.
2006	1,883,262	540,061	Five or fewer	13.41%	12.68%	9.36%	N.A.
2005	1,871,781	505,249	Five or fewer	29.01%	28.12%	23.10%	N.A.
2004	1,752,150	553,733	Five or fewer	15.61%	14.82%	11.35%	N.A.
2003	1,716,188	507,563	Five or fewer	19.53%	18.71%	29.08%	N.A.
2002	1,619,555	447,970	Five or fewer	(1.71%)	(2.29%)	(15.44%)	N.A.
2001	1,895,782	657,209	Five or fewer	8.73%	8.26%	(11.63%)	N.A.
2000**	1,898,439	636,985	Five or fewer	6.36%	6.16%	(6.38%)	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
*The above data is shown as of Fiscal Year End at August 31.
** Results shown for the year 2000 represent partial period performance from February 29, 2000 through August 31, 2000

Small Cap Composite contains fully discretionary small cap accounts and for comparison purposes is measured against the Russell 2000 Index. The Small Cap Composite was created on February 28, 2009.

The Michael Price Student Investment Fund has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 0.75%.

THE MICHAEL PRICE STUDENT INVESTMENT FUND

VALUE COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End*	Total Firm Assets	Composite Assets USD	Composite Assets Number of Accounts	Annual Performance Results Composite Gross	Composite Net	Russell 1000 Value	Composite Dispersion
2008	1,742,492	498,634	Five or fewer	(0.51%)	(1.12%)	(14.66%)	N.A.
2007	1,954,881	530,739	Five or fewer	15.04%	14.30%	12.85%	N.A.
2006	1,883,262	487,904	Five or fewer	10.90%	10.16%	13.96%	N.A.
2005	1,871,781	465,239	Five or fewer	12.53%	11.78%	16.86%	N.A.
2004	1,752,150	438,420	Five or fewer	4.38%	3.68%	17.52%	N.A.
2003	1,716,188	445,939	Five or fewer	9.82%	9.05%	11.63%	N.A.
2002	1,619,555	428,443	Five or fewer	(13.73%)	(14.25%)	(13.13%)	N.A.
2001	1,895,782	732,464	Five or fewer	16.90%	16.26%	(1.12%)	N.A.
2000**	1,898,439	661,224	Five or fewer	10.53%	10.20%	14.31%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
*The above data is shown as of Fiscal Year End at August 31.
** Results shown for the year 2000 represent partial period performance from February 29, 2000 through August 31, 2000

Value Composite contains fully discretionary value accounts and for comparison purposes is measured against the Russell 1000 Value Index. The Value Composite was created on February 28, 2009.

The Michael Price Student Investment Fund has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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. MPSIF maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 0.75%.

THE MICHAEL PRICE STUDENT INVESTMENT FUND

FIXED INCOME COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End*	Total Firm Assets	Composite Assets USD	Composite Assets Number of Accounts	Annual Performance Results Composite Gross	Annual Performance Results Composite Net	Annual Performance Results VBMFX	Annual Performance Results Composite Dispersion
2008	1,742,492	438,687	Five or fewer	5.34%	4.80%	5.79%	N.A.
2007	1,954,881	441,612	Five or fewer	5.44%	5.03%	5.53%	N.A.
2006	1,883,262	442,107	Five or fewer	1.19%	0.76%	1.55%	N.A.
2005	1,871,781	461,900	Five or fewer	2.33%	1.97%	4.00%	N.A.
2004	1,752,150	518,702	Five or fewer	6.94%	6.65%	5.93%	N.A.
2003	1,716,188	512,700	Five or fewer	5.79%	5.52%	4.40%	N.A.
2002**	1,619,555	510,909	Five or fewer	1.82%	1.75%	2.48%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
*The above data is shown as of Fiscal Year End at August 31.
** Results shown for the year 2002 represent partial period performance from May 31, 2002 through August 31, 2002

Fixed Income Composite contains fully discretionary fixed income accounts and for comparison purposes is measured against Vanguard Total Return Bond Index Fund. The Fixed Income Composite was created on February 28, 2009.

The Michael Price Student Investment Fund has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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. MPSIF maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 0.75%.

Carve-outs are included in this composite and performance reflects required total segment plus cash returns. Cash is allocated to segment performance based on an average of the percent of cash held in the non-balanced accounts included in this composite.

