The Michael Price Student Investment Fund

The Leonard N. Stern School of Business - New York University
Semi-Annual Report
February 29, 2012

NYU Stern's Michael Price Student Investment Fund
A Family of Funds Managed by
NYU Stern School of Business MBA Students

What is the Michael Price Student Investment Fund?

With over $1.76 million currently under management, the Michael Price Student Investment Fund ("MPSIF" or "the Funds") is a family of funds managed directly by NYU Stern MBA students. The Funds, part of the overall NYU endowment, were established in 1999 through a generous gift from Michael Price, Managing Partner, MFP Investors, LLC and former Chairman of Franklin Mutual Series Funds.

What is unique about MPSIF?

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

What is the portfolio composition?

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

What role do Stern MBA students play in managing the Funds?

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

Executive Committee – Spring 2012

President	Raymond Strecker
Co-Portfolio Managers, Fixed Income Fund	Michael Buckley and Can Baysan
Co-Portfolio Managers, Growth Fund	Jian (Bob) Huang and Tenzin Sonam
Co-Portfolio Managers, Small Cap Fund	Andrew Loulousis and Anthony Pirraglia
Co-Portfolio Managers, Value Fund	Renzo Dancourt and James Ulan
Faculty Advisor	Professor Richard Levich

Executive Committee – Fall 2011

President	David Umbro
Co-Portfolio Managers, Fixed Income Fund	Sven Karlsson and Tom Libretto
Co-Portfolio Managers, Growth Fund	Pamela Kaufman and Sarosh Nentin
Co-Portfolio Managers, Small Cap Fund	Chris Hemmelgarn and Sven Karlsson
Co-Portfolio Managers, Value Fund	Nicholas Wells and Greg McSweeney
Faculty Advisor	Professor Richard Levich

Internal Leadership – Spring 2012

Vice President, External Affairs	Vinayak Morada and Nicole Sparks
Vice President, Economic Strategy	Esteban Gomez
Vice President, Portfolio Analytics	Anthony Thai
Vice President, Sector Strategy	Cleve Rueckert
Vice President, Annual Report	Jonathan Lanterman
Vice President, Marketing	Vinayak Morada and Nicole Sparks

Management Advisory Council

David Dineen, Senior Portfolio Manager, Pinnacle Associates
Nomi Ghez, Co-founder of Circle Financial Group, retired Partner and Managing Director, Goldman Sachs
Randall Haase, former Portfolio Manager, Baron Fifth Avenue Growth Fund
Monica Issar, Managing Director and Senior Advisor, JP Morgan Chase
Christopher Long, former Macro Portfolio Manager, Tudor Investment Corporation
Richard Saperstein, Senior Portfolio Manager, Treasury Partners

Ex Officio Members

Donald Odell, Assistant Treasurer, New York University
Tina Surh, Chief Investment Officer, New York University

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Duane R. Stock, Professor of Finance, Price College of Business, University of Oklahoma
Michael F. Price, Benefactor
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

I am pleased to introduce the Semi-Annual Report for the Michael Price Student Investment Fund for the first half of the fiscal year ending February 29, 2012.

For the six-month period, MPSIF earned 10.17% which in absolute terms is a very healthy showing. Each of our three equity funds achieved double-digit earnings and our fixed income fund contributed more than 2% as well. However each fund trailed its benchmark fractionally and overall, MPSIF trailed its blended benchmark by about 0.36%. The Fund benefited by being slightly overweight in equities (roughly 79% compared to our 75% benchmark) at a time when equities greatly outperformed fixed income. But the overweight was not enough to prevent a small shortfall relative to our benchmark.

Our academic and fiscal year began with whipsaw volatility as our blended benchmark comprised of 75% stocks and 25% fixed income sank by more than 6% in September, only to rocket upward by roughly 9.4% in October. Seemingly perpetual rounds of European sovereign debt negotiations, spiced with numerous country and bank ratings downgrades kept markets on edge. However as the calendar year came to a close, more favorable U.S. economic data appeared which seemed to lift market confidence. In December, Congress voted to extend the existing payroll tax cut legislation. And in the new year, nonfarm payroll numbers continued to improve and U.S. GDP estimates for 2011-Q4 were revised upward reaching a 3% annual rate. Markets responded to this good news and in January and February, our benchmark added almost 9.5%.

While the U.S. economy is showing signs of renewed health, threats persist. Too many U.S. mortgage holders remain under water with loan values in excess of home values. U.S unemployment remains significantly higher than recently accepted targets for full employment, and fiscal budget deficit concerns are likely to trigger more cost cutting making further Federal stimulus unlikely. The Federal Reserve along with other central banks have created vast amounts of liquidity. But it remains to be seen what happens when that liquidity is withdrawn, or should policymakers fear the consequences or lack political will to withdraw it.

In the fall semester, MPSIF successfully completed the migration of our brokerage accounts from Merrill Lynch who had provided these services since inception in 2000 to Bank of New York Mellon. We estimate that our new service contract based on a low per transaction amount rather than a flat wrap fee based on assets under management may save MPSIF roughly $5,000 per year or about 30 basis points. We are grateful to staff at the NYU Investment Office for helping us navigate the complex process. The new brokerage fee arrangement may call on MPSIF to adjust its method of reporting performance figures. To that end, we engaged a Stern MBA student with an auditing background to review the Fund’s accounting and reporting practices and suggest changes going forward. While the audit revealed a number of data entry and calculation errors, and made several valuable suggestions about how to minimize future errors, I am pleased that none of the flagged items in the review produce any material change in our previously reported results.

MPSIF continues to benefit from the friendship and generosity of many industry professionals and Stern alumni. Members of our Management Advisory Council continue to visit class each semester to share their considerable investment experience with students and review our periodic reports. We also thank Mr. Ted Tabasso of Deutsche Bank Securities and Mr. Paul Krikler, a veteran from Goldman Sachs and now an independent consultant, who have made presentations to the class for several years running. In addition, we gratefully acknowledge the generosity of Mr. James Rosenwald of Dalton Investments whose recent gift provided needed financial support for MPSIF's annual operating budget.

Later this spring, MPSIF expects to hold our 7th annual Student/Alumni Mixer with David "Tiger" Williams of Williams Trading as our featured guest speaker. And in May, the Fund will pay its 12th annual 5% distribution which will bring our cumulative distributions to over $1 million.

While there is uncertainty about the financial services industry, as well as the investment management climate, I am pleased to report that student interest in MPSIF remains high. Stern is fortunate to be able to offer MBA students the opportunity to put their knowledge of finance into practice and learn about investment management in this unique setting.

Richard M. Levich

Professor of Finance

March 16, 2012

Letter From the President

The Michael Price Student Investment Fund overall performance for the period from September 1, 2011 through February 29, 2012 was a 10.17% return. While this lagged our benchmark by 0.36% it compares very favorably to the nearly 8% underperformance we reported to the Advisory Committee at the last meeting. Despite whipsaw markets we avoided overly risky positions without attempting to "hide" in cash. This result is a strong endorsement of the work the Fall 2011 Executive Committee did to position the fund in extraordinarily difficult markets.

I am proud to report that this near benchmark performance is also the result of the Spring 2012 student Executive Committee's initiative to significantly reduce our cash positions in favor of ETFs that track the benchmarks while analysts do the bottom-up research required to initiate new positions. Our blended cash balance has been reduced from an unacceptable 28.9% of AUM on 9/3/2011 to 3.9% as of February. This is in the face of significant recent selling in some funds as positions purchased during the bear markets have achieved their target prices leading to exits and potential for cash drag.

Our biggest challenge and initiative for the remainder of the semester will be to reduce the balances that we are currently holding in those ETFs by identifying attractive risk adjusted positions to take with a view towards strategically outperforming our benchmarks. To this end, this semester's Sector Analysis team has compared our positioning in each fund versus the relevant index (rather than versus the S&P as in past reports) and has made top down recommendations that will serve our analysts well as they embark on their search for stocks. I am confident we will be successful.

Coming out of a record first quarter for US equity markets, it is remarkable to think back over the events of the six months covered in this report. After a summer dominated by the debt crisis in Europe, the US budget debacle and credit downgrade, turmoil in the Middle East and widespread talk of a "double dip" recession, MPSIF staff returned to school amidst a highly uncertain economic landscape. In August the Federal Reserve had announced that they expected to hold their benchmark rate steady until mid-2013 and, following a weak jobs report on September 2, 2011 when unemployment stayed at a dismal 9.2%, the White House released a statement stating its expectation that the rate would stay at that level for the balance of 2011. In September, the first month at the helm for current management, President Obama was urging Congress to pass his jobs proposal while the S&P and the Dow Jones Industrial Average continued to decline. In fact, both reached their post-summer lows on October 3, 2011 having given up 9.8% and 8.3% respectively during the month of September 2011 alone.

In this context, few expected that the subsequent 5-month period - from the market's October 3 bottom through February 29, 2012 - as the point when the United States economy may finally have regained its footing to enter a true expansion. During the next five months, in roughly chronological order, European leaders finally agreed to force private creditors to take a "voluntary" haircut on their holdings of Greek debt, the Italian and Greek prime ministers resigned and were replaced by technocrat governments willing to work with the ECB in an attempt to draw a line between Greece's woes and the rest of the EU, and US unemployment finally began to decline to 8.6% in December and 8.3% today. Meanwhile, the S&P and the Dow rallied from their October 3rd lows to return 19.51% and 17.71% for the 5-months and finished our semi-annual reporting period in the black at 12.04% and 11.53% respectively!

For investors this has been a stomach churning ride, and the extreme swings we have seen should remind us not only, how quickly markets and sentiment can turn, but also how we have seen "false bottoms" before specifically at this same time in 2012. Indeed, many of the market professionals who have taken the time to speak to the MPSIF class this semester have offered their view that the second half of 2012 has no shortage of risks be they geopolitical, such as, the Iranian situation, China's recent softer indicators, and energy prices, or fiscal, such as the continuing unprecedented monetary conditions with no clear path to return to a more long run average interest rate environment. However, I write this letter satisfied with how our funds have weathered the challenges and optimistic we are positioning ourselves well both for the remainder of the current Executive Board's tenure and for the future of the MPSIF funds.

In closing, I would like to thank Professor Levich, the members of the Advisory Committee, the many practitioners and alumni who have donated their time to speak to the class and, of course, our benefactor, Mr. Michael Price. Since the platform's inception in 2000, MPSIF has not only allowed Stern students to gain practical training in investment management, but has also enabled almost 100 students from the University of Oklahoma to attend summer courses at Stern. On a more personal note, MPSIF was one of the primary reasons I was attracted to Stern over other business schools, and I am proud to be contributing to its continued success. It is an unparalled learning experience for students and hopefully will remain one of the cornerstones of the excellent finance curriculum at NYU Stern for years to come.

Yours Sincerely,

Ray Strecker
MPSIF President
March 21, 2012

The Michael Price Student Investment Fund

Review of Operations

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

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

- Continue to adjust our pitching structure to allow for more concise investment recommendations, requiring the same deep level of due diligence while increasing the number of actionable ideas presented in the funds
- Continue to measure our performance against more appropriate benchmarks
- Provide more focused sector and economic analysis to help make timely actionable investment recommendations
- Continue to invite successful investors as guest speakers to stimulate the learning process
- Decrease our holdings of Exchange Traded Funds (ETFs) and start holding more individual stocks

We started the semester with a "Pitching 101" session in which experienced second semester analysts presented stock pitches in front of the entire class. Three analysts, one from each equity fund, pitched a stock as a way to demonstrate (especially to students in their first semester in MPSIF) the various elements of a pitch and the types of questions that typically arise during a presentation. Swati Malik presented Tempur-Pedic International, a stock that she had originally pitched for the Growth Fund during the Fall of 2011. Andrew Loulousis presented Protective Life Corporation Com (PL), a stock he had originally pitched for the Value Fund in the previous semester. Finally, Renzo Dancourt pitched Guess?, Inc., a company he had originally pitched for the Small Cap Fund in Fall of 2011.

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

On February 9, we were privileged to have Paul Krikler, President of Krikler Inc. and former Chief of Staff at Goldman Sachs University, as a guest speaker. Mr. Krikler spoke with us about his extensive experience developing and selling investment ideas and provided students valuable advice for writing research reports.

On February 29, we welcomed Chris Long, former Macro Portfolio Manager for Global Fixed Income at Tudor Investment Corporation. Mr. Long gave his views on the macro environment that impacts all of our portfolios. His talk included thoughts on Europe, gold, and the next few years in fixed income.

On March 20, we had the opportunity to have Mark Kritzman of Windham Capital Management as a guest speaker. Mr. Kritzman presented his ideas on systemic risk and introduced a new concept (absorption ratios) as a means to better predict when major downturns in the economy will occur.

On March 27, Edward Kerschner, founder of E.M. Kerschner, LLC and an advisor to Morgan Stanley, spoke about "Thematic Investing." Mr. Kerschner discussed two themes, the growing need for water and emergence of an Asian middle class in the 21st century.

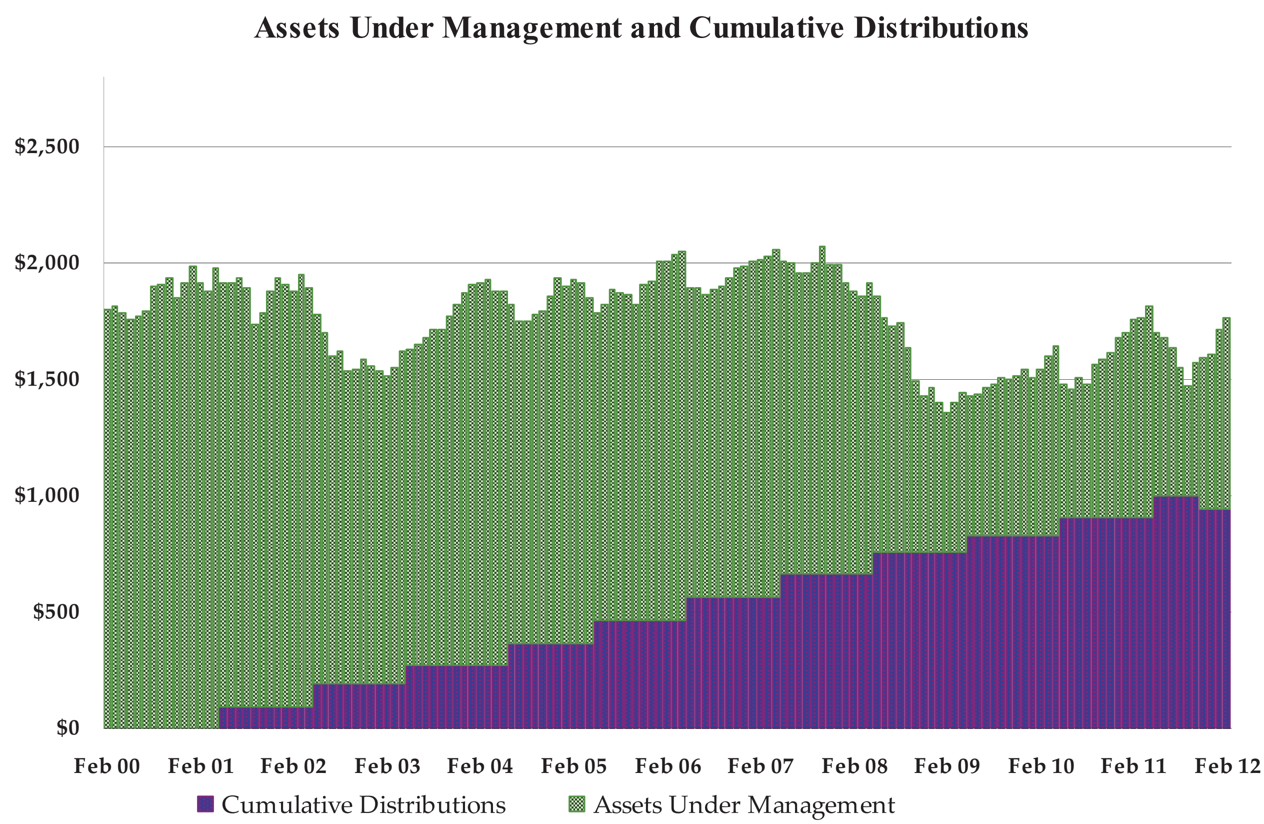
On April 3, we welcomed Richard Saperstein, Managing Director and Principal at Treasury Partners, Randy Haase, former Portfolio Manager for the Baron Fifth Avenue Growth Fund, and David Dineen, Senior Portfolio Manager at Pinnacle Associates. These three seasoned investors discussed the current state of the economy and where things stand with respect to the business cycle, offering their views on sound investment strategies going forward.

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

Finally, we migrated our investment servicer from Merrill Lynch to Bank of New York Mellon in November. In just four months, we estimate that we cut our trading costs in half. Under BNY Mellon, our trading fees are estimated to be 22-23 bps per annum whereas with Merrill Lynch, they were about 55 bps per annum.

