



The Michael Price Student Investment Fund

2004 Annual Report

September 1, 2003 to August 31, 2004

The Leonard N. Stern School of Business

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THE MPSIF EXECUTIVE COMMITTEES

Fall 2004

MPSIF President	-	Angela Chang
MPSIF Treasurer	-	Anton Diener
MPG Co-Portfolio Manager	-	Reuben Govender
MPG Co-Portfolio Manager	-	Mark Lelyo
MPV Co-Portfolio Manager	-	Neil Losquadro
MPV Co-Portfolio Manager	-	Javed Siddique
MPS Co-Portfolio Manager	-	David Park, CFA, CPA
MPS Co-Portfolio Manager	-	Steven Pawliczek, CFA
MPF Portfolio Manager	-	David Kamiya, CFA
Faculty Advisor	-	Richard Levich

Spring 2004

MPSIF President	-	Asif Y. Karmally, CFA
MPG Portfolio Manager	-	Andrew Holloway
MPV Co-Portfolio Manager	-	Michael D. Morris
MPV Co-Portfolio Manager	-	John P. Woodruff
MPS Co-Portfolio Manager	-	Richard A. Smith
MPS Co-Portfolio Manager	-	Adrienne E. Colby
MPF Portfolio Manager	-	Rohit Kumar, CFA
Faculty Advisor	-	Michael Keenan
Faculty Advisor	-	Richard Levich

Board of Advisors

Dean Thomas Cooley, Stern School of Business, New York University
Dean Dennis E. Logue, Price College of Business, University of Oklahoma
Michael F. Price, Benefactor
Paul Affuso, Associate Dean, Stern School of Business
Martin Gruber, Professor of Finance, Stern School of Business
Michael Keenan, 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
Fred Renwick, Emeritus Professor of Finance, Stern School of Business
Edward Kerschner, Adjunct Professor of Finance, Stern School of Business
Jennifer Carpenter, Associate Professor of Finance, Stern School of Business

Letter from the MPSIF Faculty Advisor

On behalf of all the students who participated in the Michael Price Student Investment Fund over our last fiscal year, I am pleased to introduce their Annual Report for the year ending August 31, 2004.

This is an anniversary year for MPSIF. Five years ago, 29 students under the guidance of Professor Michael Keenan launched the Michael Price Student Investment Fund. They began quite literally with a blank piece of paper but with the objective of creating an opportunity to experience the demands of a real world investment setting. Since the inaugural class in Fall 1999, students have been responsible for essentially all aspects of portfolio management: adopting methods for screening and evaluating stocks, preparing and presenting pitches to decide on stocks to buy and sell, and broader portfolio strategy and timing issues related to what sectors to underweight or overweight and whether to deviate from the target mix of equities and cash. In addition, the students have a substantial voice in the organization of their funds: such as personnel assignments, meeting schedules, assessment of prospective students for the fund, and even in the assignment of course grades.

Over its first five years, MPSIF has developed into a successful course. Almost 200 students have enrolled in MPSIF over its first five years, and applications to the course continue to far outdistance the number of students we can accommodate.

After a Fall 1999 semester devoted to planning, research, and setting up the administrative structure of the Fund, in March 2000 with \$1.8 million in cash, MPSIF began to make its first investments. By August 31, 2004 the MPSIF family of funds (Growth, Small Cap, Value and Fixed Income) had a combined value of \$1.75 million. Importantly, this figure excludes more than \$365,000 in mandated distributions that as an endowment fund MPSIF has paid out. Taking account of these distributions, MPSIF has earned a cumulative return of 19.3% since March 2000.

It is gratifying to note that the student leadership of MPSIF continues to be strong. Students are more committed than ever to the idea of a student-run fund. Several new initiatives have begun (one of them being the new look of this report) aimed at elevating MPSIF's profile both within and outside of Stern. Despite the ongoing uncertain investment climate, we are confident that MPSIF will provide invaluable opportunities for learning as students apply their business school training to managing these endowment funds. We remain grateful to Michael Price whose generosity makes MPSIF possible.

Richard M. Levich
Professor of Finance
Deputy Chairman, Department of Finance



THE MPSIF PORTFOLIO

Message From The President

The fiscal year ended August 31, 2004 was a challenging year for the Michael Price Student Investment Fund (MPSIF, or “the Fund”) as the U.S. equity markets proved exceptionally volatile, with robust gains in the first half slowly eroded by rising commodity prices, an increasing interest rate environment and pre-election uncertainty. The MPSIF portfolio grew by 6.8% over the fiscal year, while its blended benchmark (a weighted average of the Russell 2000, Russell 1000 Growth Index, Russell 1000 Value Index and The Vanguard Total Bond Fund) rose by 9.1%. Thus, the Fund underperformed its blended benchmark by 230 basis points for the period. Soft performances by the Value and Growth funds offset solid results from the Small Cap and Fixed Income funds. Nonetheless, despite the difficult year, the Fund paid out a record distribution of \$96,440 to the University of Oklahoma and continues to outpace its benchmark by a significant margin on a cumulative basis since inception.

I would add that, over the course of the past year, MPSIF continued to make progress in refining its strategic focus and operational disciplines. The Value and Growth funds, in particular, have made substantive changes to the strategy disciplines of their respective funds. Fund-wide rebalancing and risk management policies are also currently under review. Furthermore, we have and continue to make significant progress in raising the profile of the Fund, both at Stern and the investment management community, in-line with our vision for the Fund as the analyst incubator at Stern and one of the premiere student managed funds. Looking ahead to the new fiscal year, we are optimistic that our work in the past year has laid the groundwork for future strong performances.

MPSIF differentiates itself from other student investment funds by assigning the management of sizable assets to its student participants. This freedom to drive performance of the Fund and the evolution of its operations is central to the learning process, and is enhanced further by the input of our resource faculty and faculty advisor. It is a unique and practical educational experience that will serve us well as we embark on careers in investment management. On behalf of all MPSIF members, I would like to express our sincerest thanks to Michael Price for his generous gift, which, in our view, remains one of Stern’s greatest assets.

Sincerely,

Angela Chang, MPSIF President



Angela Chang worked as an emerging markets investment analyst at American Century Investments during the summer. Prior to Stern, she was an equity research associate at Alliance Capital Management and subsequently at Citigroup, where she was a member of the Institutional Investor All-America Research Team from 1999-2002. Angela holds a Bachelor of Science in Finance and International Business from New York University’s Stern Undergraduate School of Business.

REVIEW OF OPERATIONS

The MPSIF

The MPSIF is divided into four autonomous funds: the Growth Fund, the Small Cap Fund, the Value Fund, and the Fixed Income Fund. While the goal of each fund is to purchase under-valued securities within its respective investment universe, each fund is free to determine the best way to identify those opportunities. Portfolio managers and analysts endeavor to improve the stock selection process by applying their own professional experience, learning from their peers, and building upon the existing knowledge base of previous fund participants.

The MPSIF Leadership

From an overall portfolio perspective, the MPSIF Executive Committee, which is comprised of the President, the Treasurer, the Portfolio Managers, and the Faculty Advisors, seeks to develop and enhance best practices across the Fund in order to position the overall portfolio for continued success.

Initiatives which the Executive Committee are currently implementing include:

- Development of a risk profile and an efficient frontier model for the Fund.
- Development of a rebalancing policy for the Fund.
- Development of a plan to improve management of the Fund during summer months.
- Coordination of the launch of the MPSIF newsletter, *The Educated Investor*, which will serve as a communications vehicle between MPSIF and its members, the Stern community and recruiters.
- The ongoing strengthening of relations with Admissions, the Office of Career Development, Stern Alumni, and the investment management community.

We are focused on continuing to develop best practices in security selection, risk management and strategy discipline to drive the fund's performance. We also believe that the ongoing success of the MPSIF will depend on the promotion of the course both within the Stern community and externally. To that end, we have made substantive strides in the development of communications vehicles, such as this report and our quarterly newsletter, to reach out to our target audiences, with whom we continue to strengthen relations.

MPSIF PORTFOLIO BENCHMARK

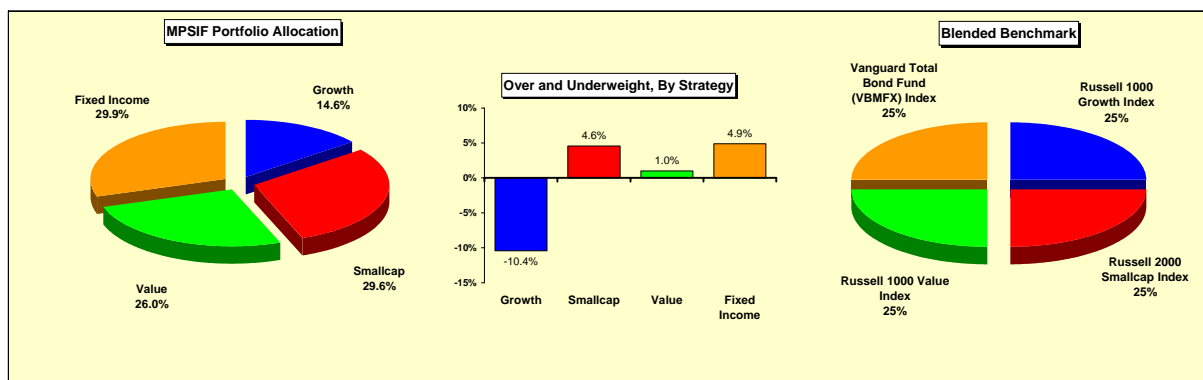
As noted earlier, the MPSIF Fund's overall benchmark is a blend of the individual fund benchmarks, the Russell 2000, Russell 1000 Growth Index, Russell 1000 Value Index and the Vanguard Total Bond Index.

The individual funds within MPSIF are benchmarked as follows:

Fund	Benchmark	12-Month Return For Period Ended 08/31/04		
		Portfolio	Index	Over/(Under)Performance
MPSIF	25% Russell 2000 Smallcap, 25% Russell 1000 Growth, 25% Russell 1000 Value, 25% Vanguard Total Bond Index	6.8%	9.1%	-2.3%
Growth Fund	Russell 1000 Growth Index	-3.5%	4.2%	-7.8%
Value Fund	Russell 1000 Value Index	3.7%	14.7%	-11.0%
Small Cap Fund	Russell 2000 Smallcap Index	14.9%	11.4%	3.5%
Fixed Income	Vanguard Total Bond Index Fund	6.6%	6.1%	0.5%

For the fiscal year ended August 31, 2004, The Fund returned 6.8%, underperforming its blended benchmark by 230 basis points. The underperformance was driven by weak performances by the Value and Growth funds relative to their respective benchmarks, negating an outstanding performance from the Small Cap fund and a solid performance by the Fixed Income fund.

The Fund is currently weighted across strategies as follows:



The Fund's portfolio allocation across strategies versus its blended benchmark helped the performance for the period, as it overweighted the Small Cap and Fixed Income funds, which outperformed the Value and Growth funds during the period. The MPSIF Portfolio was neutral versus the Value fund, and underweighted the Growth fund.

MPSIF PORTFOLIO PERFORMANCE

The following table shows return figures for the MPSIF portfolio and our blended benchmark over various time intervals. Over the past twelve months, the Fund underperformed its blended benchmark by 230 basis points, though it grew 6.8% on an absolute basis. The Fund produced a relative return of -1.1% over the past three years and 4.5% since inception, on an annualized basis.

MPSIF Fund Performance Periods Ending August 31, 2004						
	1 month	3 month	6 month	1 Year	3 Year	Since Inception (2/29/2000)
MPSIF Returns	0.02%	-2.48%	-4.35%	6.81%	2.29%	3.82%
Blended Benchmark	0.50%	-0.82%	-3.11%	9.11%	3.43%	-0.64%
MPSIF Relative Return	-0.48%	-1.66%	-1.24%	-2.30%	-1.14%	4.46%