Michael Price Student Investment Fund
Consolidated Financial Statement

	Six Months Ending 2/29/08	Fiscal Year Ending 8/31/08	Six Months Ending 2/28/09
Investment Income			
Dividends - Fixed Income	12,156	20,983	12,492
Dividends - Growth	1,764	2,474	838
Dividends - Small Cap	1,747	5,131	3,882
Dividends - Value	5,452	9,226	3,039
Total Dividends	21,118	37,814	20,251
Interest - Fixed Income	120	102	231
Interest - Growth	906	1,921	813
Interest - Small Cap	2,508	3,226	502
Interest - Value	2,008	3,044	792
Total Interest	5,542	8,293	2,338
Investment Income - Fixed Income	12,276	21,085	12,723
Investment Income - Growth	2,670	4,395	1,651
Investment Income - Small Cap	4,255	8,358	4,384
Investment Income - Value	7,460	12,269	3,831
Total Investment Income	26,661	46,106	22,589
Expenses - Fixed Income	(1,305)	(2,784)	(1,043)
Expenses - Growth	(1,305)	(2,784)	(1,043)
Expenses - Small Cap	(1,510)	(2,677)	(913)
Expenses - Value	(1,683)	(3,258)	(1,016)
Total Expenses	(5,803)	(11,504)	(4,014)
Net Investment Income - Fixed Income	10,971	18,301	11,681
Net Investment Income - Growth	1,365	1,611	608
Net Investment Income - Small Cap	2,744	5,680	3,472
Net Investment Income - Value	5,777	9,011	2,815
Total Net Investment Income	20,858	34,603	18,575

Cash Flow from Operations

Cash Balance, beginning of period - Fixed Income	3,429	3,429	(10,920)
Cash Balance, beginning of period - Growth	132,325	132,325	242,595
Cash Balance, beginning of period - Small Cap	68,954	68,954	190,479
Cash Balance, beginning of period - Value	49,922	49,922	169,768
Total Cash Balance, beginning of period	254,629	254,629	591,921
Annual 5% Distribution - Fixed Income	0	(23,754)	0
Annual 5% Distribution - Growth	0	(21,089)	0
Annual 5% Distribution - Small Cap	0	(23,442)	0
Annual 5% Distribution - Value	0	(25,063)	0
Total Annual 5% Distribution	0	(93,348)	0
Sales of Securities - Fixed Income	53,800	138,061	111,876
Sales of Securities - Growth	307,146	714,285	335,433
Sales of Securities - Small Cap	599,080	990,417	201,024
Sales of Securities - Value	241,966	484,773	129,449
Total Sales of Securities	1,201,992	2,327,536	777,782
Purchases of Securities - Fixed Income	(52,778)	(137,143)	(45,068)
Purchases of Securities - Growth	(355,940)	(595,791)	(399,084)
Purchases of Securities - Small Cap	(422,615)	(851,131)	(292,628)
Purchases of Securities - Value	(213,241)	(348,825)	(151,932)
Total Purchases of Securities	(1,044,574)	(1,932,890)	(888,711)
Net Other Adjustments - Fixed Income	(6,843)	(9,813)	(9,967)
Net Other Adjustments - Growth	10,718	10,701	(30)
Net Other Adjustments - Small Cap	0	0	0
Net Other Adjustments - Value	(10)	(50)	(45)
Total Net Other Adjustments *	3,865	838	(10,041)
Net Change in Cash - Fixed Income	5,150	(14,349)	68,523
Net Change in Cash - Growth	(36,710)	109,717	(63,074)
Net Change in Cash - Small Cap	179,209	121,525	(88,132)
Net Change in Cash - Value	34,492	119,846	(19,713)
Total Net Change in Cash	182,140	336,739	(102,395)
Cash Balance, end of period - Fixed Income	8,578	(10,920)	57,602
Cash Balance, end of period - Growth	95,614	242,042	179,521
Cash Balance, end of period - Small Cap	248,163	190,479	102,347
Cash Balance, end of period - Value	84,414	169,768	150,055
Total Cash Balance, end of period	436,769	591,368	489,526

