



The Michael Price Student Investment Fund

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

Semi-Annual Report

29 February, 2008

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

WHAT IS THE MICHAEL PRICE STUDENT INVESTMENT FUND?

With nearly \$2 million currently under management, the Michael Price Student Investment Fund ("MPSIF" or "the Funds") is a family of funds managed directly by NYU Stern MBA students. The Funds, part of the overall NYU endowment, were established in 1999 through a generous gift from Michael Price, Managing Partner, MFP Investors, LLC and former Chairman of Franklin Mutual Series Funds.

WHAT IS UNIQUE ABOUT MPSIF?

The Michael Price Student Investment Fund provides Stern MBA students with hands on experience managing real Funds with significant assets. In addition, the Funds are required to pay an annual 5% dividend to the University of Oklahoma Price School of Business, Mr. Price's undergraduate alma mater. This dividend pays students' tuition so they can attend summer classes at Stern. Additionally, MPSIF maintains between two and three times the membership relative to other student investment funds at our peer institutions.

WHAT IS THE PORTFOLIO COMPOSITION?

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

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

Students must go through a competitive process to become a portfolio manager or analyst with the Funds, which is the basis of Stern's "Managing Investment Funds" course. Stern MBAs must apply to this course, and demand has always exceeded available spots. About 45 students enroll each year and are then responsible for all Fund activities—screening and evaluating stocks, preparing and presenting pitches for buy and sell recommendations and strategizing on broader portfolio issues as they relate to sectors allocation. For the Fixed Income Fund the primary role of analysts is to make tactical allocation recommendations and decisions based on market outlook and economic analyses among various product sectors.



LEADERSHIP OF THE MICHAEL PRICE FUNDS

Executive Committee – Spring 2008

President	Raymond Li
Treasurer	Elizabeth Clouston
Co-Portfolio Manager, Fixed Income Fund	Joel Peña
Co-Portfolio Manager, Fixed Income Fund	Rocco Lisandrelli
Co-Portfolio Manager, Growth Fund	Henry Sham
Co-Portfolio Manager, Growth Fund	Brian Baytosh
Co-Portfolio Manager, Small Cap Fund	Bradley Doyle
Co-Portfolio Manager, Small Cap Fund	Adam Edgell-Bush
Co-Portfolio Manager, Value Fund	Marc Bromberg
Co-Portfolio Manager, Value Fund	Steven Ladany
Faculty Advisor	Professor Anthony Marciano

Executive Committee – Fall 2007

President	Louis Kay
Treasurer	Jeff Agne
Co-Portfolio Manager, Fixed Income Fund	Ryan Hart
Co-Portfolio Manager, Fixed Income Fund	Liyuan (Steven) Tao, CFA
Co-Portfolio Manager, Growth Fund	Eric (Zhaoyang) Chu
Co-Portfolio Manager, Growth Fund	Ryan Fiftal
Co-Portfolio Manager, Small Cap Fund	Jonathan Blankenheim, CFA
Co-Portfolio Manager, Small Cap Fund	Zachary Shannon
Co-Portfolio Manager, Value Fund	Marc Albanese
Co-Portfolio Manager, Value Fund	Andrew Eimer
Faculty Advisor	Professor Anthony Marciano

Internal Leadership – Spring 2008

Vice President, Economic Strategy	Daniel Garcia
Vice President, Educational Development	Bradley Doyle
Vice President, External Affairs	Philippe Astaing
Vice President, Performance Reporting	Kyle Okita
Vice President, Newsletter	Greg Urban
Vice President, Portfolio Analytics	Sobhan Dasari
Vice President, Annual Report	Joe (Sz-Mong) Fan
Vice President, Account Management	Catherine (Shu) Zhang

Management Advisory Council

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

Board of Advisors

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

Resource Faculty

Aswath Damodaran, Professor of Finance, Stern School of Business
Fred Renwick, 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

On behalf of the student participants of the Michael Price Student Investment Fund, it is my honor to introduce the semi-annual report for the period ending February 29, 2008.

This has not been an easy time for the financial markets. While the early signs of hard times were becoming clear last semester (as described in our last report), even greater and more pervasive financial ramifications were felt this period. Of course, financial institutions have continued to suffer hard times as best represented by the Bear Stearns debacle; however, many additional firms suffered due to a combination of unfavorable factors including real estate concerns, a credit crunch, poorer market sentiment, and large increases in various costs (energy, food, commodities, etc.) as manifested by the latest monthly PPI increase of 1.1%. It is generally agreed that we are in a recession; and, this is reflected in the returns for this six-month period of the major indices: the NASDAQ, S&P 500, and Dow Jones Industrial earned returns of -12.5%, -9.7%, and -8.1%, respectively.

As has been the history for the MPSIF fund in down markets, the fund outperformed the blended indices (-3.22% as compared to -6.61% for the indices). Individually, the three MPSIF equity funds of Growth, Small Cap, and Value produced returns of -3.15%, -11.74% and -1.23%, respectively – each better than its benchmark. Nonetheless, despite the strong relative performance, the total assets under management decreased by \$49,549 to \$1,905,332. Since inception, however, the fund continued to enhance its relative performance – earning a cumulative return of 55.61% vs. 31.80% for the blended benchmark.

The fund continued to engage many external relationships. None are more significant than our Management Advisory Council. The members, who include Nomi Ghez, Randall Haase, Chris Long, and Ruchi Madan, continue to contribute to the fund with their insights and inspiration. A concerted effort has been made to institute some of the recommendations stemming from the last council meeting. Consequently, we are always grateful for

their participation – as we are, naturally, for the guest speakers who participate and share their wisdom (including Michael Price himself).

