The Michael Price Student Investment Fund

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

Annual Report
August 31, 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 $1.6 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 – Fall 2012

President	Cleve Rueckert
Co-Portfolio Managers, Fixed Income Fund	Michael Gabriel and Daniel Politzer
Co-Portfolio Managers, Growth Fund	Danyal Hussain and Jonathan Lanterman
Co-Portfolio Managers, Small Cap Fund	Cassandra Henry and Gaurav Vohra
Co-Portfolio Managers, Value Fund	Juan Avendano and Esteban Gomez
Faculty Advisor	Professor Richard Levich

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

Internal Leadership – Fall 2012

Vice President, Economic Strategy	David Freeland
Vice President, Portfolio Analytics	Gene Vladimirov
Vice President, Sector Strategy	Matthew Bouley
Vice President, Annual Report	Albert Hicks

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 (Spring 2012)
Christopher Long, former Macro Portfolio Manager, Tudor Investment Corporation (Spring 2012)
Nik Mittal, Partner, Jana Partners LLC (Fall 2012)
Richard Saperstein, Senior Portfolio Manager, Treasury Partners
Mitchell Williams, Portfolio Manager, Oppenheimer Funds (Fall 2012)

Ex Officio Members

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

Board of Advisors

Dean Peter Henry, Stern School of Business, New York University
Duane R. Stock, Professor of Finance, Price College of Business, University of Oklahoma
Michael F. Price, Benefactor
Martin Gruber, Emeritus 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, Emeritus Professor of Finance, Stern School of Business
Edward Kerschner, Adjunct 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 Annual Report for the Michael Price Student Investment Fund for the fiscal year ending August 31, 2012.

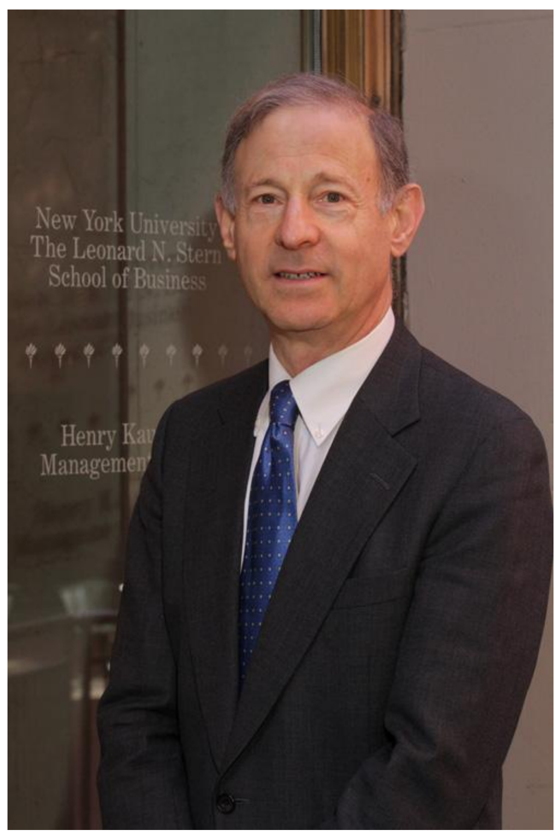
The last fiscal year provided another illustration of the market's tendency to climb a wall of worry. U.S. and global economic conditions remain lackluster, and yet U.S. equity markets managed to produce mid-teen returns for the year. U.S. equity returns exceeded those in much of the rest of the world as Europe remains in the midst of a multi-faceted crisis that has pushed the real economy into or near recession. Emerging markets (i.e. China) have for the moment retreated from what some viewed as unsustainable growth rates. U.S. economic activity has remained positive at roughly 2% per annum growth, which represents a recovery from six quarters of negative growth, but still not at rates seen in prior recovery periods. The explanations vary – whether it is consumers unwilling to borrow, businesses unwilling to invest, or banks unwilling to lend, and whether these are in turn related to decreased labor mobility given the housing market, increased bank regulation and capital requirements, or general policy uncertainty given the pending presidential election and fiscal cliff. Academic research predicts that recovery is prolonged when touched off by a bank crisis and financial crisis in tandem, and the current U.S. macro picture is in line with that prediction.

Over the fiscal year, MPSIF earned 9.13% which is a solid performance for an endowment fund with a 5% mandated distribution operating in a low interest rate, low inflation rate environment. Unfortunately, our performance fell about 443 basis points short of our blended benchmark. Having matched our benchmark through March 2012, the last 5 months of the year featured a few names that surprised on the downside, and a summer period that left us vulnerable to market volatility and stop-loss orders in a somewhat concentrated portfolio.

As for other metrics of the Fund, cumulative enrollments in MPSIF now exceed 550 students and cumulative distributions are nearing $1.1 million. We note that Christopher Long (formerly of Tudor Investment Corporation) and Monica Issar (of JP Morgan Chase) completed their terms on our Management Advisory Council, and have been replaced by Nik Mittal (of Jana Partners) and Mitchell Williams (of Oppenheimer Funds) effective Fall 2012.

Investment management is a field that continually challenges the most seasoned professionals. Most funds actively managed by professionals fall short of passive benchmarks. MPSIF was launched in March 2000 with the objective of offering Stern MBA students a real world laboratory for developing their skills in fundamental security analysis and investment management. Despite difficult times and market uncertainties, MPSIF continues to attract a talented group of students who are ready to put their knowledge of finance into practice in this unique setting.

Richard M. Levich
Professor of Finance
October 15, 2012



Letter From the President

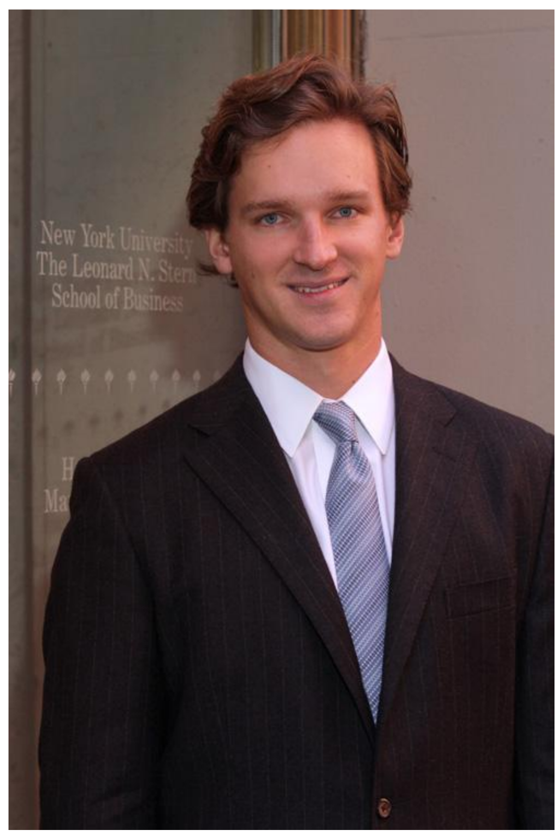
The fiscal year ending August 2012 was a good one for the Michael Price Student Investment Fund. For the year we maintained 25% weights in each of our Growth, Value, Small Cap, and Fixed Income strategies. While those strategies underperformed their benchmarks for the year, each one gained in excess of 5%, therefore expanding our principle. The total portfolio was up 9.13% for the year compared to a gain of 13.56% for our blended benchmark.

The fund participated in strong gains through Fall 2011 and Spring 2012. Over the summer MPSIF members are often restricted from transacting in any stocks, and we have instituted a stop-loss policy for our volatile investments over that period. Overall stop-losses that triggered during the summer saved from further losses; however, we did miss gains in July and August. Given the fact that MPSIF members are balancing their fund responsibilities with schoolwork, and that we are required to distribute 5% per year we have maintained a conservative investment policy. In the president's view, our primary objective is to outperform our mandatory minimum distribution and maintain principle. To that end we accomplished our objective in 2012.

In 2012 specifically our executive committee worked to decrease the cash balances in the funds and also increase the number of positions. We have chosen to have analysts present very detailed pitches and it often takes time to fully examine each one. MPSIF has had success investing excess cash in benchmark ETFs, and as of August 2012 we had a 6.6% total cash balance. The main challenge has been to increase the number of positions. We have noticed that turnover is high in the portfolios. We believe that part of the reason for this is because students running the portfolio are new each semester. MPSIF is a two-semester commitment, and this year we have instituted a mentor which has helped increase the flow of information from students in their second semester to those in their first. Going forward we plan to increase the overlap in responsibilities of first and second semester students. This will make for smoother transitions, reduce turnover and maintain consistent investment objectives.

The Michael Price Student Investment Fund is well positioned to perform well in the future. Over the past year we have been successful in using ETFs to help invest excess cash quickly and effectively. We are excited about the new students joining MPSIF this semester. The market is holding up well despite a questionable global macroeconomic environment, and we have had numerous insightful pitches this fall. We look forward to the new year and expect to perform well over the next twelve months.

Cleve Rueckert
MPSIF President
October 15, 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 increase individual positions

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. Juan Avendano presented DirectTV, a stock that he had originally pitched for the Value Fund during Spring 2012. Gaurav Vohra presented Heckman Corp, a stock he had originally pitched for the Small Cap Fund in Spring 2012. Finally, Jon Lanterman pitched Whole Foods Market, Inc., a company he had originally pitched for the Growth Fund in Spring 2012.

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.

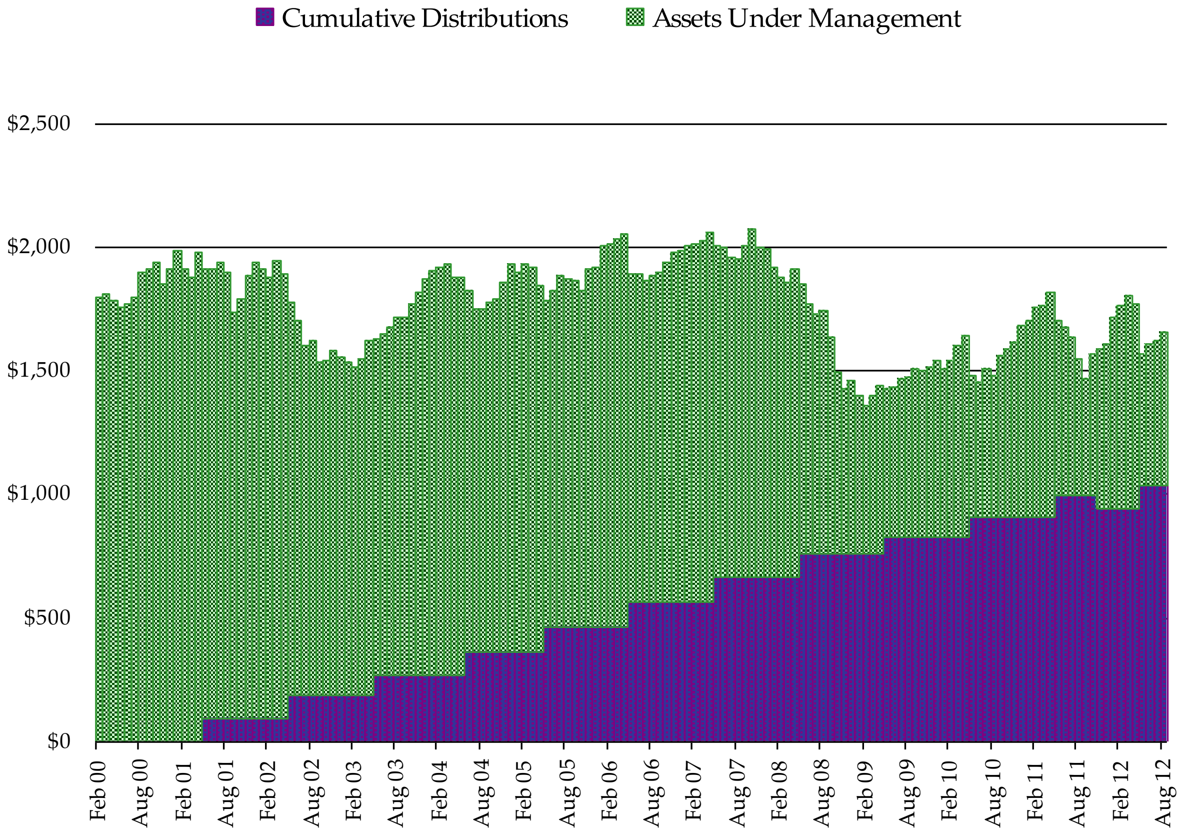
On October 2, we were privileged to have Ted Tabasso, Managing Director at Deutsche Bank, as a guest speaker. Mr. Tabasso spoke to us regarding secular growth investment ideas in today's highly volatile market.

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.

Assets Under Management & Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on March 1, 2000. As of August 31, 2012, our assets under management stand at $1.67 million, which represents a cumulative return of 63.10% (net), taking into account net distributions of over $1.03 million to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, the MPSIF funds have returned 3.99% net of brokerage commissions and fees, somewhat short of our annual 5% distribution requirement and leading to a reduction of our asset base.