Assets Under Management & Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on March 1, 2000. As of February 29, 2012, our assets under management stand at $1.76 million, which represents a cumulative return of 64.64%% (net)), taking into account net distributions of over $940,000 to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, the MPSIF funds have returned 4.24% net of management and administrative fees allowing us to cover our annual 5% distribution requirement although leading to a reduction of our asset base.



Note: In November 2011, $52, 217 of the May 2011 distribution representing unspent monies was returned to the Fund.

Performance of the Michael Price Student Investment Fund

For the period ending February 29, 2012

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	10.17%	2.15%	46.05%	13.46%	8.57%	1.66%	64.64%	4.24%
*Blended Benchmark**	10.53%	4.59%	83.77%	22.49%	18.24%	3.41%	61.69%	4.09%
Relative - Net of Fees	-0.36%	-2.43%	-37.72%	-9.03%	-9.67%	-1.75%	2.95%	0.16%
Small Cap Fund	11.64%	-0.31%	59.25%	16.78%	-15.60%	-3.34%	105.25%	6.18%
Russell 2000 Index	12.41%	-0.14%	117.07%	29.48%	9.51%	1.83%	64.21%	4.22%
Relative - Net of Fees	-0.77%	-0.17%	-57.82%	-12.70%	-25.12%	-5.17%	41.04%	1.96%
Value Fund	11.88%	-0.44%	52.21%	15.03%	16.31%	3.07%	90.64%	5.52%
Russell 1000 Value Index	12.84%	2.17%	95.35%	25.01%	-5.29%	-1.08%	78.41%	4.94%
Relative - Net of Fees	-0.96%	-2.61%	-43.14%	-9.98%	21.60%	4.15%	12.23%	0.58%
Growth Fund	12.86%	4.43%	49.99%	14.47%	6.50%	1.27%	-11.93%	-1.05%
Russell 1000 Growth Index	13.76%	7.62%	107.32%	27.51%	24.84%	4.54%	-11.40%	-1.00%
Relative - Net of Fees	-0.89%	-3.19%	-57.33%	-13.04%	-18.35%	-3.27%	-0.53%	-0.05%
Fixed Income Fund	2.27%	6.33%	24.05%	7.45%	28.45%	5.14%	58.56%	4.80%
Vanguard Total Bond Fund	2.23%	7.21%	23.04%	7.16%	35.99%	10.79%	70.05%	5.55%
Relative - Net of Fees	0.04%	-0.88%	1.01%	0.29%	-7.53%	-5.65%	-11.49%	-0.75%

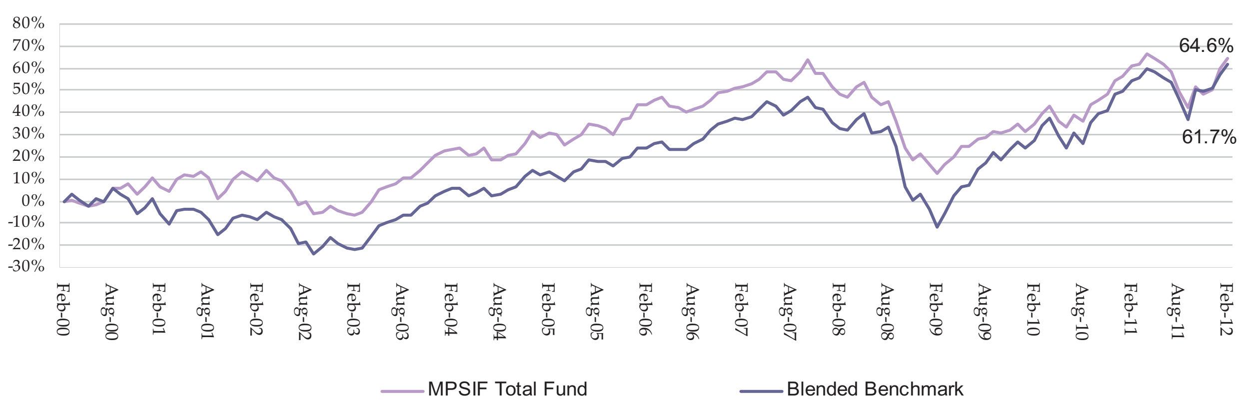
** The blended benchmark is a simple weighted average of the four benchmarks. If we were to weight the benchmark performances by the respective fund weights, we would see a six-month total benchmark return of 10.96%.*

*** Fees and commissions are included in returns. Across the funds, they amounted to $787.59 for Merrill Lynch wrap fees and $1598.85 for Bank of New York Mellon trading commissions.*

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

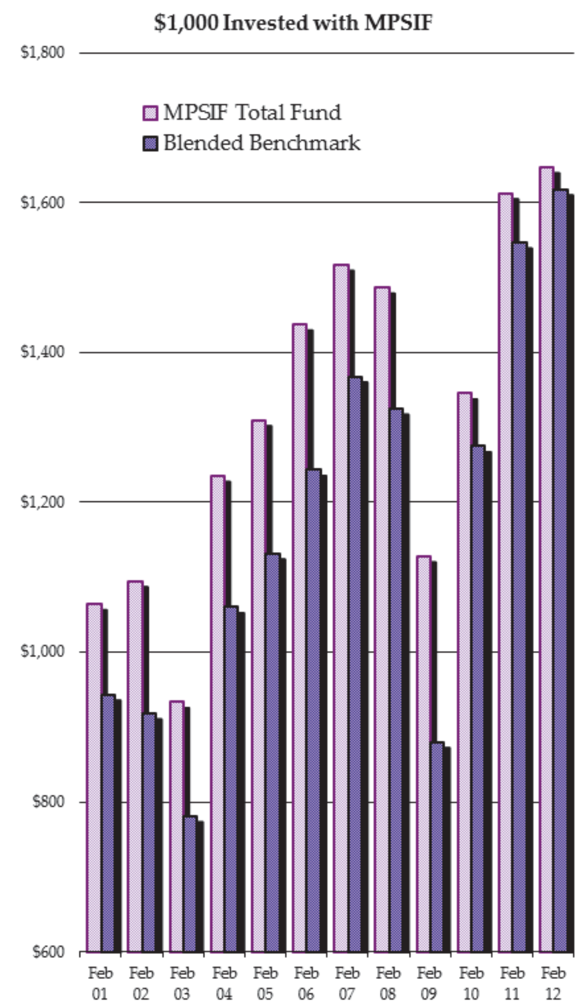
All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.

Michael Price Total Fund vs. Blended Benchmark



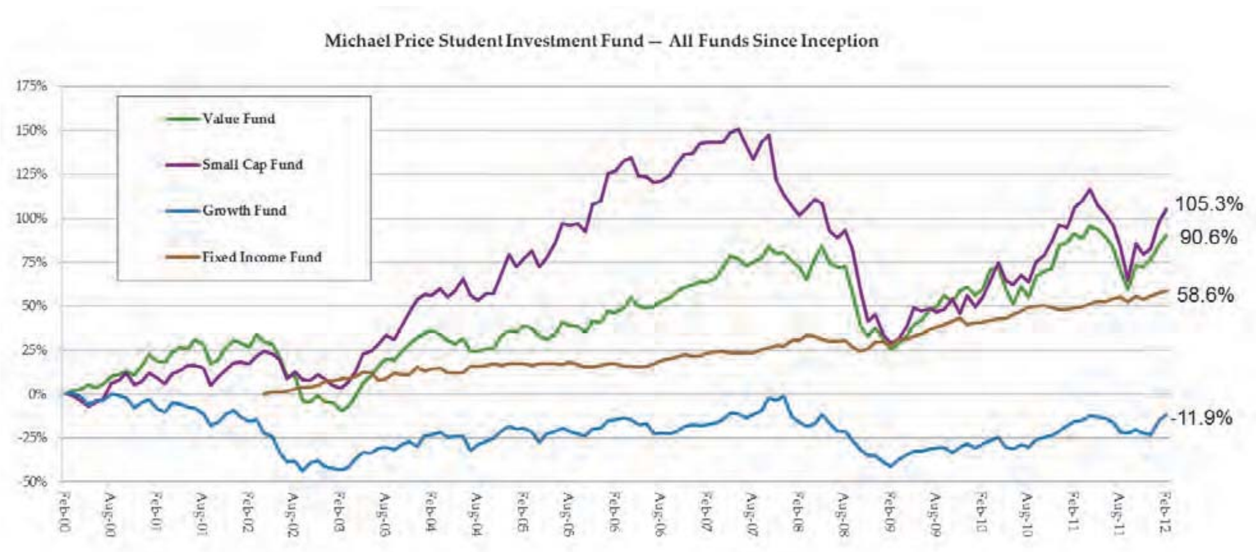
As of February 29, 2011, MPSIF had approximately 3.9% in cash holdings, down from 28.9% as of August 30, 2011. The summer 2011 volatility caused many positions to hit their stop loss limits causing a temporarily large holding in cash. With the resumption of normal class sessions, cash holdings fell to more appropriate levels as new pitches were presented and approved.

Our stated goal this past semester was to have less of our holdings in cash and more in stocks and ETFs. The portfolio managers and analysts identified buying opportunities in broad-based market and sector ETFs to employ the cash positions. We have held these positions until new securities were pitched. We now hold what we feel is a better mix of ETFs, individual holdings, and cash.



The overall Fund returned 10.17% in the last six months of the fiscal year and 2.15% over the last twelve months. This compares to 10.53% and 4.59% for the benchmark over the same periods (note that the blended benchmark is calculated using a simple average of the four benchmarks). With respect to the individual funds, most of the funds underperformed their benchmarks. The Small Cap Fund underperformed the benchmark on a six-month basis by 0.77% net of fees. For the last twelve months, the Small Cap Fund underperformed the benchmark by 0.14% gross of fees. The Value Fund underperformed the benchmark by 0.96% net of fees over 6 months and 2.61% over the past twelve months. The Growth Fund underperformed the benchmark by 0.89% net of fees for 6 months and 3.19% over the last twelve months. The Fixed Income Fund outperformed the benchmark 0.04% net of fees for six months and underperformed by 0.88% net of fees for the last twelve months.

Since inception, MPSIF has earned a cumulative return of 64.64% net of fees, outpacing the blended benchmark by 2.95% or 0.16% on an annualized basis.



Benchmark Index Description

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

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

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

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

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

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

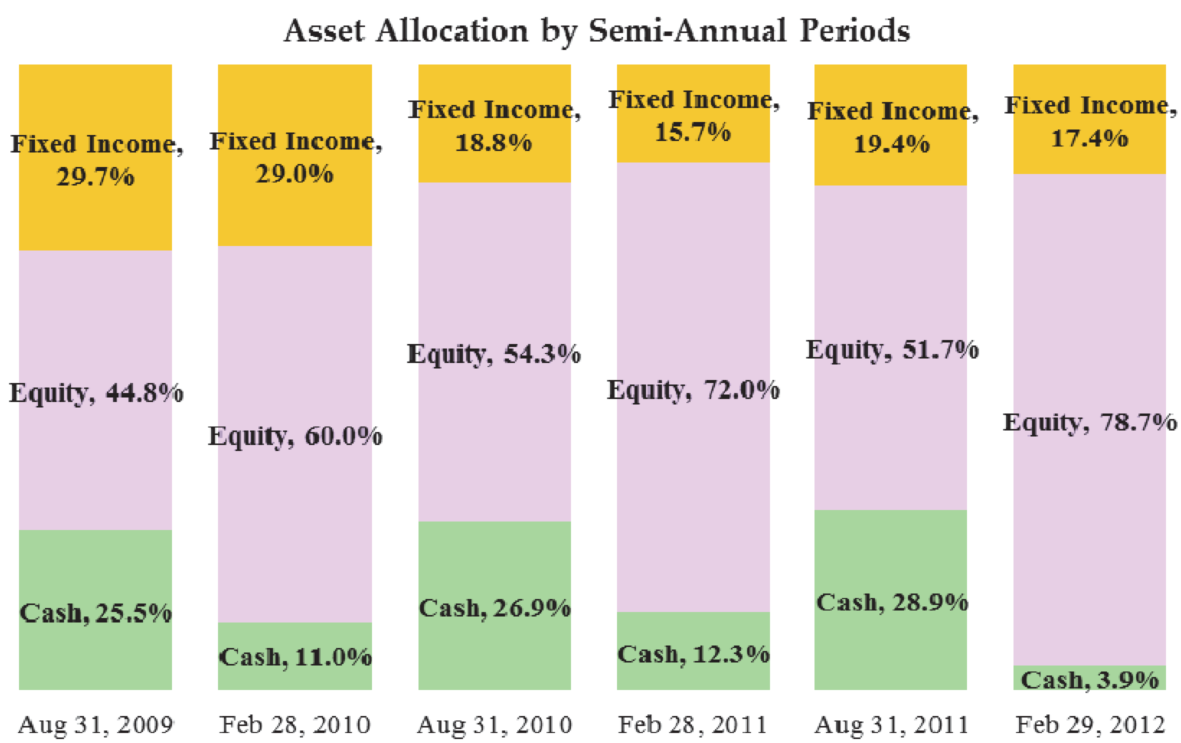
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

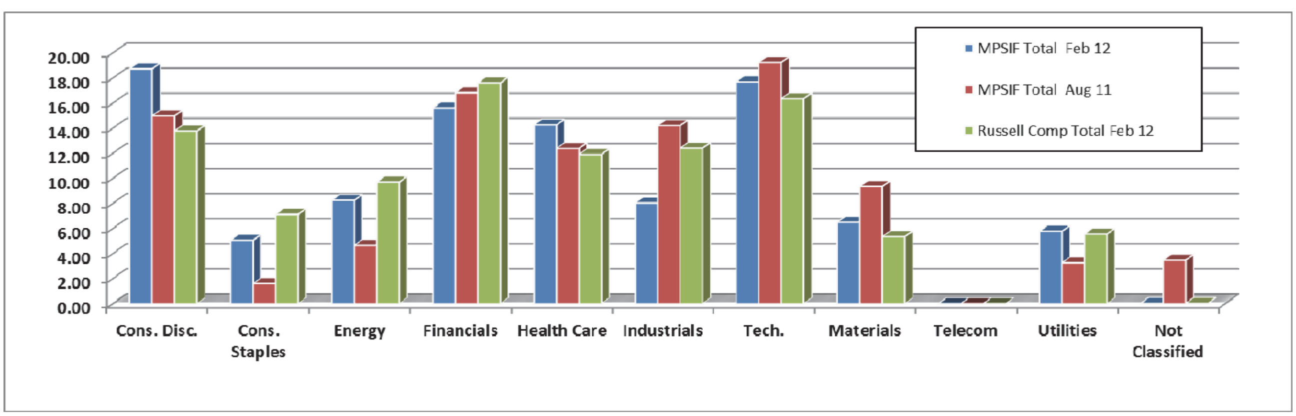
The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Asset Allocation

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

As indicated in the Asset Allocation chart, cash holdings decreased from 28.9% in the prior reporting period to 3.9%. Equities increased from 51.7% to 78.7% while Fixed Income decreased from 19.4% to 17.4%. This mainly shows the effect of the summer volatility that caused many positions to hit their stop loss limits in August and our efforts to decrease our cash position in the past six months.





Fund Turnover

Portfolio Turnover for the Six Months Ending February 29, 2012

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	80,697	645,478	361,302	330,911
Total Sales	77,049	289,027	325,960	260,587
Minimum (Sales, Purchases)	77,049	289,027	325,960	260,587
Average Invested Assets	303,303	385,320	460,337	355,584
Turnover	25%	75%	71%	73%

** 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

With doubts surrounding the sustainability of the U.S. recovery post the Great Recession, the early months of 2012 have shone a glimmer of hope on economic growth as several macro indicators have trended upward. The U.S. employment rate has fallen to 8.2% and nonfarm payroll growth has averaged above 200K for the past four months. This positive employment data has been the catalyst to drive up consumer confidence in 2012 from the Reuters/University of Michigan Consumer sentiment Survey well above levels reached in late 2011. Despite this positive news, several concerns still linger. Housing markets continue to remain at depressed levels and supply concerns in the Middle East have caused oil prices to climb which could act as a tax on the U.S. consumer. Additionally, the continued uncertainty in Europe poses another potential shock that could lead to additional global economic uncertainty.

Fed continues to promote further stimulus: In the U.S., GDP grew at an annual rate of 3% in 4Q 2011, increasing from 1.8% in the previous quarter. Annual GDP growth for 2011 was only 1.6% which despite the positive momentum in 4Q, is well below the 3.1% growth of 2010. In response to this slowdown, the Fed has committed to keeping interest rates near zero through 2014.

Despite committing to keeping rates low for the next two years, it now seems highly unlikely that the Fed will implement another bond purchasing program in the near future. St. Louis Fed President James Bullard and Atlanta Fed President Dennis Lockhart recently expressed their beliefs that the strengthening U.S. economy reduces the need for additional monetary easing. These comments come after two rounds of bond purchases and Operation Twist which was announced in late 2011.

Federal Reserve Board Chairman Ben Bernanke has also recently expressed concerns about increased oil prices as they can create short term inflation pressures and act as a tax on consumer disposable income. The Fed's stimulus remains highly dependent on low inflation for justifying maintaining interest rates at historical low levels. The Fed's preferred measure of inflation, the

Consumption Expenditures Price Index, rose 2.4% in the 12 months through January 2012 which is above the target of 2%.