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

Growth Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09
Investment Income						
Dividends	1,649	1,113	2,143	1,764	2,474	838
Interest	3,241	2,779	4,425	906	1,921	812
Total Investment Income	4,891	3,892	6,568	2,670	4,395	1,650
Expenses	(1,948)	(759)	(1,740)	(1,305)	(2,784)	(1,043)
Net Investment Income	2,943	3,133	4,827	1,365	1,611	607
Cash Flow from Operations						
Cash Balance, beginning of period	68,933	226,701	226,701	132,325	132,325	242,042
Net Investment Income	2,943	3,133	4,827	1,365	1,611	607
Annual 5% Distribution	(24,200)	0	(22,317)	0	(21,089)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	597,689	203,576	666,337	307,146	714,285	335,433
Purchases of Securities	(418,664)	(329,987)	(743,065)	(355,940)	(595,791)	(399,084)
Net Other Adjustments *	0	(153)	(158)	10,718	10,701	(30)
Net Change in Cash	157,768	(123,431)	(94,376)	(36,710)	109,717	(63,075)
Cash Balance, end of period	226,701	103,270	132,325	95,614	242,042	178,967

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09
Investment Income						
Dividends	3,758	1,484	2,620	1,747	5,131	3,882
Interest	3,326	4,133	5,725	2,508	3,226	502
Total Investment Income	7,083	5,617	8,345	4,255	8,358	4,384
Expenses	(3,509)	(1,450)	(3,196)	(1,510)	(2,677)	(913)
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472
Cash Flow from Operations						
Cash Balance, beginning of period	47,310	227,349	227,349	68,954	68,954	190,479
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472
Annual 5% Distribution	(29,985)	0	(29,730)	0	(23,442)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	1,345,398	411,635	685,099	599,080	990,417	201,024
Purchases of Securities	(1,138,948)	(430,368)	(818,927)	(422,615)	(851,131)	(292,628)
Net Other Adjustments *	0	0	14	0	0	0
Net Change in Cash	180,039	(14,565)	(158,395)	179,209	121,525	(88,132)
Cash Balance, end of period	227,349	212,784	68,954	248,163	190,479	102,347

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09
Investment Income						
Dividends	6,569	3,641	8,147	5,452	9,226	3,039
Interest	1,302	2,084	2,905	2,008	3,044	792
Total Investment Income	7,871	5,724	11,053	7,460	12,269	3,831
Expenses	(3,155)	(1,534)	(3,266)	(1,683)	(3,258)	(1,016)
Net Investment Income	4,716	4,190	7,787	5,777	9,011	2,815
Cash Flow from Operations						
Cash Balance, beginning of period	50,622	50,399	50,399	49,922	49,922	169,768
Net Investment Income	4,716	4,190	7,787	5,777	9,011	2,815
Annual 5% Distribution	(24,895)	0	(26,515)	0	(25,063)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	598,661	241,782	427,677	241,966	484,773	129,449
Purchases of Securities	(578,906)	(192,070)	(410,085)	(213,241)	(348,825)	(151,932)
Net Other Adjustments *	201	447	658	(10)	(50)	(45)
Net Change in Cash	(223)	54,349	(477)	34,492	119,846	(19,713)
Cash Balance, end of period	50,399	104,748	49,922	84,414	169,768	150,055

* Taxes owed on foreign securities' dividends.

Fixed Income Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09
Investment Income						
Dividends	18,771	10,546	20,519	12,156	20,983	12,492
Interest	231	209	383	120	102	232
Total Investment Income	19,002	10,756	20,902	12,276	21,085	12,725
Expenses	(1,948)	(759)	(1,740)	(1,305)	(2,784)	(1,043)
Net Investment Income	17,054	9,997	19,162	10,971	18,301	11,682
Cash Flow from Operations						
Cash Balance, beginning of period	4,695	7,332	7,332	3,429	3,429	(10,920)
Net Investment Income	17,054	9,997	19,162	10,971	18,301	11,682
Annual 5% Distribution	(23,459)	0	(23,805)	0	(23,754)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	161,254	0	81,492	53,800	138,061	111,876
Purchases of Securities	(142,733)	0	(70,987)	(52,778)	(137,143)	(45,068)
Net Other Adjustments *	(9,479)	(5,447)	(9,765)	(6,843)	(9,813)	(9,967)
Net Change in Cash	2,637	4,550	(3,903)	5,150	(14,349)	68,524
Cash Balance, end of period	7,332	11,882	3,429	8,578	(10,920)	57,604

* Reinvestment of dividends on bond funds.

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