Assets Under Management vs. Cumulative Distributions Since Inception



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

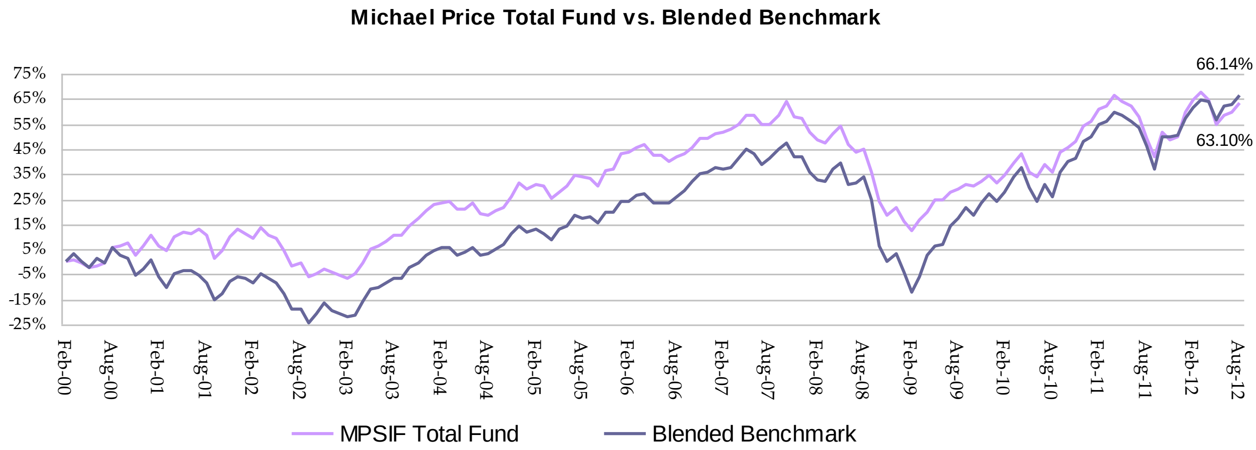
For the period ending August 31, 2012

	6 Month	1 Year	3 Year		5 Year		Inception **	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	-0.94%	9.13%	26.72%	8.21%	5.49%	1.08%	63.10%	3.99%
*Blended Benchmark**	2.75%	13.56%	41.46%	12.26%	17.72%	3.32%	66.14%	4.14%
Relative - Net of Fees	-3.69%	-4.43%	-14.74%	-4.04%	-12.23%	-2.24%	-3.04%	-0.15%
Small Cap Fund	-3.00%	8.29%	35.87%	10.76%	-14.79%	-3.15%	99.09%	5.66%
Russell 2000 Index	0.89%	13.41%	47.71%	13.89%	9.89%	1.90%	65.67%	4.12%
Relative - Net of Fees	-3.89%	-5.11%	-11.84%	-3.13%	-24.67%	-5.05%	33.43%	1.54%
Value Fund	-2.31%	9.30%	24.19%	7.49%	6.32%	1.23%	86.24%	5.10%
Russell 1000 Value Index	3.94%	17.29%	40.80%	12.08%	-4.20%	-0.85%	85.44%	5.06%
Relative - Net of Fees	-6.25%	-7.98%	-16.61%	-4.59%	10.52%	2.09%	0.80%	0.04%
Growth Fund	-0.86%	11.90%	26.25%	8.08%	-0.97%	-0.20%	-12.68%	-1.08%
Russell 1000 Growth Index	3.18%	17.38%	54.44%	15.59%	19.88%	3.69%	-8.58%	-0.71%
Relative - Net of Fees	-4.04%	-5.48%	-28.19%	-7.51%	-20.85%	-3.89%	-4.10%	-0.36%
Fixed Income Fund	3.00%	5.34%	18.17%	5.72%	32.29%	5.76%	63.32%	4.86%
Vanguard Total Bond Fund	2.57%	4.86%	18.91%	5.94%	36.99%	11.06%	74.42%	5.53%
Relative - Net of Fees	0.43%	0.48%	-0.74%	-0.22%	-4.70%	-5.30%	-11.10%	-0.67%

** The blended benchmark is an evenly weighted average of the four benchmarks.*

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

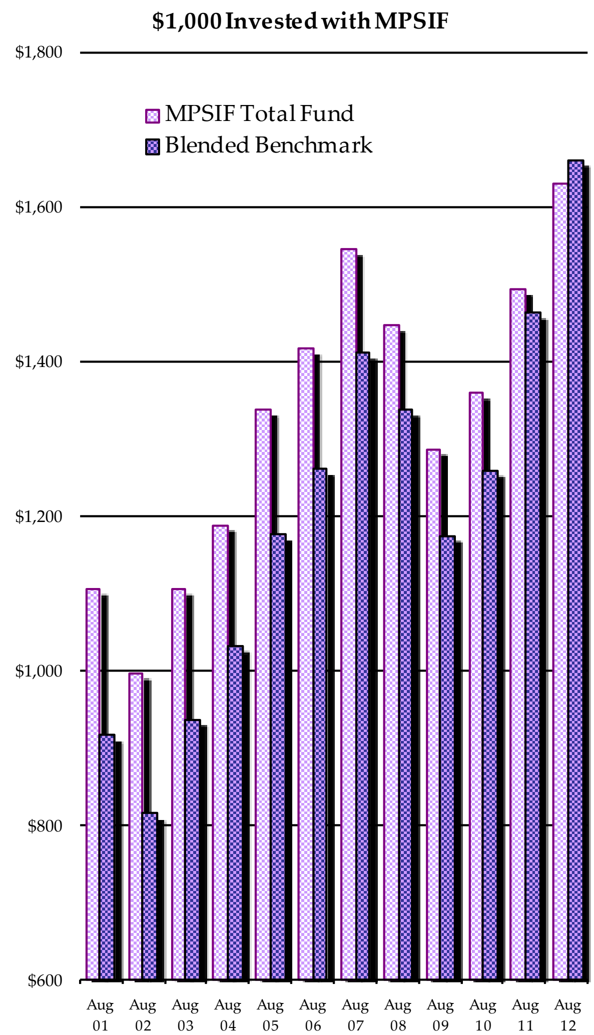
All values calculated according to GIPS methodology, and hence adjust for time-weighted and external cash flows.



As of August 31, 2012, MPSIF had approximately 6.6% in cash holdings, up from 3.9% as of February 29, 2012. The summer 2012 volatility caused many positions to hit their stop-loss limits. The Fund temporarily held a larger cash position than was held as of February 29, 2012.

The equity funds, collectively, also held a larger portion of assets in ETF's as of August 31, 2012. Our stated goal this past year was to have less of our holdings in cash and more in stocks and ETFs. The portfolio managers and analysts identified buying opportunities in broad-based market and sector ETFs to deploy 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.

With the resumption of normal class sessions in the fall, cash holdings and ETF holdings fell to lower levels as new pitches were presented and approved.

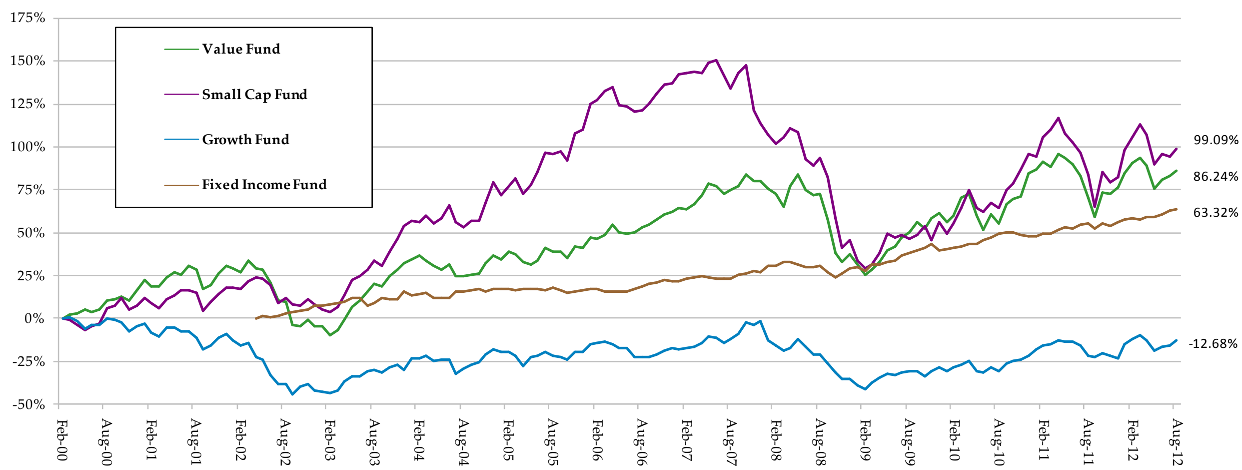


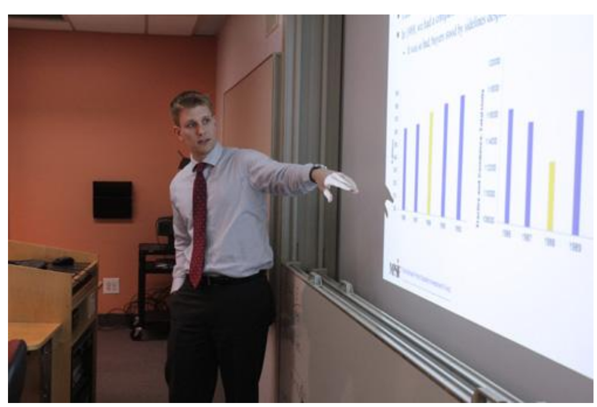
The overall Fund returned -0.94% in the last six months of the fiscal year and 9.13% over the last twelve months. This compares to 2.75% and 13.56% for the benchmark over the same periods (note that the blended benchmark is calculated using a simple average of the four benchmarks). With respect to the individual funds, most of the funds underperformed their benchmarks. The Small Cap Fund underperformed the benchmark on a six-month basis by 3.89%. For the fiscal year, the Small Cap Fund underperformed the benchmark by 5.11%. The Value Fund underperformed the benchmark by 6.25% over the last six months and 7.98% over the fiscal year. The Growth Fund underperformed the benchmark by 4.04% for the last six months and 5.48% over the fiscal year. The Fixed Income Fund outperformed the benchmark by 0.43% for the last six months and by 0.48% for the fiscal year.

Since inception, MPSIF has earned a cumulative return of 63.10% net of fees, underperforming the blended benchmark by 3.04% or 0.15% on an annualized basis.

From inception until October 2011, our brokerage accounts were held at Merill Lynch and subject to a wrap fee of approximately 0.55% per annum. Since November 2011, our accounts are at Bank of New York–Mellon, where we incur per transaction trading costs equal to the greater of $0.02/share or $15. Under this new arrangement, our brokerage costs have dropped substantially. While trading activity varies across funds, we estimate that brokerage fees have cost MPSIF approximately 0.27% over the first 12 months of our trading activity at BNYM.

Michael Price Student Investment Fund — All Funds Since Inception





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.

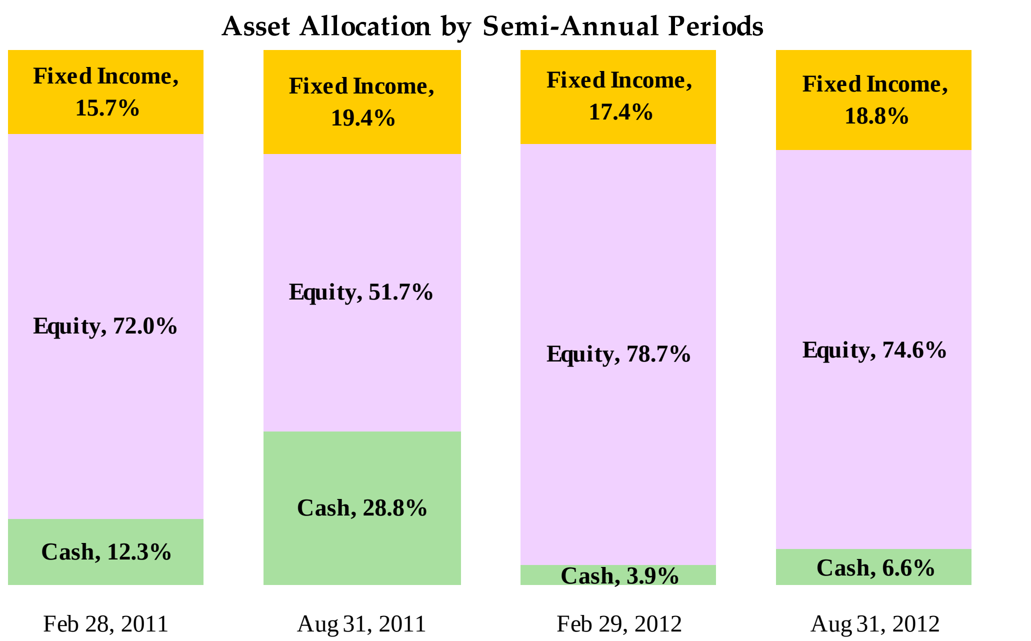
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

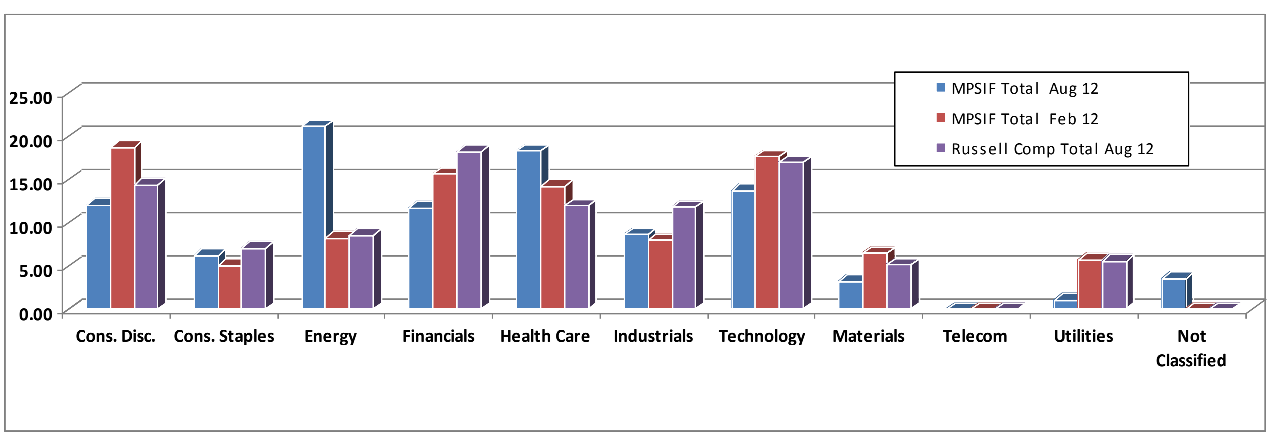
The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

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 increased from 3.9% in the prior reporting period to 6.6%. Equities decreased from 78.7% to 74.6% while Fixed Income increased from 17.4% to 18.8%. This mainly shows the effect of equity positions being stopped out over the summer period.





Fund Turnover

Portfolio Turnover for the Six Months Ending August 31, 2012

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	25,614	340,832	216,176	305,722
Total Sales	27,551	364,440	309,772	304,386
Minimum (Sales, Purchases)	25,614	340,832	216,176	304,386
Average Invested Assets	307,842	427,849	441,967	388,540
Turnover	8%	80%	49%	78%

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

Portfolio Turnover for the Six Months Ending 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	303,548	395,034	467,341	371,907
Turnover	25%	73%	70%	70%

** 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 shown a glimmer of hope on economic growth as several macro indicators have trended upward. The U.S. employment rate has fallen to 7.9% and nonfarm payroll growth has averaged above 145K for the past three 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 to levels well above those reached in late 2011. Despite this positive news, several concerns still linger. Housing markets continue to remain at depressed levels, and the continued uncertainty in Europe poses another potential shock that could lead to additional global economic uncertainty.

The Fed continues its accommodative monetary policy: The most notable piece of news during this period was the announcement of another quantitative easing (QE3) program from the Federal Reserve, which will be an open-ended purchase program of $40B per month of mortgage-backed securities. This announcement surprised markets in its aggressive nature, in particular with its statements that further actions may continue even after economic conditions show some recovery.

The QE3 announcement furthers the Fed's stance of unconventional monetary policy, with Bernanke clearly believing that housing is a crucial component to a US economic recovery. The low interest rate guidance that the Fed had specified was extended until mid-2015. This guidance shifts from the late-2014 target that officials had just set in April. QE3 comes at the end of other accommodative actions from the Fed this year, which include the extension of Operation Twist until the end of 2012. It is unclear what the Fed's intentions are going forward, whether Twist will be extended into 2013 or modified. At the current point, the Fed has almost depleted its supply of short-dated Treasuries from its Twist operations.