Fiscal policy remains easy despite upcoming elections: With the upcoming Presidential elections in November of this year, there has been continued debate among the candidates about proposed stimulus and resolving the budget deficit. In February, President Obama proposed a plan for a 2013 budget calling for job-creation initiatives for infrastructure, job training and innovation to be offset by a $1.5 trillion tax increase to the wealthiest Americans. Weeks later, Republican lawmakers released their own budget plan that focused on cutting domestic spending and balancing the budget. Despite these differences in opinions, Congress recently approved an extension of unemployment benefits and the payroll tax cut, a measure that delayed the almost inevitable fiscal austerity that will have to take place in the coming years. There were concerns about Congress's willingness to extend these benefits given the partisan bickering in an election year but this package should aid the economy in 2012 as we continue to see unemployment decline and the recovery become more self-sustainable.

European debt crisis continues to be a concern: The two year old European debt crisis continues to linger as credit agencies cut the ratings of several of the peripheral European countries debt in March. In its latest attempt to combat the crisis, the ECB announced the Long Term Refinancing Operation (LTRO) which provides €530 billion in cheap loans to over 800 European financial institutions. This vehicle was put in place with the hopes of becoming an indirect way to purchase debt of these troubled economies. As the banks shore up their balance sheet with cheap liquidity, the ECB hopes that they will buy up the Government debt of their countries helping to drive down elevated borrowing costs.

The most troubled of these economies, Greece, is now in the process of swapping its €205 billion of debt with new securities worth less than half of their face value. This write down will shift much of the country's debt from private creditors into the hands of the ECB and IMF. In exchange for the bailouts provided to the country, Greece has had to agree to harsh austerity measures that have forced the economy to shrink for the fifth straight year and which have pushed unemployment above 21%. There are still many concerns about the public backlash to these austerity measures. Public resentment to these policies will likely play a role in the Greek elections this coming May.

China GDP growth causes concerns about a hard landing: China recently released its February PMI which at a reading of 48.1, marked the fifth straight month that the index has been under 50 or contraction territory. This manufacturing data along with the Government's recent GDP projection revisions have several economists concerned about a "hard landing" in which China GDP would decelerate to levels well below its trend of 8-9% growth to a more muted 7% or below. The Chinese government recently cut its GDP growth rate to 7.5% which is the lowest since 2004. This is likely due to reduced export expectations from a crisis stricken Europe and a still fragile U.S. economy although Chinese Premier Wen Jiabao commented that this was done to develop a more sustainable and efficient economic system. Despite concerns, the Chinese government has signaled recently that it will combat any sharp decline in output with added stimulus as seen with recent declines in bank reserve requirements and interbank lending rates.

Sector Initiative

Last year's economic uncertainty, especially with regards to Greece, led to a significant equity market decline in the US and in retrospect probably presented the best buying opportunity since 2009.

During the first two months of the year the Materials, Financials, Technology, Industrials and Consumer Discretionary sectors outperformed the S&P 500, reinforcing our view that the US economy is positioned for growth in 2012.

Rather than simply repeat the views of the economic team – position for growth, overweight cyclical sectors – the market team incorporated a new approach into its strategic outlook this spring. First and foremost, the Michael Price Student Investment

Fund is expected to select individual stocks and a report highlighting Industrials' hypothesized outperformance does not necessarily determine *which* industrial stocks might be good buys. Second, and perhaps more importantly, the Growth, Value and Small Cap funds all benchmarked to Russell indices for which Russell Investments does not report sector details.

This spring sector team used data provided by Russell, iShares, and Bloomberg to construct bottom up models of the Russell 1000 sectors, their performance over the last five years, as well as sector weights, dividend yields, and P/E ratios for the Russell 1000 Growth, Russell 1000 Value and Russell 2000 indices. Analysts then used these sector analyses as a complement to their bottom-up approach in stock selection. The most significant results of the analysis are presented below for each index.

The differences in sector weights across indices were one of the most important findings. As of February 29, 2012 the financial sector carried the largest weight in both Russell 2000 and Russell 1000 Value; it makes up nearly 25% of the value index. The Russell 2000 and Russell 1000 Growth indices have virtually no exposure to telecom stocks, and the Russell 1000 Growth index has zero exposure to utilities.

While the growth and value indices are based loosely on the Russell 1000 members, Russell's methodology states that the style indices are weighted based on each stock's "style score." Therefore the same stock may carry a significantly different weight in each index depending on its

Russell 1000	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	12.12%	1.47%	16.79	13.99
Cons Stap	10.44%	2.88%	16.03	13.88
Energy	11.28%	1.80%	11.98	10.39
Financials	14.77%	2.08%	16.95	10.47
Health Care	10.97%	2.08%	13.58	11.70
Industrials	10.95%	2.06%	14.95	11.75
Technology	19.31%	1.04%	15.42	11.78
Materials	4.22%	2.02%	13.57	11.19
Telecom	2.53%	5.25%	20.81	16.88
Utilities	3.40%	4.05%	14.21	14.17
R1000		2.00%	15.04	11.92

Russell 1000 Growth	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	14.27%	1.38%	19.66	15.34
Cons Stap	11.97%	2.94%	16.32	14.36
Energy	10.68%	1.44%	13.27	11.29
Financials	4.19%	1.99%	22.37	18.13
Health Care	10.53%	1.16%	17.45	13.53
Industrials	12.89%	1.83%	15.82	12.32
Technology	29.18%	0.84%	16.45	12.32
Materials	5.38%	1.87%	13.73	11.64
Telecom	0.83%	2.76%	33.68	25.07
Utilities	0.08%	2.21%	22.60	18.61
R1000G		1.51%	16.49	13.10

Russell 2000	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	13.61%	0.81%	17.42	14.36
Cons Stap	3.90%	1.17%	18.23	15.32
Energy	7.23%	0.56%	21.58	14.87
Financials	21.13%	3.57%	16.64	14.19
Health Care	12.34%	0.23%	29.14	24.24
Industrials	15.78%	0.75%	17.01	13.02
Technology	17.77%	0.23%	22.02	16.60
Materials	4.56%	0.85%	15.68	12.88
Telecom	0.81%	1.56%	19.17	16.48
Utilities	2.88%	3.72%	18.09	16.65
R2000		1.30%	19.05	15.28

Russell 1000 Value	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	12.28%	1.55%	15.03	13.04
Cons Stap	7.63%	2.89%	16.30	13.70
Energy	11.39%	2.04%	10.84	9.50
Financials	24.69%	2.04%	14.65	10.49
Health Care	11.07%	2.87%	11.40	10.61
Industrials	10.08%	2.30%	13.81	11.23
Technology	8.64%	1.53%	11.97	9.64
Materials	3.20%	1.97%	16.26	12.38
Telecom	3.66%	5.77%	15.47	13.06
Utilities	7.35%	4.17%	14.32	14.02
R1000V		2.41%	13.53	11.17

growth or value characteristics. This in turn causes the sector weights to deviate significantly from both the Russell 1000 parent and also the more commonly used S&P 500 sectors.

This information has proven invaluable for benchmarking purposes, especially given the fact that portfolio managers are increasingly relying on index ETFs as a quick way to increase equity exposure.

The Growth Fund

Message from the Portfolio Managers

The six-month period ending February 29, 2012 has been an interesting and volatile period, predominantly driven by macroeconomic trends. The intra-market correlations across all stocks rose to the highest levels not seen since the market crash of 1987, resulting in "risk on/risk off" sentiments in the market. It has essentially been a period of roughly two halves with the European sovereign debt crisis and fears of double dip recession dominating the first three months of the period while the second half has been filled with increasing confidence that the U.S. economy is making a recovery, driven by improving economic data points, particularly the upward revision in GDP numbers and the lower unemployment rate.

The most comforting fact over this period is that the Growth Fund was able to recover most of our losses from the previous six-month period, and position the fund to further reap the benefit of the economic recovery going forward. Given that MPSIF is an endowment responsible for annual distributions, we believe that the most important goal is the preservation of capital and we are happy that we were able to achieve that. For the six months ending February 29, 2012, we had an absolute return of 12.86%, underperforming the benchmark, the Russell 1000 Growth Index, by 89 bps. Although we underperformed overall, much of this is due to the first three months of the period in which we underperformed by 297 bps. Over the last three months of the reporting period, we have in fact outperformed the index by 237 bps.

While we are reporting for the six-month period ending February 29, 2012, it should be pointed out that we became PMs in early December and only had control of the funds since then. It's challenging to implement any major change and deliver results in a short period of time. With that said, we implemented several changes in the fund that we hope will result in stronger performance going forward. One key change that we made was assigning one to two analysts to a particular sector and having him/her find investment ideas within that sector. This was directly aligned with our main goal of reducing our tracking error with the benchmark and having a much better sense of how our fund is positioned against the benchmark from a sector allocation standpoint.

Delving a bit deeper into our results over the first three months of the period, we began the period on September 1 with just three equity holdings and cash representing 82.7% of our portfolio. This was the result of being stopped out of multiple names over the summer and essentially the main reason for our underperformance during that period. Although our large cash position benefited the fund in September as the Russell growth index went down by -7.4% as opposed to the growth fund being only down by -0.6%, it came back to haunt us as the index came back up to return nearly 10% in October with the fund only managing a 2.6% return.

As we took control of the fund in December, we began to analyze our portfolio and strategize how we would proceed going forward. Although we anticipated a gradual recovery in the market in the heading into the New Year, we were more than surprised by the strong run-up, leading to the fund returning 10.4% in January and outperforming the index by more than 441 bps. With the beginning of our Spring semester in 2012, we exceeded our target price on many of our holdings and decided to raise our stop-loss price close to the target price on these names. Our fundamental view, at that point, was that the market had a significant run-up and was due for a correction. We wanted to make sure that we locked in our gains. Additionally, in an effort to maintain a fully invested portfolio, better position the Fund relative to the benchmark, and align ourselves with the sector weights recommended by the MPSIF Sector Strategy team, we established positions in several sector ETFs. Most notably, we increased our sector allocation in financials from roughly 0% to close to the benchmark weight, which has paid off as the financials has been one of the best performing sectors during this period. Overall, our strongest realized and unrealized gains in the past period were in the Technology, Healthcare and Consumer Discretionary sectors.

Looking ahead, we anticipate tough stock selection as many growth stocks have seen significant run-ups in prices recently. Although we may see some short-term correction, we believe that there are several factors that will continue to drive strong growth going forward. Liquidity in the market continues to remain high, as short-term rates remain at historical lows and balance sheets remain healthy. The record levels of excess cash at individual and corporate balance sheets that could move back into equities will continue to be a strong catalyst. We look forward to applying a rigorous stock selection process going forward and hope to continue to generate alpha for the Fund while taking full advantage of the learning opportunity that has been afforded to us by Michael Price and the Board.

Jian (Bob) Huang and Tenzin Sonam

Portfolio Managers, Growth Fund

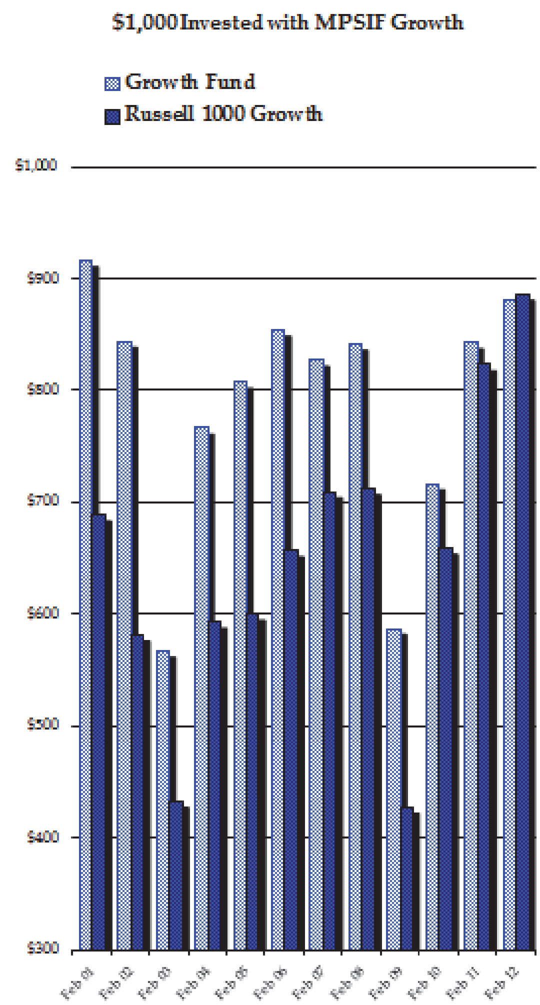
Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	**12.86%**	**4.43%**	**49.99%**	**14.47%**	**6.50%**	**1.27%**	**-11.93%**	**-1.05%**
Russell 1000 Growth Index	13.76%	7.62%	107.32%	27.51%	24.84%	4.54%	-11.40%	-1.00%
Relative - Net of Fees	-0.89%	-3.19%	-57.33%	-13.04%	-18.35%	-3.27%	-0.53%	-0.05%

** Inception from March 1, 2000*

Performance Overview

The Growth Fund ("the Fund") performed well from September 2011 through February 2012 on an absolute basis but once again underperformed on a relative basis. September and January were particularly positive, as the Fund outperformed its benchmark by 6.8% and 4.4%, respectively. During October, however, the Fund significantly underperformed its benchmark, earning just 2.7% versus benchmark return of 11%. The fund stopped out of a number of positions during the August downturn and maintained a relatively high cash balance during the subsequent two months. As a result, during September the Fund fell only 0.6% while the Russell 1000 Growth Index dropped 7.4%., but then in October the fund failed to participate fully in a market rally while the benchmark recovered and rose 11%. As the semester proceeded, new allocations were made and the Fund began to more closely track the benchmark, but still with some significant deviations. In January 2012 the market rallied and the Fund rose 10.4% versus benchmark of 6%, and in February the Fund rose 3.6% versus benchmark of 4.8%.



Since inception, the Fund is still working to recover heavy losses during its first few years. An investment of $1,000 in the Growth Fund in March 2000 would be valued at only $881 on February 29, 2012. By comparison, a $1,000 investment in the Russell 1000 Growth index would be valued at $886, slightly higher than our fund.

Top Sectors	Return	Impact
Healthcare	0.42%	0.72%
Consumer Staples	5.06%	0.66%
Top Contributors		
JB Hunt	21.90%	1.48%
Eastman Chemical Company	38.75%	0.84%
Stock Selection		-3.60%
Allocation Effect		1.96%

Impact *: measures contribution to the portfolio's relative performance vs. benchmark*

Stock Selection *: is the aggregate success of selection decisions within each group vs. benchmark*

Allocation Effect *: is the total impact of sector weighting decisions within each group vs. benchmark*

Note *: these numbers only compare actual invested funds versus the benchmark. In addition, this report uses prices as of the market close and not intraday numbers.*

Stock Picking

According to our Wilshire Analytics team, our stock-selection decisions had a negative effect on our performance during this most recent period, resulting in an impact of -3.60% towards the performance of the Fund. However, it also appears that our sector allocation decisions were positive, yielding an impact of 1.96%. The remaining impact that accounts for our underperformance is the interaction effect (not shown).

The Healthcare sector, which underperformed on an absolute basis, contributed positively overall towards our performance against the benchmark due to the fund's decision to underweight it. The Consumer Staples sector also contributed positively from an underweighting decision. In both cases we were underweight for much of the period, but have recently adjusted our positions to more closely match the index.

Apple, Inc. (AAPL) was once again our top individual stock on an absolute basis, with 40.96% return. However, the stock actually had a negative Stock Selection impact due to our slightly lower weighting than the benchmark. The Fund continues to hold a position in AAPL, although it has reduced the number of shares it holds from 84 to 55 in order to limit its exposure to any individual company.

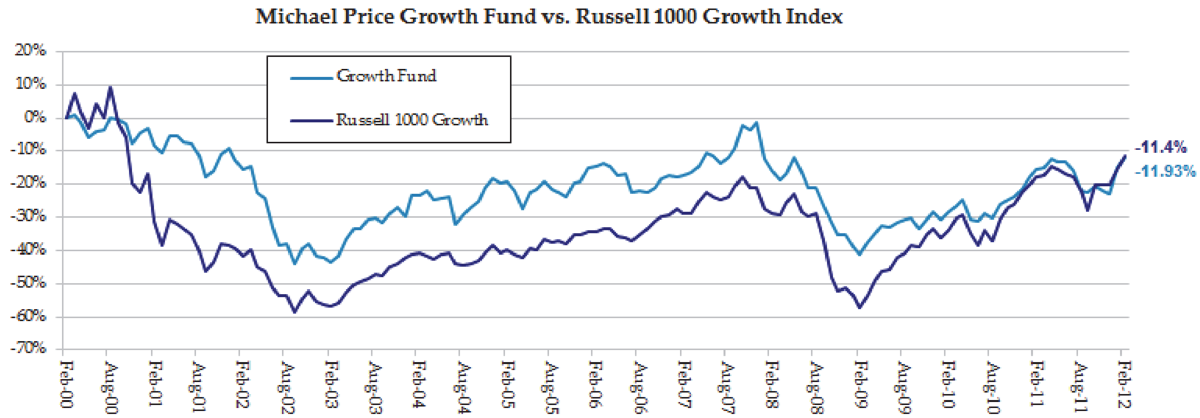
The stocks that added the most value to our Fund were JB Hunt and Eastman Chemical Company. JB Hunt was originally purchased on October 18, 2011 and was sold in February 2012, but during its holding period it appreciated 21.9%. Because of our large position in the stock, JB Hunt yielded a strong positive impact of 1.48%. Another good performing stock was Eastman Chemical Company, which was also purchased in October and appreciated by even more (38.75%) but had a smaller holding. Other positive-impact stocks included EMC Corp and Hologic, Inc. EMC was particularly notable, as the fund realized a 21.9% return yielding a 0.83% impact to the fund's performance to the period. Hologic gained 36.3% during the period and yielded a 0.80% positive impact, and was purchased October sixth.