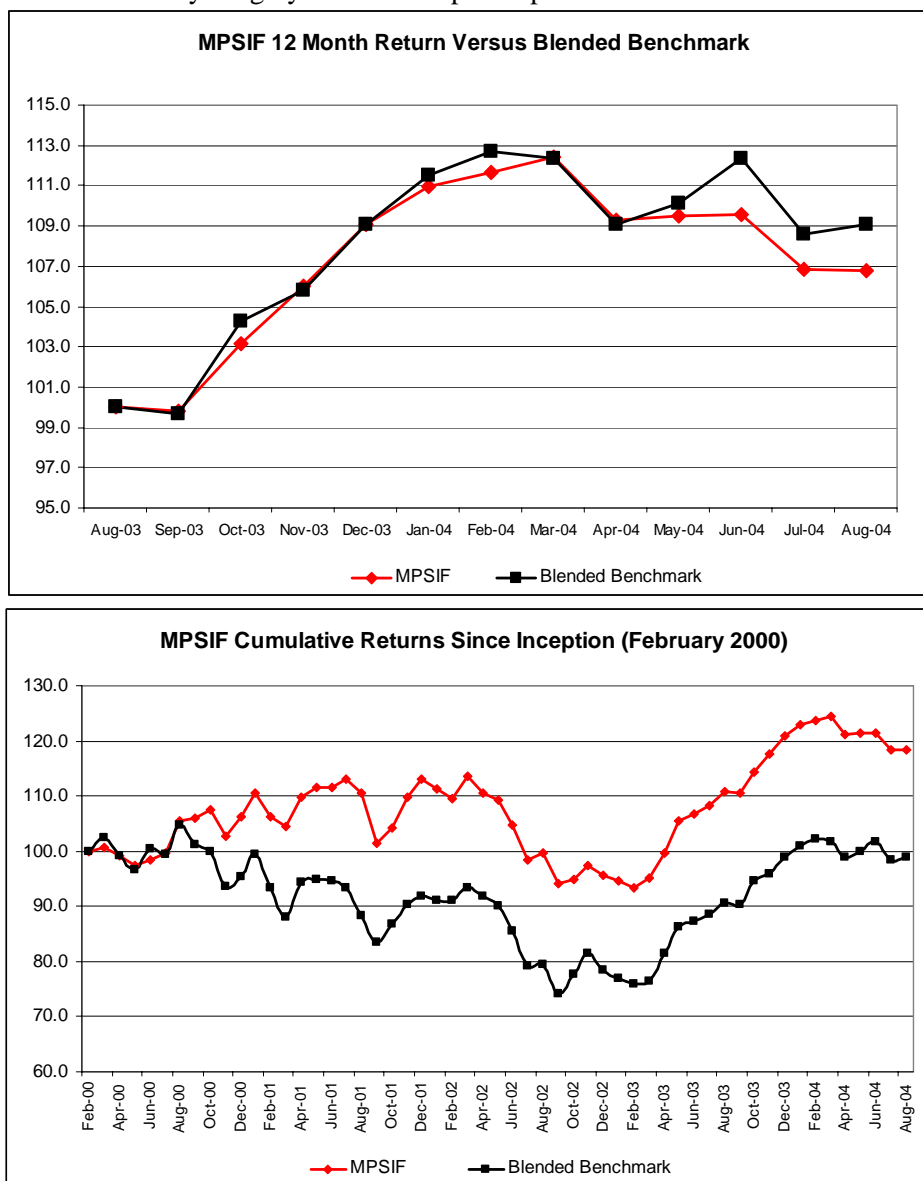
The following table shows a risk snapshot of the fund over its history. As measured by standard deviation of returns over the 3-year and since inception periods, the MPSIF portfolio has been more risky than its blended benchmark, though much of the volatility can be attributed to the past fiscal year. Thus, the Fund's Sharpe ratio falls short of its benchmark over the three-year period. As stated previously, the Executive Committee is committed to managing the Fund's risk profile and has initiated several projects that we believe will allow the Fund to make significant progress on that front going forward. That said, the Fund's Sharpe ratio from inception actually beat that of its benchmark, which failed to outperform risk-free securities over that period.

MPSIF Fund Risk Measures Periods Ending August 31, 2004				
	3 Yr. Std Deviation	Sharpe Ratio	Std. Deviation Since inception (48 months)	Sharpe Ratio
MPSIF	18.0%	0.05	16.1%	(0.07)
Blended Benchmark	12.0%	0.17	12.7%	(0.27)

MPSIF PORTFOLIO PERFORMANCE

As illustrated in the chart below, The Fund tracked the MPSIF blended benchmark very closely over the first nine months of the fiscal year, only to post disappointing results relative to the benchmark in the last three months of the year, and ultimately lagged the index by 230 basis points.

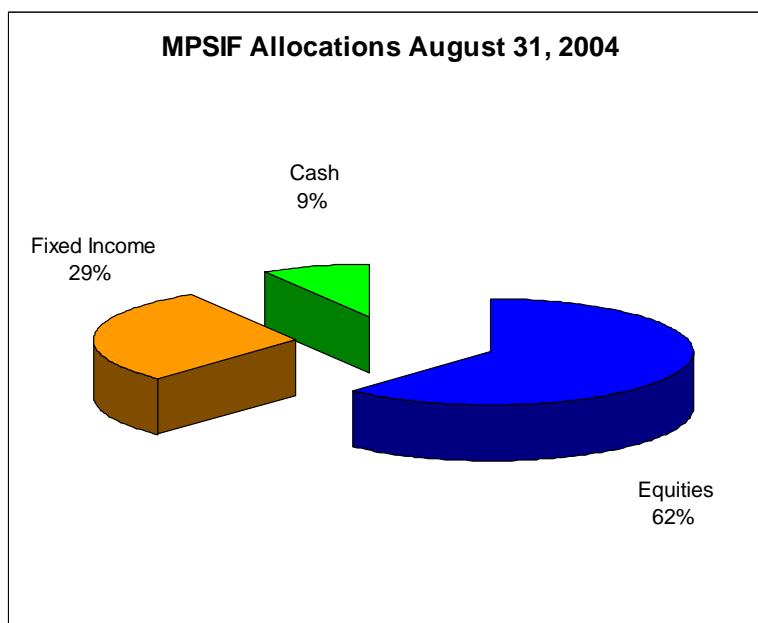
Since inception however, the Fund has comfortably outpaced the index, rising over 18% on a cumulative basis versus a 3% cumulative *decline* in our blended benchmark. The MPSIF portfolio return excludes the effect of paying a 5% annual dividend. However, our performance includes brokerage and account fees which depress fund returns by roughly 50-60 basis points per annum.



MPSIF PORTFOLIO ALLOCATION

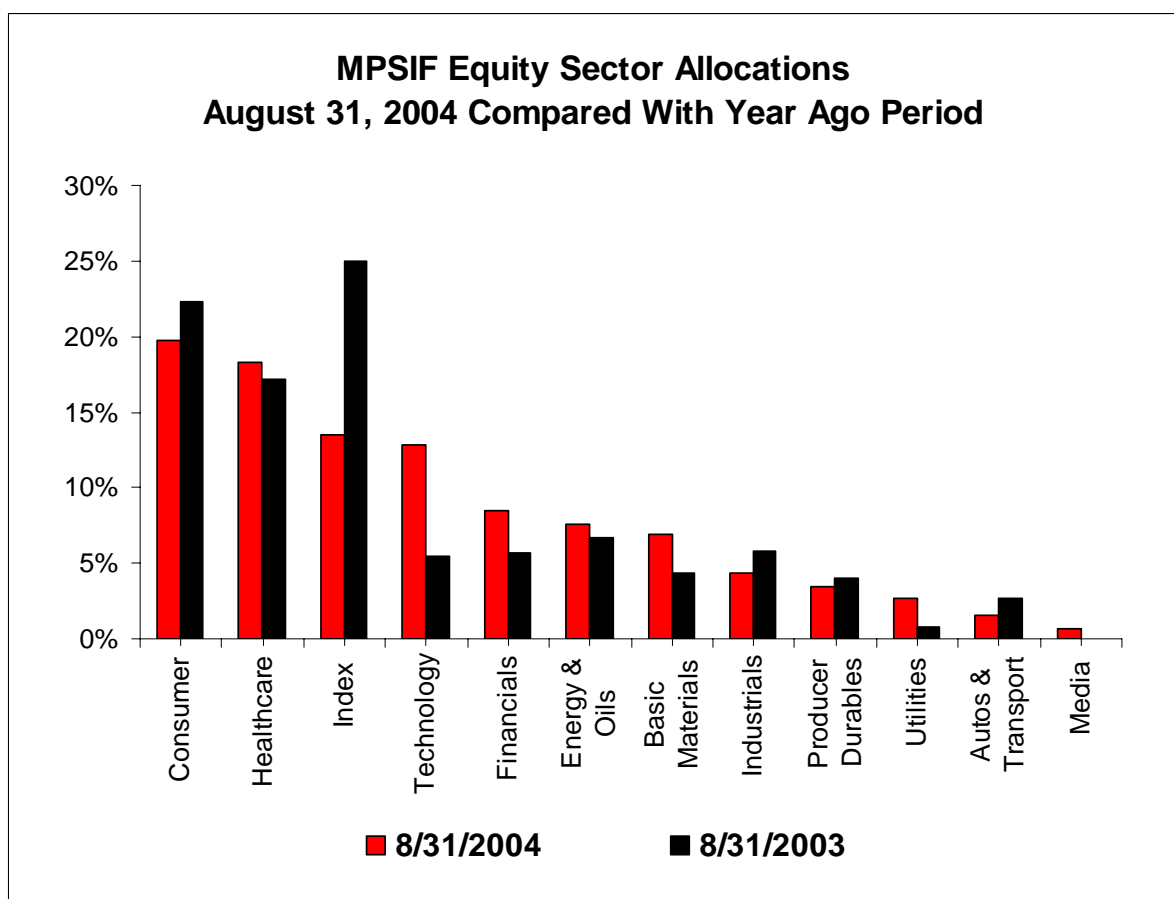
The baseline allocation of the portfolio is 75% equities, and 25% fixed income. While the weakening performance of the equity markets drove down the Fund's overall equity allocation to some extent, we would note that prior to the summer months, during which the end of the Fund's fiscal year falls, positions tend to be drawn down in preparation for less active management. Thus, the cash balance reported at fiscal year end tends to be overstated relative to the average balance for the year.

	August 31, 2004		August 31, 2003	
Fund	Market Value	% Assets	Market Value	% Assets
Growth	206,368	11.8%	222,413	13.0%
Value	406,652	23.2%	403,623	23.5%
Small Cap	473,960	27.1%	505,647	29.5%
Equities	1,086,980	62.0%	1,131,683	65.9%
Fixed Income	512,307	29.2%	493,680	28.8%
Cash	152,860	8.7%	90,823	5.3%
Total Portfolio	1,752,147	100.0%	1,716,186	100.0%



MPSIF EQUITY SECTOR ALLOCATIONS

The equity portion of the MPSIF funds is broadly diversified across the major business sectors of the economy. The allocations support the Fund's portfolio managers' bullish views on the Consumer, Healthcare, and Technology sectors. As illustrated in the chart below, the MPSIF fund increased allocations to the Technology, Healthcare and Financials sectors, while reducing its Index allocation and moderating its Consumer exposure, though Consumer remains the Fund's largest sector allocation. We note the marked reduction in the fund-wide Index allocation, which nearly halved compared to the year ago period.



MPSIF FINANCIAL STATEMENTS

	Fiscal Year Ending 08/31/2004	Fiscal Year Ending 08/31/2003
<u>CASH FLOW FROM OPERATIONS</u>		
Dividends and MPF Interest	\$30,107	\$38,010
Bank Interest	566	979
	\$30,673	\$38,989
Expenses / Fees	9,096	8,560
	\$21,577	\$30,429
<u>CHANGE IN NET ASSETS</u>		
Net Investment Income	\$21,577	\$26,907
Realized Gain (Loss)	138,657	(139,149)
Unrealized Gain (Loss)	40,111	109,525
Annual Withdrawal	(96,440)	(77,385)
Net Transfers	0	0
Net Other Adjustments	(67,945)	176,735
	\$35,960	\$96,633
Net Assets, Beginning of Period	1,716,186	1,619,553
Net Increase (Decrease)	35,960	96,633
	\$1,752,146	\$1,716,186

MPSIF GROWTH FUND (MPG)

Message From The Co-Portfolio Managers

This past year was an eventful year for the growth fund. At the start of the year, we decided that the growth investing policies needed an overhaul to more strictly define the universe of growth stocks in which the Fund should invest. In doing so, the team decided that growth investments could be characterized in the following ways: Companies could be pioneering a new product or service that will see dramatic future demand, altering pre-established norms in a static industry and gaining significant market share, or they could be applying their business model to new regions or leading in an industry that is experiencing high levels of growth.

As a result of this policy change, the start of the year yielded a large turnover in holdings as we reshaped our portfolio to fit our new investment guidelines. Traditional growth names that one might expect to see in a growth portfolio like General Electric, Home Depot, Target, Budweiser, Freddie Mac, and Budweiser, for example, were sold as we felt they no longer had attractive long-term growth potential. In fact, approximately 65% of the portfolio was turned over during fiscal 2004. As of today, we believe the portfolio is much more aligned with our guidelines.

From an economic standpoint, the investing environment of the past year was extremely challenging. The war continued in Iraq, the country prepared itself to elect or re-elect a President, commodity prices soared and somehow, with all that uncertainty, the equity markets were strangely pricing in some of the lowest levels of implied volatility seen in decades. With the backdrop of such a challenge, coupled with an already challenging year realigning our portfolio, our fund finished with a return of -3.53%, underperforming our benchmark by 777 basis points. However, we believe our portfolio is more aligned with our policy and we feel that the next year looks very promising.

As a student run fund, there is another dimension to the growth fund which does not show up in any of the fund metrics or portfolio accounting results, namely, the invaluable amount of learning and experience gained by the students who work on the growth fund from semester to semester. MPSIF is a unique experience that typifies what a business school education should be about, in that the largest part of the learning experience is provided by the diverse skill sets and backgrounds of the other students working on the fund. We, as students of Stern, are extremely fortunate to have such an opportunity. Thanks.

Sincerely,

Reuben Govender and Mark Lelyo, Co-Portfolio Managers



MPG INVESTMENT STYLE AND STRATEGY

Investment Strategy

The goal of the MPSIF Growth Fund is to identify and take advantage of opportunities that exist with equity investments that represent significant growth opportunities. These growth opportunities may be a function of a unique business model or occupying a strong competitive position in a rapidly growing industry. We believe that a company that has these characteristics can achieve abnormally high earnings growth and in turn stock price appreciation. The goal of our fund is to identify these opportunities and capitalize on them. However, we also firmly believe in not overpaying for these growth prospects. These growth opportunities can be uncovered by finding companies that are pioneering a new product or service that will see dramatic future demand. We also try to find companies that may be altering pre-established norms in a static industry and gaining significant market share. Additionally, these companies could be applying their business model to new regions. Companies could simply be a leader in an industry that is experiencing high levels of growth. Our goal is to identify these opportunities and to determine which of these opportunities are attractively priced.

Objective

Our objective is to achieve returns above those of the Russell 1000 Growth Index and to achieve an absolute return in accordance with our positioning as a portion of a university endowment.