Bernanke has been acting aggressively to spur some growth in the overall economy. Whether these efforts will engineer additional growth is yet to be seen, but the Fed's recent actions are definitely unprecedented in nature. Inflation risks are now slightly higher, with TIPS breakeven rates implying about 2.2% inflation over the next 5 years. Whatever the result, the Federal Reserve's balance sheet has definitely grown tremendously in recent years as it embarks into uncharted waters.

Elections and the fiscal cliff are key stories for investors: When polled, market participants are most concerned about the impending fiscal cliff. At the time of writing, Obama had recently been re-elected and his policy initiatives for a second term are still not very clear to the market. Democrats maintained control of the Senate while Republicans maintained control of the House. The policies that come out of a new term for the administration are sure to have profound effects on regulatory reform and sector allocation.

The fiscal cliff is a series of expiring tax cuts and automatic spending cuts due to come up at the end of the year. If no action is made on these items and all items take effect, the US may suffer a 4-5% reduction in its GDP. Consensus is that Congress will put together compromises to mellow the impact to a 1% reduction, but the reduction is still significant for a country only experiencing 2% GDP growth currently.

Chinese economic growth slows: Even the fast-growing Chinese economy has slowed down from its incredible double-digit growth rates from years past. Quarterly GDP growth has hit 3-year lows, with most recent numbers coming in around 7.5%. There are many warning signs, from a Chinese equity market that has lagged in both Emerging Market and US equities over the past year and corporate profits that have shrunk, to the HSBC Manufacturing PMI remaining below 50 for the past 11 months. Some research has also shown urbanization slowing down while real estate development continues at its past pace.

Chinese monetary authorities have also cut rates, dropping their one year best lending rate from 6.5% to 6.0% in June. The country is also preparing for a leadership change of its own, while handling internal conflicts like the Bo Xilai incident and more heated external relations with Japan. Some speculate that leaders are not ready to engage in further easing given the ongoing political transition. The nation is in the middle of a transition from an export-led economy to one that is more focused on domestic consumption. Historically, it has been difficult to pull off this middle-income transition and given China's attempt to do so at an unprecedented size and pace, the country's ability to navigate through this transition will have significant impacts on the global economy.

Sector Initiative

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

As of September 2012, the Financials, Health Care, Technology, and Consumer Discretionary sectors outperformed the Russell 1000 since the beginning of this year. In the 5 months from 04/13/12 to 09/26/12, the Healthcare and Utilities sectors have significantly outperformed the Russell 1000.

The 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 bottoms up approach in stock selection. The most significant results of the analysis are presented nearby for each index.

Russell 1000	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	12.28%	1.43%	18.03	14.53
Cons Stap	10.71%	2.81%	17.17	15.13
Energy	10.33%	2.05%	12.24	11.56
Financials	15.30%	2.26%	14.45	11.88
Health Care	11.44%	1.97%	14.80	12.89
Industrials	10.30%	2.15%	13.80	11.93
Technology	19.24%	1.50%	16.06	12.16
Materials	4.02%	2.32%	14.34	12.02
Telecom	2.95%	4.19%	27.35	21.24
Utilities	3.42%	4.04%	15.14	14.89
R1000		2.12%	15.29	12.87

Russell 2000	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	13.88%	0.84%	22.32	15.36
Cons Stap	4.12%	1.25%	41.50	17.31
Energy	6.51%	0.59%	35.98	17.46
Financials	21.84%	3.46%	28.14	17.95
Health Care	13.23%	0.23%	NM	NM
Industrials	14.60%	0.90%	19.29	13.44
Technology	17.10%	0.29%	51.23	18.36
Materials	4.76%	0.86%	21.02	13.03
Telecom	0.76%	1.71%	NM	NM
Utilities	3.20%	3.57%	22.93	20.03
R2000		1.34%	33.15	18.72

Russell 1000 Growth	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	16.56%	1.34%	19.91	15.81
Cons Stap	15.92%	2.85%	17.49	15.48
Energy	4.45%	1.19%	20.10	16.45
Financials	5.70%	2.29%	22.89	18.58
Health Care	12.87%	1.71%	16.43	13.90
Industrials	11.13%	1.91%	14.14	12.13
Technology	27.37%	1.42%	16.51	12.92
Materials	3.99%	1.94%	15.15	13.27
Telecom	1.80%	3.76%	26.17	19.37
Utilities	0.22%	2.74%	23.33	19.41
R1000G		1.83%	17.29	14.25

Russell 1000 Value	Weight	Yield	TTM P/E	NTM P/E
Cons Disc	8.40%	1.67%	15.00	12.36
Cons Stap	12.32%	2.95%	16.50	14.48
Energy	13.72%	2.14%	11.16	10.78
Financials	22.80%	2.26%	13.95	11.54
Health Care	12.63%	2.67%	12.82	11.73
Industrials	10.74%	2.26%	13.58	11.79
Technology	7.21%	2.22%	13.14	9.58
Materials	3.89%	2.60%	12.87	10.61
Telecom	3.01%	4.48%	30.07	22.67
Utilities	5.29%	4.08%	14.97	14.79
R1000V		2.50%	13.79	11.94

The differences in sector weights across indices were one of the most important findings. As of September 26, 2012, the technology sector carried the largest weight in Russell 1000 and Russell 1000 Growth; it makes up approximately 27% of the growth index. The financial sector carried the largest weight in both Russell 2000 and Russell 1000 Value; it makes up nearly 23% of the value index. The Russell 2000 index has a low exposure of 0.76% to telecom stocks, and the Russell 1000 Growth index has only 0.22% weight in 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 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.

Based on our analyses, we recommend overweight cyclical growth stocks including energy, industrials and technology sectors and underweight defensive stocks including utilities, staples, and health care sectors.

The Growth Fund

Message from the Portfolio Managers

For the six months ending August 31, 2012, the Growth Fund ("the Fund") had a return of -0.86%. The benchmark, the Russell 1000 Growth Index, generated a return of 3.18% over the same time period. For the 12 months ending August 31, 2012, the Fund returned 11.90% while the benchmark generated a return of 17.38%. While we are disappointed with the underperformance of the Fund, we are happy with a number of things that occurred over the semester and have taken steps to help improve our performance going forward.

First, our cash position was a big improvement over that from last summer. Most notably, we mandated that funds from stopped-out positions be used to immediately purchase benchmark ETFs. On August 31, 2011, the fund had 82% of its holdings in cash, as we had stopped out of many names during the summer. This cash drag was the cause for significant underperformance as the market recovered over the summer. In summer 2012 we again stopped out of many names, but in an effort to avoid the same cash drag we immediately bought back into our benchmark ETF so that our cash position was negligible on August 31, 2012.

Second, we applied a new system for determining the portfolio weighting of new stocks. Historically, the Fund's voting process limited purchases to one of two sizes, but now using the Treynor Black model we can better weight our holdings by incorporating these variables: analysts conviction level (a combination of the analyst's forecasted upside and the Fund's voting), volatility of the stock, and correlation of the stock with the fund.

Third, we have improved our ability to sell out of stocks using analyst recommendations. Rigorous use of stop-losses during the summer shielded us from immense downside risk; while we lost over 15% on some stocks, we could have lost upwards of over 60%. However, we feel we have increased our ability to actively watch and recommend position sells before a stop-loss is reached. This active management had positive results in a few stocks: MDRX (sold at 17.98 in March, stop loss at 16, now at 14), Carbo Ceramics (sold at 76.63 in September, stop loss at 70, now at 63).

Although we were able to implement these big fixes, our individual stock-selection needs to be improved upon. Over the past year we purchased Green Mountain Coffee Roasters, Ubiquity (a growing IT hardware company), Carbo Ceramics (a company strongly tied to hydraulic fracturing), and EZ Corporation (a company that services the under banked and unbanked). Some of these companies had significant risks that were foreseeable and some experienced bumps in the road that were unforeseeable. While we lost money on these individual names, we have confidence that our process has been improved to minimize future such losses and therefore our return on mistake is high.

To improve the quality of our stock selection going forward, we have applied a number of new procedures starting in the Fall of 2012: 1) Speed pitch seminar where the entire group has input into which stocks should be pursued; 2) bear case where an independent analyst will look at the downside risk closely; 3) allowed analysts to pitch stocks that they are familiar with rather than assign them to sectors. As the Fall 2012 semester continues, we will continue to try to add to our stock positions in a way that properly analyzes downside risk. We feel this puts us in a strong position going forward to match if not outperform the benchmark.

Danyal Hussain and Jonathan Lanterman

Co-Portfolio Managers, MPSIF Growth Fund

Discussion of Performance

For the period ending August 31, 2012:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	**-0.86%**	**11.90%**	**26.25%**	**8.08%**	**-0.98%**	**-0.20%**	**-12.68%**	**-1.08%**
Russell 1000 Growth Index	3.18%	17.38%	54.44%	15.59%	19.88%	3.69%	-8.58%	-0.71%
Relative - Net of Fees	-4.04%	-5.48%	-28.19%	-7.51%	-20.85%	-3.89%	-4.10%	-0.36%

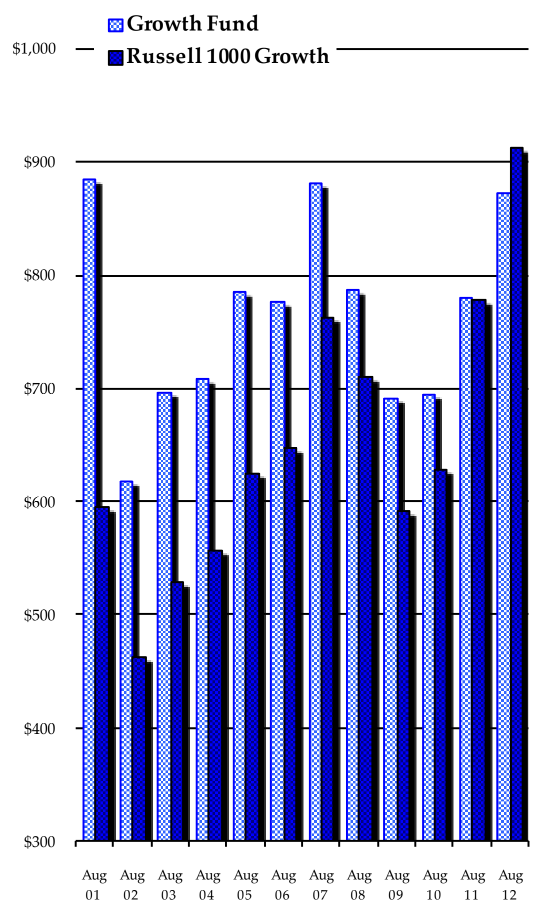
** Inception from March 1, 2000*

Performance Overview

The Growth Fund had a six-month return of -0.86% from February 29, 2012 through August 31, 2012 and underperformed the benchmark on a relative basis by -4.04%. During April, however, the Fund significantly underperformed its benchmark, earning -2.78% versus benchmark return of -0.15%. The Fund was stopped out of a number of positions during the market's May downturn and our ETF position increased while classes were not in session. As such, when the market rebounded, the Fund was only able to partially capture the upside return and we still slightly underperformed relative to the benchmark in June and July. August was particularly positive, as the Fund outperformed its benchmark by 0.76%.

Since inception, the Fund is still working to recover heavy losses during its first few years. If we had invested $1,000 in the Growth Fund in March 2000 at our Fund's inception, our net holding would have been only $873 on August 31, 2012. By comparison, a $1,000 investment in the Russell 1000 Growth index would be valued at $914, higher than our fund.

$1,000 Invested with MPSIF Growth



Six months ended August 31, 2012	
Top Performers	**Return**
Apple	22.64%
Whole Foods Market	13.16%
Dollar Tree	7.50%
Hunt J B Trans Svcs	4.10%
Bottom Performers	
Carbo Ceramics	-22.82%
Joy Global	-20.00%
EZ Corp	-19.94%
Seagate Technology	-19.42%

***Return** : measures the stock's return (excluding dividends) since the later of February 29, 2012 or the date of acquisition to the earlier of August 31, 2012 or the date of disposition.*

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

Stock Picking

The Consumer Discretionary and the Consumer Staple sectors contributed most to the six-month relative performance and provided the Fund with our highest absolute return, while Materials & Processing and Energy underperformed the most on an absolute return basis.

Apple, Inc. (AAPL) was once again our top individual stock on an absolute basis, with 22.64% return over the last six months. The Fund first acquired AAPL in November 2009 and continues to believe that the company will continue its strong performance and growth. Thus, the Fund continues to hold a position in AAPL.

Whole Foods Market (WFM) also had an outstanding performance with a 13.16% return. WFM was originally purchased in April. The Fund has realized some gains in the position but continues to hold a smaller position in WFM.

Another good performing stock was Dollar Tree (DLTR). However, the Fund decided that the investment thesis had played out and sold the position in April after a 7.50% return during the period.

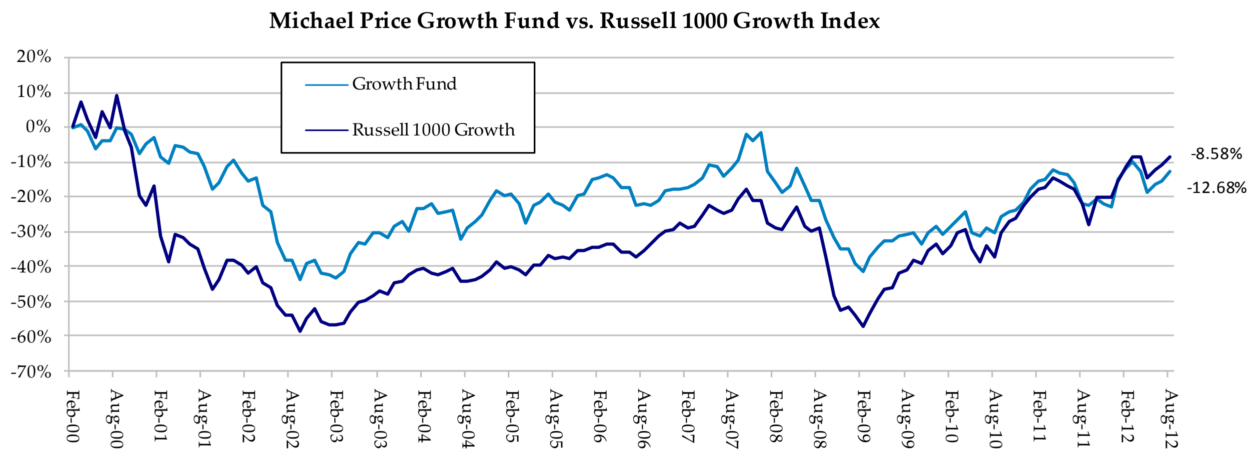
Another positive impact stock includes JB Hunt Transport Services (JBHT). JBHT provides transportation and delivery services in the continental United States, Canada, and Mexico. This stock was originally purchased on October 18, 2011 and was sold in March 2012. JBHT appreciated 4.10% during the last six month period prior to sale and 21.9% during its holding period.