The goals for the fund this period were wide-ranging and ambitious, and success varied. We attempted to enhance the fixed income fund; but while the fund was increased in size, the students continue to focus their attention on the three equity funds. More successfully, there has been some work to refine the analyst report presentations. Overall, there is more attention paid to behavioral finance issues and institutional concerns. Also, the students were more thoughtful about how to handle stop-loss programs during breaks in the academic calendar. Finally, the fund now produces a Sector Analysis to go along with the macro-based Economic Outlook.

The fund's enhanced efforts were made more feasible due to an increase in the class size – which, in turn, was made possible by the large increase (about 1/3rd) in applicants. This is indication of the fund's growing internal interest at the University. To build on this, MPSIF has a running column in the business school newspaper. We also continue to enjoy external interest in our democratic-styled investing: the Street.com still covers the fund, and the Chicago Tribune is publishing an article on student-run funds that will feature MPSIF.

Anthony M. Marciano
Clinical Professor of Finance
April 15, 2008



LETTER FROM THE PRESIDENT

Strengthening Our Foundation

The success of our fund rests on the foundation of a sound investment strategy, a disciplined approach, and the ability to identify investment opportunities. With this foundation, we have performed relatively well during the first half of the fiscal year despite challenging market conditions. Since inception, The Michael Price Student Investment Fund (MPSIF) has returned 55.61%, outperforming the benchmark, which has returned 31.80%. For the six months ending February 29, 2008, the fund returned -3.22%, but outperformed the blended benchmark, which returned -6.61% during the same period.

Since September, increased volatility and turbulence in the market presented considerable challenges to the fund. Gains during the first two months of the fiscal year reversed from November onwards as the credit crisis deepened. The fund's relative excess of 3.39% over the benchmark was a result of our disciplined investment approach and our ability to reposition effectively. As the crisis begins to ease and the market regains its footing, I am confident that our fund will continue to outpace the benchmark while returning to positive absolute returns.

The strength of our investment foundation comes from the collective wisdom of the fund's analysts. During the semester, we have implemented initiatives that will strengthen this base. We have developed a sector analysis reports initiative. Leveraging both the background and research interests of fund analysts, these sector reports contribute to improving our top-down analytical approach and allow for greater insight into potential investment opportunities. We have also taken steps towards improving our pitch development process with the creation of guidelines for writing and presenting concise and focused stock pitches.

Our ability to be a visible and integral part of the NYU Stern community and beyond is also important in strengthening this foundation. We have established a relationship with the *Stern Opportunity*, Stern's community newsletter. In every issue, our newsletter team features a stock pitch that merits

recognition. Externally, TheStreet.com has continued to profile us on their website, and we are developing a media presence via other business content providers. I expect the fund's internal and external exposure to not only provide visibility but also aid in attracting the best talents and future leaders of the fund.

MPSIF is constructed and managed in a way that fosters professional connections and lasting friendships. It is important that we maintain these ties well beyond our time with the fund. To that end, this year we hosted our Third Annual Alumni Mixer, where students benefited from interacting with alumni in the field of investment management and related fields, and our alumni were able to reconnect with each other. We look to further build on our alumni connections by continuing this tradition and through our established online alumni group.

As we look ahead, the fund's objectives are clear. Strengthening areas such as effective stock selection as we face a business cycle downturn and implementing efficient portfolio management during transition periods are critical. From an organizational perspective, a near-term goal would be to re-establish the Fixed Income Fund as a primary fund.

MPSIF is clearly evolving and we look forward to more positive and exciting developments.

Raymond Li
MPSIF President
April 15, 2008



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.

Our strategic objectives for the first half of the fiscal year were as follows:

- Strengthen investment decision making process
- Expand external and internal public relations
- Strengthen alumni connections
- Build roadmap for the Fixed Income Fund

To achieve these objectives, we highlight some of our initiatives below:

We have initiated a framework for developing sector analysis reports to complement the fund's top-down analytical approach. Analysts with a background or interest in a particular sector will write reports highlighting trends, recent deals, more players, and key metrics.

We have developed research report guidelines to improve our bottom-up analysis and to better prepare new analysts in writing concise buy-side oriented reports. This initiative serves as an efficiency driver for additional stock pitches as the fund evolves.

We continue to undertake steps to further develop the Fixed Income Fund into a primary fund. This will allow us to expand investment opportunities.

We maintained our external relationship with the TheStreet.com. We have also developed new relationships with other media firms, which enables us to gain greater external exposure.

At Stern, we have forged a new relationship with the *Stern Opportunity*. We established a dedicated column called "Educated Investing", in which we feature stock pitches from our analysts. The column has been successful in increasing the fund's awareness among students.

We conducted our Third Annual Alumni Mixer on April 10, 2008. This tradition along with our online alumni group enables us to continue building stronger connections with our alumni.

MPSIF continued to engage the investment management industry and improve the overall experience of the fund.

- On February 25, we were privileged to have Randall Haase, Portfolio Manager of the Baron Fifth Avenue Growth Fund and a member of the MPSIF Management Advisory Committee, speak about his fund's investment style, as well as his view on a range of companies and industries.
- On April 14, we were delighted to have Adam H. Seessel, founder of Gravity Partners, a value focused hedge fund, discuss his investment thesis on several of his fund's past and current holdings.
- On April 21, MPSIF will host Sam Stovall, Chief Investment Strategist at Standard & Poor's and NYU alumnus. Sam will share with us his renowned perspectives on the economy and sector investing.
- On April 29, we will host Michael Price, our fund's namesake, a legendary value investor, and the founder of MFP Investors. We look forward to his valuable insights on successful investing and investment management.