Our Investment Process

A Growth Fund analyst begins the investment process by asking a qualitative question, "What is the catalyst for growth?" Once the analyst defines this universe, he or she will apply quantitative analysis. He/she begins with balance sheet analysis, revenue and earnings trends. The analyst will examine relative valuations and then finally perform a fundamental analysis of the company. Analysts in the growth fund take a holistic approach to investing. We examine a company's strategy, competition, management, industry and marketing to fully understand its catalysts for growth. After the analyst finishes his/her assessment, he/she presents the stock to the class. The class analyzes the data and the cash flow model and debates the merits of the stock. After this rigorous process, the group decides whether to purchase the stock.

Sell Discipline: We will consider reducing our exposure to a specific stock when:

- The issuer's growth rate deteriorates or its performance otherwise disappoints.
- The price of the security attains our price target or otherwise appears relatively high to our fund's analysts.
- The company publishes negative earnings announcements that could affect the long-term outlook and industry attractiveness.
- Unfavorable changes in management seem likely.
- Changes in our overall economic outlook dictate a re-weighting of our sector allocations.

Why Growth Stocks?

- Growth companies, by definition, are the fastest growing companies in the economy. We believe that earnings growth is the principal factor in determining common stock prices over time.
- Thus, we believe investing in the fastest growing companies that are not currently overpriced should lead to realization of potentially superior investment returns over the long term
- The fastest growing companies also tend to be the most adaptable and dynamic companies within the economy. We believe these qualities should also lead to potentially superior returns for investors over the long term. Growth investing has especially outperformed other strategies when the overall growth rate of the market is positive.

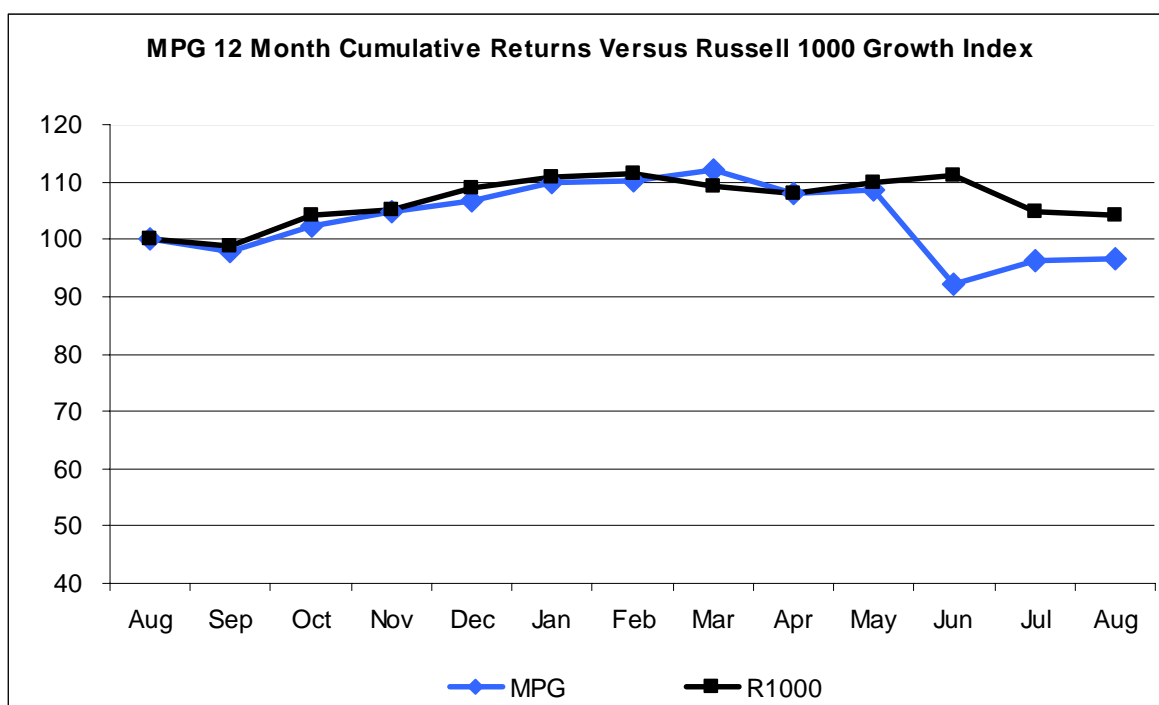
MPG FUND PERFORMANCE

The 2004 fiscal year was a challenging one for the growth fund. The fund held up well against its benchmark through the first half of the fiscal year, though these gains were lost in the second half with the fund finishing the year with a return of -3.53%, underperforming our benchmark by 777 bps.

The lackluster performance in the second half of the year was mainly due to the worse than expected performance of Jabil Circuit, Barr Pharmaceuticals, Target and Nature's Bounty. In mid-May, Barr Pharmaceutical received a Not Approvable letter from the FDA regarding a promising emergency contraceptive drug it was developing which led to a steady decline in price from \$55.53 when we purchased the stock in December, 2003 to \$34.50 in July when the stock was sold. Nature's Bounty unexpectedly missed earnings estimates and subsequently lost 39% by the time it was sold in July. These losses were compounded by the fact the fund is much less actively managed during the summer months and reaction to unfavorable news is slower.

The goal of the fund is to focus on our core growth strategy. Throughout the year and continuing into the 2005 fiscal year, we have been taking a very critical look at each of our holdings and its fit with our fund's strategy. This has led to significant turnover in the Growth Fund Portfolio. The fund sold several traditional growth stocks names such as General Electric, Home Depot, Target, Budweiser, Freddie Mac, Budweiser and others which we felt no longer had attractive long-term growth potential. Overall, we turned over approximately 65% of the portfolio during the 2004 fiscal year in an effort to realign our holding with the long-term goals of the growth fund.

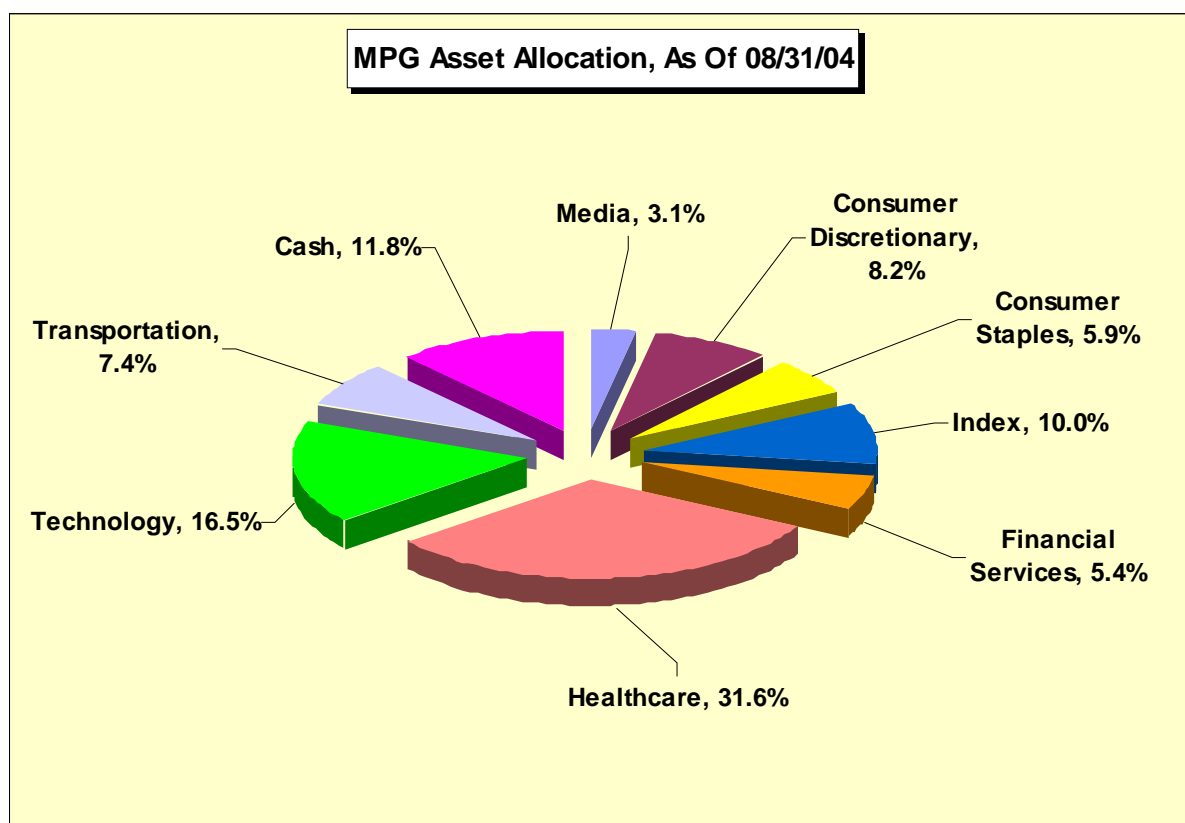
The outlook for next year is promising. With a renewed focus on our core growth strategy and strong buy and sell disciplines we anticipate a much stronger year. This year, as has been the case for the last several years, large and mid-cap growth stocks have lagged their value and small-cap peers with regard to performance. Although we don't anticipate that this will change during the upcoming year, we do believe that our renewed focus on looking for attractive, reasonably priced growth opportunities will produce superior returns with less risk in the future.



MPG ASSET ALLOCATION

Relative to our benchmark, the Russell 1000 Growth Index, the fund is currently overweight in Healthcare and Cash and underweight in Technology and Financial Services. Our overweighting in healthcare is a function of our bullish outlook on the sector, especially with regard to demographic trends that will shape the future of the healthcare and biotechnology industries. We are bearish on the technology sector, mainly due to increasing valuations compared to company fundamentals. In financial services, the prospect of continuing rate hikes by the Fed has tempered our outlook for that industry.

The breakdown of our current holdings by sector as of August 31, 2004, is shown below:



MPG FUND PROFILE

The following snapshot reflects the Growth Fund portfolio as of August 31, 2004. It also shows the sector for each holding. While the fund does not expressly try to match exposure with the Russell 1000 Growth Index, we do note where we are taking overweight or underweight sector positions relative to the index.

MPG Holdings As Of 08/31/04

Company	Russell 1000 Growth Sector	Shares Held	Market Value	% Assets
Russell 1000 Growth Index	Index	524	\$23,501	10.05%
Varian Medical Systems	Healthcare	300	17,967	7.68%
Target Corp	Healthcare	177	17,391	7.43%
Harley Davidson, Inc.	Transportation	500	14,587	6.23%
Adobe	Technology	318	14,348	6.13%
Amgen	Healthcare	275	13,874	5.93%
Iron Mountain	Consumer Non-Cyclical	242	13,703	5.86%
Quiksilver	Consumer Cyclical	563	13,681	5.85%
Medtronic	Healthcare	320	12,493	5.34%
Weight Watchers Intl, Inc.	Healthcare	386	12,471	5.33%
XM Satellite Radio	Technology	285	11,492	4.91%
First Data	Technology	63	10,622	4.54%
Web MD	Healthcare	250	7,150	3.06%
Pixar	Media			
iShares Dow Jones U.S.				
Financial Sector Index Fund	Financial Services	205	6,111	2.83%
MBNA	Financial Services	271	6,035	2.58%
Chico's FAS	Consumer Cyclical	150	5,522	2.36%
Affymetrix	Healthcare	500	4,921	2.10%
Total Equity			\$206,368	85.36%
Cash			35,407	14.64%
Total Assets			\$241,775	100.00%

MPG FINANCIAL STATEMENTS

<u>CASH FLOW FROM OPERATIONS</u>	Fiscal Year ending 08/31/2004	Fiscal Year ending 08/31/2003
Dividends and MPG Interest	\$1,050	\$1,224
Bank Interest	111	141
Investment Income	\$1,161	\$1,365
Expenses / Fees	1,449	1,367
Net Investment Income	(\$288)	(\$2)
<u>CHANGE IN NET ASSETS</u>		
<hr/>		
Net Investment Income	(\$288)	(\$2)
Realized Gain (Loss)	-16,938	-53,853
Unrealized Gain (Loss)	23,012	-21,182
Annual Withdrawal	-14,005	-10,970
Net Transfers	0	0
Net Other Adjustments	0	103,296
Net Change in Assets	(\$8,219)	\$17,289
Net Assets, Beginning of Period	\$249,994	\$232,705
Net Increase (Decrease)	-8,219	17,289
Net Assets, End of Period	\$241,775	\$249,994

MPSIF SMALL CAP FUND (MPS)

Message From The Co-Portfolio Managers

Despite significant volatility, the U.S. equity markets achieved solid gains between August 2003 and August 2004. As the economic recovery continued, the stock market saw solid gains in late 2003. However, impacted by higher commodity prices and rising interest rates, these gains decelerated in 2004.

The MPSIF Small Cap portfolio outperformed its benchmark index over this period. The fund achieved a total return of 14.9% over the twelve-month period. The Russell 2000, its benchmark index, had a total return of 11.4% in this timeframe. The total return of the portfolio outpaced the total return of the benchmark by 350 basis points, before considering the impact of the annual distribution upon portfolio value.

Returns were enhanced by stocks such as Trex (TWP), which benefited from increased product penetration and market share, and KCS Energy (KCS), which benefited from rising commodity prices. These gains were partly offset by losses in stocks including Sinclair Broadcast Group (SBGI), which faced a worsening regulatory environment, and La-Z-Boy (LZB), which suffered from an increasingly uncompetitive cost structure.

Although the portfolio performed strongly over the twelve-month period, performance was weaker in the final quarter of the year. The sector exposure of the portfolio was a detriment, as consumer cyclical stocks underperformed as consumer confidence waned. We are working to ameliorate this problem, and hedge our underexposure to commodities-related sectors, while also maintaining a valuation discipline.

We continue to focus upon stock selection and identifying small-cap companies with strong fundamental prospects that are being ignored by the market. We are optimistic that the small-cap market will continue to provide investment opportunities.