Our worst stock selection was Carbo Ceramics (CRR). The Fund had a weighted average loss of 22.82% in our two separate investments in CRR. Other bottom performers include Joy Global (JOY), EZ Corp (EZPW), and Seagate Technology (STX), leading to a return of -20.00%, -19.94%, and -19.42%, respectively.

New stocks acquired during the period and remaining in portfolio as of August 31, 2012, include Carbo Ceramics (CRR) (the Fund repurchased shares after being stopped out earlier in the period), Deere & Co (DE), EZ Corp (EZPW), Qualcomm Inc. (QCOM), and Whole Food Market Inc. (WFM).

Driving Fund Performance

During the second half of fiscal 2012, the Fund stopped out of some underperforming positions and added five new stocks to our portfolio. Overall, the Fund's underperformance to its benchmark can be primarily attributed to the interaction effect between stock selection and asset allocation. We continue to monitor market movements and focus more on selecting high quality companies, aiming to keep up with and outperform the benchmark Russell 1000 Growth Index.


Michael Price Growth Fund vs. Russell 1000 Growth Index
Growth Fund
Russell 1000 Growth
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
-60%
-70%
-8.58%
-12.68%
Feb-00
Aug-00
Feb-01
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Feb-12
Aug-12

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. Asset allocation is still 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.

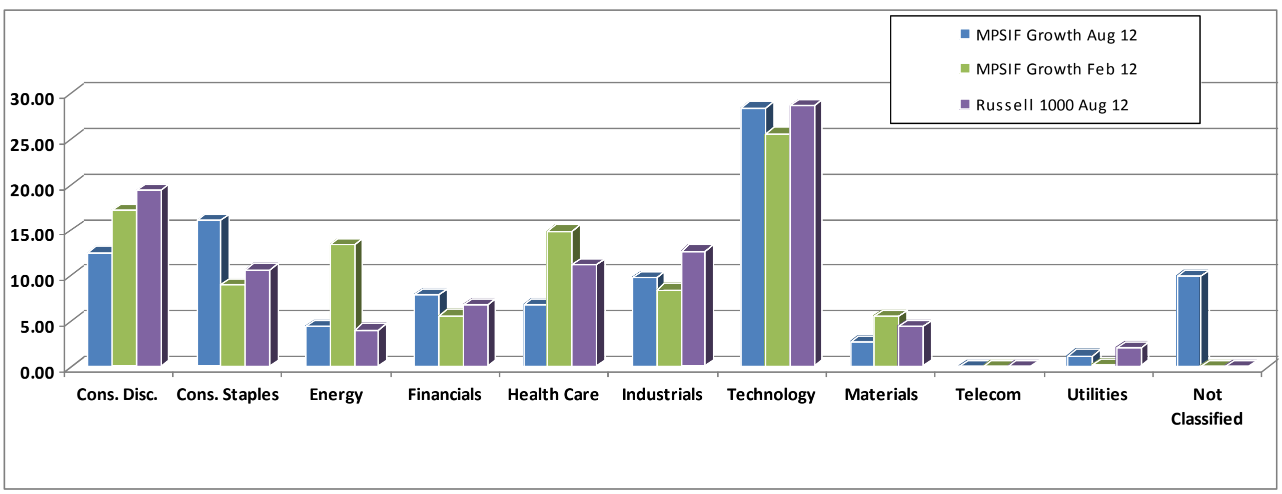
As of August 31, 2012, the sectors with the most significant weight in the Growth Fund are:

• Technology held a 28.43% asset allocation, the largest sector in the Fund, and in line with the Russell 1000 Growth, which has a 28.71% weight in Technology.

• Consumer Discretionary held a 12.57% share in the Fund, which was underweight compared to the Russell 1000 Growth's 19.36% weight.

• Consumer Staples accounted for a 16.07% allocation in the Fund, overweight the 10.65% allocation for Consumer Staples 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. However, a bottom-up strategy alone could be insufficient in the current market. As of August 31, 2012, the fund held positions in four sector-specific ETFs, in addition to Russell 1000 Growth ETF, that contributed to our sector weighting: Technology (VGT), Consumer Staples (VDC), Financials (XLF) and Health Care (XLV).



Holdings Profile

Growth Portfolio as of August 31, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc	AAPL	Technology	55	665.24	$36,588	8.08%
Carbo Ceramics Inc	CRR	Energy	120	70.38	$8,446	1.87%
Deere & CO	DE	Industrials	119	75.11	$8,938	1.97%
Ezcorp Inc	EZPW	Financials	706	22.65	$15,991	3.53%
Qualcomm Inc	QCOM	Technology	162	61.46	$9,957	2.20%
Whole Food Market Inc	WFM	Consumer Discretionary	120	96.75	$11,610	2.56%
Ishares R1000 Growth	IWF	Index ETF	3877	66.01	$255,921	56.51%
Health Care SPDR	XLV	Health Care	527	38.84	$20,469	4.52%
Vanguard Cons Staples	VDC	Consumer Staples	367	90.15	$33,085	7.31%
Vanguard Info Tech	VGT	Technology	401	72.63	$29,125	6.43%
Financial SPDR	XLF	Financials	1392	15.16	$21,103	4.66%
Direct Equity Holdings					$91,529	20.21%
Total Equity Holdings					$451,231	99.65%
Cash as of August 31, 2012					$1,607	0.35%
Total Assets					**$452,838**	**100.00%**

Growth Portfolio as of February 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%
EMC 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%**

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 August 31, 2012, the global equity markets displayed continued volatility amidst concerns over the European debt crisis and the fiscal cliff in the U.S. During this period, the Value Fund generated a return of -2.31% (net of fees), underperforming our Russell 1000 Value benchmark ("the benchmark") by 6.25%. For the fiscal year, The Fund also trailed the benchmark but returned 9.30% compared to the benchmark return of 17.29%. The Fund's underperformance over the six-month period was due primarily to stock selection within the Consumer Discretionary sector which accounted for a negative 4.6% variance in performance.

In 2012, we made a collective decision to allocate all excess cash in the Fund into the benchmark ETF in order to minimize cash drag as our analysts identify new positions to add to the portfolio. The Fund ended the period with 6.1% in cash which is a decline from 10% at the start of the period. This cash position is due to the timing difference between position sales and purchases of the ETF in the Fund. The Fund had an aggregate ETF position of 67% at the end of the period consisting entirely of the benchmark ETF.

At the end of the period, the Fund was overweight in the Energy and Health Care sectors and underweight in the Consumer Discretionary and Financial Services sectors compared to the benchmark. Our sector allocation decisions are made in accordance with recommendations given to us by the MPSIF sector strategy team. However, we continue to identify attractive investments in all sectors that are undervalued and possess a sufficient margin of safety.

Our best performers during the period were concentrated in the Health Care and Utilities sectors. In recent months, we have added positions in the Energy, Financial Services and Consumer Discretionary sectors. We have also broadened our global presence with the addition of an ADR, giving us exposure to the high growing Asian luxury retail markets. We continue to seek out undervalued investment ideas using a bottom-up approach across all sectors and geographies.

Looking forward, we anticipate that volatility in the equity markets will decrease as the recent presidential elections provide more certainty surrounding regulations and the potential fiscal cliff. We will continue to identify investments trading below their intrinsic values and maintain our goal of being 100% invested in individual securities with these characteristics. By focusing on fundamental bottom-up analysis, we will continue to select investments that will allow us to outperform our benchmark as macroeconomic conditions improve.

Juan Avendano and Esteban Gomez
Co-Portfolio Managers, MPSIF Value Fund

Discussion of Performance

For the period ending August 31, 2012:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**-2.31%**	**9.30%**	**24.19%**	**7.49%**	**6.32%**	**1.23%**	**86.24%**	**5.10%**
Russell 1000 Value Index	3.94%	17.29%	40.80%	12.08%	-4.20%	-0.85%	85.44%	5.06%
Relative - Net of Fees	-6.25%	-7.98%	-16.61%	-4.59%	10.52%	2.09%	0.80%	0.04%

** Inception from March 1, 2000*

The past year continued to be challenging for the Fund as domestic economic concerns were amplified by the European debt crisis overseas. Our six-month return as of August 31, 2012 was -2.31%, underperforming the Russell 1000 Value Index benchmark by 6.25%, net of fees.

Additionally, an equity market correction in excess of 9% in May 2012 led to substantial losses for the fund as five of our positions were stopped out during the month. Fortunately, the Fund earned a positive return in the first six months of the year, bringing the full fiscal year return to 9.30% which is well above our required 5% distribution although it trails our benchmark return by 7.98%.

In this volatile setting, the Fund was able to capture gains in some of our sectors and individual positions. Our best performing sector, in absolute terms, was Utilities, producing a return of 14.8% led by our holding in NextEra Energy, followed by Health Care which produced a return of 7.0% led largely by gains in HCA Holdings and CVS Caremark Corp. In relative terms, our best performing sector was Materials where The Fund outperformed the benchmark by 3.8%. We also experienced positive returns in Consumer Staples where Johnson and Johnson posted gains during the period.

Stock Picking

The top contributing stock to the Fund's performance was Baker Hughes (BHI). Baker Hughes is a supplier of oilfield services, products, technology and systems to the oil and natural gas industry. The fund identified Baker Hughes as a potential beneficiary of increased oil and gas drilling activity in the US due to advancements in technology from hydraulic fracturing. In addition to its potential growth due to a structural change in domestic energy production, Baker Hughes traded cheaply to peers on several valuation metrics. Baker Hughes has contributed an unrealized gain of 11.07% to the fund, and remains in the portfolio.

<u>**Six months ended August 31, 2012**</u>	
Top Performers	**Return**
Baker Hughes	11.07%
Nextera Energy	5.41%
HCA Holdings	5.20%
Halliburton	2.77%
Bottom Performers	
Ford	-27.30%
Guess	-24.80%
Royal Caribbean Cruises	-18.11%
SanDisk	-17.25%

Return *: measures the stocks return (excluding dividends) since the later of February 29, 2012 or the date of acquisition to the earlier of August 31, 2012 or the date of disposition.*

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

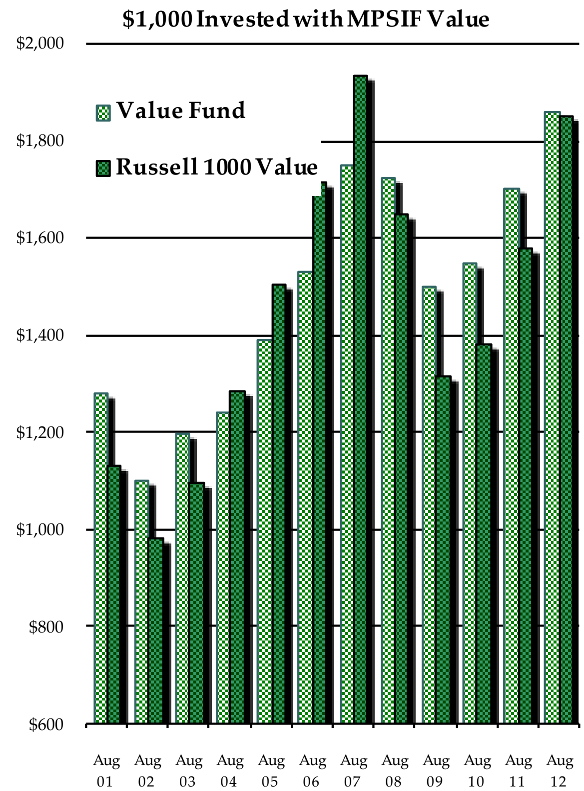
The second largest contributer to fund returns during the period was NextEra Energy (NEE). NextEra Energy is an electric power company in North America, with over 41,000 megawatts of generating capacity in 24 states. The fund invested in NextEra due to its relative undervaluation compared to industry peers and high dividend yield. The stock provided attractive returns, increasing 5.41% during the six months ended August 31, 2012. The fund exited the position in NextEra following the company achieving its price target.

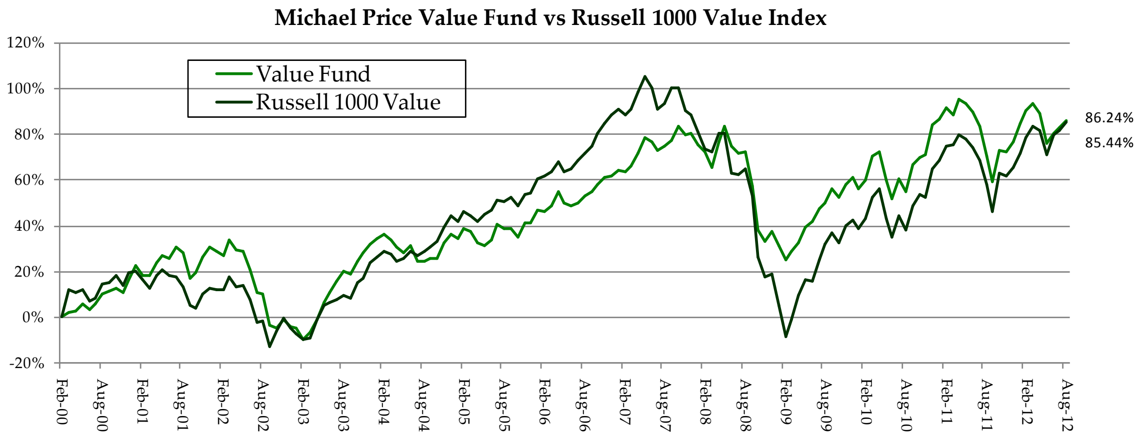
Other companies contributing to the fund's performance during the period include HCA Holdings (HCA), a healthcare company that operates 163 hospitals and 108 surgery centers in the US, and Halliburton (HAL), an oilfield services company. The fund sold HCA in Fall 2012 and continues to hold Halliburton, as the initial investment thesis for Halliburton is still valid.

The worst stock selections during the period were companies in the Industrials and Consumer Discretionary sectors. Ford (F) returned -27.3% during the period, and was subsequently sold by the Fund. Guess (GES) and Royal Carribbean (RCL) returned -24.8% and -18.1% respectively, and were sold after hitting their stop-loss limit prices. Finally, SanDisk (SNDK) returned -17.25%, and was also sold due to a standing stop-loss limit order.