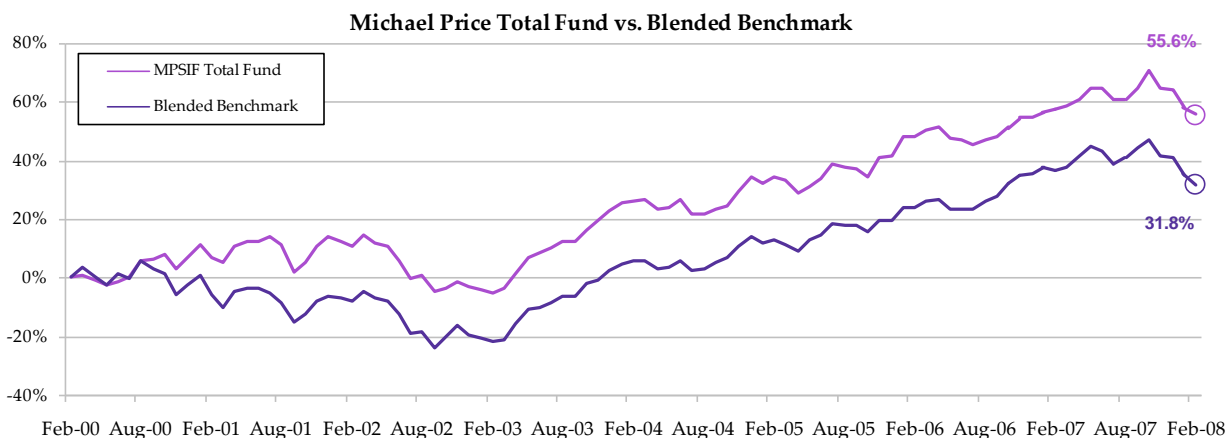
Performance of the Michael Price Student Investment Fund

For the period ending February 29, 2008

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	-3.22%	-1.08%	15.82%	5.02%	64.25%	10.43%	55.61%	5.68%
Management Fees	-0.25%	-0.47%	-1.51%	-0.51%	-2.55%	-0.52%	-4.07%	-0.52%
<i>Blended Benchmark</i>	-6.61%	-3.62%	16.49%	5.22%	68.78%	11.04%	31.80%	3.51%
Relative - Gross of Fees	3.39%	2.54%	-0.67%	-0.20%	-4.53%	-0.60%	23.81%	2.17%
Relative - Net of Fees	3.15%	2.07%	-2.42%	-0.73%	-8.72%	-1.17%	17.48%	1.62%
Small Cap Fund	-11.74%	-14.97%	18.12%	5.71%	105.06%	15.45%	115.54%	10.08%
Management Fees	-0.28%	-0.58%	-1.79%	-0.60%	-3.14%	-0.64%	-4.63%	-0.59%
<i>Russell 2000 Index</i>	-13.35%	-12.87%	11.60%	3.73%	100.97%	14.98%	30.64%	3.40%
Relative - Gross of Fees	1.60%	-2.09%	6.51%	1.98%	4.09%	0.46%	84.90%	6.68%
Relative - Net of Fees	1.35%	-2.58%	4.40%	1.35%	-2.36%	-0.27%	74.92%	6.03%
Value Fund	-1.23%	5.72%	26.47%	8.14%	96.82%	14.50%	81.16%	7.71%
Management Fees	-0.31%	-0.65%	-1.94%	-0.65%	-3.24%	-0.66%	-4.99%	-0.64%
<i>Russell 1000 Value Index</i>	-11.45%	-9.01%	16.99%	5.37%	89.35%	13.62%	71.40%	6.97%
Relative - Gross of Fees	10.22%	14.72%	9.48%	2.77%	7.47%	0.88%	9.76%	0.74%
Relative - Net of Fees	9.91%	14.04%	7.02%	2.07%	1.08%	0.13%	0.73%	0.06%
Growth Fund	-3.15%	2.30%	5.59%	1.83%	52.04%	8.74%	-12.36%	-1.64%
Management Fees	-0.17%	-0.39%	-1.20%	-0.40%	-2.26%	-0.46%	-3.85%	-0.49%
<i>Russell 1000 Growth Index</i>	-7.03%	-0.10%	18.16%	5.72%	63.93%	10.39%	-29.10%	-4.21%
Relative - Gross of Fees	3.88%	2.40%	-12.57%	-3.89%	-11.89%	-1.65%	16.74%	2.57%
Relative - Net of Fees	3.72%	2.00%	-13.84%	-4.30%	-15.32%	-2.15%	13.37%	2.09%
Fixed Income Fund	4.77%	6.37%	12.99%	4.15%	22.60%	4.16%	33.32%	4.98%
Management Fees	-0.19%	-0.19%	-0.99%	-0.33%	-1.53%	-1.53%	-1.73%	-0.30%
<i>Vanguard Total Bond Fund</i>	5.90%	7.83%	16.68%	5.28%	24.82%	7.67%	34.83%	5.26%
Relative - Gross of Fees	-1.12%	-1.46%	-3.69%	-1.12%	-2.22%	-3.51%	-1.51%	-0.28%
Relative - Net of Fees	-1.32%	-1.66%	-4.81%	-1.47%	-4.10%	-5.10%	-3.81%	-0.59%