Sincerely,

Steve Pawliczek and David Park, Co-Portfolio Managers



MPS INVESTMENT STYLE AND STRATEGY

The objective of the Small Cap Fund is to achieve a total return in excess of the Russell 2000 Index through both capital appreciation and dividends. As an endowment fund, our longer-term goal is to ensure positive returns in excess of our five percent dividend rate plus the annual rate of inflation.

The portfolio will be invested exclusively in U.S.-traded equities, primarily with market capitalizations of less than \$1.5 billion or the equivalent of the largest stock in the Russell 2000 Index. While the portfolio does not have an explicit bias toward “growth” or “value” investing, the substantial use of discounted cash flow analysis as a valuation tool may bias our portfolio slightly toward a price-to-earnings ratio lower than that of the Russell benchmark.

The Small Cap portfolio is intended to be a concentrated portfolio of 20 to 25 positions, with a standard position size of \$20,000. Security selection is driven by bottom-up fundamental research in conjunction with the team’s overall sector and economic views. While the MPSIF fund is not bound to strict sector guidelines, it is the aim of the portfolio managers to be continually aware of the portfolio’s sector weights versus those of the benchmark; the fund may elect to overweight or underweight specific sectors as appropriate.

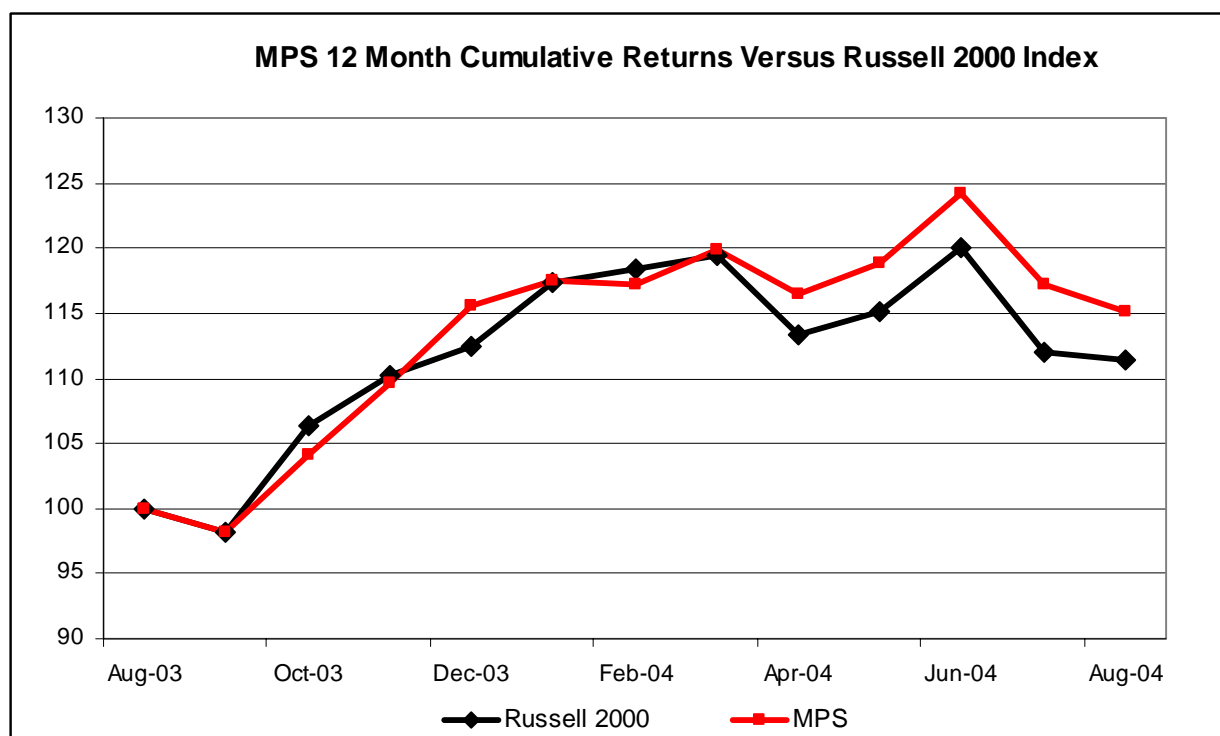
Historically, the fund is less actively managed during the summer, as full-time employment occupies the team. In May 2004, the team made the decision to liquidate a number of underperforming holdings and place excess cash into an exchange traded fund, IWM or Russell 2000 iShares, which tracks the holdings and performance of the Russell 2000 Index, in an effort to better position the portfolio. The sale of a number of both short-term and long-term holdings left the portfolio with a position of 36.6% in cash and Russell 2000 iShares as of August 31, 2004. We have been aggressively identifying new investment opportunities to reduce this cash position.

MPS FUND PERFORMANCE

The MPS Fund outperformed the performance of its benchmark Russell 2000 Index during the fiscal year. The fund modestly underperformed the benchmark in the first six months of the fiscal year, but strong outperformance in the third quarter led the fund to outperform the benchmark by 3.50%, before considering the fund's annual distribution.

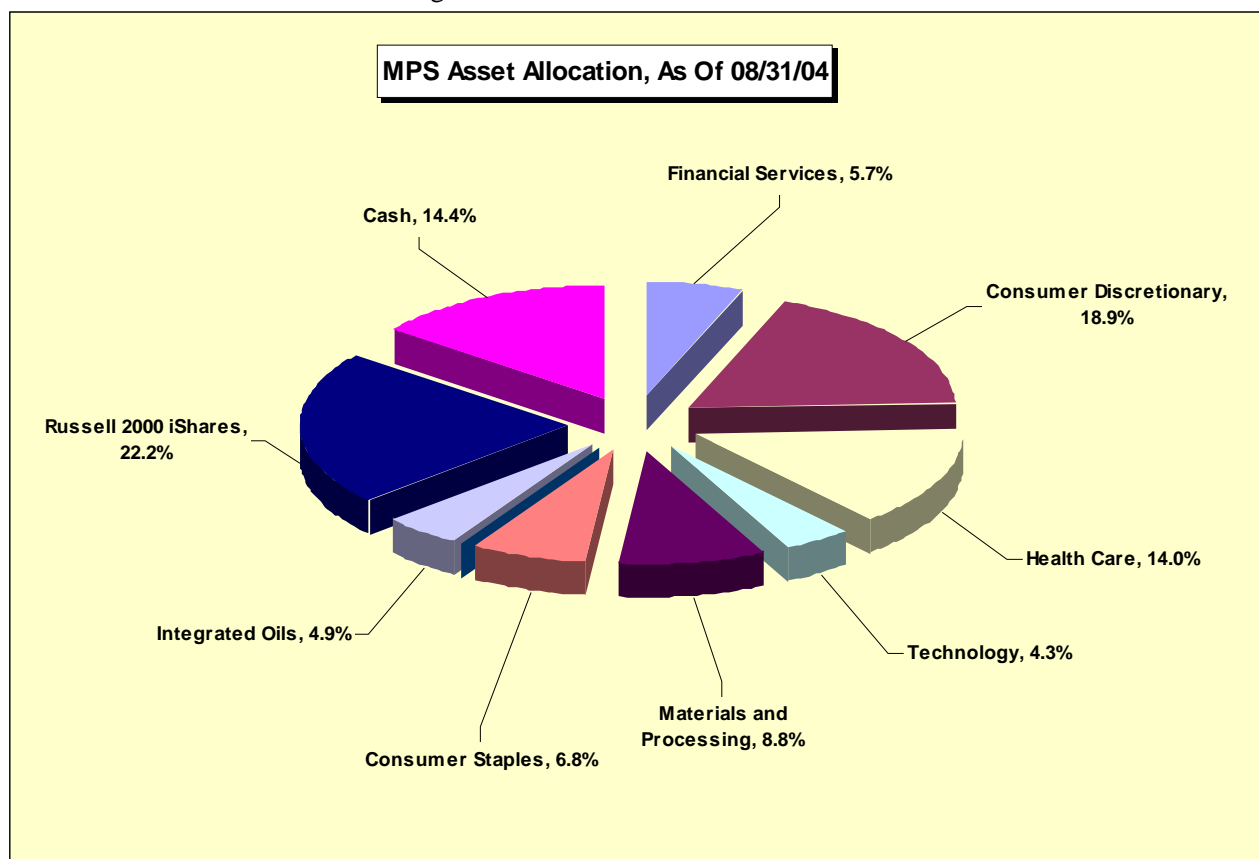
The investment process of the fund is valuation-driven, including intrinsic (DCF) and relative (P/E, P/Book) valuation methods. Although the fund slightly underperformed during periods of substantial market appreciation in the first half of the fiscal year, the fund began to significantly outperform the market as overall market conditions weakened beginning in March 2004.

Fund assets grew from \$507,563 to \$553,733 over the fiscal year. The fund also paid its annual disbursement of \$30,425 in May 2004.



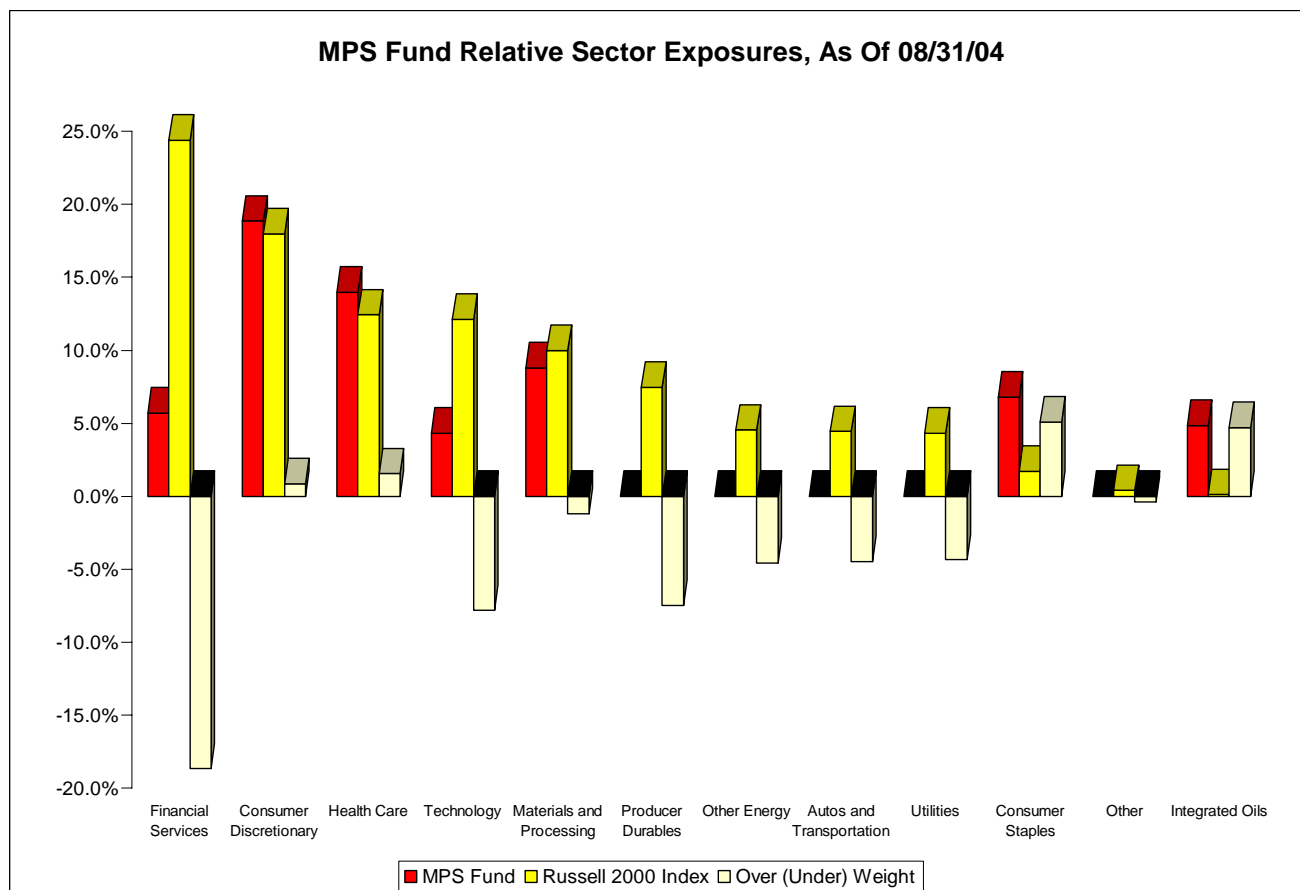
MPS FUND ASSET ALLOCATION

Our asset allocation at the end of August 2004:



The fund does not maintain specific guidelines regarding asset allocation among sectors.

As of August 31, 2004, compared to our benchmark index, the Russell 2000, the fund was overweight in consumer staples and integrated oils. The fund has an approximate market weight exposure to consumer discretionary, health care, and materials and processing. The fund is significantly underweight in financial services and technology. The fund currently has no individual holdings in producer durables, autos, other energy and utilities. However, due to the fact that we were 22% indexed at the end of August, the deltas in our sector allocations are approximately one-fifth of what is indicated in the graph below. The following table highlights the fund's relative sector exposures, as of August 31, 2004.