Driving Fund Performance

Despite the performance of these stocks, we are proud that our annual performance remained positive. We began the most recent period with only 5 stocks in our portfolio and have been adding quality investments as the semester has progressed. Recently added investments include Deere & Co. and W.W. Grainger Inc., which we believe should outperform as the U.S. housing market recovers, Louis Vuitton Hennessy Moet, and Genworth Financial Inc., among others. We look forward to a better upcoming year where we can outperform the index through deep fundamental analysis to identify undervalued investments for our portfolio.




Michael Price Value Fund vs Russell 1000 Value Index
Value Fund
Russell 1000 Value
120%
100%
80%
60%
40%
20%
0%
-20%
86.24%
85.44%
Feb-00
Aug-00
Feb-01
Aug-01
Feb-02
Aug-02
Feb-03
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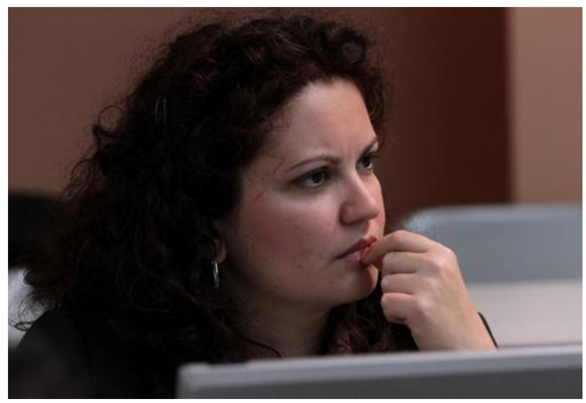
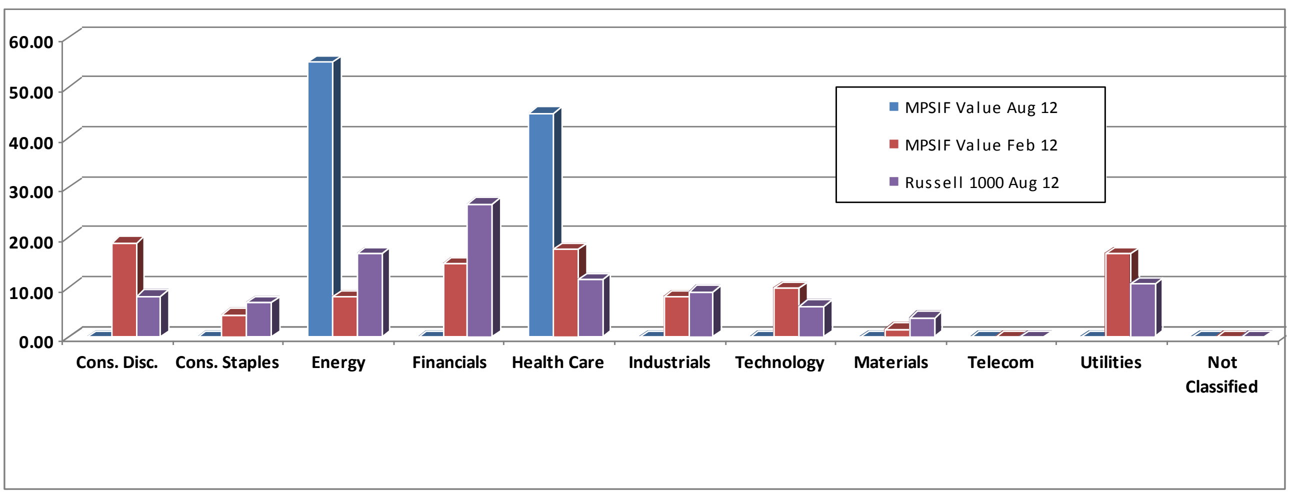


Asset Allocation

Value Fund analysts take a bottom-up approach to stock selection. Although we listen to the advice of our sector strategy team, we do not make active sector bets. Instead, we look at all stocks within the range of our investment policy.

As of August 2012, The Fund was significantly overweight in the Energy and Healthcare sectors with no other single name exposure outside of the benchmark ETF. During this period, we reduced our exposure in the Consumer Discretionary, Consumer Staples, Financials, Industrials, Technology, and Utilities sectors to zero as we decided to sell some of our positions that had reached their target prices and we were stopped out of six investments during the summer months. Over the past five months we have diversified our holdings, adding positions in the Energy, Materials, Technology, Financial Services, and Consumer Discretionary sectors.

Our portfolio currently holds 45.9% of its assets in the benchmark ETF which is a decline from the 66.7% ETF position held by The Fund on August 31, 2012. We continue to identify new attractive investments to add to the portfolio and look forward to being fully invested in individual securities in the coming months.



Holdings Profile

Value Portfolio as of August 31, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
CVS Caremark Corp	CVS	Health Care	740	45.55	$33,707	8.03%
HCA Holdings	HCA	Health Care	610	28.55	$17,416	4.15%
Baker Hughes, Inc	BHI	Energy	430	45.6	$19,608	4.67%
Halliburton Co	HAL	Energy	1182	32.76	$38,722	9.23%
Suncoke Energy Inc	SXC	Energy	289	15.82	$4,572	1.09%
iShares Russell 1000 Value Fund	IWD	Index ETF	3978	70.38	$279,972	66.71%
Direct Equity Holdings					$114,025	27.17%
Total Equity Holdings					$393,996	93.87%
Cash as of August 31, 2012					$25,714	6.13%
Total Assets					**$419,710**	**100.00%**

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	Health Care	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 Corp.	CVS	Health Care	540	45.10	$24,354	5.45%
iShares Russell 1000 Value Fund	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%**

Investment Style and Strategy

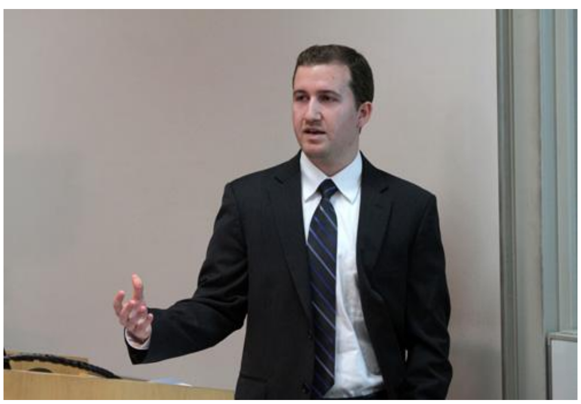
Fund Objective: Outperform the benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

Benchmark: Russell 1000 Value Index

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

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

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



The Small Cap Fund

Message from the Portfolio Managers

In the second quarter of 2012 we experienced a small correction in the markets with a sharp approximately 9% drop in the S&P 500 through the end of May but a recovery in June which carried into the third quarter. For the twelve months ended August 31, 2012, the Small Cap Fund posted returns of 8.29%, 511 bps behind the benchmark but the best relative performance out of the three equity funds. Returns over the past year were driven by a concentration of winners including Buffalo Wild Wings (BWLD), Sonic (SONC), Six Flags (SIX) and Portfolio Recovery Associates (PRAA). However, the drop in the markets during the summer months, when the Fund was not in session, resulted in stop-loss sales which created high cash levels and missed opportunities in the June-July rally in the markets.

The Fund has made strides to transition a large percentage of its portfolio invested in cash and the IWM index into single names and though our objectives were setback with stop-loss sales during the summer, we are in the process of adding more names to the portfolio. As of August 31, 2012, 17% of assets were invested in cash and 33% in IWM compared to 7% cash and 29% in IWM at the end of April. We were stopped out of BWLD, HEK, USMO, TTWO, USPH and KITD between June-August.

In order to facilitate the process of adding more names to the portfolio, the Fund has fine-tuned three initiatives to spark idea generation. The first is the three one-minute pitch initiative. At the beginning of the semester, each analyst presents three 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 more concise pitches. 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 semester. As a result, a number of analysts were able to develop full pitches for multiple names.

The third initiative is to streamline discussion through the creation of a Facebook group so ideas can be exchanged outside of normal class hours, which are limited.

Coming into the Fall 2012 semester, the Fund's goals remained consistent. We had 18 stocks in the portfolio as the spring semester ended in May and our objective is to increase our holdings from 12 to over 20 high quality names by the start of the fall semester. The Fund has focused its efforts during the first half of the fall semester on evaluating the one-minute pitches and evaluating stock update presentations on the Fund's existing equity holdings. The Fund has made decisions to exit names such as PRAA, SONC and OSK because they all reached target prices. We added to our position of EZPW as share prices dipped but our thesis remained intact. The Fund, which currently holds 10 securities, is actively reviewing analyst pitches to put more money to work in equity.

We have changed our voting structure away from anonymous voting because we think analysts should provide support for their buy/sell votes. This is also a good way for all analysts to share their opinions, thought processes and challenge group think.

In conclusion, the 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.

Cassandra Henry and Gaurav Vohra
Co-Portfolio Managers, MPSIF Small Cap Fund

Discussion of Performance

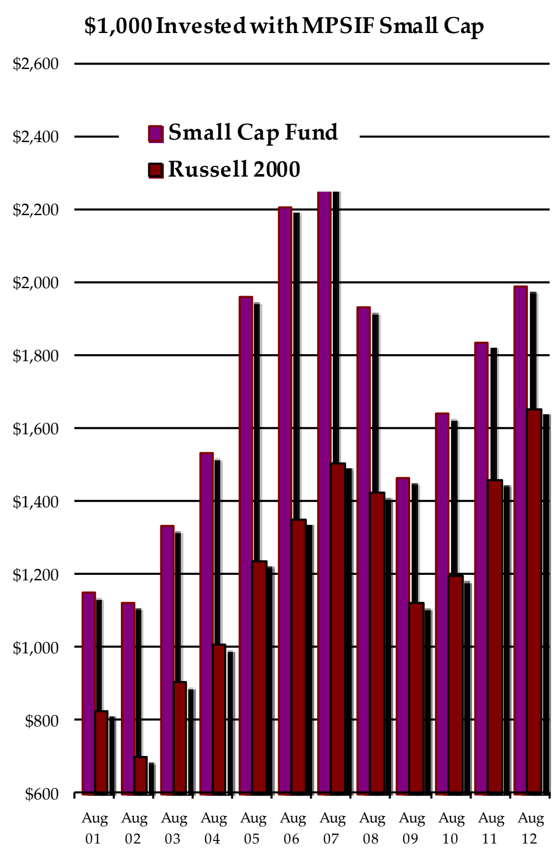
For the period ending August 31, 2012:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**-3.00%**	**8.29%**	**35.87%**	**10.76%**	**-14.79%**	**-3.15%**	**99.09%**	**5.66%**
Russell 2000 Index	0.89%	13.41%	47.71%	13.89%	9.89%	1.90%	65.67%	4.12%
Relative - Net of Fees	-3.89%	-5.11%	-11.84%	-3.13%	-24.67%	-5.05%	33.43%	1.54%

** Inception from March 1, 2000*

Performance Overview

During the second half of fiscal year 2012, the Fund underperformed its benchmark, the Russell 2000 Index, by 1.06% net of fees. The Fund posted a return of -3.00% while the Index returned 0.89%. The underperformance to the benchmark was largely a result of being stopped out of positions over the summer period. We have made strides in increasing our individual stock exposure and plan to continue seeking out attractive investment opportunities.



Stock Picking

The Health Care and Financial Services sectors contributed significantly to the six-month relative performance due to Health Care's 17.88% return and Financial Services with its 10.13% return.

<u>Six months ended August 31, 2012</u>	
Top Performers	**Return**
Portfolio Recovery Assoc	43.91%
Sonic	33.29%
Midas	25.52%
U.S. Physical Therapy	24.43%
Bottom Performers	
Kit Digital	-56.48%
Take Two Interactive Soft	-32.75%
Heckman	-29.35%
Kronos Worldwide	-27.39%

***Return** : measures the stocks return (excluding dividends) since the later of February 29, 2012 or the date of acquisition to the earlier of August 31, 2012 or the date of disposition.*

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

The top contributing stock was Portfolio Recovery Associates (PRAA). PRAA is a financial and business services company that engages in the purchase, collection, and management of portfolios of defaulted consumer receivables. The Fund was intrigued by the business given the recent US economic conditions and the difficulties many consumers have faced. Additionally, the stock provided attractive valuations. Portfolio Recovery Associates returned 44.39% in the prior six months and was subsequently sold out of the portfolio in September.

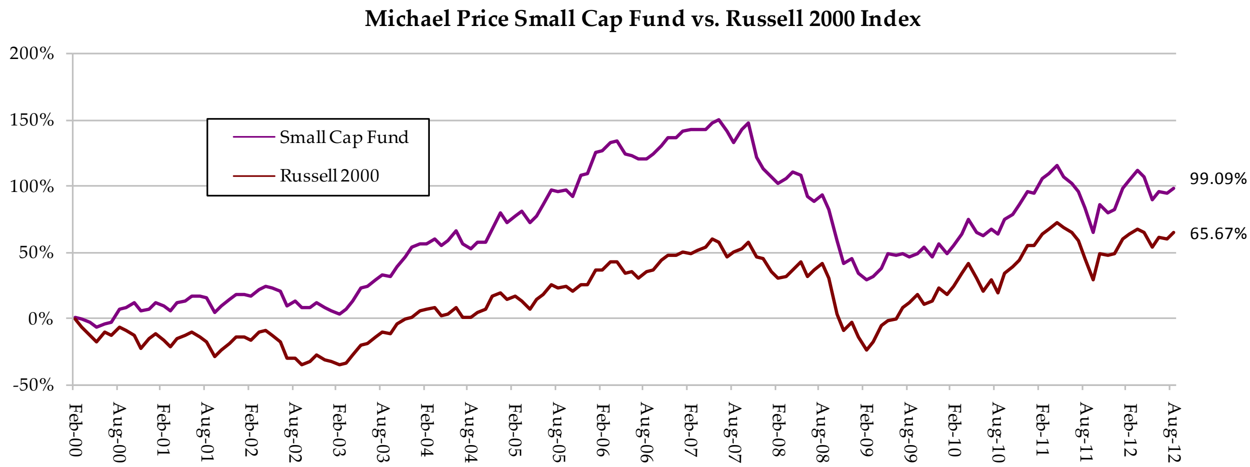
Our second largest contributor for the Fund was Sonic (SONC). Sonic operates and franchises a chain of over 3,500 quick-service drive-in restaurants in the United States. The Fund invested in SONC because of its exposure to consumers in the low-cost fast food industry. The stock provided attractive valuations in the sector. Since purchasing it in April, Sonic returned 41.82% for the period. The stock was also subsequently sold out of the portfolio in September after exceeding our initial price target.

Other notable stocks were U.S. Physical Therapy (USPH) and Midas (MDS), which returned 24.43% and 25.52% respectively during the period. Both investments saw our initial investment thesis play out during the period and the fund subsequently sold each after exceeding our initial price targets.