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

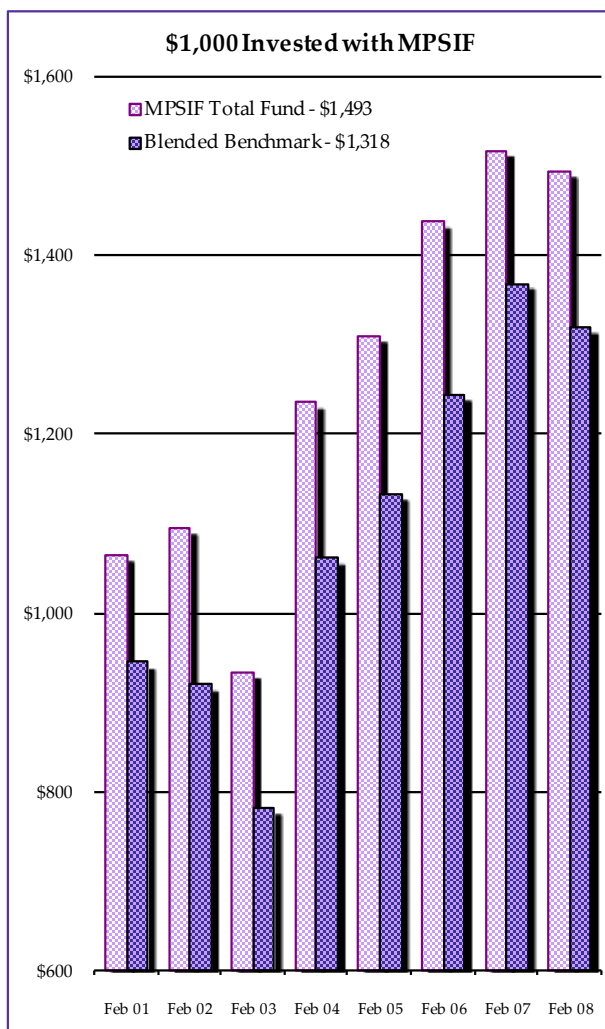
All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.



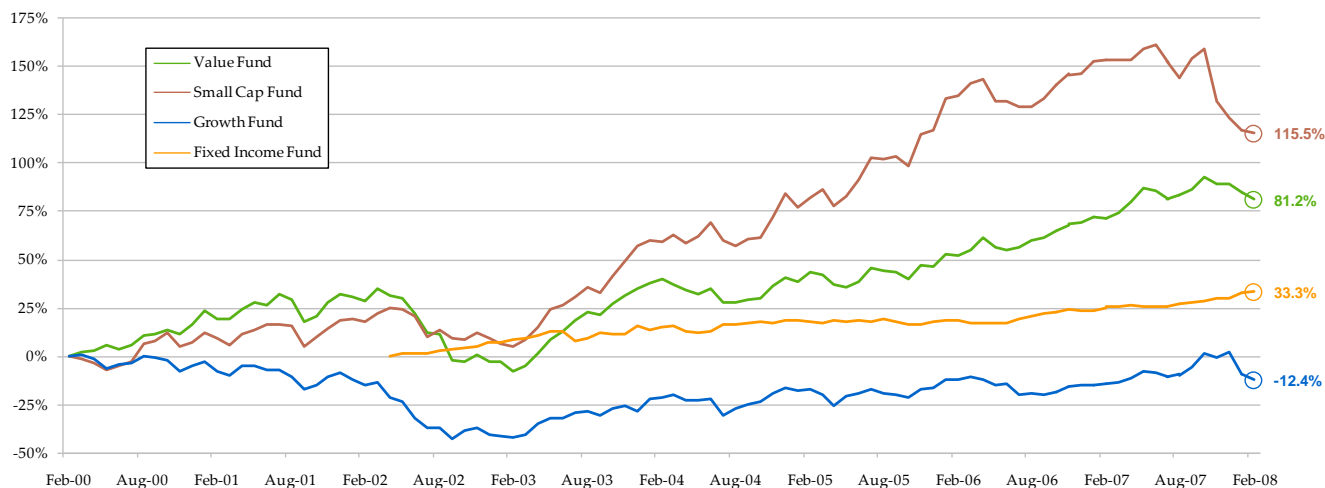
As of February 29, 2008, MPSIF has approximately 25% in cash holdings. The Executive committee believes that while this is suboptimal, it is close to our target ratio. Despite pressure to deploy the funds, the funds have overall maintained a strong sell discipline and continued to exit holdings as required. We will continue to explore new opportunities to effectively invest the remaining cash and we are confident that we will continue to outperform and return to positive absolute returns.

The volatility in the equity markets, caused by deepening credit concerns during the months of December and January, provided many challenges for the fund. However, over the 6 months of this semi-annual period, we generated returns in excess of the individual benchmarks our equity funds are measured against, and we performed better than some professionally managed funds. Overall, the fund returned -3.22% over the past 6 months, 3.39% in excess of the blended benchmark, which was down by -6.61%. The fixed-income fund was the top performer, returning 4.77% despite missing the benchmark by 1.13%. The value and growth funds returned -1.23% and -3.15%, but greatly outperformed the benchmarks by 10.22% and 3.88% respectively. The small cap fund was returned -11.74%, yet beat the benchmark by 1.61%.

Since inception, MPSIF has earned a cumulative return of 55.61%, outpacing the blended benchmark by 23.81%.



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 also keenly focused on risk management in the construction of each sub-Fund.