Our worst stock selection was Polypore International Inc. Polypore fell 32% before stopping out, leading to a fund impact of -2.19%.

New stocks acquired during the period include JB Hunt (JBHT), Chipotle Mexican Grille (CMG), Mosaic Corporation (MOS), Coach Inc. (COH), Dollar Tree Inc. (DLTR), Atmel Corporation (ATML), Polypore International, Inc. (PPO), Darling International Inc. (DAR), Tiffany & Co. (TIF), Tempur-Pedic International Inc. (TPX), and Allscripts Healthcare Inc. (MDRX).

Driving Fund Performance

During the first half of fiscal 2012, the Fund ramped up its equity holdings after having stopped-out of ten positions between August 1 and August 8. Overall, the Fund's underperformance can be primarily attributed to below average stock selection that outweighed the positive impact of asset allocation.



Asset Allocation

The Growth Fund continues to focus on bottom up stock-picking and fundamental analysis, and as such asset allocation remains a secondary priority. Despite this, the Fund differed from its benchmark in sector allocation. During the 6-month period ending February 29, 2012, asset allocation resulted in a positive impact of 1.96%.

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

That said, asset allocation is a significant consideration and the Fund carefully considers appropriate allocation strategies. The fund has started to use ETFs to increase exposure to sectors with fewer individual security holdings, and on an informal basis the Fund now routinely reviews and adjusts industry allocation of its holdings.

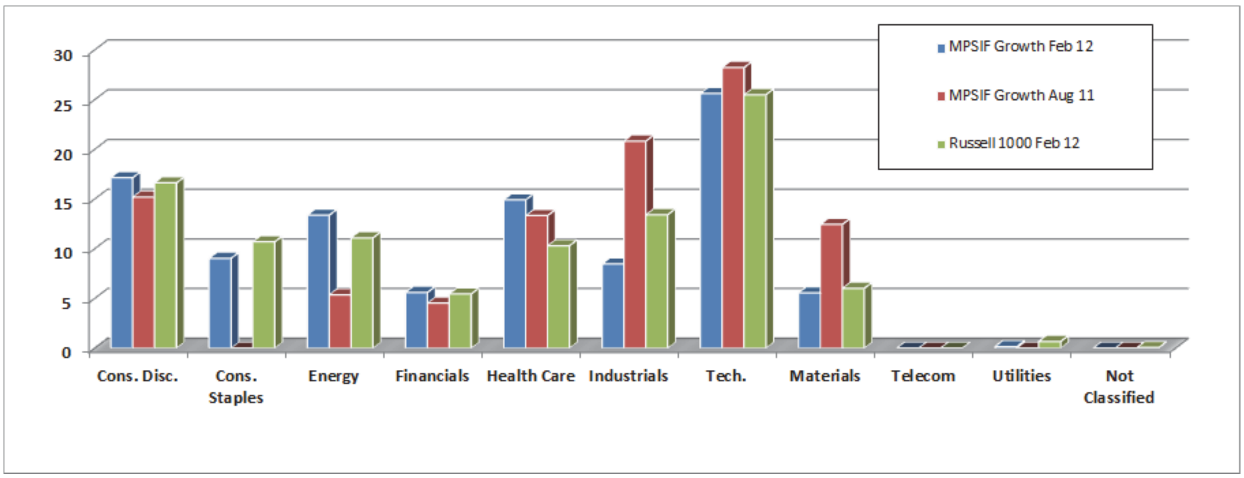
As of February 29, 2012, the sectors with the most significant weight in the Growth Fund are:

- Technology held a 25.62% asset allocation, the largest sector in the Fund, and slightly overweight compared to the Russell 1000 Growth, which has a 25.5% weight in Technology.

• Consumer Discretionary held a 17.16% share in the Fund, which was overweight compared to the Russell 1000 Growth's 16.63% weight.

• Healthcare accounted for a 14.93% allocation in the Fund, overweight the 10.31% allocation for Financials in the Russell 1000 Growth Index.

Over the past six months we have continued to focus on a blended approach of identifying promising sectors which could prove to be resilient amid the aftermath of the recession and implemented a bottom-up process for selecting best of breed in these areas. A bottom-up strategy alone could be insufficient in the current market. As of February 29, 2012, the fund retained its existing positions in five ETFs: Energy SPDR (XLE), iShares DJ Industrials SPDR (IYJ), Materials Select SPDR (XLB), Technology Select SPDR (XLK), and iShares Russell 1000 Growth (IWF).



Holdings Profile

Growth Portfolio as of Feb 29, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Accretive Health, Inc.	AH	Health Care	911	25.99	$23,677	**4.89%**
Allscripts Healthcare Solutions	MDRX	Health Care	1158	19.32	$22,373	**4.62%**
Apple Inc	AAPL	Technology	55	542.44	$29,834	**6.16%**
Cliffs Natural Resource	CLF	Consumer Discretionary	174	63.48	$11,046	**2.28%**
E M C Corp Mass	EMC	Technology	872	27.69	$24,146	**4.98%**
Hunt J B Trans Svcs	JBHT	Industrials	482	51.21	$24,683	**5.10%**
Hologic, Inc.	HOLX	Health Care	658	20.73	$13,640	**2.82%**
Dollar Tree Inc	DLTR	Consumer Discretionary	288	88.51	$25,491	**5.26%**
Coach Inc	COH	Consumer Discretionary	351	74.84	$26,269	**5.42%**
Ishares R1000 Growth	IWF	Index ETF	1888	64.17	$121,153	**25.01%**
Energy Spdr	XLE	Energy	684	74.88	$51,218	**10.57%**
Vanguard Materials	VAW	Materials	240	81.76	$19,622	**4.05%**
Vanguard Cons Staples	VDC	Consumer Staples	367	83.71	$30,722	**6.34%**
Vanguard Info Tech	VGT	Technology	550	70.85	$38,968	**8.04%**
Financial Spdr	XLF	Financials	1392	14.76	$20,546	**4.24%**
Direct Equity Holdings					$201,158	**41.53%**
Total Equity Holdings					$483,386	**99.80%**
Cash as of February 29, 2012					$991	**0.20%**
Total Assets					**$484,377**	**100.00%**

Growth Portfolio as of August 31, 2011

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple, Inc.	AAPL	Technology	84	353.21	$29,670	**6.30%**
Baidu Com Inc.	BIDU	Technology	94	121.16	$11,389	**2.42%**
EMC Corp.	EMC	Technology	1096	27.21	$29,822	**6.33%**
Eastman Chem Co.	EMN	Materials	254	93.41	$23,726	**5.04%**
First Solar Inc.	FSLR	Energy	131	147.39	$19,308	**4.10%**
Fortinet Inc.	FTNT	Technology	667	40.84	$27,240	**5.78%**
Fossil Inc.	FOSL	Consumer Discretionary	290	76.74	$22,255	**4.72%**
Itron Inc.	ITRI	Energy	340	56.71	$19,281	**4.09%**
Kansas City Southern	KSU	Industrials	435	53.84	$23,420	**4.97%**
Mindray Medical International	MR	Health Care	670	27.08	$18,144	**3.85%**
Qualcomm Inc.	QCOM	Technology	266	59.58	$15,848	**3.36%**
Royal Caribbean Cruise	RCL	Consumer Discretionary	470	43.79	$20,581	**4.37%**
Syngenta AG	SYT	Materials	350	67.32	$23,562	**5.00%**
Energy Select Sector SPDR	XLE	Energy	750	78.54	$58,905	**12.50%**
iShares DJ Industrial SPDR	IYJ	Industrials	520	69.93	$36,364	**7.72%**
Materials Select Sector SPDR	XLB	Materials	535	39.46	$21,111	**4.48%**
Technology Select Sector SPDR	XLK	Technology	750	26.56	$19,920	**4.23%**
iShares Russell 1000 Index	IWF	Index ETF	325	60.66	$19,715	**4.19%**
Direct Equity Holdings					$284,247	**60.34%**
Total Equity Holdings					$440,261	**93.46%**
Cash as of August 31, 2011					$113,335	**24.06%**
Total Assets					**$553,596**	**117.52%**

Investment Style and Strategy

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

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

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

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

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

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

The Value Fund

Message from the Portfolio Managers

During the six months ended on February 29, 2012, the Value Fund ("the Fund") generated a positive return of 11.88% net of fees, underperforming the Russell 1000 Index ("the benchmark") by 0.96%. As the stock market rallied, we sold off holdings that had realized their appreciation potential to lock in gains and allocated our entire cash to the benchmark ETF. While we consider sector allocation strategy, our emphasis is on finding businesses with strong balance sheets at attractive valuations that provide a high margin of safety.

It is customary to dedicate the majority of these letters to performance. However, as we recently incorporated the new team of analysts, we have just started deploying funds to investment ideas and the efficacy of our actions can only be measured well into the future. For those reasons, we want to dedicate this letter to the procedural changes implemented in the Fund year to date. We believe these changes will provide the optimal setting for our analysts to thrive and should translate into future outperformance.

The first set of changes focuses on the investment selection process. First, we eliminated the public voting system in favor of an anonymous voting system. The pressure to vote in favor of another analyst's pitch for non-economic reasons is a tangible force cited by analysts and taints the stock selection process. Second, we encouraged analysts to concentrate their research effort on companies that could be used for other school assignments to help develop greater familiarity with their focus companies. Third, we quantified our definition of value investments to ideas that have at least 25% total return expectation over an investment horizon of one year or less. Lastly, we changed the discussion method used to vet stock recommendations such that minority viewpoints are shared more readily, thereby ensuring that stocks are vetted more thoroughly.

The second set of changes focuses on portfolio management. First, we increased the maximum position size from 7% to 10% of the total portfolio. We are willing to take greater idiosyncratic risk in high conviction ideas that possess limited downside and the potential to generate outsized returns. For that purpose, we incorporated a sizing formula that accounts for analyst conviction when voting in favor of a stock. Second, we favored portfolio concentration by recommending a smaller number of holdings (between 7 and 12). Due to limited time, our analysts find it difficult to master a portfolio of 20 to 25 holdings. By limiting the number of holdings, analysts can spend more time monitoring existing holdings, leading to prompt action when deciding to sell positions that realized their potential or failed to do so. In addition, analysts will have more time to generate new investment ideas. Finally, to avoid making asset allocation decisions, we established a 10% limit to cash holdings at any time.

Finally, our investment decisions have benefited from lower trading costs as a result of the migration to BNY Mellon. To date, we have paid 0.08% in commissions during the three months ended in February or 0.32% annualized. That compares to the 0.55% flat wrap fee paid to Merrill Lynch.

James Ulan & Renzo Dancourt

Co-Portfolio Managers, MPSIF Value Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**11.88%**	**-0.44%**	**52.21%**	**15.03%**	**16.31%**	**3.07%**	**90.64%**	**5.52%**
Russell 1000 Value Index	12.84%	2.17%	95.35%	25.01%	-5.29%	-1.08%	78.41%	4.94%
Relative - Net of Fees	-0.96%	-2.61%	-43.14%	-9.98%	21.60%	4.15%	12.23%	0.58%

** Inception from March 1, 2000*

Our six-month return as of February 29, 2012 was 11.88% net of fees, underperforming the Russell 1000 Value Index benchmark by 0.96%. The stocks that contributed most to the six-month return were CVS Caremark Corp. and Ford Motor Company, producing a return of 32.78% and 17.27% respectively.

Our worst performing securities were JP Morgan Chase, Sanofi–Aventis, and Copa Holdings SA, generating a return of -15.74%, -3.0%, and -2.73% respectively.

Top Sectors	Return	Impact
Technology	25.63%	0.80%
Consumer Discretionary	17.61%	0.42%
Top Contributors		
CVS Caremark Corp.	32.78%	2.03%
Ford Motor Company	17.27%	0.71%
Stock Selection		1.78%
Allocation Effect		-0.41%

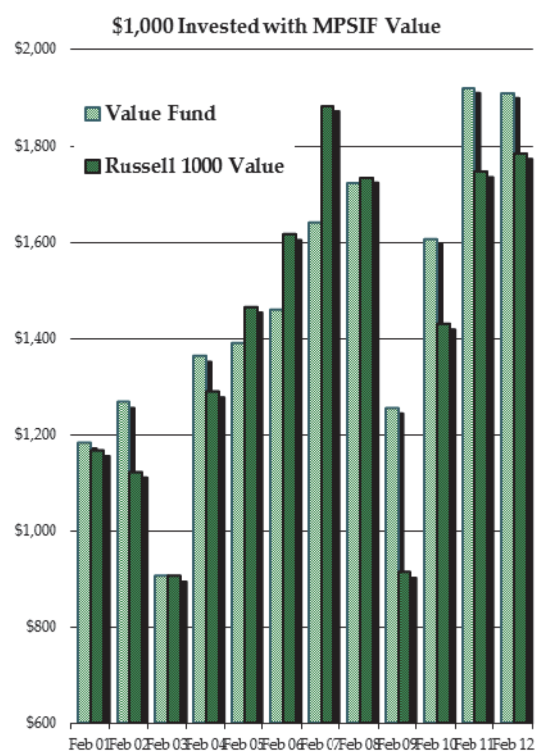
***Impact** : measures contribution to the portfolio's relative performance vs. benchmark*

***Stock Selection** : is the aggregate success of selection decisions within each group vs. benchmark*

***Allocation Effect** : is the total impact of sector weighting decisions within each group vs. benchmark*

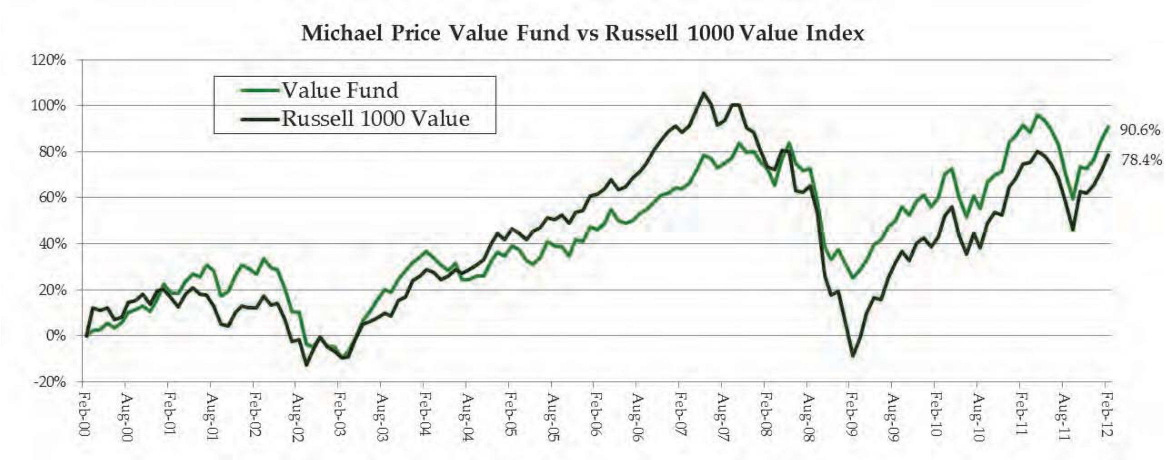
***Note** : these numbers only compare actual invested funds versus the benchmark. In addition, this report uses prices as of the market close and not intraday numbers.*

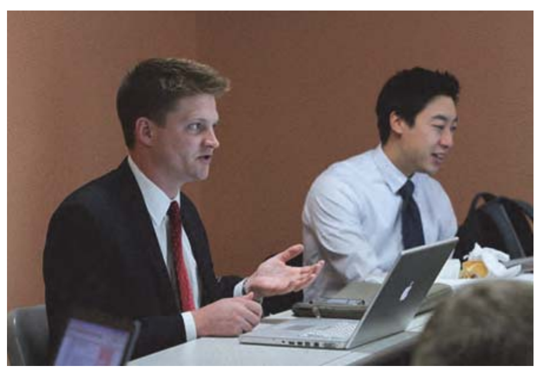
The worst performing, sector in our portfolio, on an absolute basis, was Healthcare. We invested in branded pharmaceutical companies, which were greatly impacted by pricing pressure and regulatory uncertainties. We incurred losses of 3.66% in Sanofi–Aventis. Our investment in Johnson & Johnson had a return of 1.40%. Our overall performance in healthcare was 5.38%, which was 5.31% below that of the sector benchmark.