Our worst stock selections were spread across multiple sectors including Technology, Industrials, and Materials. Investments included Kit Digital (KITD) which produced a -56.5% return and was sold by the fund; Take Two Interactive Software (TTWO) which produced a -32.6% return and was stopped out in June; Heckmann (HEK) which produced a -29.4% return and was stopped out in June; and Kronos Worldwide (KRO) which produced a -27.4% return and was still held in the portfolio as of August 31.

Driving Fund Performance

During the second 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. However, stop-loss orders were hit over the summer and our cash balance was higher than the previous six-month period. 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
99.09%
65.67%
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.

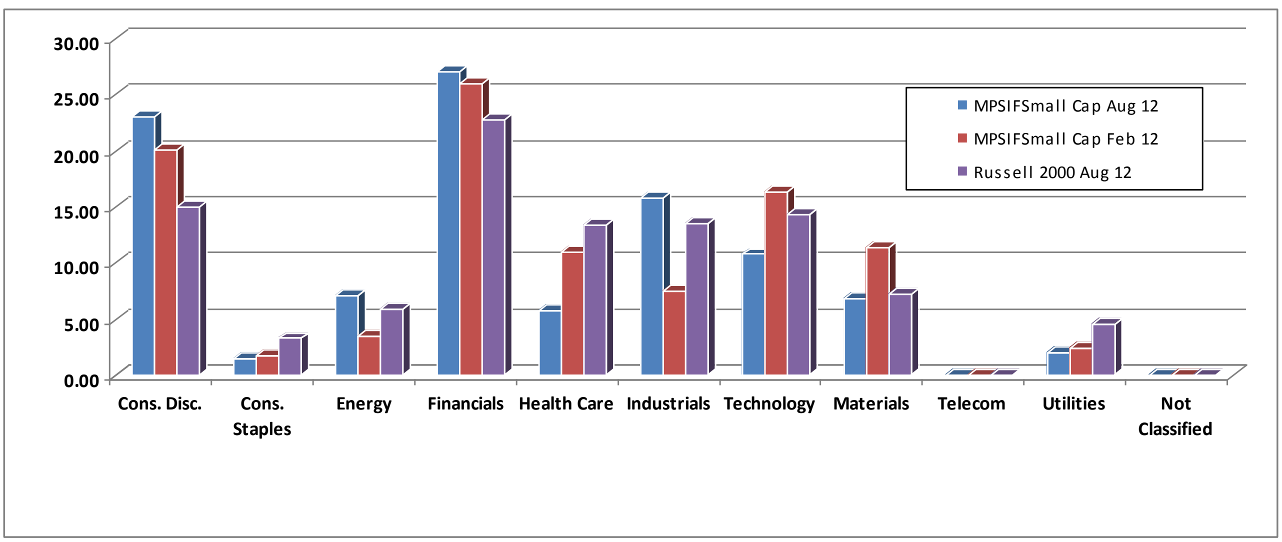
The Fund's commitment to bottom-up stock selection is primarily pedagogical in nature. The Fund is a seminar style course in which students can use and combine skills garnered in their other classes in a professionally practicable manner.

It should be clearly understood that as it is 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 August 31, 2012, the sectors with the most significant weight in the Fund are:

- Consumer Discretionary held a 23.1% asset allocation and overweight compared to the Russell 2000, which has a 15.0% weight in Consumer Discretionary.
- Financial Services held a 27.1% asset allocation and overweight compared to the Russell 2000, which has a 22.8% weight in Financials.
- Industrials accounted for a 15.8% allocation in the Fund, more than the 13.6% allocation for industrials in the Russell 2000.

Over the past six months we have continued to focus on increasing our exposure to sectors for which the Fund is underweighted. Asset allocation, while secondary in nature to our bottom up strategy, is capturing greater emphasis in our selection. However, a bottom-up strategy alone could be insufficient in the current market. As of August 31, 2012, the fund held positions in only one ETF, the iShares Russell 2000 (IWM).



Holdings Profile

Small Cap Portfolio as of August 31, 2012

Company Name	**Ticker**	**Sector**	**Shares Held**	**Closing Price**	**Position Value**	**% of Assets**
Orient Express Hotels Ltd. Class A Shrs	OEH	Consumer Discretionary	2095	8.79	$18,415	3.91%
Ezcorp, Inc.	EZPW	Consumer Discretionary	850	22.65	$19,253	4.09%
Heartland Express, Inc.	HTLD	Consumer Discretionary	1822	13.02	$23,722	5.04%
Kronos Worldwide, Inc.	KRO	Materials & Processing	916	16.97	$15,545	3.30%
Omnivision Technologies, Inc.	OVTI	Technology	1157	16.25	$18,801	3.99%
Oshkosh Corp.	OSK	Industrial Goods	684	25.34	$17,333	3.68%
Portfolio Recovery Associates, Inc.	PRAA	Financials	292	100.35	$29,302	6.22%
Protective Life Corp.	PL	Financials	807	28.25	$22,798	4.84%
Six Flags Entmt Corp.	SIX	Consumer Discretionary	188	55.23	$10,383	2.20%
Skullcandy, Inc.	SKUL	Industrial Goods	1046	15.34	$16,046	3.41%
Sonic Corp.	SONC	Consumer Discretionary	2539	9.37	$23,790	5.05%
Suncoke Energy, Inc.	SXC	Materials & Processing	1210	15.82	$19,142	4.06%
iShares Russell 2000 Index Fund	IWM	Index ETF	1943	81.12	$157,616	33.46%
Direct Equity Holdings					$234,530	49.80%
Total Equity Holdings					$392,146	83.26%
Cash as of August 31, 2012					$78,844	16.74%
Total Assets					**$470,990**	**100.00%**

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	3115	9.13	$28,440	5.56%
Omnivision Technologies, Inc.	OVTI	Technology	1157	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	1210	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	3322	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%**

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 or half position, zero allocation, or wait and watch the position until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

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

Given the volatility in the fixed income markets this past year, we are pleased with the performance of the fixed income fund, which outperformed the benchmark Vanguard Total Bond Fund on a 12-month basis by 0.48% (5.34% vs. 4.86%).

In 2012, U.S. government debt yields hit record low levels; the 10-year dropped as low as 1.39% while the 30-year fell below 2.5% over the summer. Though the financial system continues to recover, interest rates remain at incredibly depressed levels due to continued uncertainty and the Fed's intervention. The second phase of Operation Twist, an open-market tactic in which the Fed purchases long-term treasuries while simultaneously selling short-term ones, will be in effect until December 2012. The quality of European sovereign debt has become increasingly disparate as the fiscal prudence of Germany and France is offset by the recklessness of Greece, Italy, and Spain, among others.

U.S. fixed income investors are also becoming increasingly wary of the impending "fiscal cliff," as the expiration of tax cuts, payroll and unemployment relief, and various other expansionary programs may be met with slowing economic growth. The combination of this fiscal cliff with the impending debate on the debt ceiling in early 2013 could create headwinds for the financial markets and a flight to safety.

In our meetings this past year, the Fund reached a general consensus that domestic interest rates are unlikely to remain at such depressed levels for the foreseeable future, considering the ongoing recovery, falling unemployment, and eventual inflation. Given our bullish thesis, we determined that it would be in the Fund's best interest to reduce the duration of our Treasury position. We also rationalized that in such a low-yield, improving environment, there was a compelling risk-reward tradeoff for high-yield bonds. Finally, we continued to like the diversification and spreads offered by emerging market debt, an asset class we believed was underappreciated despite its rapidly improving credit fundamentals.

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

1. Reduce Duration of US Treasury Position

We began the fiscal year slightly underweighting treasuries relative to the benchmark, which maintains about a 35% weight in treasuries. However, given such artificially low yields resulting from the Fed's Operation Twist and the ongoing economic recovery, we sought to position the portfolio prudently for a rise in long-term rates by reducing the duration of the portfolio. To do this, we sold out of long-term treasuries in favor of short-term treasuries. Our view was that the long end of the yield curve did not offer enough marginal return to compensate for the risk of holding the bonds that were most sensitive to rising rates. Although we realize that long-term rates are not expected to rise in the near future, our goal with this trade was to position the portfolio for the next several years, rather than the next several quarters.

Rates are at historic lows and the term structure is relatively flat, therefore we are still comfortable with this position in the long-term. As a result, our entire treasury allocation is invested in ETFs with a term no greater than seven years (ticker IEI), as well as TIPS (ticker TIP). We will continue to monitor this situation, but once again, we are generally comfortable with the position given the relatively flat structure of the yield curve.

2. Increase Allocation to High-Yield Bonds

In the current low interest rate environment, investors' thirst for yield has never been stronger, as they enthusiastically accept lower yields for higher risk investments. Fund flows into high-yield bond funds, particularly ETFs and mutual funds, has provided lower quality firms a growing pool of investor capital not readily available since 2007. Due to our belief that this "hunt for yield" was still in the early innings, our allocation to this asset class has increased to 8.3% of the portfolio. Our benchmark does not include any allocation to high-yield bonds.

This action reflected our view that the U.S. corporate default rate would be relatively benign as the economy showed signs of improvement in early 2012. Although such signs of improvement have dissipated and the economy appears to be stuck in neutral, the high-yield default rate has remained relatively low at 2.5%[1]. Since adding to this position in April, our price appreciation on this high yield ETF has been 2.7%. We have also benefitted from the strong spread offered, which is about 7.2% per annum.

3. Maintain Position in Emerging Market Debt

In a role reversal from the past several decades, the credit quality of many emerging market countries has improved while many established economies have suffered from ratings downgrades and rapidly rising debt levels. As investors scour the globe for favorable yields, emerging market debt has arisen as an increasingly attractive asset class that also offers investors the added benefit of geopolitical diversification. By investing in a fund that holds a basket of both sovereign and the most credit-worthy corporate bonds, we believe we are able to capitalize on the changing dynamics of the global credit market.

While emerging market debt is not part of our defined index, we believe this asset class is a growing component of any well-diversified fixed income portfolio, especially one that reflects the growing reliance and access emerging markets will have to global capital markets.

Outlook:

Given the relatively large amount of corporate high-yield and foreign dollar-denominated debt issued toward the end of the fund's fiscal year, we are cautiously monitoring our overweight positions in these two asset classes. Various indices indicate that high yield bond yields have reached extraordinarily low levels. Investment grade Yankee issuance in 2012 is on pace for its biggest year to date.

We will closely evaluate developments in the high yield and emerging markets to determine whether investors are reaching too far for yield in a low-risk environment.

Daniel Politzer and Michael Gabriel
Co-Portfolio Managers, MPSIF Fixed Income Fund

[1]http://www.standardandpoors.com/ratings/articles/en/us/?articleType=HTML&assetID=1245334651997

Discussion of Performance

For the period ending August 31, 2012:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**3.00%**	**5.34%**	**18.17%**	**5.72%**	**32.29%**	**5.76%**	**63.32%**	**4.86%**
Vanguard Total Bond Fund	2.57%	4.86%	18.91%	5.94%	36.99%	11.06%	74.42%	5.53%
Relative - Net of Fees	0.43%	0.48%	-0.74%	-0.22%	-4.70%	-5.30%	-11.10%	-0.67%

** Inception from May 20, 2002*

Over the past six and 12 months, the Fund has earned 3.00% and 5.34% net returns, respectively. During the most recent six-month and 12-month periods, net of fees, the Fund outperformed the benchmark Vanguard Total Bond Fund, which gained 2.57% and 4.86%, respectively.

The top contributing investment was the PIMCO Emerging Markets Bond Fund (PEMPX). The Fund likes PEMPX because of the compelling yield pickup for what we consider a credit story still in the early innings that has improving fundamentals, compared to returns earned on G-7 economies that are overlevered and facing deteriorating credit fundamentals. PEMPX returned 4.46% over the prior six months and currently remains in the portfolio.

Our second largest contributor was the iShares iBoxx Investment Grade Corporate Bond Fund (LQD). The Fund likes LQD because we believe the relative safety and yield offered by investment grade treasuries in an improving economic environment presents an opportunity to receive a higher yield at a similarly low (although not quite as low) risk level. LQD returned 2.66% over the prior six months and currently remains in the portfolio.

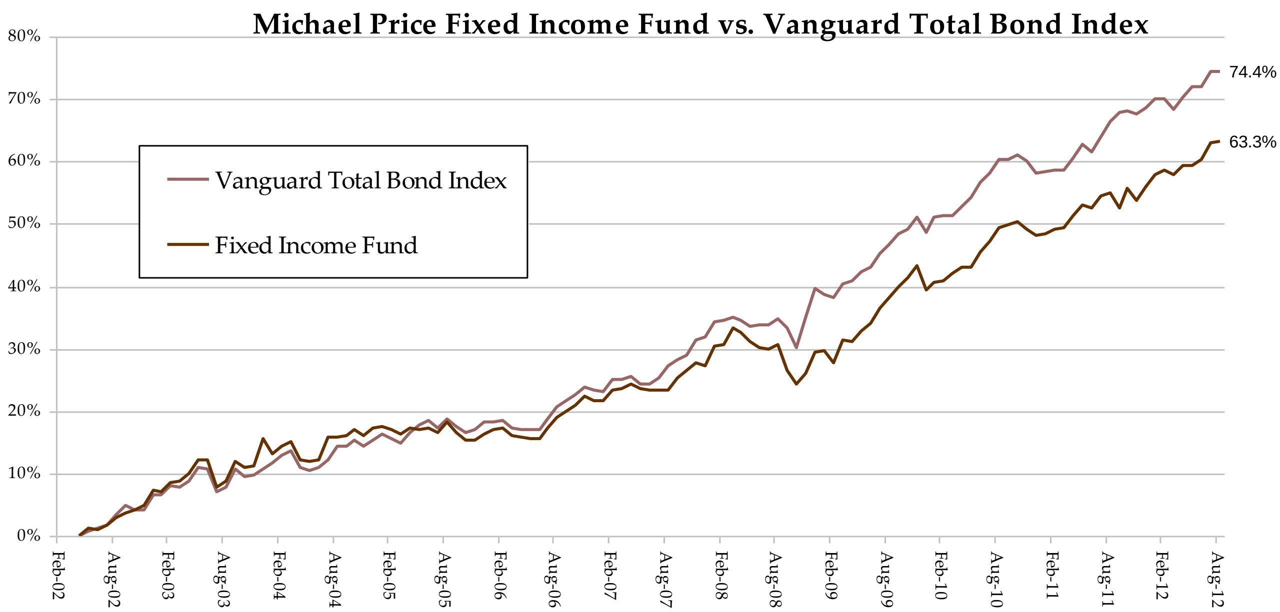
Another notable investment was the iShares Barclays TIP Bond Fund (TIP). The Fund likes TIP because of our belief that interest rates may rise in the coming year from their depressed levels. TIP returned 2.08% over the prior six months and currently remains in the portfolio.