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

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

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

- Invests in U.S. Treasury, investment-grade corporate, mortgage-backed, and asset-backed securities

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

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

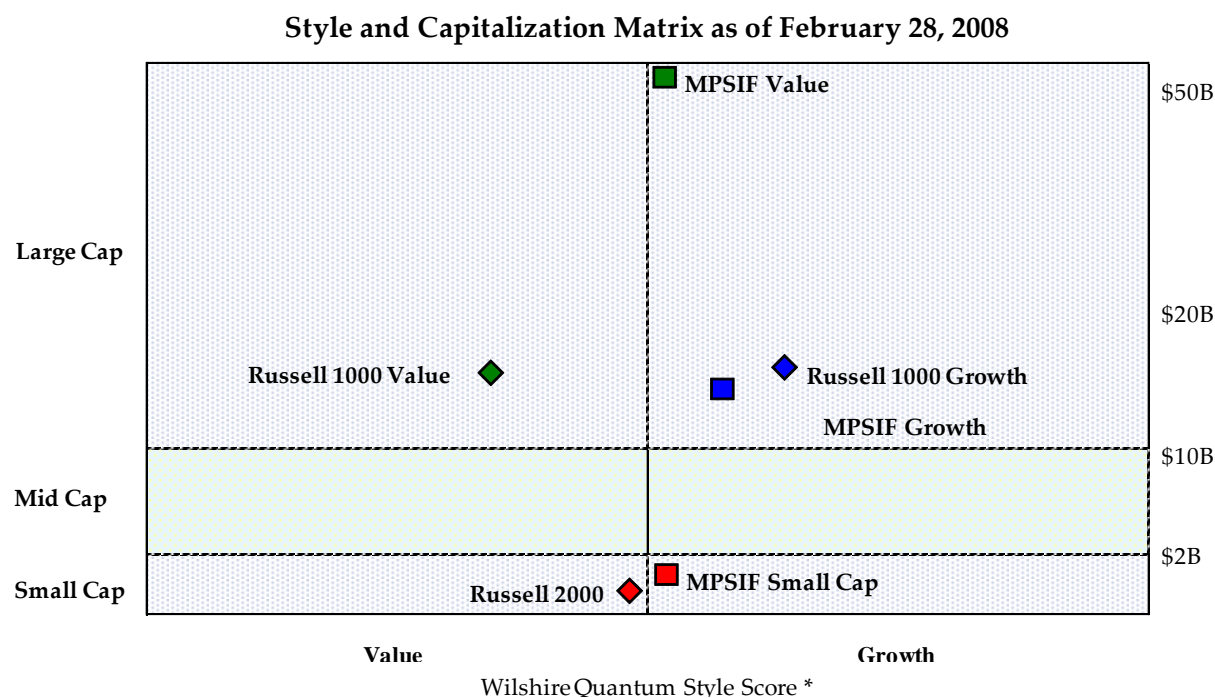
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

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



Valuation, Style and Capitalization

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



Source: Wilshire Analytics

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

Equity Valuation Characteristics

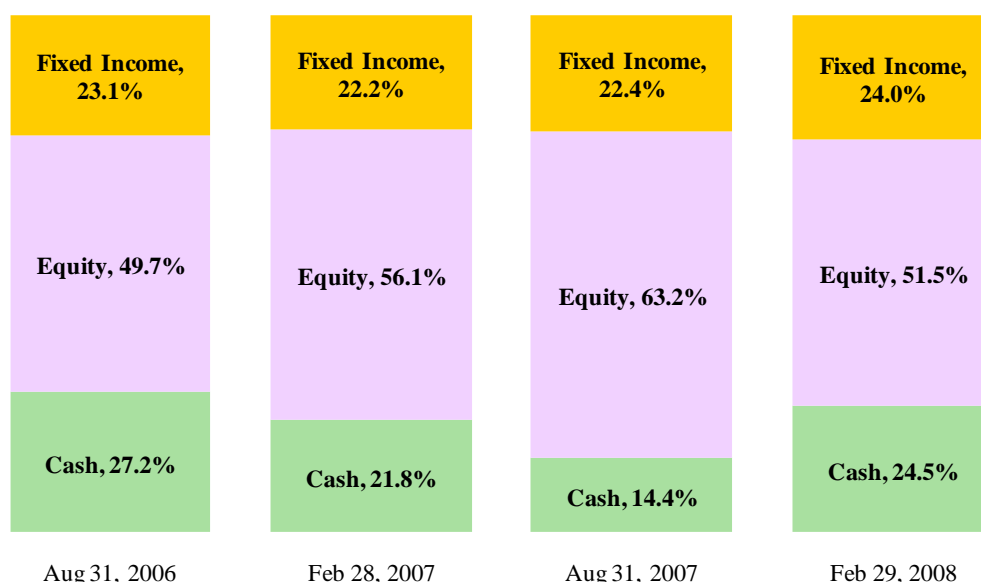
	P/E	ROE	P/BV	Div. Yield
MPSIF Growth	24.0	21.4%	4.5	1.1%
Russell 1000 Growth	17.9	26.1%	3.8	1.3%
<i>Relative</i>	<i>1.3x</i>	<i>0.8x</i>	<i>1.2x</i>	<i>0.9x</i>
MPSIF Value	14.5	29.2%	2.9	2.0%
Russell 1000 Value	16.7	40.4%	1.9	1.5%
<i>Relative</i>	<i>0.9x</i>	<i>0.7x</i>	<i>1.6x</i>	<i>1.4x</i>
MPSIF Small Cap	15.5	15.2%	2.2	1.8%
Russell 2000	13.6	18.8%	1.8	2.9%
<i>Relative</i>	<i>1.1x</i>	<i>0.8x</i>	<i>1.2x</i>	<i>0.6x</i>