During the six-month period we sold off many of our holdings due to price targets being met. All excess cash was allocated to Russell 1000 Value Index as we searched for attractive investments.

During the past six-month period, the overall performance of the fund was positive, yet we underperformed the Russell 1000 Value Index by 0.96% net of fees. Our 12-month performance stands at -0.44%, under-performing our benchmark by 2.61%.





Asset Allocation

As the Fund focuses on bottom up stock-picking and fundamental analysis, asset allocation among sectors is a complementary consideration.

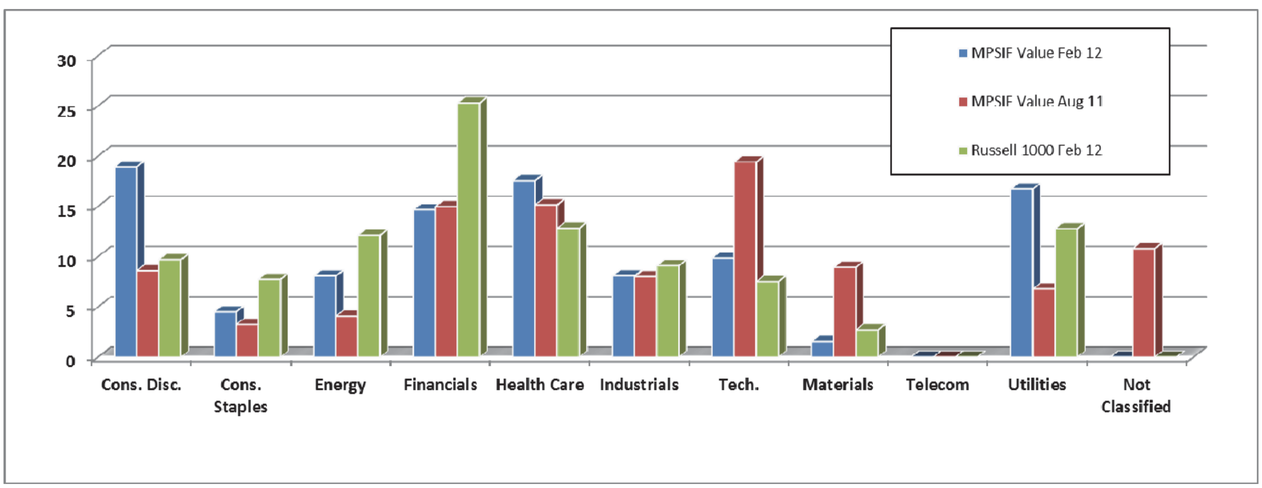
The Fund is a seminar style course in which students can use and combine skills garnered in their other classes in a professionally practicable manner. We believe there are substantial benefits derived from such an approach.

That said, it should be clearly understood that as the central principle of modern portfolio theory, asset allocation, should not be ignored by the Fund. On an informal basis, the Fund routinely reviews the industry allocation of its holdings and encourages analysts to explore underweight industries.

As of February 29, 2012, the sectors with the most significant weight in the Fund are:

- Consumer Discretionary accounted for an 18.92% allocation, the largest sector in the Fund, and was overweight compared to the 9.70% allocation in the Russell 1000 Value Index.
- Healthcare accounted for a 17.56% allocation, was overweight compared to the 12.83% allocation for Healthcare in the Russell 1000 Value.
- Utilities sector held a 16.74% asset allocation, and was overweight compared to the Russell 1000 Value Index, which has a 12.77% weight in Utilities.

Over the past six months we have continued to utilize a bottom-up process for selecting undervalued securities in these areas. A bottom-up strategy alone could be insufficient in the current market. As of February 29, 2012, the fund held positions in only one ETF, iShares Russell 1000 Value Index.



Holdings Profile

Value Portfolio as of February 29, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Ford Motor Co	F	Consumer Discretionary	2570	12.38	$31,817	**7.12%**
Nextera Energy Inc	NEE	Utilities	280	59.51	$16,663	**3.73%**
Johnson & Johnson	JNJ	Healthcare	250	65.08	$16,270	**3.64%**
Microsoft Corp	MSFT	Technology	705	31.34	$22,095	**4.94%**
AT&T Inc	T	Utilities	680	30.59	$20,801	**4.65%**
Guess Inc	GES	Consumer Discretionary	625	34.55	$21,594	**4.83%**
Raytheon Co	RTN	Industrials	223	50.52	$11,266	**2.52%**
Suncoke Energy Inc	SXC	Energy	289	14.33	$4,141	**0.93%**
CVS Caremark	CVS	Healthcare	540	45.10	$24,354	**5.45%**
Ishares Russell 1000 Value Fund Index	IWD	Index ETF	3415	68.31	$233,279	**52.19%**
Direct Equity Holdings					$169,000	**37.81%**
Total Equity Holdings					$402,279	**90.00%**
Cash as of February 29, 2012					$44,674	**10.00%**
Total Assets					**$446,953**	**100.00%**

Value Portfolio as of August 31, 2011

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Copa Holdings Sa	CPA	Consumer Discretionary	267	69.12	$18,455	**4.05%**
Best Buy	BBY	Consumer Discretionary	555	25.59	$14,202	**3.12%**
CVS Caremark	CVS	Consumer Staples	540	35.91	$19,391	**4.26%**
Wal Mart Stores Inc	WMT	Consumer Staples	248	53.19	$13,191	**2.90%**
Ares Capital Corp	ARCC	Financials	1020	15.20	$15,504	**3.40%**
J P Morgan Chase	JPM	Financials	390	37.56	$14,648	**3.22%**
Johnson & Johnson	JNJ	Healthcare	250	65.80	$16,450	**3.61%**
Sanofi	SNY	Healthcare	435	36.57	$15,908	**3.49%**
Medtronic Inc	MDT	Healthcare	400	35.07	$14,028	**3.08%**
Archer Daniels	ADM	Industrials	550	28.48	$15,664	**3.44%**
3m Co	MMM	Industrials	175	82.98	$14,522	**3.19%**
Microsoft Corp	MSFT	Information Technology	705	26.60	$18,753	**4.12%**
Analog Devices Inc	ADI	Information Technology	390	33.02	$12,878	**2.83%**
Ca Inc	CA	Information Technology	700	20.99	$14,693	**3.23%**
Nextera Energy Inc	NEE	Utilities	280	56.70	$15,876	**3.48%**
Ishares Russell 1000 Value Fund Index	IWD	Index ETF	1252	61.58	$77,098	**16.92%**
Direct Equity Holdings					$234,164	**60.66%**
Total Equity Holdings					$311,262	**80.64%**
Cash as of August 31, 2011					$74,739	**19.36%**
Total Assets					**$386,001**	**100.00%**

Investment Style and Strategy

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

Benchmark: Russell 1000 Value Index

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

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

Cash: The goal of the Fund is to be invested in the best value opportunities in the marketplace. To the extent we have non-invested cash, we will 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. We only invest in a broad-based value ETF and do not invest in sector specific ones.

The Small Cap Fund

Message from the Portfolio Managers

In the first quarter of 2012 we experienced a tremendous bounce-back in the markets to levels not seen since the second quarter of 2008. For the Small Cap fund, the timing has worked out quite well. For the month of February, the fund over performed the benchmark by 131 basis points. While in the six months to date, the fund is underperforming the market by 90 basis points, the fund has made significant progress in asset allocation.

Since September 2011, the fund has made strides to transition a large percentage of its portfolio invested in cash and the IWM index into single names. As of August 31, 2011, less than 6% of the assets under management (AUM) were invested in cash, however roughly 69% of the portfolio was invested in the IWM benchmark index. Roughly 26% of the fund was directly invested in equity. Various initiatives were put in place to ensure this transition was accomplished. As a result, by December 31, 2011, the fund was invested in 14 securities, roughly 53% of the portfolio, while the rest was invested in the IWM index (cash made up less than 2% of the portfolio).

In order to achieve this turnaround, the fund started two initiatives to spark idea generation. The first is the 3 one-minute pitch initiative. At the beginning of the semester, each analyst is required to present 3 one-minute pitches that offer a brief overview of stocks that seem promising and may be worthy of in-depth analysis. Once all the analysts have presented their pitches, the equities are ranked and the top 12-14 stocks are developed into more robust pitches. The second initiative calls for pitches to be more concise. While each analyst is required to write one initiating coverage research report, the fund recommended that the pitch remain concise in order to encourage the analyst to pitch additional stocks over the course of the semester. As a result, a number of analysts were able to develop full pitches for multiple names.

The result of the initiatives to generate strong ideas is evident in the 3-month return of the fund. From December 1, 2011 until February 29, 2012 the Fund earned 14.32%, outperforming the Russell 2000 Index by 396 basis points.

Over the course of the winter break, analysts were diligent in monitoring positions. Analysts were assigned one or two stocks to monitor over the break since the fund had decided at the start of the Fall semester to not rely on stop losses. As a result, positions were closely watched and fund members regularly discussed fund positions via email.

Coming into the spring 2012 semester, the fund's goals remained consistent. We remain focused on reducing our position in the benchmark down to 20-30% AUM. The fund has focused its efforts during the first half of the spring semester, on evaluating the one-minute pitches as well as evaluating stock update presentations on the fund's existing equity holdings. The fund has made decisions to exit various names such as MDS, MTRN and BWLD (partial sale) because they all reached our target prices. As a result, the fund, which currently holds 10 securities, is actively reviewing analyst pitches to put more money to work in equity.

One procedure we have monitored more closely this semester is to require analysts to distribute their research report prior to their pitch presentation. This allows the other analysts the chance to gain familiarity with the stock so they may ask more well informed questions. We believe this exercise will prove to enrich the experience of the analyst presenting the stock, as well as the analysts in the audience.

In conclusion, the small cap fund is focused on achieving its goals of reducing its position in the benchmark index by carefully evaluating equity opportunities for investment. We believe our strategy has helped the fund make considerable headway thus far and it will continue to do so going forward.

Andrew Loulousis and Anthony Pirraglia
Co-Portfolio Managers, MPSIF Small Cap Fund

Discussion of Performance

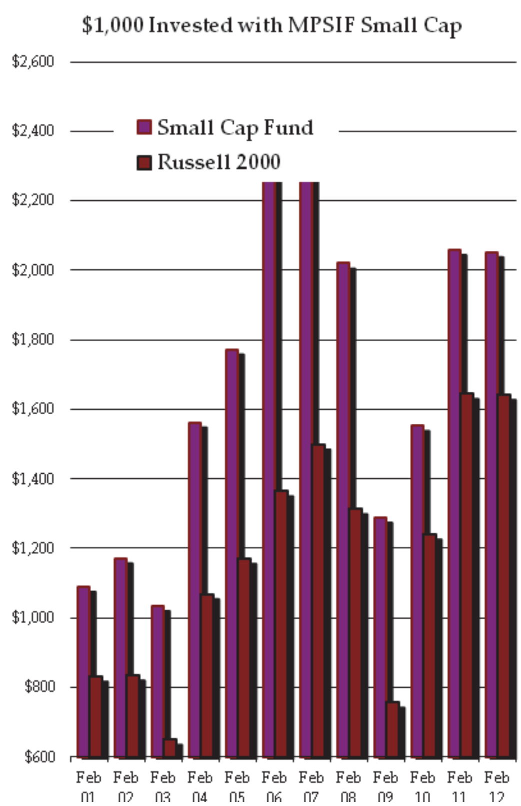
For the period ending February 29, 2012:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**11.64%**	**-0.31%**	**59.25%**	**16.78%**	**-15.60%**	**-3.34%**	**105.25%**	**6.18%**
Russell 2000 Index	12.41%	-0.14%	117.07%	29.48%	9.51%	1.83%	64.21%	4.22%
Relative - Net of Fees	-0.77%	-0.17%	-57.82%	-12.70%	-25.12%	-5.17%	41.04%	1.96%

** Inception from March 1, 2000*

Performance Overview

During the first half of fiscal year 2012, the Fund underperformed its benchmark, the Russell 2000 Index, by 0.77% net of management fees. The Fund posted a positive return of 11.51% while the Index returned 12.41%. The underperformance of the benchmark was largely a result of the limited number of weak positions at the start of the period and the lag that it took to get invested in stronger names. We have made strides in increasing our individual stock exposure and plan to continue aggressive seeking out attractive investment opportunities.



Stock Picking

The Energy and Utilities sectors contributed significantly to the six-month relative performance due to Energy's 2.41% return in the fund with a 0.29% impact, and Utilities 3.51% return with an impact of 0.25%.

Top Sectors	**Return**	**Impact**
Energy	2.41%	0.29%
Utilities	3.51%	0.25%
Top Contributors		
Kronos Worldwide Inc	29.55%	0.73%
Protective Life Corp.	25.88%	0.60%
Stock Selection		2.52%
Allocation Effect		0.67%

Impact *: measures contribution to the portfolio's relative performance vs. benchmark*

Stock Selection *: is the aggregate success of selection decisions within each group vs. benchmark*

Allocation Effect *: is the total impact of sector weighting decisions within each group vs. benchmark*

Note *: these numbers only compare actual invested funds versus the benchmark. In addition, this report uses prices as of the market close and not intraday numbers.*

The top contributing stock was Kronos Worldwide (KRO). Kronos engages in the production and marketing of titanium dioxide pigments, which are incorporated in products such as coatings, plastics, paper fibers and ceramics. Its titanium oxychloride is used in production of electroceramic capacitors for cell phones and other electronic devices. The Fund was intrigued by the increasing prices of TiO_2, constrained supply, and increasing demand which would benefit KRO given its 10% global share. Additionally, the stock provided attractive valuations. Kronos returned 29.55% with an impact of 0.73% and currently remains in the portfolio.

Our second largest contributor for the fund was Protective Life. The Fund invested in PL at a time when insurers were at historically low valuations. The Fund was pleased with PL's focus on reducing its fixed maturity risk profile and returning value to shareholders. In the first half of fiscal year 2012, PL returned 25.88%. The stock remains attractive to the Fund and is still a 4.48% position in the portfolio.

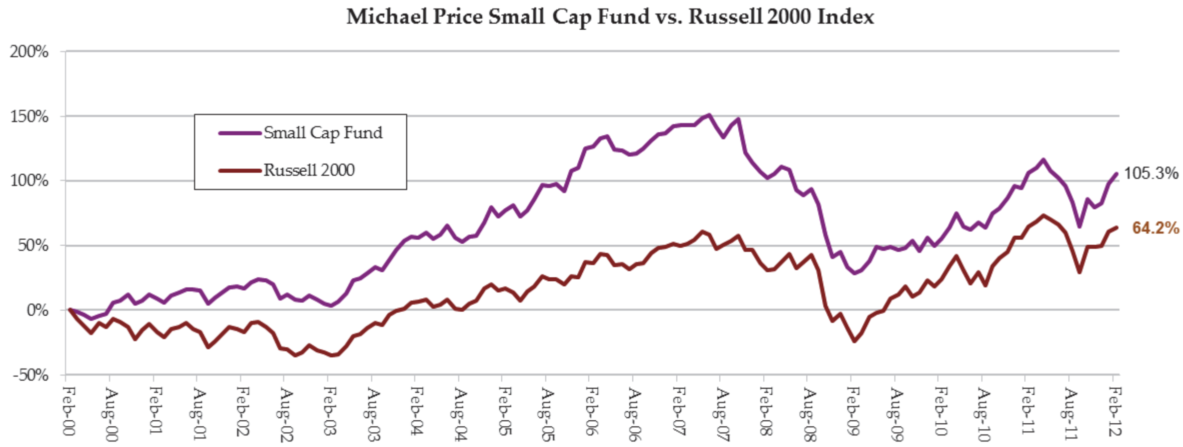
Another notable stock was Buffalo Wild Wings (BWLD), a restaurant franchise specializing in buffalo chicken wings, with approximately 830 locations in North America. Initially the Fund was attracted to its strong same store sales, rare double digit growth and 20% CAGR over the past 4 years. We achieved 37.29% returns. Following an update from the analyst with concern over potentially increasing chicken wing prices and stronger competition which could soften same store sales, the Fund decided to capture some of the gains by selling half of the position. BWLD remains a 2.38% position in the portfolio.

Hudson Pacific Properties (HPP) was another leading performer for the Small Cap Fund with 19.73% returns. HPP is a California focused REIT operating mostly Class A office buildings in San Francisco and Los Angeles. Additionally, they own 2 media and entertainment properties in Los Angeles. The Fund is particularly interested in the improvement in leases in specific properties in the SoMA district of San Francisco and is continuing to watch the thesis materialize.

Our worst stock selections were spread across multiple sectors including Technology and Producer Durables. Investments included Portfolio Recovery Associates (PRAA) which produced a -4.65% return and a -0.93% impact. PRAA remains in the portfolio; we believe that positive employment trends and a recovering economy are particularly beneficial to PRAA's performance. Skypeople Fruit Juice (SPU), a Chinese fruit beverage producer and distributor, lost roughly 16%, with an impact of -0.19%. Emerging corporate governance concerns and an abrupt trade of a reputable auditor to a questionable one, prompted us to close out our position of Skypeople Fruit Juice. Following our experience with SPU, we recognize that small cap foreign stocks, particularly in Asia, present risk above our threshold. We instead focus on domestic small cap stocks with foreign exposure to fulfill that component of investing.