MPS FUND PROFILE

The table below shows MPS holdings as of August 31, 2004:

MPS Holdings As Of August 31, 2004

Company	Ticker	Sector	Shares	Value	% Assets
Ishares Russell 2000	IWM	Index	1,125	\$ 123,086	22.2%
Martek Biosciences Corp	MATK	Health Care	525	\$ 28,035	5.1%
KCS Energy Inc	KCS	Integrated Oils	2,140	\$ 26,857	4.9%
Quiksilver Inc	ZQK	Consumer Discretionary	1,200	\$ 26,100	4.7%
Albemarle Corp	ALB	Materials and Processing	725	\$ 24,114	4.4%
J&J Snack Foods	JJSF	Consumer Staples	515	\$ 22,135	4.0%
Priority Healthcare	PHCC	Health Care	900	\$ 20,007	3.6%
Steven Madden	SHOO	Consumer Discretionary	1,080	\$ 19,710	3.6%
Oriental Financial Group	OFG	Financial Services	695	\$ 18,758	3.4%
Odyssey Healthcare Inc	ODSY	Health Care	1,035	\$ 18,340	3.3%
Advo Inc	AD	Consumer Discretionary	600	\$ 17,748	3.2%
John B San Filippo & Son	JBSS	Consumer Staples	550	\$ 15,565	2.8%
Daktronics	DAKT	Technology	635	\$ 14,821	2.7%
Freds Inc	FRED	Consumer Discretionary	950	\$ 13,215	2.4%
Trex Co Inc	TWP	Materials and Processing	300	\$ 13,002	2.3%
American Home Mtg Invt Corp REIT	AHM	Financial Services	475	\$ 12,930	2.3%
Sinclair Broadcasting	SBGIP	Consumer Discretionary	1,500	\$ 12,000	2.2%
Emcor Group	EME	Materials and Processing	287	\$ 11,652	2.1%
Hollis-Eden Pharmaceuticals	HEPH	Health Care	1,130	\$ 11,051	2.0%
Wilson Greatbatch Technologies	GB	Technology	560	\$ 9,173	1.7%
Multimedia Games Inc	MGAM	Consumer Discretionary	550	\$ 7,942	1.4%
La-Z-Boy Inc	LZB	Consumer Discretionary	500	\$ 7,720	1.4%
Total Equities				\$ 473,960	85.6%
Cash				\$ 79,773	14.4%
Total Assets				\$ 553,733	100.0%

MPS Fund Financial Statements

	Fiscal Year Ending 08/31/2004	Fiscal Year Ending 08/31/2003
<u>CASH FLOW FROM OPERATIONS</u>		
Dividends	\$2,384	\$6,273
Interest	130	281
Investment Income	2,514	6,554
Expenses	3,052	3,027
Net Investment Income	(538)	3,527
<u>CHANGE IN NET ASSETS</u>		
Net Investment Income	(538)	3,527
Realized Gain	75,181	2,629
Unrealized Gain	1,951	62,795
Annual Withdrawal	(30,425)	(21,305)
Net Transfers	0	0
Net Other Adjustments	0	11,948
Net Change in Assets	46,170	59,594
Net Assets, beginning of period	507,563	447,969
Net Increase (Decrease)	46,170	59,594
Net Assets, end of period	553,733	507,563

MPSIF VALUE FUND (MPV)

Message From The Co-Portfolio Managers

For the twelve months ended August 2004, there was considerable uncertainty with regard to the job market, inflation, interest rates and consumer spending. The Value Fund trailed its benchmark by just under 11% over the fiscal year. Our performance suffered due to several portfolio holdings weakening during the summer months. Detailed information about specific security performance within the Value Fund is provided in the section MPV Fund Performance.

As we enter the new fiscal year, we foresee continuing uncertainty in the equity markets due to several risks including high commodity prices, uncertain job market conditions, sluggish corporate spending, Middle East tensions and the upcoming Presidential election. It appears the recent soft patch has continued into the fourth quarter. The current economic environment is ideal for our value philosophy to outperform the market and alternative strategies such as growth. As we begin to reposition our portfolio, we are excited about several investment opportunities we have uncovered and are optimistic about the fund's performance for the upcoming year.

After reviewing the Fund's performance over the last few months of FY 2004, we concluded that our value proposition and benchmarking from the Spring/Summer semester was flawed. As a result we have spent the last several weeks repositioning the portfolio and eliminating positions that do not fulfill our revised outlook on value and the market. Using our new value proposition, we have assumed new positions in the Financial and Healthcare sectors, and have sold off some of our positions in Technology. Going forward, we will continue to explore value opportunities in all sectors of the market.

We have implemented a formal process for screening, pitching, and tracking stocks in order to ensure that we can realize gains and losses on a timely basis. Since many of us are relatively new to the industry, we find this formal process to be quite educational, while at the same time necessary to maximizing our returns.

On behalf of the Value Fund, we would like to thank Michael Price for his time and commitment to the Stern community. This experience has provided us with an education in asset management and the opportunity to watch our ideas at work.

Sincerely,

Javed Siddique and Neil Losquadro, Co-Portfolio Managers



MPV INVESTMENT STYLE AND STRATEGY

The Michael Price Student Investment Fund (MPSIF) Value Portfolio is part of the total MPSIF Fund, which in turn is a part of the New York University endowment pool. The Value Fund seeks to maximize returns by investing primarily in large cap companies with consistent year-over-year earnings that are trading at a discount relative to their peer group or the market as a whole. The metrics that indicate value include Price/Book, P/E, Price/Free Cash Flow, Dividend Yields and ROE. The companies must also have proven business models, generate strong cash flows and have attractive margins. Situations that represent value include oversold stocks due to the market's overreaction, restructurings, management changes, acquisitions, and small-cap stocks that are under-followed or have low volume. Firms must be publicly traded on major world exchanges and generate the bulk of their revenues in developed markets. There is, however, no specific country or region quota.

The fund seeks to outperform its benchmark, the Russell 1000 Value, without significantly deviating from the index's risk profile. Due to the fund's tax-exempt status it does not consider the impact of capital gains or income taxes in its management decisions. The fund does not engage in shorting, derivatives trading, or other esoteric investment strategies. The fund is required to pay an annual 5% fee to support bringing selected University of Oklahoma students to New York University for a summer program. In order to ensure this payment, the fund invests a portion of its assets in fixed-income vehicles, primarily short and medium term fixed-income mutual funds. These assets are separately managed by MPSIF's Fixed Income group and will not appear in the following charts, tables, and performance commentary.

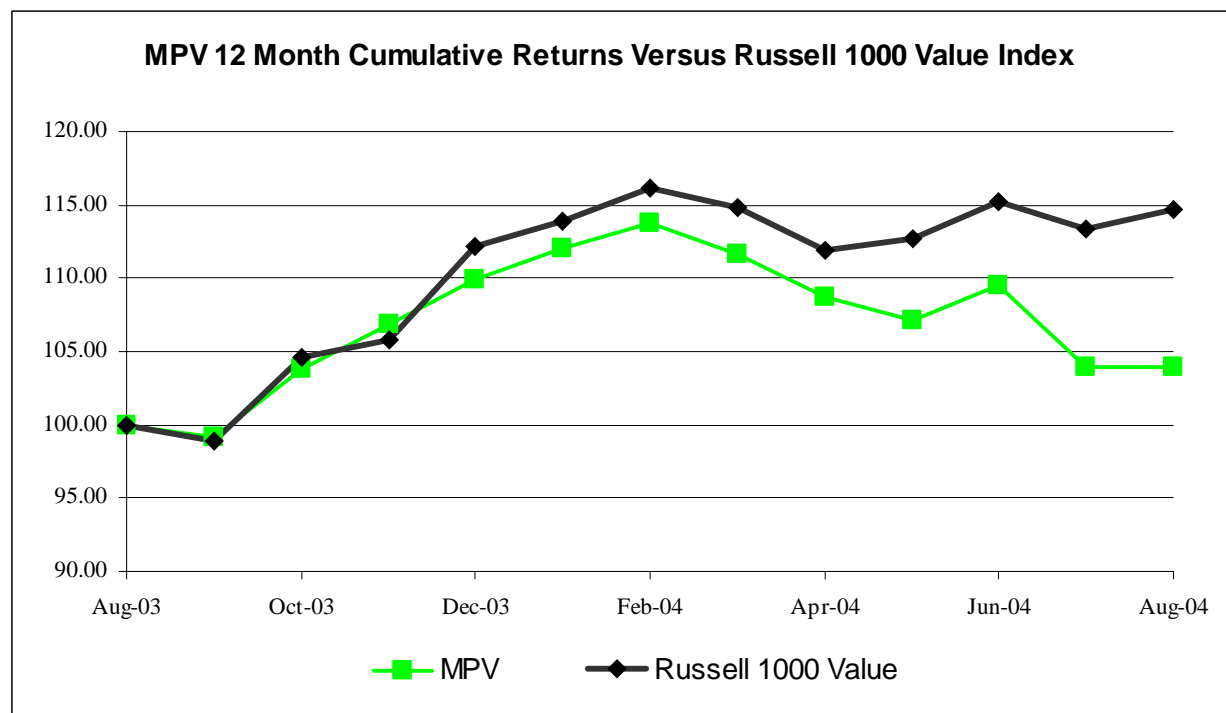
MPV FUND PERFORMANCE

The Value Fund's FY 2004 results paralleled the performance of the equity markets for the first half of the fiscal year (we recorded sizable gains through February), but failed to capture positive returns in the second half. The Value Fund trailed the Russell 1000 Value Benchmark by 10.84% and the S&P 500 index by 5.65% at the end of the year, excluding the annual 5% payment to the University of Oklahoma. While the second half of the year's performance was clearly a disappointment, the Value Fund's total assets including the University of Oklahoma payout, declined only 1.7% year-over-year.

At the end of FY 2004, the Value Fund's total assets were \$438,420 compared to \$445,938 one year prior (a net decline of \$7,518). As mentioned earlier, this loss includes the \$24,880 payment to the University of Oklahoma. For the fiscal year, the Value Fund earned \$6,518 in dividends and \$221 in interest, while paying \$3,146 in expenses and fees. The Value Fund added \$77,464 in realized gains and recorded an unrealized loss of \$4,209. The remaining loss of \$59,487 was calculated via marking to market holdings that were held prior to the start of the fiscal year.

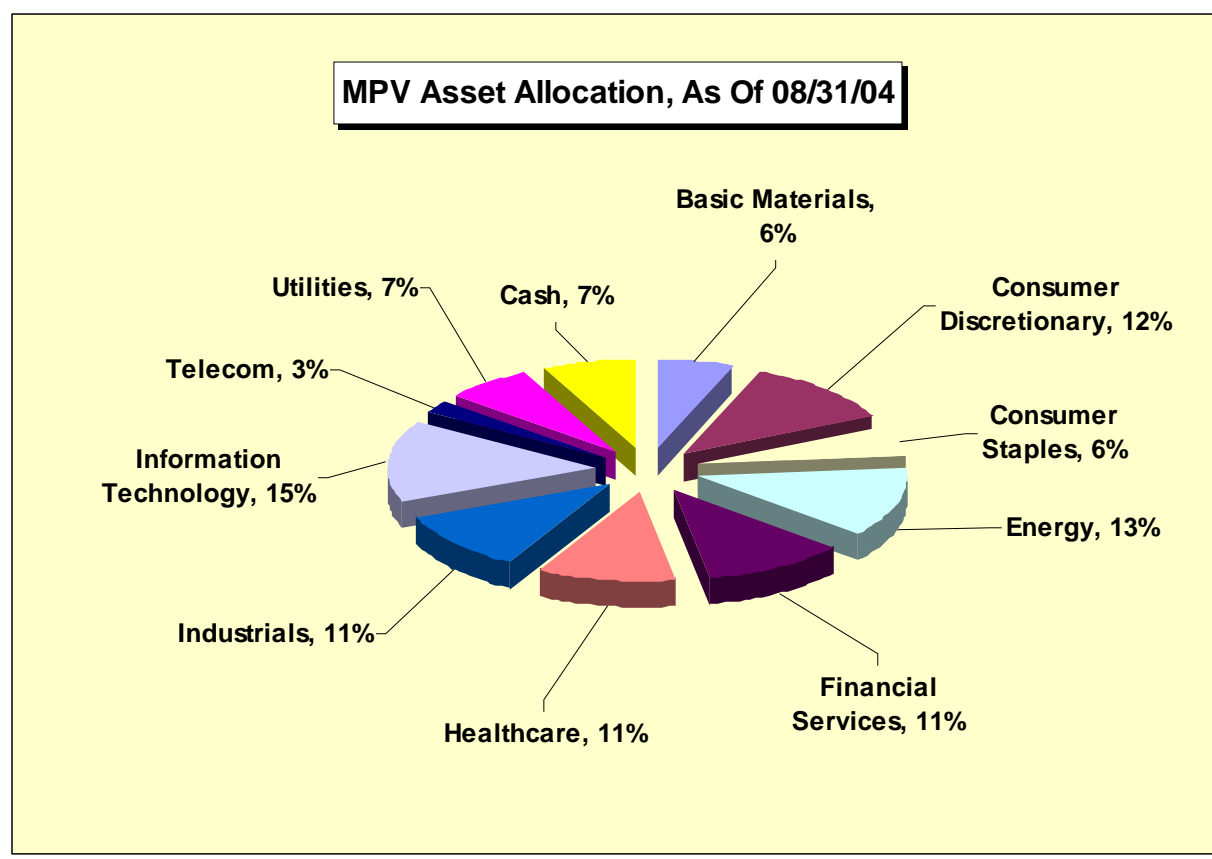
For the year, solid gains were recorded by holding the following stocks: Cendant, Black & Decker, Newfield Oil Exploration, United Technology, Alcoa, Thermo Electron, and Encana, among others. Alternatively, there were a handful of stocks that declined significantly and had a big impact on our returns. The most severe case was Conexant, which lost almost half of its value in the days following an earnings warning. The Value Fund also suffered sizeable losses from Advance Auto Parts, Nokia, Winnebago, Select Medical, and Barr Labs.

The fund's performance throughout the year is detailed in the following chart and tables.



MPV FUND ASSET ALLOCATION

The Value Fund invests across a variety of sectors. Although there are no specific guidelines regarding sector allocation, the fund seeks a balance across as many sectors as possible. In terms of sector allocation, the fund is currently overweight (compared to the benchmark) in Health Care, Energy, Industrials, and IT. The Value Fund is underweight in Consumer Staples, Telecom, and Financials.