Source: Wilshire Analytics

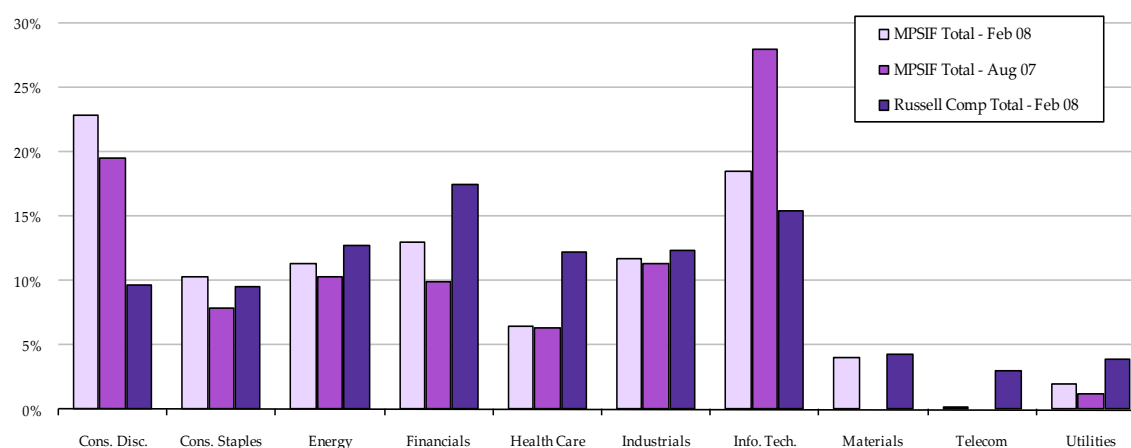
Asset Allocation

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, however each portfolio group evaluates recommendations made by our economic strategy team.

Asset Allocation by Semi-Annual Periods



MPSIF Total Fund - Equity Sector Allocation



Source: Wilshire Analytics

Fund Turnover

Portfolio Turnover for the Six Months Ending February 29, 2008

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	52,778	355,940	422,615	213,241
Total Sales	53,800	307,146	599,080	241,966
Minimum (Sales, Purchases)	52,778	307,146	422,615	213,241
Average Invested Assets	445,266	399,707	308,192	424,544
Turnover	12%	77%	137%	50%

Macroeconomic and Market Review

The economic environment since December 2007 has been volatile and especially challenging for U.S. equities. The subprime crisis and lack of investor confidence have put a severe crunch on liquidity and corporate activity. In an attempt to stave off a recession, as a result of the turmoil, the Federal Reserve Bank has engaged in a number of Fed Funds rate cutting sessions, culminating with the most aggressive two months of actions in a quarter century, slashing rates down to 2.25 percent in March 18. The Fed signaled that further cuts are possible, and future markets are pricing in a Fed Funds rate between 1.5 and 1.75% by the year end. Credit spreads over treasuries have not eased up despite the rate cuts. Spreads of junk bonds over treasuries are double what they were a year ago. The latest and most spectacular victim of the recent unforgiving streak of the market was the fall of Bear Stearns. JP Morgan's \$10 per share and the Fed's unprecedented \$29 billion infusion of credit to Bear's troubled assets seem to have prevented a catastrophic downturn in the financial sector.

Volatility has been at five-year highs and investor's are demanding equity risk premiums about 300 bps above the historical average. This can be explained either by the fact that the markets are undervalued or that current market values are correct and EPS downgrades are on the horizon. The Economic Strategy team subscribes to the latter theory and opines that the industries most vulnerable to

downgrades are banks, insurance, auto, technology and diversified financials.

The U.S. dollar continues to weaken as a result of a massive current account deficit coupled with a series of strong Fed Funds rate cuts, stoking fears of strong inflationary pressure. The dollar has experienced a change of more than 9 percent from the first quarter of 2007. Global growers are well positioned to profit from the dollar's decline. U.S. companies with more than 50 percent of their revenues from overseas sales reported 17 percent profit growth in Q4 2007.

Corporate activity has been muted, due to slowing economic activity, equity market volatility and an unwillingness of banks to lend, as the rash of asset write-offs continues. U.S. deal volume sank to \$35.95 billion in March, its lowest total since September 2004. Bankers in search of the next big deal are shifting their focus outside of the U.S. and Western Europe and into Asia and Eastern Europe. Orders for nondefense capital goods excluding aircraft, which is used as a gauge of capital spending by businesses, decreased in February by 2.6%, after falling 1.8% in January. This does not bode well for the domestic economy, as business investment accounts for 15-17% of U.S. GDP.

International markets are mixed. In the Americas, Canada's Q4 GDP growth profile shows a very weak external sector and very strong domestic sector. Domestic sectors drove GDP growth with major

contributions from consumer spending, business investment, and government spending. Further south, Latin America is poised for what could be its fifth consecutive year of strong economic growth in 2008, according to the International Monetary Fund. High inflation, especially in foods, has kept central banks hawkish, in order to maintain stamina in Latam currencies. The Euro Zone's GDP in 2007 grew 2.7%, a slightly lower than the previous year. The European Central Bank eased its stance on interest rates and should decree a rate cut in June. This should scale back the U.S.-Euro exchange rate down from its recent record setting highs. More bumps in the road lay ahead for the financial sector and additional write-downs are expected. Corporate defaults are expected to increase, as 39 percent of European companies' funding is due within a year. Inflation is hitting all time highs in Middle-East and Gulf countries. Their currencies' peg to the dollar leaves them no choice, but to cut rates in tandem with the Fed. The Gulf Cooperation Council countries are expected to reevaluate their currencies in the coming months and implement a peg to a basket of currencies.

Asia, including Japan, has been mostly insulated from credit crunch woes. Banks have little or no exposure to subprime contagion, are well capitalized, and have seen growth of domestic funding. Like Latam, Asia is experiencing

inflationary pressure on food prices. Asian countries have implemented price controls, restricted exports and reduced tariffs on imports to combat inflation. China will accelerate Yuan appreciation to curb inflation. Prospects are mixed for Asia, but most are lackluster. Standard Chartered predicts a U.S. slowdown will deeply impact Asian exports, with Singapore and Malaysia being the hardest hit, and India and Indonesia the least affected. Japan's Central Bank is expected to maintain interest rates at 0.5% throughout 2008, even though the U.S.-Yen exchange rate crossed the 100 mark.