The fund sold out of its position in SPDR Barclays Capital Long Term Treasury Fund (TLO) in April. The Federal Reserve's Operation Twist program continued to put pressure on long-term treasury yields, which negatively impacted returns for TLO. The Fund determined that a position in TLO would not provide satisfactory returns and sought to reduce its duration risk by selling out of this holding.

Six months ended August 31, 2012	
Top Performers	**Return**
PEMPX	**4.46%**
LQD	**2.66%**
TIP	**2.08%**
Bottom Performers	
TLO	**-0.50%**

***Return** : measures the stocks return (excluding dividends) since the later of February 29, 2012 or the date of acquisition to the earlier of August 31, 2012 or the date of disposition.*

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


Michael Price Fixed Income Fund vs. Vanguard Total Bond Index
80%
70%
60%
50%
40%
30%
20%
10%
0%
Vanguard Total Bond Index
Fixed Income Fund
74.4%
63.3%
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Asset Allocation

Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The largest positions are currently in Mortgage Backed Securities, Investment Grade bonds and one- to three-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 August 31, 2012

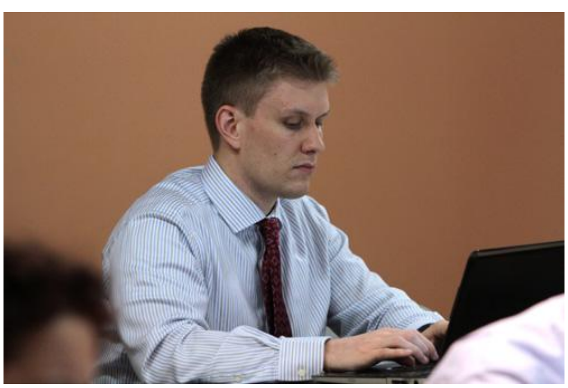
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	Consumer Discretionary	7772	10.85	$84,331	26.82%
PIMCO Emerging Markets Bond Cl P	PEMPX	Financials	1863	12.18	$22,694	7.22%
iShares Barclays 3-7 Treasury Bond Fund	IEI	Technology	151	123.82	$18,697	5.95%
iShares Barclays 3-7 Agency Bond Fund	AGZ	Materials & Processing	138	113.95	$15,725	5.00%
iShares Barclays 1-3 Year Treasury Bond Fund	SHY	Consumer Discretionary	704	84.51	$59,495	18.92%
iShares Barclays TIP Bonds Protected Sec Fund	TIP	Financials	182	121.14	$22,047	7.01%
iShares iBoxx Invst Grade Corp Bond Fund	LQD	Financials	515	120.83	$62,227	19.79%
iShares iBoxx $ High Yld Corp Bond Fund	HGY	Consumer Discretionary	283	92.33	$26,129	8.31%
Total Securities					$311,346	99.01%
Cash as of August 31, 2012					$3,102	0.99%
Total Assets					**$314,449**	**100.00%**

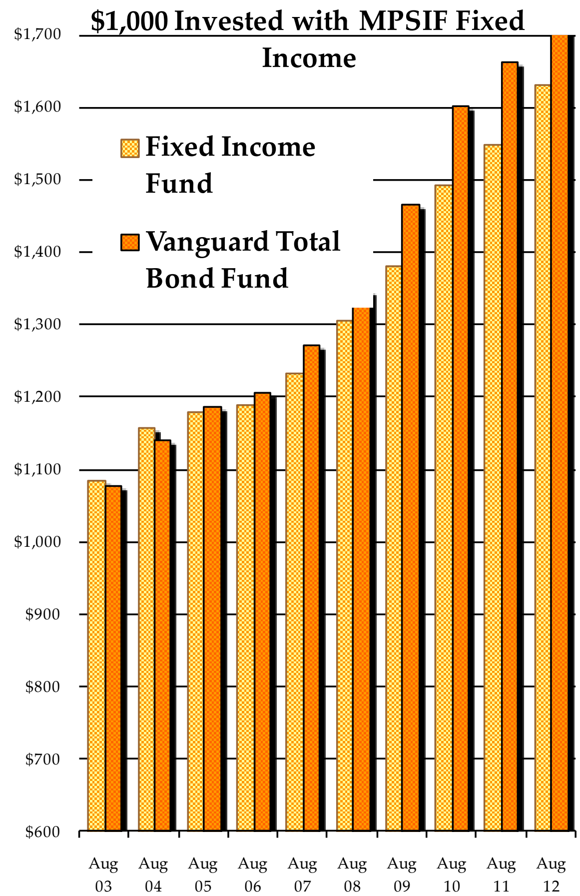
Fixed Income Portfolio as of February 29, 2012

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	MBS/ABS	5902	10.65	$62,856	19.57%
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	2912	11.66	$33,954	10.57%
iShares Barclays 3-7 Treasury Bond Fund	IEI	Treasuries	151	121.92	$18,410	5.73%
iShares Barclays 3-7 Agency Bond Fund	AGZ	Agency	138	112.82	$15,569	4.85%
iShares Barclays 1-3 Year Treasury Bond Fund	SHY	Treasuries	704	84.42	$59,432	18.50%
SPDER Barclays Capital Long Term Treasuries	TLO	Treasuries	202	68.25	$13,787	4.29%
iShares Barclays TIP Bonds Protected Sec Fund	TIP	Treasuries	182	118.67	$21,598	6.72%
iShares iBoxx Invst Grade Corp Bond Fund	LQD	Corporate	524	117.7	$61,675	19.20%
iShares iBoxx $ High Yld Corp Bond Fund	HGY	Corporate	212	92.13	$19,532	6.08%
Total Securities					$306,812	95.52%
Cash as of February 29, 2012					$14,395	4.48%
Total Assets					**$321,207**	**100.00%**

Investment Style & Strategy

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

Front Row: Gaurav Vohra, Daniel Politzer, Danyal Hussain, Jonathan Lanterman
Back Row: Michael Gabriel, Cleve Rueckert, Juan Avendano, Esteban Gomez, Professor Richard Levich
Not Pictured: Cassandra Henry

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

Cleve Rueckert – *President*
Cleve Rueckert graduated from the University of Vermont in 2006 with a BA in Economics and began his career as a research associate at Birinyi Associates. As an associate he designed various analytical tools used by the firm and its clients; later as a senior equity strategist he provided an outlook based on market cycles, the stock market's history, and quantifiable results. Cleve spent the summer of 2012 as a summer associate in the equity research department at UBS, where he will return as a full time associate in 2013.

Danyal Hussain, CFA – *Co-Portfolio Manager, Growth Fund*
Danyal Hussain has a B.S. in Accounting from Rutgers University. Prior to attending Stern he 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 spent the past summer at Morgan Stanley's New York office as an Equity Research Summer Associate.

Jonathan Lanterman – *Co-Portfolio Manager, Growth Fund*
Jon Lanterman has a B.S. in Accounting and Economics from Washington University in St. Louis. Prior to Stern, Jon worked as a Senior Tax Accountant at BKD, LLP. He spent the past summer in New York as an Equity Research Summer Associate at Barclays.

Esteban Gomez, CFA – *Co-Portfolio Manager, Value Fund*
Esteban Gomez has a B.B.A in Accounting from Baruch College in New York City. Prior to Stern, Esteban worked at Newbrook Capital LP where he held the position of Controller and Research Associate. Esteban is a CFA Charterholder and a Certified Public Accountant licensed in New York State. He spent the previous summer working in the Equity Research department at J.P. Morgan where he will return upon graduation.

Juan Avendano – *Co-Portfolio Manager, Value Fund*
Juan E. Avendano has a B.S. in Chemical Engineering from the University of Massachusetts Amherst. Prior to Stern, Juan worked at Merck & Co., Inc. as in internal engineering consultant for Gardasil® production. Juan spent this previous summer as a summer associate at Matarin Capital Management, an emerging hedge fund based in Stamford CT.

Cassandra Henry - *Co-Portfolio Manager, Small Cap Fund*
Cassandra Henry has a B.A. in Political Science from the University of Notre Dame. Over the summer, Cassandra worked as a summer analyst at Rockefeller Financial covering the U.S. media and telecom/cable sector. 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.

Gaurav Vohra - *Co-Portfolio Manager, Small Cap Fund*
Gaurav Vohra has a B.B.A in Finance from Emory University's Goizueta Business School. Prior to Stern, Gaurav worked at Raymond James as a Senior Equity Research Associate covering business services companies. Gaurav spent the past summer working at J.P. Morgan working in the Financial Institutions Group. He has passed level three of the CFA exam.

Daniel Politzer, CFA - *Co-Portfolio Manager, Fixed Income Fund*
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 as a business analyst for the credit trading desk. This past summer he worked in equity research at RBC Capital Markets in New York, where he covered Media and Entertainment companies.

Michael Gabriel- *Co-Portfolio Manager, Fixed Income Fund*
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 Fixed Income Product Controller at Macquarie Group. He spent the summer in the Corporate Ratings department at Standard & Poor's, and is currently working in the Equity Research department at J.P. Morgan on a part-time basis.

The Growth Fund

Front Row: Janet Lin, Alex Putterman, Kenneth McDermid
Second Row: Jason Pinewski, Frieda Liao, Danyal Hussain, Jonathan Lanterman
Third Row: Xuetao (Charles) Li, Gene Vladimirov, Henrique Morsoletto
Fourth Row: Jason Mitchell, Cleve Rueckert

Danyal Hussain has a B.S. in Accounting from Rutgers University. Prior to attending Stern he 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 spent the past summer at Morgan Stanley's New York office as an Equity Research Summer Associate.

Jon Lanterman has a B.S. in Accounting and Economics from Washington University in St. Louis. Prior to Stern, Jon worked as a Senior Tax Accountant at BKD, LLP. He spent the past summer in New York as an Equity Research Summer Associate at Barclays.

Alex Putterman graduated from Duke University in 2007 with a Bachelor of Science in computer science. Following graduation, he worked as an equity options market maker at Group One Trading, and then as a foreign exchange trader at Bridgewater Associates. While at Stern, Alex will be specializing in Economics and in Financial Instruments & Markets.

Apoorva Mehra has a Bachelors degree in Engineering from the College of Engineering Pune and a Masters degree in Computer Science from Stony Brook University. Prior to Stern, Apoorva worked as project manager/software developer in the Information Technology department at Morgan Stanley. He spent the past summer as a Sales and Trading summer associate on the Delta One trading desk at Credit Suisse in London.

Cleve Rueckert graduated from the University of Vermont in 2006 with a BA in Economics and began his career as a research associate at Birinyi Associates. As an associate he designed various analytical tools used by the firm and its clients; later as a senior equity strategist he provided an outlook based on market cycles, the stock market's history, and quantifiable results. Cleve spent the summer of 2012 as a summer associate in the equity research department at UBS, where he will return as a full time associate in 2013.

Frieda Liao has a B.S. in Economics from National Taiwan University. Prior to Stern, she worked as an Assistant Manager in Capital Markets at Fubon Securities in Taipei, a subsidiary of Fubon Financial Holdings. There she performed specialized listing consulting for corporate clients in Asia. Frieda has completed two levels of the CFA exam and spent the summer in EQ Capital, a long/ short hedge fund in New York.

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 spent 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 spent the past summer working in the Private Banking department at J.P. Morgan.

Janet Lin has a B.S. in Accounting and M.S. in Business Taxation from the University of Southern California. Prior to Stern, Janet worked as a Senior Associate at PricewaterhouseCoopers LLP in a specialized tax consulting group. She returned to PricewaterhouseCoopers LLP as a full time Senior Associate for this past summer.

Jason Mitchell has a B.S. in Electrical Engineering and B.A. in Asian Studies - Japanese from the University of Texas at Austin. Prior to Stern, Jason worked in the semiconductor industry as a digital design engineer for 7 years. This summer he interned at Bank of America Merrill Lynch in equity research.

Jason Pinewski graduated from NYU in 2008 with a Bachelor of Arts degree in Economics. Prior to coming to Stern, Jason was an analyst at an asset based lending investment firm in New York where he was responsible for originating new investments as well as monitoring a portion of the fund's portfolio. He spent this past the past summer as a Sales & Trading Associate at BNP Paribas and will be returning after graduation.

Kenneth (Ken) McDermid has a BMath with a major in Computer Science from University of Waterloo (Canada). Prior to Stern, Ken worked as a proprietary trader at a small Canadian firm. He spent the past summer in New York as a Summer Associate in the Analytics group at Novus, working with hedge fund and fund of fund clients.

Xuetao (Charles) Li has a B.S.E in Computer Engineering and an M.S.E in Electrical Engineering from the University of Michigan--Ann Arbor. He currently works as an Assistant Project Manager at Yee Enterprise Solutions, Inc. Charles has passed all three levels of the CFA exam.

The Value Fund

Front Row: Jason Listhaus, Keith Byrne, David Freeland, Yin Yin
Middle Row: Andreea Odangiu, Francisco Lopez, Juan Avendano, Justin Ages, Albert Hicks
Back Row: Nick Rovelli, Michael Gabriel, Esteban Gomez

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 past summer, he worked as an Equity Research Summer Associate at Bank of America Merrill Lynch and is currently working as an Equity Research Associate at J.P. Morgan part-time.

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 Fixed Income Product Controller at Macquarie Group. He spent the summer in the Corporate Ratings department at Standard & Poor's, and is currently working in the Equity Research department at J.P. Morgan on a part-time basis.

Esteban Gomez, CFA has a B.B.A in Accounting from Baruch College in New York City. Prior to Stern, Esteban worked at Newbrook Capital LP where he held the position of Controller and Research Associate. Esteban is a CFA Charterholder and a Certified Public Accountant licensed in New York State. He spent the previous summer working in the equity research department at J.P. Morgan where he will return upon graduation.

Andreea Odangiu has a B.S. and M.S. in Finance and Banking from the Academy of Economic Studies in Bucharest, Romania. Prior to Stern, Andreea worked as a Risk Manager for the National Bank of Romania. She spent the past summer doing risk management for Master Chem Oil LTD, an oil and petrochemical trading company.

Francisco Lopez has a Bachelors degree in Business Administration from the University of Valladolid. Prior to Stern, Francisco was an Investment Director at Demeter Partners, a private equity fund focused on investing in clean energy and environmental services companies. He spent the past summer as an Investment Professional at the European private equity firm Permira.

Juan Avendano has a B.S. in Chemical Engineering from the University of Massachusetts Amherst. Prior to Stern, Juan worked at Merck & Co., Inc. as in internal engineering consultant for Gardasil® production. Juan spent this previous summer as a summer associate at Matarin Capital Management, an emerging hedge fund based in Stamford, CT.

Justin Ages has a B.A. in Economics and Religion from Colgate University. Prior to Stern, Justin prior to Stern, Justin worked as an investment banking analyst with Credit Suisse and a consultant with Deloitte & Touche. Over the summer, Justin served as an investment analyst with Alternative Investment Management

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. Albert spent his summer as an investment analyst at Bowery Investment Management, a distressed and special situations hedge fund.