MPV FUND PROFILE

The table below shows MPV equity holdings as of August 31, 2004:

MPV Fund Holdings As Of 08/31/04

Company	Sector	Shares Held	Market Value	% Assets
United Tech CP	Industrials	500	46,955	10.71%
Newfield Expl Co	Energy	560	30,996	7.07%
Pulte Homes Inc	Consumer Discretionary	510	30,065	6.86%
Thermo Electron	Information Technology	1,045	27,452	6.26%
Alcoa Inc	Basic Materials	800	\$25,904	5.91%
Wells Fargo & Co	Financial Services	435	25,556	5.83%
National-Oilwell Inc	Energy	830	24,817	5.66%
Altria Group	Consumer Staples	495	24,230	5.53%
Apria Health Care	Healthcare	850	24,004	5.48%
Pfizer Corp	Healthcare	728	23,784	5.42%
Citigroup Inc	Financial Services	490	22,824	5.21%
Rent-A-Center	Consumer Discretionary	755	22,726	5.18%
Intel Corp	Information Technology	940	20,013	4.56%
Public Service Enterp	Utilities	370	15,666	3.57%
PPL Corporation	Utilities	270	12,914	2.95%
Nextel Communications	Telecom	500	11,595	2.64%
Nokia Corp	Information Technology	850	10,090	2.30%
Conexant	Information Technology	4,740	7,063	1.61%
Total Equities			\$406,652	92.8%
Cash			31,767	7.2%
Total Assets			\$438,420	100.0%

MPV FUND FINANCIAL STATEMENTS

<u>CASH FLOW FROM OPERATIONS</u>	Fiscal Year Ending 08/31/2004	Fiscal Year Ending 08/31/2003
Dividends	\$6,518	\$6,815
Bank Interest	221	170
Investment Income	\$6,739	\$6,985
Expenses / Fees	3,146	2,798
Net Investment Income	\$3,593	\$4,187
<u>CHANGE IN NET ASSETS</u>		
Net Investment Income	\$3,593	\$4,187
Realized Gain (Loss)	77,464	(91,854)
Unrealized Gain (Loss)	(4,209)	59,460
Annual Withdrawal	(24,880)	(18,135)
Net Transfers	0	0
Net Other Adjustments	(59,487)	63,838
Net Change in Assets	(\$7,518)	\$17,496
Net Assets, Beginning of Period	\$445,938	\$428,442
Net Increase (Decrease)	(7,518)	17,496
Net Assets, End of Period	\$438,420	\$445,938

MPSIF FIXED INCOME FUND (MPF)

Message From The Portfolio Manager

A slam dunk is supposed to be a sure thing, and rising rates were supposed to bode poorly for the bond market. Like the ball that bounced off the back of the rim, political uncertainty and a “soft patch” in the economy led to unexpected strength in the bond market. The Fed began raising interest rates in June, but economic numbers that alternated between indications of strength and weakness led to uncertainty in the financial markets and an improvement in bond prices. Bond fund managers who held shorter duration securities generally underperformed their benchmarks over the past year. Our view that the bond markets would fall in a rising interest rate environment against the backdrop of a strengthening economy proved to be incorrect. However our relative overweighting of corporate bonds helped the fund outperform our benchmark as credit spreads continued to tighten.

The fund shifted out of its high yield fund and reduced the duration on the Treasury portion of the portfolio in December. We are currently benchmarked to the Vanguard Total Bond Fund. The use of an actively managed bond fund as a benchmark was adopted last year in favor of the arbitrary benchmark of the five-year US Treasury note plus 100 basis points.

We retained the top-down analysis structure of the fund with teams covering Interest Rates and Government Bonds, Mortgage Backed Securities, and Corporate Bonds. Each of these teams has three analysts who are responsible for monitoring their sectors and developing a view consistent with the economic outlook of the fund. Within their sectors the teams recommend portfolio holdings to express those views.

The fund will continue to purchase mutual funds, either as open-ended funds or as ETFs. The idea of purchasing individual securities was explored, but the relatively small size of the fund precludes efficient execution at institutional pricing levels and the achievement of prudent levels of diversification. Another issue was the inability of the fund to gain access to deep and liquid inventories. While this does prevent team members from making decisions like those of an active bond mutual fund manager, it does not detract from the educational benefits of the fund. The expansion of ETFs has allowed more granularity in investing in fixed income indices. This helps us to manage sector allocation and the duration of the fund. One additional sector that we will be exploring this semester as an area that may provide relative value is foreign sovereign bonds.

Sincerely,

David Kamiya, Portfolio Manager



MPF INVESTMENT STYLE AND STRATEGY

The Fixed Income fund seeks to outperform its benchmark, the Vanguard Total Bond Fund. The fund implements its views by changing the allocation to the three main sub-sectors of the US Fixed Income investment grade market, namely – Government bonds, Corporate bonds and Mortgages. Due to its tax exempt status, the fund does not invest in Municipal bonds. Also the fund does not engage in short selling, derivatives trading, or other esoteric investment strategies. Currently, the fund does not buy individual securities. Instead, the fund invests in other publicly traded funds to implement its sector allocations.

MACRO AND SECTOR VIEWS

INTEREST RATES

The story for interest rates during the past fiscal year has been the expectation of and subsequent rate increases by the Federal Reserve. At both the June 30 and August 10 meetings of the Fed, rates were raised by 25 basis points. At the end of our fiscal year, the Fed Funds rate stood at 1.50%. During this year we experienced a flattening of the yield curve, as the 10-year decreased from 4.45% to 4.28% and the 2-year rose from 1.86% to 2.51%. Since the end of our fiscal year, the Fed has raised rates an additional 25 basis points to 1.75%, and another 25 basis point raise is expected at the next meeting in November. This current phase of rate increases is the first of a two-part cycle by the Fed to tighten monetary policy.

The second phase requires a balancing act on the part of the Fed between some data pointing toward an overheating of the economy and other data questioning its strength. Between March and June core CPI rose to 1.9%, with headline CPI peaking at 3.3% in June. Recently, however, inflation has moderated and the US has experienced slower growth in non-farm payrolls. This will likely cause the Fed to be patient as it tightens monetary policy, ensuring the economy is experiencing sustained growth.

During 2005, we expect the Fed Funds rate to finish the year between 2.5 – 3.0%. With 2 and 10-years currently yielding 2.59% and 4.14%, respectively, this leaves little room for a rally in the Treasury market as the Fed increases rates in 2005.

MORTGAGE-BACKED SECURITIES (MBS)

Through the first-half of 2004, Mortgage securities have benefited from the low-interest rate environment, with the additional benefit of these lower rates in providing homeowners incentives to make greater prepayments. This “emergency” interest-rate environment will not last, with current interest-rate futures indicating a return to more normal rates of 3.50%-4.00% by the end of 2005 from the 40-year historic low of 1.00% before the Fed’s “measured” increases since July 2004. While macroeconomic data remains mixed regarding the pace of the expansion, the question is not whether interest rates will rise, but when. By their very nature, Mortgage securities have an embedded option due to prepayments which results in negative convexity. As interest rates increase, we expect these prepayments to decline, resulting in further price pressure on Mortgage securities.

While we wish to maintain diversification within the Fixed-Income fund, we believe that reducing our position in Mortgages is prudent, with the proceeds used to invest in more medium-term Treasury or Corporate securities, given the likely change from a flat yield curve to a more normal upward-sloping curve.

CORPORATE BONDS

Corporate spreads have tightened significantly over the past year. This is partly due to the perception that the worst is in the past with regard to accounting scandals, but also because investors have been hungry for yield with interest rates so low. We see continued improvement in the economy and corporate balance sheets as a large positive for this sector, and have thus overweighted it relative to our index.

The following factors have impacted the U.S. corporate bond market in the past 12 months: (A) a shift in inflation related to record productivity gains; (B) Improved Fed inflation-fighting credibility; (C) Unimpressive labor conditions; (D) Rising oil prices; and (E) event risks, including geopolitical, election year uncertainties and concerns about terrorism.

Investment-grade corporate bond issuance declined during the second calendar quarter of 2004 and during the first six months of 2004 versus the same periods in 2003. Issuance also dropped in the second quarter relative to the first quarter. The drop off in issuance in the second quarter was not unexpected as issuers rushed to market in the first quarter to finance at historically low rates and the Fed on the verge of increasing the Fed Funds rate. However, following this decline, issuance started to pick up in the last three months, with September being one of the busiest months in 2004. Most of this increase can be attributed to pre-funding before US presidential elections and anticipated Fed tightening.

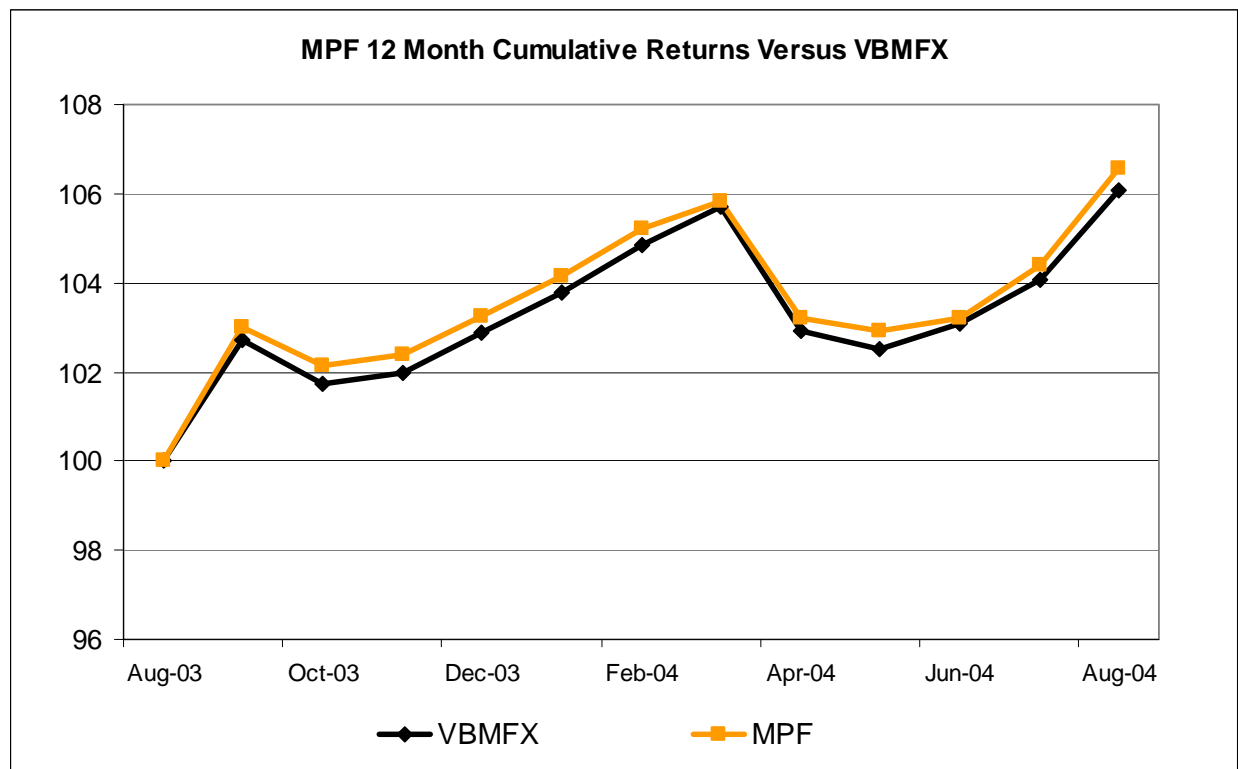
An improvement in credit quality has been maintained by a stronger economy, corporate profit growth, robust capital markets, low interest rates, well-managed inflation, and accommodative monetary and fiscal policy. According to the Merrill Lynch high-yield index, spreads have narrowed an additional 31 basis points through mid-July, while the investment-grade index was essentially flat over the first half of the year, wider by just two basis points. The average high-yield and investment-grade yields so far this year are less than the average 2003 yields.

MPF FUND PERFORMANCE

We measured the performance of the Fixed Income fund using the stated benchmark of the Vanguard Total Bond Fund. This benchmark was adopted in the spring of 2003 and the table encompasses performance for the twelve-month period ending August 31, 2004.

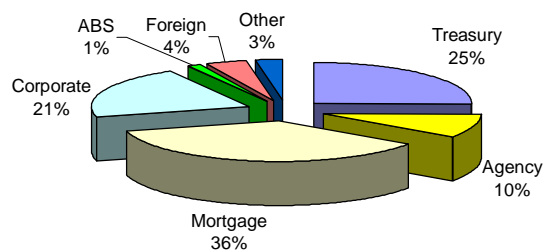
Given our outlook of rising rates, the fund had a shorter duration than the benchmark. This aided the fund while the market expected the Fed to increase rates at an aggressive pace. The “soft patch” in the economy hurt the fund somewhat during the summer as longer duration securities outperformed. However, the fund did benefit from a relative overweighting in corporate bonds. As credit spreads tightened due to investors chasing yield, corporate bonds outperformed Treasuries. Overall, the fund outperformed the benchmark by 43 basis points.