THE GROWTH FUND

Message from the Portfolio Managers

For the six-month period ended February 29, 2008, the Growth Fund ("the Fund") had an absolute return of -3.15%. While these results were disappointing, given that the Fund strives to generate positive absolute returns, the Fund outperformed its benchmark (the Russell 1000 Growth index) by 388 basis points over this time period.

During this fiscal first half of 2008, the Fund was witness to continued turbulence in the credit markets, as well as a U.S. housing market slowdown. Additionally, the Fund saw dramatic Federal Reserve rate cuts and increased stock market volatility. The Fund's performance in this period was primarily affected by these macroeconomic factors, which had their largest effect on stock performance in January and February 2008. This two-month period saw the Dow Jones Industrial Average, S&P 500, and NASDAQ Composite fall 8.14%, 10.35%, and 16.76% respectively (measured from December 31, 2007 to February 29, 2008). Additionally, the Fund's positions had stop-loss orders in place during the January 2008 academic holiday and the high level of volatility during this period triggered four of the Fund's positions to liquidate (BE Aerospace, Chicago Bride & Iron, McDermott International, and Pet Smart). This was despite the fact that a new policy was instituted the prior fiscal year to lower the stop-loss limit.

The new stop-loss policy serves two purposes. First, it will help avoid what the Fund experienced in the prior fiscal year, in which tight stop-loss limits prevented the fund from benefiting from any upside during periods of high volatility. Second, the policy now better takes into account the historically higher level of volatility in growth stocks. However, during these recent market movements, several of the Fund's positions experienced even greater levels of volatility, which allowed lower stop-loss limits to trigger.

While the specific nature of the stop-loss policy will be discussed and possibly revised, the Fund will continue to implement stop-loss orders, as its benefits outweigh its disadvantages. We believe

that stop-loss orders are an effective risk management tool but, as with all tools, must be evaluated regularly. Moreover, the Fund is an academic fund and stop-loss orders are vital during academic holidays and other times when the fund is not meeting regularly.

At the end of the fiscal first half of 2008, the Fund had a cash position of 26.9%. Although the Fund is always on the lookout for great growth stocks, there is no pressure to deploy this capital hastily.

The Fund operates as a bottom-up fund (however, analysts also perform top-down, merger risk and behavioral analyses as they see fit) and does not have a desired asset allocation. Rather, the analysts focus on identifying the best new growth ideas and allocating cash to stocks in which they have the highest conviction for, across any sectors that they believe will outperform the market.

As of the first half of fiscal year 2008, the Fund is heavily weighted in consumer discretionary, information technology and energy.

The Fund would again like to thank Michael Price for his generous gift to the Stern School of Business. MPSIF provides a unique and valuable opportunity to apply the analytic tools learned in the MBA program and help prepare its analysts for careers in investment management.

Brian Baytosh and Henry Sham
Portfolio Managers, Growth Fund



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	-3.15%	2.30%	5.59%	1.83%	52.04%	8.74%	-12.36%	-1.64%
Management Fees	-0.17%	-0.39%	-1.20%	-0.40%	-2.26%	-0.46%	-3.85%	-0.49%
<i>Russell 1000 Growth Index</i>	<i>-7.03%</i>	<i>-0.10%</i>	<i>18.16%</i>	<i>5.72%</i>	<i>63.93%</i>	<i>10.39%</i>	<i>-29.10%</i>	<i>-4.21%</i>
Relative - Gross of Fees	3.88%	2.40%	-12.57%	-3.89%	-11.89%	-1.65%	16.74%	2.57%
Relative - Net of Fees	3.72%	2.00%	-13.84%	-4.30%	-15.32%	-2.15%	13.37%	2.09%

* Inception from March 1, 2000

Performance Overview

During the first half of fiscal year 2008, the Fund outperformed its benchmark, the Russell 100 Growth Index. As has traditionally been the case, the Fund lives and dies by fundamental analysis. The relative gains during the past six months were no exception.

Stock-Picking

According to our Wilshire Analytics team, stock-selection boosted the Fund's returns relative to its benchmark by 4.8%. In regard to fundamental analysis, four names in particular deserve comment from a performance-contribution perspective: UnitedHealth Group, DeVry, Inc., and Garmin, LTD, all of which were liquidated to lock in gains; and Transocean, Inc., which the Fund continues to hold as we see remaining upside.

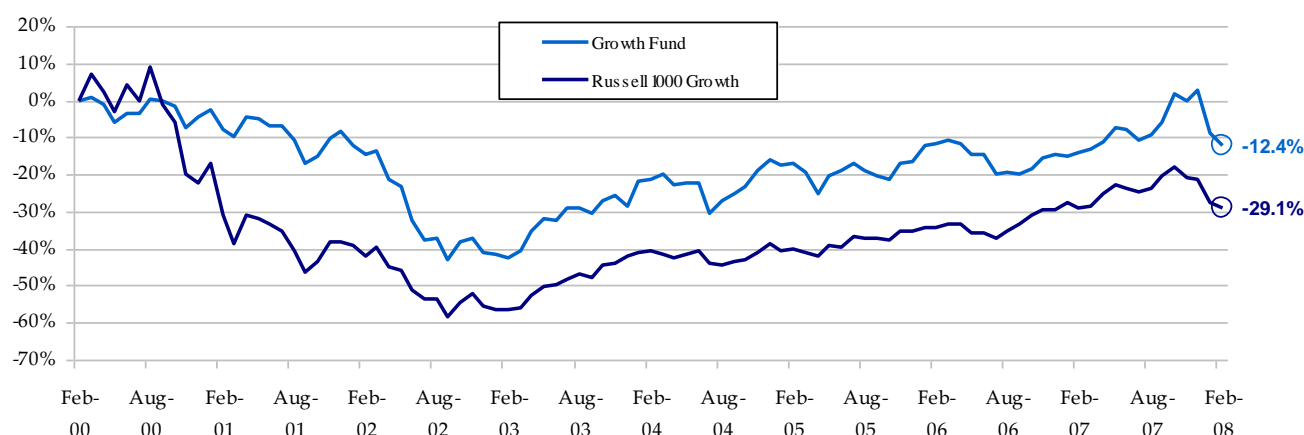
Shares in UnitedHealth Group (UNH), a provider of health benefit plans, rose an annualized 43% during the three-month period in which the fund held it. On November 28, the analyst covering the stock recommended it be sold based on rapidly slowing

growth. While the shares did appreciate in December, along with the rest of the market, they have fallen precipitously since.