Jason Listhaus has a B.A. in Economics from New York University College of Arts and Sciences. Jason is currently a JD/MBA student at the NYU School of Law and the Stern School of Business. He spent the past summer as a summer associate at the law firm of Cadwalader, Wickersham & Taft.

Keith Byrne has a B.A. in Economics from Connecticut College. Prior to Stern, Keith worked as a trading analyst in the Prime Brokerage/Securities Finance Group at Fidelity Capital Markets. He spent the past summer as a Fixed Income Research & Strategy Associate at Barclays Capital.

David Freeland has a B.A. in Philosophy, Political Science, and Economics (PPE) from the University of Pennsylvania. Prior to Stern, David worked in portfolio management for PFM Asset Management LLC. He spent the past summer in Boston at State Street Global Advisors.

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 spent the past summer working in the Corporate Finance department at Pfizer, Inc.

The Small Cap Fund

Front Row: Daniel Politzer, J. Griff Jenkins, Gaurav Vohra
Back Row: Jason Liu, Alexander Kamins, Frank Aldridge, Leonardo Boguszewski
Not Pictured: Jaesik Choi, Cassandra Henry, Shivani Sood, Amber Turley

Frank Aldridge has a B.B.A. in Accounting from the University of Georgia. In addition to studying part-time at Stern, he currently works at Tradeweb Markets LLC, a fixed income brokerage. He previously worked at Ernst & Young in their Assurance & Advisory practice.

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

Matthew Bouley has a B.S. in Business Administration with a concentration in Finance from Boston University. Prior to attending Stern, Matt spent five years at Thomson Reuters in their Corporate Advisory/Market Intelligence group. He spent the past summer working in the Equity Research department at UBS, where he covered U.S. Aerospace & Defense.

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 & Co., Swiss Reinsurance Company, and at Truston Asset Management before Stern. In New York, he has recently interned at Octavian Advisors, LP, a distressed debt hedge fund, and as a summer associate at Morgan Stanley Investment Banking Department.

Cassandra Henry has a B.A. in Political Science from the University of Notre Dame. Over the summer, Cassandra worked as a summer analyst at Rockefeller Financial covering the U.S. media and telecom/cable sector. 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 A.B. in Economics from Harvard College. Griff previously worked at EFCG, a boutique investment banking and financial advisory firm in New York. He spent the past summer working at Black Arch Partners, a middle-market investment banking firm in Charlotte, NC.

Alexander S. Kamins has a B.B.A in Finance from Emory University's Goizueta Business School. Prior to Stern, Alex worked at Merrill Lynch as an Investment Banking Analyst in the Global Power & Energy Group. Alex spent his 2012 summer participating in Credit Suisse's Sales & Trading Summer Associate Program.

Jason Liu has a B.S. in Commerce with concentrations in Finance and Management from the University of Virginia. Prior to Stern, Jason worked as a management consultant at Accenture. He spent the past summer working as a Sales & Trading Summer Associate at Barclays.

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 as a business analyst for the credit trading desk. This past summer he worked in equity research at RBC Capital Markets in New York, where he covered Media and Entertainment companies.

Shivani Sood has an A.B. in Economics and Spanish from Hamilton College. Prior to Stern, Shivani worked at U.S. Trust, Bank of America Private Wealth Management in their Wealth Structuring division. She spent the past summer working in the Private Bank of JP Morgan, supporting Global Investment Specialists.

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 spent the past summer working at Morgan Stanley in their Equity Research department.

Gaurav Vohra has a B.B.A in Finance from Emory University's Goizueta Business School. Prior to Stern, Gaurav worked at Raymond James as a Senior Equity Research Associate covering business services companies. Gaurav spent the past summer working at J.P. Morgan working in the Financial Institutions Group. He has passed level 3 of the CFA exam.

The Fixed Income Fund

Front Row: Alex Putterman, Daniel Politzer, Francisco Lopez, Keith Byrne
Back Row: Xuetao (Charles) Li, Nick Rovelli, Michael Gabriel, Jason Liu

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

Financial Statements

Michael Price Student Investment FundConsolidated Financial Statement

	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	Fiscal Year Ending 8/31/12
Investment Income						
Dividends - Fixed Income	14,192	20,400	8,310	14,380	6,533	10,681
Dividends - Growth	1,288	3,780	928	1,862	1,164	3,477
Dividends - Small Cap	1,545	3,892	2,141	4,646	4,522	3,154
Dividends - Value	3,594	8,253	4,550	10,150	4,192	9,369
Total Dividends	20,619	36,325	15,929	31,038	16,411	26,680
Interest - Fixed Income	(5)	12	48	67	1	1
Interest - Growth	91	232	61	146	60	60
Interest - Small Cap	83	236	185	217	7	0
Interest - Value	71	118	21	35	12	12
Total Interest	241	598	314	464	79	73
Investment Income - Fixed Income	14,187	20,412	8,359	14,447	6,533	10,682
Investment Income - Growth	1,379	4,013	988	2,008	1,224	3,537
Investment Income - Small Cap	1,629	4,128	2,326	4,863	4,529	3,154
Investment Income - Value	3,665	8,371	4,571	10,185	4,204	9,380
Total Investment Income	20,860	36,923	16,243	31,502	16,490	26,753
Expenses - Fixed Income	(1,234)	(2,509)	(1,094)	(2,424)	(599)	(463)
Expenses - Growth	(1,234)	(2,509)	(1,094)	(2,424)	(504)	(1,109)
Expenses - Small Cap	(812)	(1,863)	(1,038)	(2,657)	(784)	(731)
Expenses - Value	(1,355)	(2,844)	(1,402)	(2,996)	(807)	(671)
Total Expenses	(4,635)	(9,725)	(4,629)	(10,502)	(2,694)	(2,974)
Net Investment Income - Fixed Income	12,953	17,903	7,264	12,022	5,934	10,218
Net Investment Income - Growth	145	1,504	(106)	(417)	720	2,428
Net Investment Income - Small Cap	816	2,264	1,288	2,205	3,744	2,424
Net Investment Income - Value	2,310	5,527	3,169	7,189	3,397	8,709
Total Net Investment Income	16,225	27,199	11,614	21,001	13,796	23,779
Cash Flow from Operations						
Cash Balance, beginning of period - Fixed Income	1,341	1,341	30,997	30,997	4,242	4,242
Cash Balance, beginning of period - Growth	132,077	132,077	167,532	167,532	341,686	341,686
Cash Balance, beginning of period - Small Cap	158,896	158,896	179,764	179,764	25,729	8,694
Cash Balance, beginning of period - Value	83,180	83,180	19,735	19,735	74,739	74,739
Total Cash Balance, beginning of period	375,493	375,493	398,028	398,028	446,395	429,360
Annual 5% Distribution - Fixed Income	0	(22,800)	0	(15,500)	9,171	(6,829)
Annual 5% Distribution - Growth	0	(16,700)	0	(23,700)	14,023	(10,677)
Annual 5% Distribution - Small Cap	0	(17,300)	0	(26,500)	15,680	(26,600)
Annual 5% Distribution - Value	0	(23,400)	0	(22,400)	13,254	(9,546)
Total Annual 5% Distribution	0	(80,200)	0	(88,100)	52,127	(53,653)

Michael Price Student Investment FundConsolidated Financial Statement (cont.)

	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	Fiscal Year Ending 8/31/12
Cash Flow from Operations (cont.)						
Sales of Securities - Fixed Income	129,013	397,788	0	14,153	77,110	104,600
Sales of Securities - Growth	254,769	574,931	434,332	999,179	289,329	653,769
Sales of Securities - Small Cap	328,692	604,423	87,402	431,919	326,180	309,772
Sales of Securities - Value	362,378	713,520	489,269	994,376	260,648	564,973
Total Sales of Securities	1,074,852	2,290,663	1,011,004	2,439,627	953,267	1,633,114
Purchases of Securities - Fixed Income	(131,519)	(212,858)	0	(31,093)	(80,622)	(106,311)
Purchases of Securities - Growth	(317,714)	(613,044)	(570,870)	(800,858)	(645,112)	(985,944)
Purchases of Securities - Small Cap	(420,867)	(656,070)	(118,696)	(561,650)	(361,000)	(216,176)
Purchases of Securities - Value	(417,268)	(721,114)	(510,144)	(923,972)	(330,836)	(636,632)
Total Purchases of Securities	(1,287,368)	(2,203,087)	(1,199,710)	(2,317,573)	(1,417,570)	(1,945,063)
Net Other Adjustments - Fixed Income	(9,190)	(150,377)	(4,592)	(6,338)	(1,440)	(2,818)
Net Other Adjustments - Growth	(5)	88,764	(16)	(51)	346	346
Net Other Adjustments - Small Cap	0	87,550	0	(10)	(1,639)	0
Net Other Adjustments - Value	(16)	(37,977)	0	(189)	23,472	23,472
Total Net Other Adjustments *	(9,212)	(12,040)	(4,607)	(6,587)	20,738	20,999
Net Change in Cash - Fixed Income	1,257	29,657	2,672	(26,756)	10,153	(1,139)
Net Change in Cash - Growth	(62,805)	35,455	(136,659)	174,154	(340,694)	(340,078)
Net Change in Cash - Small Cap	(91,359)	20,867	(30,006)	(154,035)	(17,035)	69,419
Net Change in Cash - Value	(52,597)	(63,445)	(17,706)	55,004	(30,065)	(49,025)
Total Net Change in Cash	(205,504)	22,534	(181,699)	48,367	(377,641)	(320,823)
Cash Balance, end of period - Fixed Income	2,598	30,997	33,670	4,242	14,395	3,102
Cash Balance, end of period - Growth	69,272	167,532	30,872	341,686	991	1,607
Cash Balance, end of period - Small Cap	67,537	179,764	149,758	25,729	8,694	78,113
Cash Balance, end of period - Value	30,583	19,735	2,029	74,739	44,674	25,714
Total Cash Balance, end of period	169,990	398,028	216,329	446,395	68,754	108,537

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

Growth Fund Financial Statements

	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	Six Months Ended 8/31/12
Investment Income						
Dividends	1,288	3,780	928	1,862	1,164	3,477
Interest	91	232	61	146	60	60
Total Investment Income	1,379	4,013	988	2,008	1,224	3,537
Expenses	(1,234)	(2,509)	(1,094)	(2,424)	(504)	(1,109)
Net Investment Income	145	1,504	(106)	(417)	720	2,428
Cash Flow from Operations						
Cash Balance, beginning of period	132,077	132,077	167,532	167,532	341,686	341,686
Net Investment Income	145	1,504	(106)	(417)	720	2,428
Annual 5% Distribution	0	(16,700)	0	(23,700)	14,023	(10,677)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	254,769	574,931	434,332	999,179	289,329	653,769
Purchases of Securities	(317,714)	(613,044)	(570,870)	(800,858)	(645,112)	(985,944)
Net Other Adjustments *	(5)	88,764	(16)	(51)	346	346
Net Change in Cash	(62,805)	35,455	(136,659)	174,154	(340,694)	(340,078)
Cash Balance, end of period	69,272	167,532	30,872	341,686	991	1,607

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

	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	Twelve Months Ended 8/31/12
Investment Income						
Dividends	3,594	8,253	4,550	10,150	4,192	9,369
Interest	71	118	21	35	12	12
Total Investment Income	3,665	8,371	4,571	10,185	4,204	9,380
Expenses	(1,355)	(2,844)	(1,402)	(2,996)	(807)	(671)
Net Investment Income	2,310	5,527	3,169	7,189	3,397	8,709
Cash Flow from Operations						
Cash Balance, beginning of period	83,180	83,180	19,735	19,735	74,739	74,739
Net Investment Income	2,310	5,527	3,169	7,189	3,397	8,709
Annual 5% Distribution	0	(23,400)	0	(22,400)	13,254	(9,546)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	362,378	713,520	489,269	994,376	260,648	564,973
Purchases of Securities	(417,268)	(721,114)	(510,144)	(923,972)	(330,836)	(636,632)
Net Other Adjustments *	(16)	(37,977)	0	(189)	23,472	23,472
Net Change in Cash	(52,597)	(63,445)	(17,706)	55,004	(30,065)	(49,025)
Cash Balance, end of period	30,583	19,735	2,029	74,739	44,674	25,714

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	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	Six Months Ended 8/31/12
Investment Income						
Dividends	1,545	3,892	2,141	4,646	4,522	3,154
Interest	83	236	185	217	7	0
Total Investment Income	1,629	4,128	2,326	4,863	4,529	3,154
Expenses	(812)	(1,863)	(1,038)	(2,657)	(784)	(731)
Net Investment Income	816	2,264	1,288	2,205	3,744	2,424
Cash Flow from Operations						
Cash Balance, beginning of period	158,896	158,896	179,764	179,764	25,729	8,694
Net Investment Income	816	2,264	1,288	2,205	3,744	2,424
Annual 5% Distribution	0	(17,300)	0	(26,500)	15,680	(26,600)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	328,692	604,423	87,402	431,919	326,180	309,772
Purchases of Securities	(420,867)	(656,070)	(118,696)	(561,650)	(361,000)	(216,176)
Net Other Adjustments *	0	87,550	0	(10)	(1,639)	0
Net Change in Cash	(91,359)	20,867	(30,006)	(154,035)	(17,035)	69,419
Cash Balance, end of period	67,537	179,764	149,758	25,729	8,694	78,113

* Taxes owed on foreign securities' dividends.

Fixed Income Fund Financial Statements

	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	Twelve Months Ended 8/31/12
Investment Income						
Dividends	14,192	20,400	8,310	14,380	6,533	10,681
Interest	(5)	12	48	67	1	1
Total Investment Income	14,187	20,412	8,359	14,447	6,533	10,682
Expenses	(1,234)	(2,509)	(1,094)	(2,424)	(599)	(463)
Net Investment Income	12,953	17,903	7,264	12,022	5,934	10,218
Cash Flow from Operations						
Cash Balance, beginning of period	1,341	1,341	30,997	30,997	4,242	4,242
Net Investment Income	12,953	17,903	7,264	12,022	5,934	10,218
Annual 5% Distribution	0	(22,800)	0	(15,500)	9,171	(6,829)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	129,013	397,788	0	14,153	77,110	104,600
Purchases of Securities	(131,519)	(212,858)	0	(31,093)	(80,622)	(106,311)
Net Other Adjustments *	(9,190)	(150,377)	(4,592)	(6,338)	(1,440)	(2,818)
Net Change in Cash	1,257	29,657	2,672	(26,756)	10,153	(1,139)
Cash Balance, end of period	2,598	30,997	33,670	4,242	14,395	3,102

* Reinvestment of dividends on bond funds.

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