Driving Fund Performance

During the first half of fiscal 2012, the Fund increased its equity holdings as the Portfolio Managers placed great focus on uncovering new opportunities outside the index. The Fund continued to subscribe to a decision made in the prior period to maintain low cash holdings and dedicate unallocated assets to the Russell 2000 index. Portfolio Managers and analysts are primarily focused on uncovering investment opportunities quickly in order to dedicate greater assets to individual stocks. We continue to implement three one-minute pitches as a forum to vet ideas. The Fund rates the ideas, and analysts perform deep analysis on the top ideas.



Michael Price Small Cap Fund vs. Russell 2000 Index
200%
150%
100%
50%
0%
-50%
Small Cap Fund
Russell 2000
105.3%
64.2%
Feb-00
Aug-00
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Asset Allocation

As the Fund focuses on bottom up stock-picking and fundamental analysis, asset allocation is a secondary consideration.

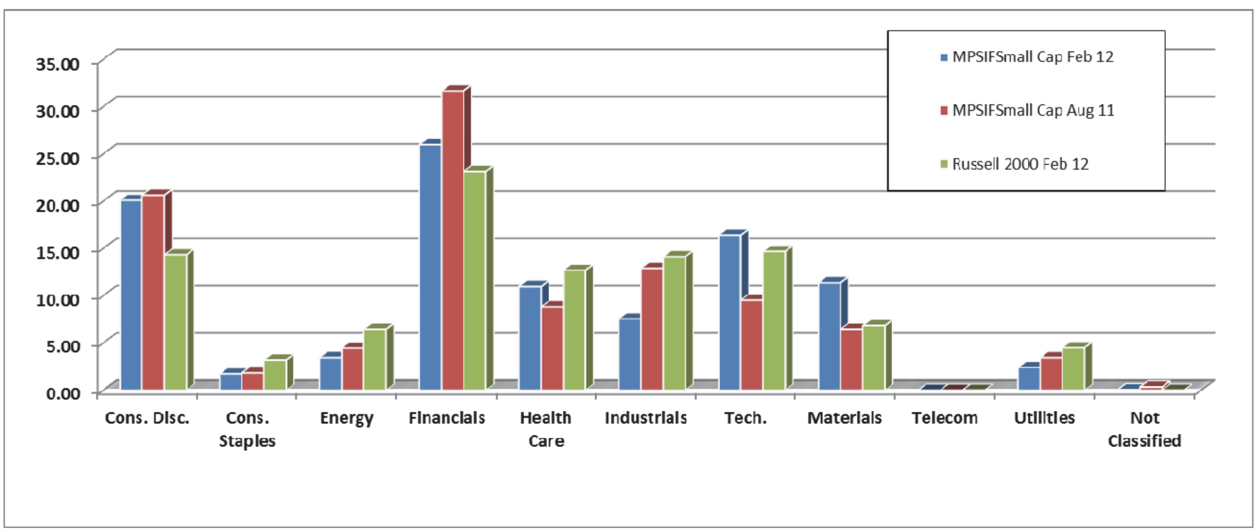
The Fund's commitment to bottom-up stock selection is primarily pedagogical in nature. The Fund is a seminar style course in which students can use and combine skills garnered in their other classes in a professionally practicable manner.

That said, it should be clearly understood that as the central principle of modern portfolio theory, asset allocation, should not be ignored by the Fund. On an informal basis, the Fund routinely reviews the industry allocation of its holdings and encourages analysts to explore underweight industries.

As of February 29, 2012, the sectors with the most significant weight in the Fund are:

- Financial Services held a 26% asset allocation, the largest sector in the Fund, and overweight compared to the Russell 2000, which has a 23.15% weight in it.
- Consumer discretionary accounted for a 20.09% allocation in the Fund, more than the 14.31% allocation for Consumer discretionary in the Russell 2000.
- Technology captured a 16.38% share in the Fund, also greater than the 14.67% allocation in the benchmark Russell 2000.

Over the past six months we have continued to focus on increasing our exposure to sectors for which the MPSIF aggregate fund is underweighted. Asset allocation, while secondary in nature to our bottom up strategy, is capturing greater emphasis in our selection. A bottom-up strategy alone could be insufficient in the current market. As of February 29, 2012, the fund held positions in only one ETF, the iShares Russell 2000 (IWM).



Holdings Profile

Small Cap Portfolio as of February 29, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Buffalo Wild Wings, Inc.	VWLD	Consumer Discretionary	144	86.49	$12,455	**2.44%**
Hudson Pac Pptys, Inc.	HPP	Financials	1667	15.29	$25,488	**4.99%**
Kit Digital, Inc.	KITD	Technology	2360	10.11	$23,860	**4.67%**
Kronos Worldwide, Inc.	KRO	Materials & Processing	916	23.37	$21,407	**4.19%**
Midas, Inc.	MDS	Consumer Discretionary	3,115	9.13	$28,440	**5.56%**
Omnivision Technologies, Inc.	OVTI	Technology	1,157	16.37	$18,940	**3.71%**
Portfolio Recovery Associates, Inc.	PRAA	Financials	292	69.73	$20,361	**3.98%**
Protective Life Corp.	PL	Financials	807	27.77	$22,410	**4.38%**
Six Flags Entmt Corp.	SIX	Consumer Discretionary	475	45.26	$21,499	**4.21%**
Suncoke Energy, Inc.	SXC	Materials & Processing	1,210	14.33	$17,339	**3.39%**
U.S. Physical Therapy, Inc.	USPH	Health Care	1104	19.01	$20,987	**4.11%**
iShares Russell 2000 Index Fund	IWM	Index ETF	3,322	81.05	$269,248	**52.68%**
Direct Equity Holdings					$233,186	**45.62%**
Total Equity Holdings					$502,434	**98.30%**
Cash as of February 29, 2012					$8,694	**1.70%**
Total Assets					**$511,128**	**100.00%**

Small Cap Portfolio as of August 31, 2011

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Cabela's Incorporated	CAB	Consumer Discretionary	773	23.45	$18,127	**4.10%**
Community Bank System, Inc.	CBU	Financials	556	25.03	$13,917	**3.15%**
GSI Group, Inc.	GSIG	Information Technology	1,930	9.48	$18,296	**4.14%**
Midas, Inc.	MDS	Consumer Discretionary	1,865	8.05	$15,013	**3.40%**
National Retail Properties	NNN	Real Estate	983	27.26	$26,797	**6.06%**
Portfolio Recovery Associates, Inc.	PRAA	Financials	292	73.13	$21,354	**4.83%**
iShares Russell 2000 Index Fund	IWM	Index ETF	4,167	72.65	$302,733	**68.50%**
Direct Equity Holdings					$113,504	**25.68%**
Total Equity Holdings					$416,236	**94.18%**
Cash as of August 31, 2011					$25,729	**5.82%**
Total Assets					**$441,965**	**100.00%**

Investment Style and Strategy

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

Style: The Small Cap Fund combines a bottom-up approach for security selection and portfolio construction with consideration of the Fund's current sector weightings for any new additions to the portfolio. The Fund invests primarily in domestic equities with market capitalization less than $2 billion 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 investment 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 Fund targets a relatively concentrated portfolio comprised of 10 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, the analyst assigned to a particular stock provides updates to the Fund throughout the course of the semester. At that time, the entire Fund votes on the analyst's recommended course of action. The possible actions are selling the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. We set allocations across a range of 2-5% based on the confidence levels and analyst votes.

New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment fundamentals 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. When considering a new investment, the Fund may vote for a full position (approximately $25,000), zero allocation, or wait and watch the position until there is a more attractive entry point. Based upon the conviction of the Fund as indicated by the buy versus sell votes, the Portfolio Managers can elect to open the option of a half position. 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.

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

Risk Management: As stated earlier, stop-loss prices are implemented during the winter and summer breaks. The Fund employs a standard 15% stop-loss policy at purchase (or update) price across all names, regardless of sector or industry, which is revised with every 20% price appreciation throughout the holding period. Considering the volatility of Small Cap stocks, it is very important to take action immediately against price movement and market sentiment. While we do not have automatic stop losses that are triggered upon a price drop, analysts are required to track price activity and initiate a vote to sell upon a price drop. 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 analysts (over the recess periods) until new analysts join the Fund and the stock coverage is reassigned.

The Fixed Income Fund

Message from the Portfolio Managers

Overall, the Fixed Income Fund's performance has broadly fallen in line with that of our benchmark. Through the six-month period between September 2011 and February 2012, the Fund returned 2.27% versus our benchmark, the Vanguard Total Bond Fund, which returned 2.23%. The fund believes we have the correct strategies in place to outperform the benchmark going forward as displayed in our outperformance in March 2012.

The fixed income markets faced an array of headline events over the last six months. These events included but were not limited to: a commitment from the US Federal Reserve to maintain low interest rates through 2014, the provision of low-cost three-year liquidity by the European Central Bank, and the continued implementation of Operation Twist in the US. We review some of these events below.

1. US Monetary Policy:

There are some clear indications that the US economy is improving. From September 2011 through February 2012, monthly non-farm payrolls increased by an average of approximately 194,000. While just shy of the 200,000-250,000 mark most economists cite as the level necessary to start reducing the unemployment rate (without job-seekers exiting the labor pool), there has been a clear improvement in a variety of US economic indicators. This has borne itself out in the US equities market as well.

However, the US Federal Reserve continues to vocalize its concern regarding the global economy as impetus to continue loose monetary policy. In addition to continued weakness in the housing market, concerns regarding the Euro zone economies and an overall slowdown in the developing world are enough to elicit continued vigilance by the Federal Reserve. This has led to the Fed's commitment to maintain low interest rates through 2014.

2. Euro Zone Troubles Continue:

While Greece was able to successfully renegotiate its bailout fund and private sector creditors ultimately agreed to a haircut on outstanding bonds, the Euro zone faces an uphill battle in convincing investors that their troubles have been firmly put behind them. Bond yields on Italian debt have come down significantly due to the aggressive maneuvering of Mario Monti. However, we continue to see elevated bond yields in Portugal, Ireland, and Spain. In addition, there is concern that France may be the next big Euro zone member to face investor scrutiny. Our fund, like our benchmark, has not invested in European debt and will likely continue to match the benchmark in this regard for the foreseeable future.

Portfolio Strategy:

As we continue to set and adapt our strategy for the future a number of issues come to mind. In our view, the portfolio should start at a baseline of tracking the benchmark and then adjust in order to express specific views on the market. As a long-only fixed income fund with the intention of providing a measure of stability and income generation for MPSIF, we aim to track the benchmark and then express a few positional views by overweighting or underweighting various sectors of the fixed income market.

Currently we have three primary strategic considerations in setting our portfolio holdings:

1. US Yield Curve:

There has been a clear improvement in the US economy as borne out through a number of economic indicators over the last six months. As mentioned, the US labor market has improved. While there is still a long way to go, marginal improvements can become amplified as the economic cycle continues. There has been a recent run up in 10-year bond yields which may be driven by sentiment that interest rates may be raised sometime in 2013. In addition, Operation Twist will likely end in June 2012, which suggests that a major buyer of long-dated treasuries may exit the market. While it is too early to take a firm view on when rates will be increased, the fund is beginning to shift its treasury portfolio by reducing its average duration. There is currently considerable debate in the fund on the prospect of underweighting treasuries as a whole. This would be predicated on a belief that we see a steepening in the longer end of the yield curve without much movement on the shorter end.

2. Emerging Markets:

The fund's benchmark contains negligible foreign market exposure. Meanwhile, the fund has maintained considerable emerging market exposure particularly to Brazil, Mexico, Russia, Indonesia, and South Africa. While the funds we hold are based on dollar denominated assets, we have begun to consider whether EM exposure is worth retaining in our portfolio over the next 6-18 months. We believe that there is a considerably higher probability that we might see further monetary loosening in some export oriented EM countries to counterbalance a suspected slowdown in China and Europe. This is an area with a high degree of uncertainty. This risk is tempered by the higher yields we can obtain by holding bonds from outside of the US.

3. US Corporates:

Both the US Investment Grade and High Yield sectors provided strong returns from September 2011 through February 2012. The fund would like to retain US corporate exposure, especially in the High Yield space given attractive yields and a perspective that the US economy will continue to improve. Our benchmark does not have exposure to the High Yield sector, which requires the fund members to continually reassess our allocation.

Overall, our view is for a continued improvement in the US economy. While we are not overtly bullish, we believe that there will continue to be slow-to-moderate growth in the domestic economy. As a result we have reason to believe US bond yields should start to rise in the medium term. The biggest tail risk that we perceive is another shock in Europe. This could come in the form of the suspected default of another country or through unforeseen political upheaval. We will continue to monitor global macroeconomic indicators and deviate from our benchmark when we identify market opportunities.

Sincerely,
Can Baysan & Michael Buckley
MPSIF Fixed Income Fund Co-Portfolio Managers

Discussion Of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**2.27%**	**6.33%**	**24.05%**	**7.45%**	**28.45%**	**5.14%**	**58.56%**	**4.80%**
Vanguard Total Bond Fund	2.23%	7.21%	23.04%	7.16%	35.99%	10.79%	70.05%	5.55%
Relative - Net of Fees	0.04%	-0.88%	1.01%	0.29%	-7.53%	-5.65%	-11.49%	-0.75%

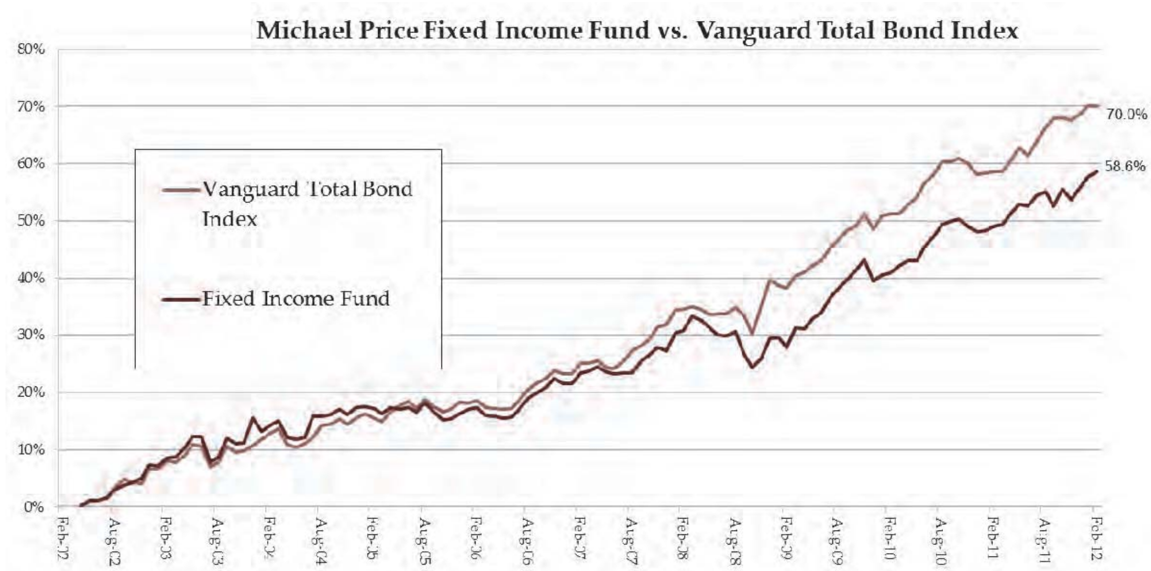
** Inception from May 20, 2002*

Over the past 6 and 12 months, the Fund has earned 2.27% and 6.33% net returns, respectively. During the most recent 6-month period, net of fees, the Fund outperformed the benchmark Vanguard Total Bond Fund, which gained 2.23%. However, the fund underperformed the benchmark on a 12-month basis by 0.88% net of fees (6.33% vs. 7.21%).

In line with our stated investment strategy of tracking the benchmark while expressing a select number of views by either overweighting or underweighting specific sectors, a number of trades were executed during this period. To this end, positions in the SPDR Wells Fargo Preferred Stock ETF (ticker: PSK) and the PIMCO Emerging Market Local Bond Fund (ticker: PELPX) were both liquidated as these asset classes are not contained in our benchmark. Liquidating the 5.9% position in PELPX and the 3.4% position in PSK allowed us to tactically redeploy those assets in funds that more closely tracked our benchmark and also expressed market views that we desired to take.

To that end, we purchased a 6% position in the iShares Barclays 3-7 Year Bond Treasury Fund (ticker: IEI) where we significantly lagged the index, added an additional 2% to our position in PIMCO's Emerging Market Bond Fund (ticker: PEMPX) and left the remainder in cash.