Month End Date	LQD	SHY	PMRAX	IEF	MGIDX	CHGAX	MPF	VBMFX	Difference
3-Sep	4.25%			4.34%	1.62%	2.21%	3.00%	2.70%	0.30%
3-Oct	-1.50%			-1.98%	-0.23%	1.11%	-0.85%	-0.96%	0.11%
3-Nov	0.31%			0.02%	0.14%	0.66%	0.25%	0.27%	-0.02%
3-Dec	7.75%			1.02%	0.57%	0.94%	0.84%	0.89%	-0.05%
4-Jan	1.63%	0.26%	0.46%				0.89%	0.86%	0.02%
4-Feb	1.50%	0.48%	0.79%				1.03%	1.03%	0.00%
4-Mar	0.99%	0.28%	0.26%				0.57%	0.80%	-0.22%
4-Apr	-3.47%	-0.30%	-0.74%				-2.49%	-2.61%	0.12%
4-May	-1.33%	-0.92%	-0.81%				-0.26%	-0.42%	0.16%
4-Jun	0.13%	-0.02%	0.56%				0.27%	0.56%	-0.33%
4-Jul	1.56%	0.28%	1.21%				1.14%	0.96%	0.18%
4-Aug	3.07%	0.74%	1.45%				2.09%	1.94%	0.14%
Cumulative Totals Including Compounding							6.55%	6.08%	0.43%

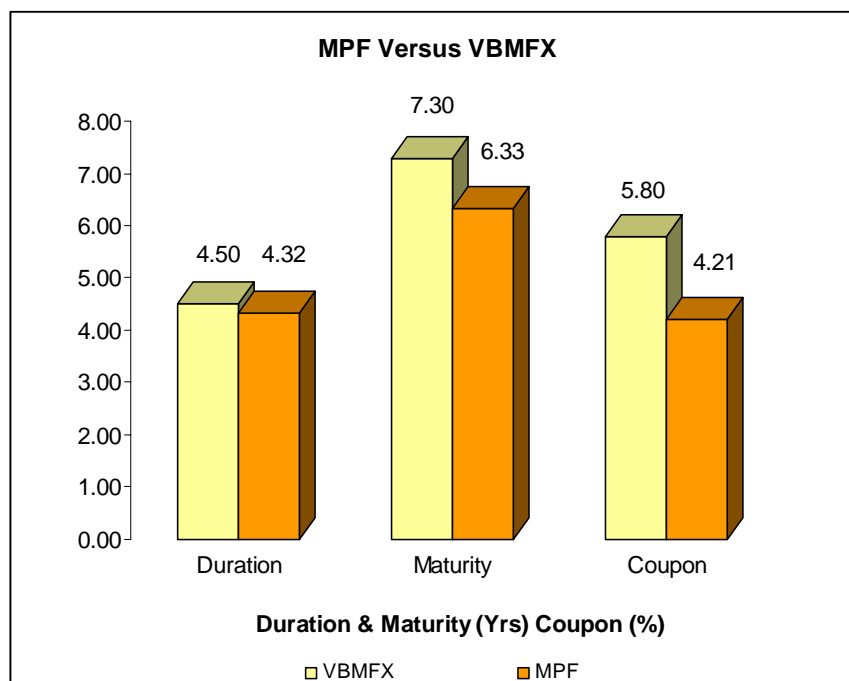
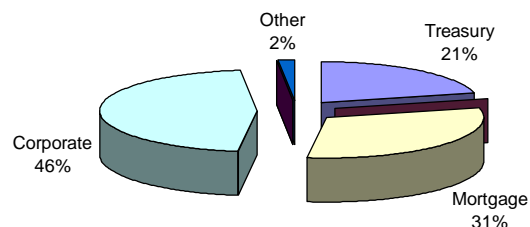


MPF FUND ALLOCATION

VBMFX 8/31/2004

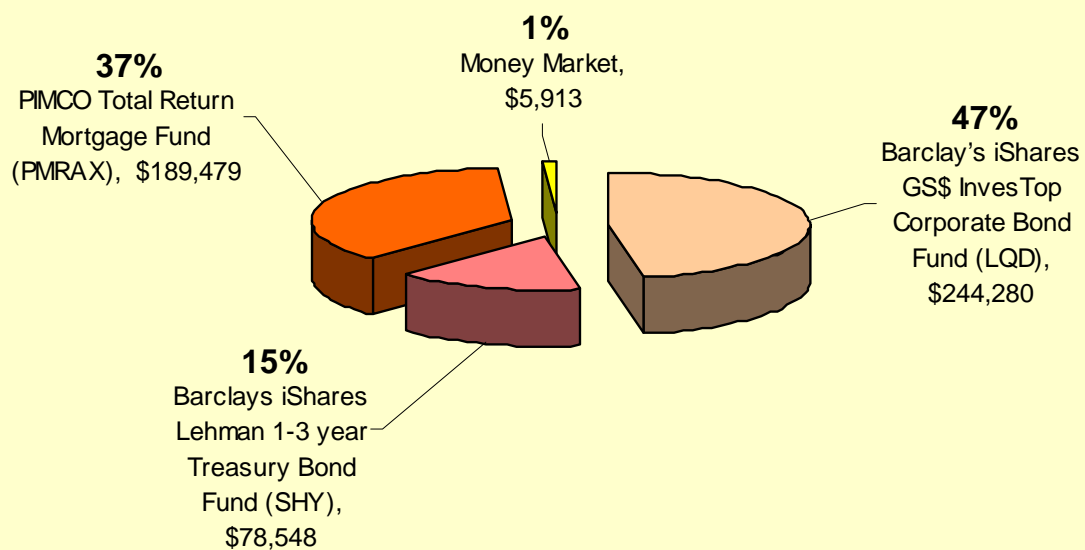


MPF 8/31/2004



MPF FUND PROFILE

MPF Fund Profile As Of 08/31/04



MPF FINANCIAL STATEMENTS

<u>CASH FLOW FROM OPERATIONS</u>	Fiscal Year	Fiscal Year
	Ending 08/31/2004	Ending 08/31/2003
Dividends and MPF Interest	\$20,155	\$23,698
Bank Interest	104	387
Investment Income	\$20,259	\$24,085
Expenses / Fees	\$1,449	1,368
Net Investment Income	\$18,810	\$22,717
 <u>CHANGE IN NET ASSETS</u>		
Net Investment Income	\$18,810	\$22,717
Realized Gain (Loss)	2,950	3,928
Unrealized Gain (Loss)	19,357	8,452
Annual Withdrawal	-27,130	-26,975
Net Transfers	0	0
Net Other Adjustments	-8,458	-5,868
Net Change in Assets	\$5,529	\$2,254
Net Assets, Beginning of Period	\$512,691	\$510,437
Net Increase (Decrease)	5,529	2,254
Net Assets, End of Period	\$518,220	\$512,691

The net transfer in 2001 was to the fixed income group to jointly manage fixed income investments. Unrealized Gain (Loss) is the difference between original cost and End of Period market value. For securities purchased before the beginning of the year, a net "Mark to Market" calculation that reflects the difference between original cost and Beginning of Period market value is made to avoid double counting the Unrealized Gain. In general, if the original cost is less than the Beginning of Period market value the "Mark to Market" variable will be negative. These adjustments constitute most of the "Net Other Adjustments" numbers.

MPSIF Growth Fund



*Top row, left to right: Reuben Govender, Jinsong Du, Chaim Schneider
Second row, left to right: Alex Orozco, Aramie Dimm, Sooyun Hong, H.R. de Diego, Vinay Shah
Third row, left to right: Brian Leu, Lisa Hunter Rasic, Vinaya Krishnan, Mark Lelyo
Fourth row, left to right: Scott Freeman, Tamara Yacavone, Andrea Baldino, Lauren Levine*

Portfolio Managers

Reuben Govender – Analyst, Financial Services

Reuben spent this past summer at Lehman Brothers in their Sales and Trading program. Prior to Stern, Reuben worked at Lehman Brothers' London office as a financial technologist before taking a job with Goldman Sachs, London, in their Prime Brokerage group. Reuben graduated from Trinity College, Dublin (Republic of Ireland) with honors degrees in Pure Mathematics and Computer Engineering.

Mark Lelyo, CPA – Economic Strategist; Alumni Relations Liaison; Analyst, Technology

Prior to joining the Growth Fund, Mark worked for Price Waterhouse as an auditor and at Avon Products as a financial analyst. Currently Mark is an Associate Director at Time Warner leading their financial systems group. Mark holds a bachelor's degree in accounting from the University of Connecticut.

Analysts

Andrea Baldino – Analyst, Telecom

This summer Andrea worked as a research analyst for XL Capital Assurance. Prior to Stern, she worked as a technology project management analyst at Goldman Sachs. Andrea holds a Bachelor of Science in Finance from Seton Hall University.

Aramie Dimm – Economic Strategist; Analyst, Technology

Aramie spent last summer working in Equity Research at Adams Harkness and is currently working as an Equity Research intern at MacKay Shields. Prior to Stern she was a Senior Business Analyst for Citigroup's International Equity Finance group. Aramie received a B.S. in Economics from the Wharton School at the University of Pennsylvania and is a Level II Candidate in the CFA Program.

Jinsong Du – Analyst, Financial Services

Jinsong Du worked in Merrill Lynch Equity Research last summer. Prior to Stern, Jinsong was a service manager at Hewlett-Packard focusing on strategic planning and service portfolio management. Jinsong received a Master of Science degree from the National University of Singapore. He is a certified auditor and a CFA level II candidate.

Scott Freeman, CPA – Economic Strategist; Analyst, Financial Services

Scott has worked in Corporate Finance at Mercer Human Resource Consulting since 1999. He has previously been employed at Price Waterhouse Coopers and is a CPA. Scott holds a Bachelor of Science in Finance and Accounting from Boston College.

Sooyun Hong – Director of Communications; Analyst, International

Sooyun spent the past summer working in the Investment Banking Division of JPMorgan in Hong Kong. Prior to Stern, she was an equity research analyst at KGI Securities, where she covered consumer stocks with a focus on Food & Beverage. Sooyun received a B.A. degree in Communications and English Literature at Ewha Womans University located in Seoul, Korea.

Vinaya Krishnan – Analyst, Retail

Vinaya spent the summer in the investment banking division at Goldman Sachs, specializing in the Consumer Retail sector. Prior to Stern, Vinaya spent two years as an investment banking analyst in SG Cowen's Technology Mergers and Acquisitions Group. Vinaya holds a B.S. from the Wharton School at the University of Pennsylvania with concentrations in finance and management.

Brian Leu – Contributing Editor; Analyst, Telecom

Brian currently works as a research analyst at a small-cap focused long/short equity hedge fund on a part-time basis. During the past summer, Brian worked at Deutsche Bank in the Equity Research group covering the Food Manufacturing industry. Prior to Stern, he was part of AT&T's Corporate Finance division analyzing the telecom industry. He holds a B.A. in Economics from Duke University.

Lauren Levine – Analyst, Healthcare

Lauren worked in equity research for Rochdale Securities over the summer. Prior to that, she worked in investor relations for Financial Dynamics, where she represented public companies across multiple industries. Before that, she worked in equity research marketing for Lehman Brothers. Lauren holds a BA in Psychology from the University of Michigan.

Alex Orozco – Analyst, Mid-Cap

Alex spent the past summer working at Tradition Asiel Securities as an Equity Research Analyst covering retail and apparel. Prior to Stern, Alex was a Brokerage Operations Specialist at Strong

Capital Management. He holds a B.B.A. in Finance from the University of Wisconsin at Milwaukee.

Lisa Hunter Rasic – Analyst, Retail

Last summer Lisa worked as a high yield research associate at W.R. Huff Asset Management. Prior to Stern, Lisa was the director of marketing and strategic planning for Alloy, Inc. in New York City. Lisa received her bachelor's degree in Literature and Cultural Theory from Duke University.

Helio Romero de Diego – Analyst, Smallcap

Helio spent the past summer working at Deutsche Bank in the Structured Derivatives group. Prior to Stern, Helio co-founded and managed his own company since 2000, after spending two years at FIBANC (Mediolanum Banking Group) in the Corporate Finance group. Helio received a B.S from the Universidad de Valladolid, Spain, in Economics and Business Administration, He is CEFA and CIIA charterholder and is a CFA level III candidate. Helio has been a member of the board of directors of an open-end mutual fund company since 1997.

Vinay Shah – Economic Strategist; Analyst, Healthcare

Vinay graduated from Williams College in 1994 with a B.A. in Economics. After college, Vinay worked at Lehman Brothers in their Technology Investment Banking Group. In 1996, Vinay joined Morgan Stanley's London office as a research associate covering European Technology Companies. After being promoted to Analyst, Vinay returned to the U.S. with Morgan Stanley covering Software and Retail companies.

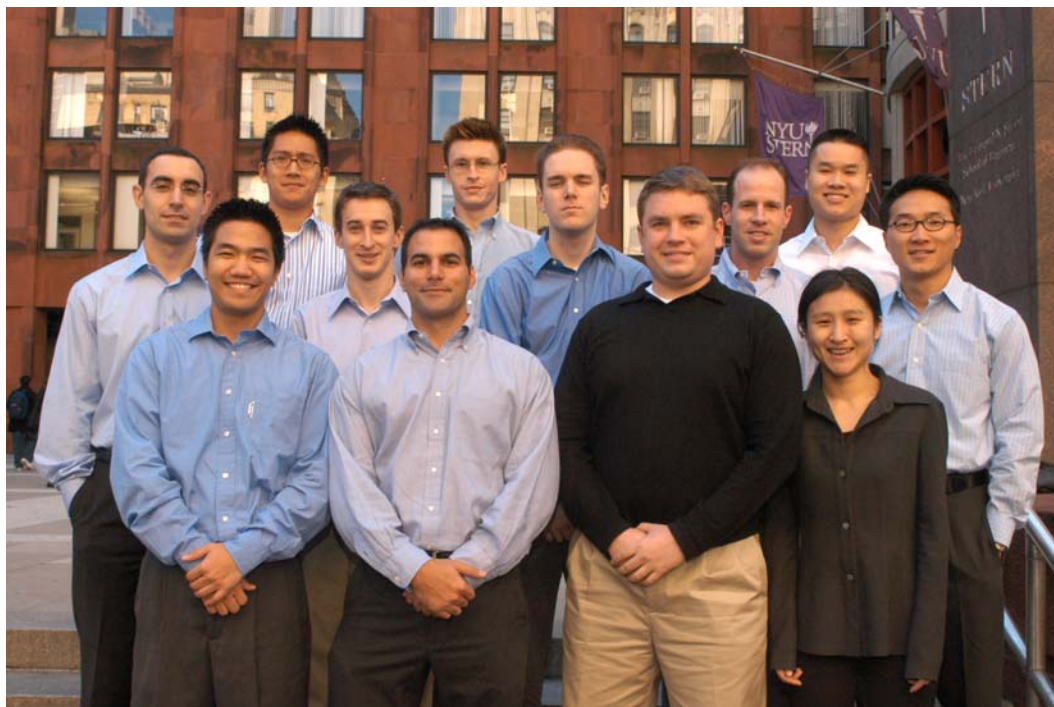
Chaim Schneider – Analyst, Retail

Prior to Stern, Chaim worked as an auditor at Deloitte & Touche specializing in the Securities Industry. He is a CPA, as well as a Level III CFA Candidate. Chaim graduated from Yeshiva University with a BS in Accounting and Information Systems.