Of note, while emerging markets bonds are not represented in our benchmark, the fund has taken a view that emerging market bonds represent a compelling relative value after their selloff in the summer of 2011. We sold out of the PIMCO Emerging Market Local Bond Fund (ticker: PELPX) while adding to our position in PIMCO's Emerging Market Bond Fund (ticker: PEMPX) because PEMPX is comprised of US Dollar denominated bonds and we did not want to take on the additional foreign exchange risk endemic in holding a local dollar denominated bond fund such as PELPX.



Asset Allocation

Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The largest positions are currently in Mortgage Backed Securities, Investment Grade bonds and 1-3 year Treasury Bonds. As we go forward, we intend to continue making investments consistent with our view that currently includes closely following our exposure to the MBS and emerging market sectors. Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach.

Holdings Profile

Fixed Income Portfolio as of February 29, 2012

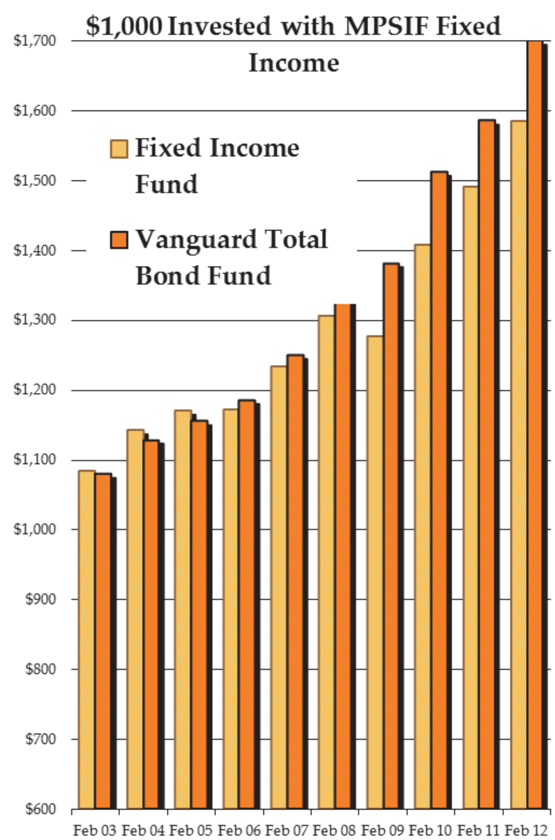
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	MBS/ABS	5,902	$ 10.65	$62,859	**20.61%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	2,912	$ 11.66	$33,949	**11.13%**
iShares Barclays 3 - 7 Tresaury Bond Fund	IEI	Treasuries	151	$ 121.92	$18,410	**6.04%**
iShares Barclays Agency Bond Fund	AGZ	Agency	138	$ 112.82	$15,569	**5.11%**
iShares Barclays 1- 3 Year Treasury Bond	SHY	Treasuries	704	$ 84.42	$59,432	**19.49%**
SPDER Barclays Capital Long Term Treasuries	TLO	Treasuries	202	$ 11.17	$13,788	**4.52%**
iShares Barclays TIP Bonds Protected Securities Fund	TIP	Treasuries	182	$ 118.67	$21,598	**7.08%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	524	$ 117.70	$61,675	**20.23%**
iShares iBoxx $ High Yld Corp Bond	HYG	Corporate	212	$ 92.13	$19,531	**6.40%**
Total Securities					$306,810	**95.52%**
Cash as of February 29, 2012					$14,395	**4.48%**
Total Assets					**$321,205**	**100.00%**

Fixed Income Portfolio as of August 31, 2011

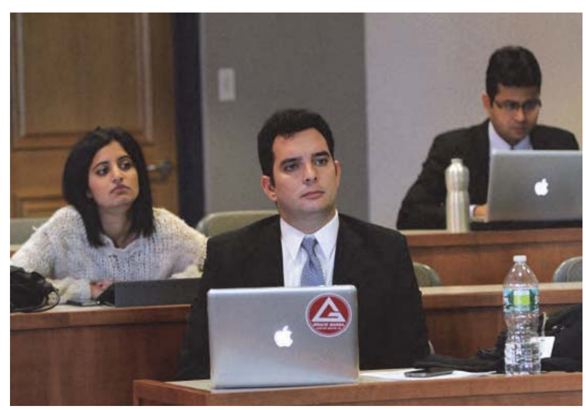
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	MBS/ABS	8,065	$ 10.95	$88,311	**28.96%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	2,511	$ 11.38	$28,572	**9.37%**
SPDR Wells Fargo Preferred Stock ETF	PSK	Prfd Stk	230	$ 45.04	$10,359	**3.40%**
iShares Barclays Agency Bond Fund	AGZ	Agency	115	$ 112.42	$12,928	**4.24%**
iShares Barclays 1- 3 Year Treasury Bond	SHY	Treasuries	286	$ 84.71	$24,227	**7.94%**
PIMCO Emerging Markets Local Bond Fund	PELPX	Foreign	1,603	$ 11.17	$17,901	**5.87%**
iShares Barclays TIP Bonds Protected Securities Fund	TIP	Treasuries	182	$ 114.32	$20,806	**6.82%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	668	$ 112.33	$75,036	**24.61%**
iShares iBoxx $ High Yld Corp Bond	HYG	Corporate	250	$ 88.03	$22,008	**7.22%**
Total Securities					$300,149	**98.43%**
Cash as of August 31, 2011					$4,788	**1.57%**
Total Assets					**$304,938**	**100.00%**

Investment Style & Strategy

The Fund seeks to outperform its benchmark, the Vanguard Total Bond Fund (VBMFX). The Fund implements its views through a top-down allocation approach to the four main sub-sectors of the 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 Municipal bonds. Also, the Fund does not engage in shorting, derivatives trading, or other non-linear investment strategies. Currently, the Fund does not buy individual securities, due to the limited size of our trades and market spreads associated with buying individual securities. Instead the Fund invests in ETFs and other publicly traded funds to implement its sector allocation. However, given the current market opportunities, we are working on a strategy to incorporate individual securities that provide superior returns with limited risk.



Due to the Fund's inability to take positions in specific bond issues (limited dollar resources, the need to maintain a diversified fixed income portfolio and the limitations of our trading account), we use the Vanguard Total Bond Fund as our benchmark, as opposed to the more widely used Barclays Capital Aggregate Bond Index. Instead, we make sector allocation decisions and invest through ETFs and established mutual funds. We incur management fees, and thus benchmark to an index whose performance is also adversely impacted by mutual fund management fees. We feel it most appropriate to benchmark to the bond mutual fund index with the least tracking error to the Barclays Capital Aggregate Bond Index, and thus chose the Vanguard Fund. Going forward, when the Fund gains the capability to choose individual bond issues, a shift of our benchmark will be considered.



Fund Management

The Executive Committee

Professor Richard Levich – *Faculty Advisor*
Richard Levich is Professor of Finance and International Business and Deputy Chairman of the Department of Finance at New York University's Leonard N. Stern School of Business. Previously, he served as Chairman of the International Business Program at Stern. He is also a Research Associate with the National Bureau of Economic Research and he is a founding editor of the Journal of International Financial Management and Accounting. Professor Levich has been a visiting faculty member at many distinguished universities in the United States and abroad. He has published more than fifty articles and is the author or editor of fifteen books on various topics dealing with international finance. In 1997, Professor Levich received a CDC Award for Excellence in Applied Portfolio Theory from the Caisse Des Dépôts Group, France. Professor Levich received his Ph.D. from the University of Chicago.

Back Row: Professor Richard Levich, Anthony Pirraglia, Michael Buckley
Middle Row: Can Baysan, Renzo Dancourt, Andrew Loulousis
Front Row: James Ulan, Tenzin Sonam, Jian (Bob) Huang, Ray Strecker

Ray Strecker – *President*
Ray Strecker holds a B.A. in English and French from the University of Pennsylvania. Prior to Stern, Raymond worked as a credit analyst at the monoline bond guarantor CIFG. He spent the past summer as a Private Wealth Management Summer Associate at Goldman Sachs.

Jian Huang - *Co-Portfolio Manager, Growth Fund*
Jian (Bob) Huang holds a Masters degree in Library and Information Science from SUNY Albany, a BS in Math and a BA in Physics from Cleveland State University. Prior to 2011, Jian worked as a branch manager in the Brooklyn Public Library. He spent the last summer at UBS Hong Kong working as a Summer Associate in the Healthcare sector and Product Management.

Tenzin Sonam - *Co-Portfolio Manager, Growth Fund*
Tenzin Sonam holds a B.S. in Computer Engineering from Columbia University. Prior to Stern, he worked as a credit analyst at State Street Corporation. He spent the past summer as a Sales & Trading Summer Associate at Nomura Securities America within their Fixed Income division.

Renzo Dancourt - *Co-Portfolio Manager, Value Fund*
Renzo Dancourt holds a B.A. in Economics and a M.S. in Finance from Universidad del Pacifico in Lima, Peru. While studying the MBA part-time at Stern, Renzo works at Deutsche Asset Management as part of a portfolio management team that runs a fixed income strategy for institutional clients.

James Ulan - *Co-Portfolio Manager, Value Fund*
James Ulan holds a B.A. in Criminal Justice and Economics from the University of Maryland. Prior to Stern, James served as an analyst for Bond & Pecaro, a financial advisory firm, valuing businesses and bank loans in the U.S. media industry. James has completed the first two levels of the CFA program.

Andrew Loulousis - *Co-Portfolio Manager, Small Cap Fund*
Andrew Loulousis holds a B.S. in General Engineering from the University of Illinois in Urbana. Prior to Stern, Andrew worked as a Management Consultant at Accenture. He spent the past summer as an Investment Banking Associate in the Financial Institutions Group at Nomura Securities North America.

Anthony Pirraglia - *Co-Portfolio Manager, Small Cap Fund*
Anthony Pirraglia holds a B.S. in Accounting from Villanova University. Prior to Stern, Anthony worked within the restructuring and turnaround group at Huron Consulting Group. This summer, he interned at Deutsche Bank within the Healthcare investment banking and Leveraged Finance groups.

Michael Buckley - *Co-Portfolio Manager, Fixed Income Fund*
Michael Buckley holds a B.A. in Economics from the College of the Holy Cross. Prior to Stern, Michael served as an intelligence officer in the United States Marine Corps, serving combat deployments in both Iraq and Afghanistan. He spent the past summer in New York as a Sales and Trading Summer Associate at Bank of America Merrill Lynch.

Can Baysan - *Co-Portfolio Manager, Fixed Income Fund*
Can Baysan holds a B.S. in Systems Engineering and Economics from the University of Virginia. Prior to Stern, Can worked as a supply chain technology consultant at Kurt Salmon Associates and in the COO organization with the technology infrastructure group at Deutsche Bank. He spent the past summer in New York as a Sales and Trading Summer Associate at Bank of America Merrill Lynch.

The Growth Fund

Back Row: Nicole Sparks, Gene Vladimirov, Varun Bahl, Swati Malik
Middle Row: Sumit Jain, Jian (Bob) Huang, Tenzin Sonam, Cleveland Rueckert, Henrique Morsoletto
Front Row: Kenneth McDermid, Jonathan Lanterman, Danyal Hussain

Sumit Jain earned a B.Tech in Computer Science and Engineering from Indian Institute of Technology (IIT) Bombay. Prior to Stern, Sumit worked in Alternative Investments division at Credit Suisse as Quantitative Developer. He spent the past summer at Barclays Capital as equity research summer associate, working for Asia-ex Japan Banks analyst.

Tenzin Sonam has a B.S. in Computer Engineering from Columbia University. Prior to Stern, he worked as a credit analyst at State Street Corporation. He spent the past summer as a Sales & Trading Summer Associate at Nomura Securities America within their Fixed Income division.

Nicole Sparks has a B.A. in Economics from Bates College. Prior to Stern, Nicole worked as a Consultant at IBM and a Senior Client Associate at Greenwich Associates. She spent the past summer at Jefferies as an Equity Research Summer Associate.

Swati Malik has a B.S. in Computer Science from University of Notre Dame. Prior to Stern, Swati worked as a consultant at Deloitte Consulting. She spent the past summer as an Investment Banking Associate in the Consumer Retail Group at Goldman Sachs.

Jian (Bob) Huang has a Masters degree in Library and Information Science from SUNY Albany, a BS in Math and a BA in Physics from Cleveland State University. Prior to 2011, Jian worked as a branch manager in the Brooklyn Public Library. He spent the last summer at UBS Hong Kong working as a Summer Associate in the Healthcare sector and Product Management.

Varun Bahl has an MS in Electrical Engineering from the University of Southern California. Prior to Stern, Varun worked as a Program Manager at Microsoft Corporation. He spent the past summer in New York as a Sales & Trading Summer Associate at Barclays Capital.

Cleveland (Cleve) Rueckert has a B.A. in Economics from the University of Vermont. Prior to Stern, Cleve worked as a research associate at Birinyi Associates, a money management and stock market research firm. Cleve will be spending the summer at UBS in their Equity Research Department.

Danyal Hussain has a B.S. in Accounting from Rutgers University. Prior to Stern, Danyal worked as a consultant at Ernst & Young in New York City, and subsequently co-founded a Power Generation consulting company in Riyadh, Saudi Arabia. Danyal has passed all three levels of the CFA exam and will spend the upcoming summer working at Morgan Stanley in their Equity Research department.

Jonathan (Jon) Lanterman has a B.S. in Accounting and Economics from Washington University in St. Louis and is a licensed Certified Public Accountant. Prior to Stern, Jon worked at BKD, LLP CPAs and Advisors. He will spend the upcoming summer working in the Equity Research department at Barclays Capital.

Kenneth (Ken) McDermid has a B.S. in Mathematics from the University of Waterloo with a major in Computer Science. Prior to Stern, he worked as a Proprietary Trader at London Equity Trading a London, Canada proprietary trading firm. He has recently passed the Level III CFA exam and is applying for his charter.

Gene Vladimirov, CFA has a B.S. from Carnegie Mellon University where he was a double major in Mathematical Sciences and Economics as well as a minor in computational finance. Before Stern, Gene worked in Collateralized Loan Obligation Trust services at Bank of America. He will be spending his summer working in equity research at Barclays Capital.

Henrique Morsoletto has a B.S. in Metallurgical Engineering from Universidade Federal de Minas Gerais in Belo Horizonte, Brazil. Prior to Stern, Henrique worked at Gerdau S.A., with Strategic Planning and Management Systems for 6 years. He will spend the upcoming summer working in the Private Banking department at J.P. Morgan.

The Value Fund

Back Row: Renzo Dancourt, Nick Rovelli, Michael Gabriel
Middle Row: Juan Avendano, Esteban Gomez, Raymond Strecker, Michael Buckley
Front Row: James Ulan, Albert Hicks, Justin Ages, Yin Yin, Anthony Chien
Not pictured: Zach Goldman

Renzo Dancourt, CFA has a B.A. in Economics and a M.S. in Finance from Universidad del Pacifico in Lima, Peru. While studying the MBA part-time at Stern, Renzo works at Deutsche Asset Management as part of a portfolio management team that runs a fixed income strategy for institutional clients.

Michael Buckley has a B.A. in Economics from the College of the Holy Cross. Prior to Stern, Michael served as an intelligence officer in the United States Marine Corps, serving combat deployments in both Iraq and Afghanistan. He spent the past summer in New York as a Sales and Trading Summer Associate at Bank of America Merrill Lynch.

Zach Goldman has a B.S in Finance from the University of Delaware. Prior to Stern, Zach worked in Private Banking, as an analyst for both Barclays Capital and Alliance Bernstein. He spent the past summer in Greenwich, CT as a Sales & Trading Summer Associate at Weeden & Co.

Anthony Chien has B.A. in Molecular & Cell Biology and Cognitive Science from the University of California, Berkeley. Prior to Stern, Anthony worked as a financial healthcare consultant for hospitals at Triage Consulting

Group. He spent the past summer as an Equity Research Associate at Jefferies and Company, covering the Technology and Software Applications sector.

Raymond Strecker has a B.A. in English and French from the University of Pennsylvania. Prior to Stern, Raymond worked as a credit analyst at the monoline bond guarantor CIFG. He spent the past summer as a Private Wealth Management Summer Associate at Goldman Sachs.

Albert Hicks has a B.B.A. in Finance from The University of Texas at Austin. Prior to Stern, Albert was a senior associate in the investment group at Beal Bank, a privately held bank.

Juan Avendano has a B.S. in Chemical Engineering from the University of Massachusetts Amherst. Prior to Stern, Juan worked at Merck & Co., Inc., providing technical consulting internally to various manufacturing and supply chain processes for Merck's pharmaceutical and vaccine products.

James Ulan has a B.A. in Criminal Justice and Economics from the University of Maryland. Prior to Stern, James served as an analyst for Bond & Pecaro, a financial advisory firm, valuing businesses and bank loans in the U.S. media industry. James has completed the first two levels of the CFA program.

Justin Ages has a B.A. in Economics and Religion from Colgate University. Prior to Stern, Justin worked as a consultant with Deloitte & Touche.

Michael Gabriel has a B.A. in Accounting-Economics from the College of the Holy Cross in Worcester, Massachusetts and is a licensed Certified Public Accountant in New York State. Prior to Stern, Michael worked as a Senior Auditor at WeiserMazars LLP and a Product Controller at Macquarie Group.