Tamara Yacavone, CPA – Trader; Analyst, Healthcare

Tamara spent the summer working at RBC Capital Markets in Sales & Trading. Prior to Stern, Tamara worked as a Controller at Goldman Sachs in Fixed Income Currencies and Commodities for the oil trading desk. She also has worked at PricewaterhouseCoopers LLP as a Senior Associate in Investment Management Services. Tamara graduated from Wake Forest University with a M.S in Accounting and a B.S in Analytical Finance.

MPSIF Small Cap



*Top row, left to right: Vin Chao, Matthew Keeler, Darren Yip
Second row, left to right: Ariel Bino, Anton Diener, Steven Pawliczek, David Haley, David Park
Third row, left to right: David Kamiya, Chad Vanacore, Eric Bertrand, Min Xu*

Portfolio Managers

David S. Park, CFA, CPA – Analyst, Financial Services

David spent this past summer as an equity research associate at Credit Suisse First Boston. Prior to attending Stern, David worked for PricewaterhouseCoopers in their audit group and for Homestore, Inc. in their M&A group. David holds a B.A. degree from the University of California at Los Angeles (UCLA). He is a Certified Public Accountant (CPA) and CFA charterholder.

Steve Pawliczek, CFA – Analyst, Consumer Discretionary

Steve spent the past summer working in research at Goldman Sachs Asset Management (GSAM). Prior to Stern, he worked for three years in research at Putnam Investments. Steve received his B.A. in economics and history from Yale University in 2000. He is a CFA charterholder.

Analysts

Eric Bertrand – Analyst, Financial Services

Over the summer, Eric worked as an equity research associate at Lehman Brothers covering transaction processing and financial technology firms. Prior to Stern, Eric worked in several startup technology companies in San Diego as an IT manager. Eric received a Bachelors of Science in Management Science from the University of California at San Diego.

Ariel Bino – Trader; Analyst, Technology

This past summer Ariel worked as an associate at Laurus Funds, a New York based Hedge Fund specializing in convertible PIPE investments. Before coming to Stern, Ariel worked as a Portfolio Manager at Clal Insurance and as an Analyst at Evergreen Investment Management in Israel. Ariel earned a B.A. Magna Cum Laude in Business and Economics from Hebrew University in Jerusalem.

Vincent Chao – Public Relations Liaison; Analyst, Consumer Discretionary

Over the summer, Vin worked as an equity research associate at Deutsche Bank, focusing upon the retail sector. Prior to Stern, Vin was a manager in Procter & Gamble's Baby Care Division. He worked as a process engineer, production manager, and project manager over his six years with the company. Vin holds a Bachelors of Science in Mechanical Engineering from Cornell University.

Anton Diener, CFA – Treasurer; Analyst, Consumer

Over the summer, Anton worked at TD Securities (USA) Inc. as a credit associate, where he focused on small and mid-cap media companies. Prior to Stern, Anton worked for three years at AIM Funds Management as a Product Analyst. He received a Bachelor of Commerce degree from the University of Toronto. He is a CFA charterholder.

David A. Haley, CFA – Contributing Editor; Analyst, Technology

Prior to attending Stern, David Haley worked as an equity analyst for six years at T. Rowe Price. At T. Rowe Price, David initially covered emerging market firms from London, and later covered domestic small-cap stocks from Baltimore. David earned a B.S. (Finance and Management) at the University of Delaware. He is a CFA charterholder.

Nathan Jones – Analyst, Healthcare

Nathan spent the summer working in sales and trading at Lehman Brothers. Prior to Stern, Nathan worked for three years in IT consulting for Accenture within its communications and high tech market unit. He received his BS in Industrial Engineering from the Georgia Institute of Technology.

David Kamiya, CFA – Analyst, Healthcare

David spent last summer as an associate in sales and trading at Deutsche Bank. Prior to attending Stern, David worked for three years as a risk analyst, municipal bond analyst and portfolio manager for the Asset Management Group of the Bank of Hawaii. David graduated from the University of Hawaii in 1998 with a major in Finance. David is a CFA charterholder.

Matthew Keeler – Market Strategist; Analyst, Healthcare

Over the summer, Matt worked as an equity research associate at Friedman Billings Ramsey, focusing upon the software sector. Prior to business school, Matt worked in management consulting at Triage Consulting Group. Matt received his undergraduate degree from the University of California at Berkeley.

Ajay Kejriwal, CFA – Director of Communications; Analyst, Technology

Prior to attending Stern, Ajay worked in Investment Research covering the financial services sector and later in Research Sales with an investment banking boutique in India. During the summer, Ajay worked as an equity research associate at Goldman Sachs covering healthcare. Ajay has a bachelor's degree in accounting from the University of Calcutta, and a Master's degree in Finance from the Indian Institute of Management. He is a CFA charterholder.

Jisong Sohn – Analyst, Utilities & Energy

Jisong spent the summer at the investment banking division of UBS Investment Bank in Hong Kong. Prior to Stern, Jisong worked at Deloitte & Touche Corporate Finance in Seoul and the Bank of Korea. Jisong is a CFA level III candidate and holds a BA in Economics from Seoul National University.

Chad Vanacore – Analyst, Utilities & Energy

Over the summer, Chad worked as analyst for Ridgecrest Partners, a long/short equities hedge fund with \$500 million in assets. Prior to business school, Chad spent 3 years with Morgan Stanley in the Fixed Income Division. Chad holds a Bachelor's degree from Boston College's Carroll School of Management. He is a level II CFA candidate.

Min Xu – Analyst, Industrials

Prior to attending Stern, Min worked as an associate in the Mezzanine Finance group of Brown Brothers Harriman. She holds a Bachelor of Arts Degree in Economics from Smith College.

Darren Yip – Analyst, Industrials

Darren graduated from the University of California, Berkeley in 1998 with a B.A. in Economics and a Minor in Business Administration from the Haas School of Business. From there he went on to work at Ernst & Young LLP as a senior economic consultant. He spent the summer at Lehman Brothers as an equity research associate.

MPSIF Value Fund



*Top row, left to right: Johny Tan, Joshua Kennedy, Simon Chan, Tarek Hamid
Second row, left to right: Michael Chen, Brad Korch, Hasan Kokenli
Third row, left to right: Kevin Li, Paul Chisholm, Victoria Vodolazschi
Fourth row, left to right: Neil Losquadro, Javed Siddique, Rifki Zable, Laura Bergonzini, Vivian Jang*

Portfolio Managers

Neil Losquadro – Analyst, Consumer Discretionary

Neil is a second year MBA student who spent his summer with Credit Suisse First Boston in their Leveraged Finance Research group. Neil has prior work experience at Basswood Partners, American Express and Greenhill & Co. He holds a Bachelor of Business Administration from the University of Michigan.

Javed Siddique – Analyst, Energy

Javed spent his summer at the JPMorgan Private Bank, where he focused on Portfolio Management and Portfolio Construction. Prior to Stern, Javed worked in Energy Equity Research and Investment Banking at Jefferies & Company and Oppenheimer & Company. Javed holds a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania.

Analysts

Michael Chen – Analyst, Industrials

Mike spent the past summer working at Deutsche Bank in the Fixed-Income Research group. Prior to Stern, Mike was a Product Manager at Xilinx, a Silicon-Valley semiconductor company specializing in programmable logic devices. Mike received his B.S. from the University of California, Berkeley, in Electrical Engineering and Computer Science, and has passed the CFA Levels I and II examinations.

Paul Chisholm – Market Strategist; Analyst, Energy and Materials

Paul spent last summer working with Lehman Brothers in their high-yield research group, focusing on distressed debt. Prior to Stern, he worked for ExxonMobil Chemical in research and development as both

an engineer and project economics analyst. He has a Ph.D. and B.S. in chemical engineering from the University of Texas at Austin and the University of Notre Dame, respectively. He is also a former officer in the U.S. Army Reserves.

Tarek Hamid - Market Strategist; Analyst, Technology

Tarek spent the past summer working in the Fixed Income Research Group at JPMorgan, where he covered credits in the Airline and Railroad sectors. Prior to Stern, Tarek was a Corporate Finance and Mergers & Acquisitions Analyst in the Investment Banking Division at JPMorgan. Tarek received an A.B. degree in History from Harvard University.

Yun-Wen Vivian Jang – Portfolio Strategist; Analyst, Technology and Telecom

Vivian worked at AAA International Investment & Development Co., Ltd. and China Life Insurance Co., Ltd. as an equity research analyst covering Taiwan's technology sector prior to Stern. Vivian holds a Bachelor of Commerce from University of Toronto and is a CFA Level III candidate.

Joshua Kennedy -- Senior Editor, MPSIF Newsletter; Market Strategist; Analyst, Consumer Staples

Joshua spent the summer working on a international small-cap fund at American Century Investments in New York. Prior to Stern, Joshua worked on the editorial staff at the online division of The Wall Street Journal. He holds a B.A. in Comparative Religion from Brown University.

M. Hasan Kokenli – Market Strategist; Analyst, Energy

Hasan spent the summer of 2004 working for Deutsche Bank, London as a Sales & Trading Generalist Summer Associate. Prior to Stern, Hasan traded crude oil and oil products, and managed projects in 15 countries in Former Soviet Union, Eastern Europe and Middle East for Tradecom Oils and Minerals Ltd, Istanbul. He received his BA in Economics and his BA in International Relations from Koc University, Istanbul, Turkey.

Brad Korch – Communications Director; Analyst, Consumer Discretionary

Brad is a second year MBA student who spent his summer working as an equity research associate at UBS. Prior to Stern, Brad was a senior consultant at Accenture, the consulting firm formerly known as Andersen Consulting. Brad received a B.S. in Chemical Engineering from Cornell University.

Kevin Li – Fund Services Director; Analyst, Consumer Discretionary

Prior to enrolling at Stern, Kevin worked as a senior associate at PricewaterhouseCoopers' Assurance and Business Advisory Service division in China. This summer, Kevin worked for WestLB AG Credit Americas as a credit analyst. Kevin received his bachelor's degree with major in finance and minor in law from Peking University, China. He is member of CICPA.

Andrew Park – Analyst, Basic Materials

Andrew spent the summer of 2004 working as an analyst at Sire Management, a fund of hedge funds focusing on the long-short equity niche. Prior to Stern, Andrew was a proprietary trader on the international equities desk at First New York Securities and an analyst in Arthur Andersen's Corporate Finance Consulting division. Andrew received his B.S. in Management and Finance from SUNY Binghamton's School of Management.

Johny Tan – Portfolio Strategist; Analyst, Financial Services and Basic Materials

Johny spent the summer of 2004 as a research analyst at Southpoint Capital, a long/short fund with a fundamental deep value approach located in New York City. Before attending Stern, Johny was with Mercer Investment Consulting for three years. He received his B.Bus (Hons) from Monash University in Australia and holds the Chartered Financial Analyst designation.

Victoria Vodolazschi – Analyst, Financial Services

Victoria is a fund of hedge funds portfolio manager at Bainbridge Partners. Prior to Bainbridge she was with Tremont Capital in the Hedge Fund Research Group, JP Morgan in the Industrials M&A Group and Bear Stearns in the Financial Institutions Group. Victoria graduated with Honors from Trinity College with a dual degree in Economics and International Relations and is a Level III CFA candidate.

Rifki Zable – Communications Director; Analyst, Consumer Staples

Rifki worked at American Express this summer in Risk, Information & Banking. Prior to Stern, she worked at Milestone Capital Management and Goldman, Sachs & Co. Rifki received a BS/BA from the University of Pennsylvania.

MPSIF Fixed Income

(for member profiles, see appropriate equity fund section)



*Top row, left to right: David Kamiya, Hasan Kokenli, Reuben Govender, Matthew Keeler
Second row, left to right: Michael Chen, Chad Vanacore, Tamara Yacavone, Rifki Zable*

David Kamiya (Small Cap) – Portfolio Manager

Michael Chen (Value) – Mortgage-Backed Securities

Paul Chisholm (Value) – Corporate Bonds

Reuben Govender (Growth) – Interest Rates and Government Bonds

Nathan Jones (Small Cap) – Interest Rates and Government Bonds

Matthew Keeler (Small Cap) – Corporate Bonds

Mehmet Hasan Kokenli (Value) – Corporate Bonds

Chad Vanacore (Small Cap) – Mortgage-Backed Securities

Tamara Yacavone (Growth) – Mortgage-Backed Securities

Rifki Zable (Value) – Interest Rates and Government Bonds



**The Michael Price
Student Investment Fund**

The Funds

Growth

Small Cap

Value

Fixed Income



The Michael Price
Student Investment Fund
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New York, NY 10012
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