Esteban Gomez has a B.B.A. in Accounting from Baruch College in New York and is a licensed Certified Public Accountant in New York State. Prior to Stern, Esteban worked at Newbrook Capital LP where he held the position of Controller and Macro Research Associate. He will spend the upcoming summer working in the Equity Research department at J.P. Morgan.

Nick Rovelli has a B.S. in Industrial Engineering from Northwestern University. Prior to Stern, he worked as a consultant for Deloitte specializing in operations improvement and risk management. This summer, he will be working in the Global Equity Research division at Bank of America Merrill Lynch.

Yin Yin has a Ph.D. in Biology from Syracuse University. Prior to Stern, Yin worked at Deloitte Financial Advisory Services LLP as a valuation associate. Yin has passed all three levels of the CFA exam. She will spend the upcoming summer working in the Corporate Finance department at Pfizer, Inc.

The Small Cap Fund

Back Row: Leonardo Boguszewski, Anthony Pirraglia, Vinayak Morada
Middle Row: Jaesik Choi, Andrew Louloulis, Can Bayson, Cassandra Henry
Front Row: Gaurav Vohra, J. Griff Jenkins, Daniel Politzer, Amber Turley, Anthony Thai

Can Baysan has a B.S. in Systems Engineering and Economics from the University of Virginia. Prior to Stern, Can worked as a supply chain technology consultant at Kurt Salmon Associates and in the COO organization with the technology infrastructure group at Deutsche Bank. He spent the past summer in New York as a Sales and Trading Summer Associate at Bank of America Merrill Lynch. He will return there after school to work in the Cross Asset Solutions and Strategies team.

Andrew Loulousis has a B.S. in General Engineering from the University of Illinois in Urbana. Prior to Stern, Andrew worked as a Management Consultant at Accenture. He spent the past summer as an Investment Banking Associate in the Financial Institutions Group at Nomura Securities North America.

Vinayak Morada has a B.ASc in Electrical Engineering from the University of British Columbia, Canada. Prior to Stern, Vin worked as a Program Manager at Microsoft Corporation. He spent the past summer in New York as a Sales & Trading Summer Associate at Bank of America Merrill Lynch.

Anthony Pirraglia has a B.S. in Accounting from Villanova University. Prior to Stern, Anthony worked within the restructuring and turnaround group at Huron Consulting Group. This summer, he interned at Deutsche Bank within the Healthcare investment banking and Leveraged Finance groups.

Anthony Thai has a B.A. in Economics and Statistics from the University of Chicago. Prior to Stern, Anthony worked as an Economist at FTI Consulting, Inc. He spent the past summer in New York as a Finance Associate at Sabra Dipping Company, a PepsiCo-Strauss Group joint venture.

Leonardo Boguszewski has a Bachelor of Science in Economics from FAE Business School in Brazil. Prior to Stern, he was the portfolio manager of Marlim Dividends Equity Fund and JMalucelli Small Caps Equity Fund. Leonardo will spend the upcoming summer working in the Mergers and Acquisitions Group of the Investment Banking Division at UBS.

Jaesik Choi, CFA has a B.A. in Business Administration and Minor in Economics from Yonsei University, Korea. Prior to Stern, Jaesik worked at Booz Allen Hamilton, Swiss Reinsurance Company, and most recently at Truston Asset Management Company (Korea) He will spend the upcoming summer working in the Investment Banking Department at Morgan Stanley.

Cassandra Henry has a B.A. in Political Science from the University of Notre Dame. Prior to Stern, Cassandra worked in equity research for the Global Growth Strategies Team at Artisan Partners, an independent investment management firm. Cassandra has recently passed the Level III CFA exam and is awaiting CFA charter status.

J. Griff Jenkins has an AB in Economics from Harvard College. Griff previously worked at EFCG, a boutique investment banking and financial advisory firm in New York. He will spend the upcoming summer working at BlackArch Partners, a middle-market investment bank in Charlotte, NC.

Daniel Politzer, CFA, has a B.S in Finance and International Business from the University of Maryland. Prior to Stern, Daniel worked at Deutsche Bank for four years as an internal business analyst for the credit trading desk. Daniel will spend the upcoming summer interning in RBC Capital Markets' research group.

Amber Turley has B.A. in Political Science and International Relations from the University of California, San Diego. Prior to Stern, Amber worked as an Associate Financial Advisor for First Command Financial Services. Amber will spend the upcoming summer working at Morgan Stanley in their Equity Research department.

Gaurav Vohra has a BBA in Finance and Business Communications from Emory University. Prior to Stern he was a Senior Equity Research Associate at Raymond James covering Business Services companies. Gaurav will be working at J.P. Morgan this summer.

The Fixed Income Fund

Back Row: Varun Bahl, Vin Morada, Michael Gabriel
Front Row: Nick Rovelli, Juan Avendano, Daniel Politzer, Can Baysan, Michael Buckley
Not Pictured: Zack Goldman

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

Financial Statements

Michael Price Student Investment Fund
Consolidated Financial Statement

	Six Months Ending 2/28/09	Fiscal Year Ending 8/31/09	Six Months Ending 2/28/10	Fiscal Year Ending 8/31/10	Six Months Ending 2/28/11	Fiscal Year Ending 8/31/11	Six Months Ending 2/29/12
Investment Income							
Dividends - Fixed Income	12,492	21,577	14,192	20,400	8,310	14,380	6,533
Dividends - Growth	838	2,102	1,288	3,780	928	1,862	1,164
Dividends - Small Cap	3,882	6,330	1,545	3,892	2,141	4,646	4,522
Dividends - Value	3,039	5,873	3,594	8,253	4,550	10,150	4,192
Total Dividends	20,251	35,882	20,619	36,325	15,929	31,038	16,411
Interest - Fixed Income	231	271	(5)	12	48	67	1
Interest - Growth	814	915	91	232	61	146	60
Interest - Small Cap	502	625	83	236	185	217	7
Interest - Value	792	904	71	118	21	35	12
Total Interest	2,338	2,716	241	598	314	464	79
Investment Income - Fixed Income	12,723	21,848	14,187	20,412	8,359	14,447	6,533
Investment Income - Growth	1,651	3,018	1,379	4,013	988	2,008	1,224
Investment Income - Small Cap	4,384	6,954	1,629	4,128	2,326	4,863	4,529
Investment Income - Value	3,831	6,778	3,665	8,371	4,571	10,185	4,204
Total Investment Income	22,589	38,598	20,860	36,923	16,243	31,502	16,490
Expenses - Fixed Income	(1,043)	(2,161)	(1,234)	(2,509)	(1,094)	(2,424)	(599)
Expenses - Growth	(1,043)	(2,161)	(1,234)	(2,509)	(1,094)	(2,424)	(504)
Expenses - Small Cap	(913)	(1,766)	(812)	(1,863)	(1,038)	(2,657)	(784)
Expenses - Value	(1,016)	(2,033)	(1,355)	(2,844)	(1,402)	(2,996)	(807)
Total Expenses	(4,014)	(8,120)	(4,635)	(9,725)	(4,629)	(10,502)	(2,694)
Net Investment Income - Fixed Income	11,680	19,688	12,953	17,903	7,264	12,022	5,934
Net Investment Income - Growth	609	857	145	1,504	(106)	(417)	720
Net Investment Income - Small Cap	3,472	5,189	816	2,264	1,288	2,205	3,744
Net Investment Income - Value	2,815	4,744	2,310	5,527	3,169	7,189	3,397
Total Net Investment Income	18,575	30,478	16,225	27,199	11,614	21,001	13,796
Cash Flow from Operations							
Cash Balance, beginning of period - Fixed Income	(11,463)	(11,463)	1,341	1,341	30,997	30,997	4,242
Cash Balance, beginning of period - Growth	242,097	242,097	132,077	132,077	167,532	167,532	341,686
Cash Balance, beginning of period - Small Cap	190,479	190,479	158,896	158,896	179,764	179,764	25,729
Cash Balance, beginning of period - Value	169,768	169,768	83,180	83,180	19,735	19,735	74,739
Total Cash Balance, beginning of period	590,881	590,881	375,493	375,493	398,028	398,028	446,395
Annual 5% Distribution - Fixed Income	0	(22,000)	0	(22,800)	0	(15,500)	9,171
Annual 5% Distribution - Growth	0	(15,000)	0	(16,700)	0	(23,700)	14,023
Annual 5% Distribution - Small Cap	0	(14,552)	0	(17,300)	0	(26,500)	15,680
Annual 5% Distribution - Value	0	(18,600)	0	(23,400)	0	(22,400)	13,254
Total Annual 5% Distribution	0	(70,152)	0	(80,200)	0	(88,100)	52,127

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

	Six Months Ending 2/28/09	Fiscal Year Ending 8/31/09	Six Months Ending 2/28/10	Fiscal Year Ending 8/31/10	Six Months Ending 2/28/11	Fiscal Year Ending 8/31/11	Fiscal Year Ending 2/29/12
Cash Flow from Operations (cont.)							
Sales of Securities - Fixed Income	111,876	246,661	129,013	397,788 # #	0	14,153 #	77,110
Sales of Securities - Growth	335,433	531,690	254,769	574,931 # #	434,332	999,179 #	289,329
Sales of Securities - Small Cap	201,024	437,954	328,692	604,423 # #	87,402	431,919 #	326,180
Sales of Securities - Value	129,449	303,430	362,378	713,520 # #	489,269	994,376 #	260,648
Total Sales of Securities	777,782	1,519,735	1,074,852	2,290,663 # #	1,011,004	2,439,627 #	953,267
Purchases of Securities - Fixed Income	(45,068)	(215,911)	(131,519)	(212,858) # #	0	(31,093) #	(80,622)
Purchases of Securities - Growth	(399,084)	(627,482)	(317,714)	(613,044) # #	(570,870)	(800,858) #	(645,112)
Purchases of Securities - Small Cap	(292,628)	(460,171)	(420,867)	(656,070) # #	(118,696)	(561,650) #	(361,000)
Purchases of Securities - Value	(151,932)	(376,118)	(417,268)	(721,114) # #	(510,144)	(923,972) #	(330,836)
Total Purchases of Securities	(888,711)	(1,679,683)	(1,287,368)	(2,203,087)	(1,199,710)	(2,317,573)	(1,417,570)
Net Other Adjustments - Fixed Income	(9,967)	(15,633)	(9,190)	(150,377) # #	(4,592)	(6,338) #	(1,440)
Net Other Adjustments - Growth	(30)	(85)	(5)	88,764 # #	(16)	(51) #	346
Net Other Adjustments - Small Cap	0	(2)	0	87,550 # #	0	(10) #	(1,639)
Net Other Adjustments - Value	(45)	(45)	(16)	(37,977) # #	0	(189) #	23,472
Total Net Other Adjustments *	(10,041)	(15,765)	(9,212)	(12,040) # #	(4,607)	(6,587) #	20,738
Net Change in Cash - Fixed Income	68,522	12,803	1,257	29,657 # #	2,672	(26,756) #	10,153
Net Change in Cash - Growth	(63,073)	(110,021)	(62,805)	35,455 # #	(136,659)	174,154 #	(340,694)
Net Change in Cash - Small Cap	(88,132)	(31,583)	(91,359)	20,867 # #	(30,006)	(154,035) #	(17,035)
Net Change in Cash - Value	(19,713)	(86,588)	(52,597)	(63,445) # #	(17,706)	55,004 #	(30,065)
Total Net Change in Cash	(102,395)	(215,388)	(205,504)	22,534 # #	(181,699)	48,367 #	(377,641)
Cash Balance, end of period - Fixed Income	57,059	1,341	2,598	30,997 # #	33,670	4,242 #	14,395
Cash Balance, end of period - Growth	179,024	132,077	69,272	167,532 # #	30,872	341,686 #	991
Cash Balance, end of period - Small Cap	102,347	158,896	67,537	179,764 # #	149,758	25,729 #	8,694
Cash Balance, end of period - Value	150,055	83,180	30,583	19,735 # #	2,029	74,739 #	44,674
Total Cash Balance, end of period	488,486	375,493	169,990	398,028 # #	216,329	446,395 #	68,754

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

Growth Fund Financial Statements

	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12
Investment Income							
Dividends	838	2,102	1,288	3,780	928	1,862	1,164
Interest	812	913	90	230	61	145	60
Total Investment Income	1,650	3,015	1,378	4,011	988	2,007	1,224
Expenses	(1,043)	(2,161)	(1,234)	(2,509)	(1,094)	(2,424)	(504)
Net Investment Income	607	855	144	1,502	(106)	(417)	720
Cash Flow from Operations							
Cash Balance, beginning of period	242,042	242,042	132,019	132,019	167,472	167,472	341,626
Net Investment Income	607	855	144	1,502	(106)	(417)	720
Annual 5% Distribution	0	(15,000)	0	(16,700)	0	(23,700)	14,023
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	335,433	531,690	254,769	574,931	434,332	999,179	289,329
Purchases of Securities	(399,084)	(627,482)	(317,714)	(613,044)	(570,870)	(800,858)	(645,112)
Net Other Adjustments *	(30)	(85)	(5)	88,764	(16)	(51)	406
Net Change in Cash	(63,075)	(110,023)	(62,806)	35,453	(136,659)	174,153	(340,634)
Cash Balance, end of period	178,967	132,019	69,213	167,472	30,813	341,626	991

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12
Investment Income							
Dividends	3,039	5,873	3,594	8,253	4,550	10,150	4,192
Interest	792	904	71	118	21	35	12
Total Investment Income	3,831	6,778	3,665	8,371	4,571	10,185	4,204
Expenses	(1,016)	(2,033)	(1,355)	(2,844)	(1,402)	(2,996)	(807)
Net Investment Income	2,815	4,744	2,310	5,527	3,169	7,189	3,397
Cash Flow from Operations							
Cash Balance, beginning of period	169,768	169,768	83,180	83,180	19,735	19,735	74,739
Net Investment Income	2,815	4,744	2,310	5,527	3,169	7,189	3,397
Annual 5% Distribution	0	(18,600)	0	(23,400)	0	(22,400)	13,254
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	129,449	303,430	362,378	713,520	489,269	994,376	260,648
Purchases of Securities	(151,932)	(376,118)	(417,268)	(721,114)	(510,144)	(923,972)	(330,836)
Net Other Adjustments *	(45)	(45)	(16)	(37,977)	0	(189)	23,472
Net Change in Cash	(19,713)	(86,588)	(52,597)	(63,445)	(17,706)	55,004	(30,065)
Cash Balance, end of period	150,055	83,180	30,583	19,735	2,029	74,739	44,674

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/28/12
Investment Income							
Dividends	3,882	6,330	1,545	3,906	2,141	4,646	4,522
Interest	502	625	83	221	185	217	7
Total Investment Income	4,384	6,954	1,629	4,128	2,326	4,863	4,529
Expenses	(913)	(1,766)	(812)	(1,863)	(1,038)	(2,657)	(784)
Net Investment Income	3,472	5,189	816	2,264	1,288	2,205	3,744
Cash Flow from Operations							
Cash Balance, beginning of period	190,479	190,479	158,896	158,896	179,764	179,764	25,729
Net Investment Income	3,472	5,189	816	2,264	1,288	2,205	3,744
Annual 5% Distribution	0	(14,552)	0	(17,300)	0	(26,500)	15,680
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	201,024	437,954	328,692	604,423	87,402	431,919	326,180
Purchases of Securities	(292,628)	(460,171)	(420,867)	(656,070)	(118,696)	(561,650)	(361,000)
Net Other Adjustments *	0	(2)	0	87,550	0	(10)	(1,639)
Net Change in Cash	(88,132)	(31,583)	(91,359)	20,867	(30,006)	(154,035)	(17,035)
Cash Balance, end of period	102,347	158,896	67,537	179,764	149,758	25,729	8,694

* Taxes owed on foreign securities' dividends.

Fixed Income Fund Financial Statements

	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12
Investment Income							
Dividends	12,492	21,577	14,192	20,400	8,310	14,380	6,533
Interest	232	274	(4)	14	48	67	1
Total Investment Income	12,725	21,851	14,188	20,414	8,358	14,447	6,533
Expenses	(1,043)	(2,161)	(1,234)	(2,509)	(1,094)	(2,424)	(599)
Net Investment Income	11,682	19,690	12,954	17,905	7,264	12,023	5,934
Cash Flow from Operations							
Cash Balance, beginning of period	(10,920)	(10,920)	1,885	1,885	31,544	31,544	4,788
Net Investment Income	11,682	19,690	12,954	17,905	7,264	12,023	5,934
Annual 5% Distribution	0	(23,057)	0	(22,800)	0	(15,500)	9,171
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	111,876	246,661	129,013	397,788	0	14,153	77,110
Purchases of Securities	(45,068)	(215,911)	(131,519)	(212,858)	0	(31,093)	(80,622)
Net Other Adjustments *	(9,967)	(14,577)	(9,190)	(150,377)	(4,592)	(6,338)	(1,987)
Net Change in Cash	68,524	12,806	1,258	29,658	2,672	(26,755)	9,606
Cash Balance, end of period	57,604	1,885	3,144	31,544	34,216	4,788	14,395

* Reinvestment of dividends on bond funds.

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