DeVry, Inc. (DV), a private sector provider of education services, saw its share spike to \$54.76 on November 5, 2007 – when our analyst advised closing our position – from \$34.53 on August 31, 2007. This 58% growth in share price during the first half of the fiscal year (67% during the holding period) was driven by strong growth in enrollment in DeVry course. However, our analyst correctly forecasted a saturated market – and the shares hit impenetrable resistance at the \$60 level.

Finally, perhaps the best sell call of the first six months of the fiscal year came on the Garmin (GRMN), maker of personal GPS navigation devices. After a momentum fuel run up in the shares, on October 24, our analyst counseled selling based on his forecast of a lackluster holiday sales driven by falling consumer confidence and on the fundamentally unjustifiable growth rate implied by the share price. Within the week, shares in the name shed 15%, and after briefly touching the \$120 mark

Michael Price Growth Fund vs. Russell 1000 Growth Index



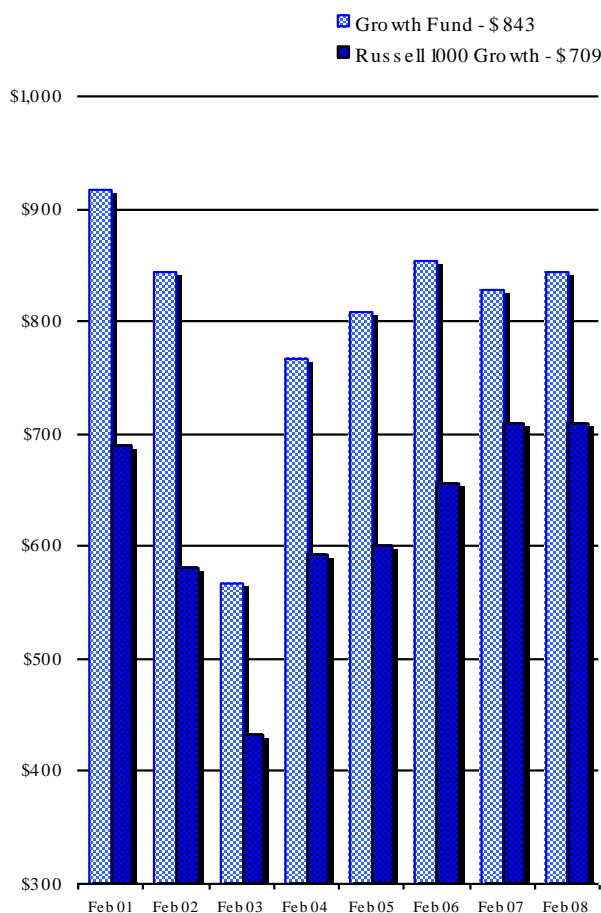
in November now trade in the \$45 range.

The highest conviction holding currently in the Fund is Transocean, Inc., (RIG) the world's largest provider of offshore drilling services. We believe the current supply-demand imbalance in that market will persist for some time to come enabling RIG to continue to aggressively grow revenue and earnings. Shares in the name have reflected this growth as they have climbed from \$105.09 at the beginning of the fiscal year to \$140.51 at the close of the first half.

As predicting the future is difficult work, not all of our investments paid such ample returns. Some have been particularly painful. For example, based on the strength of the leased aircraft market, we invested in Airastle Ltd. (AYR), a firm specializing in the securitization of aircraft leases. However, the freeze in the credit market has effectively crippled the firm's business model. With no near term thaw in sight, and the possibility of protracted further and sizable losses, the Fund was forced to liquidate at a substantial loss. Similarly, Tessera Technologies (TSRA), a technology-licensing firm, suffered litigation losses in excess of what we had anticipated, creating significant declines in the share price..

<u>Top Sectors</u>	<u>Return</u>	<u>Impact</u>
Energy	26.1%	0.8%
Health Care	9.2%	-0.1%
<u>Top Contributors</u>		
Devry Inc Del	67.2%	3.0%
Transocean Inc New	26.1%	1.9%
Garmin Ltd	19.6%	1.1%
Stock Selection		4.8%
Allocation Effect		-3.2%
<i>Impact measures contribution to the portfolio's relative performance vs. the benchmark</i>		
<i>Stock Selection is the aggregate success of selection decisions within each group vs. the benchmark</i>		
<i>Allocation Effect is the total impact of sector weighting decisions within each group vs. the benchmark</i>		

\$1,000 Invested with MPSIF Growth



Improving Fund Performance

During the first half of fiscal 2008, the Fund made the decision to invest the bulk of its cash in the Russell 1000 Growth Index using iShares, in an effort to improve Fund performance. The reasoning behind this decision is twofold. First, as an academic fund it is not unusual for 25% of holdings to be in cash for significant period, not as strategy, but as the Fund evaluates current and possible positions. Second, cash is drag on returns, as rates of return are anemic even in brokerage accounts. Therefore, if the Fund cannot maintain 90% direct equity exposure, it will target maintaining 90% exposure to equities directly and indirectly.

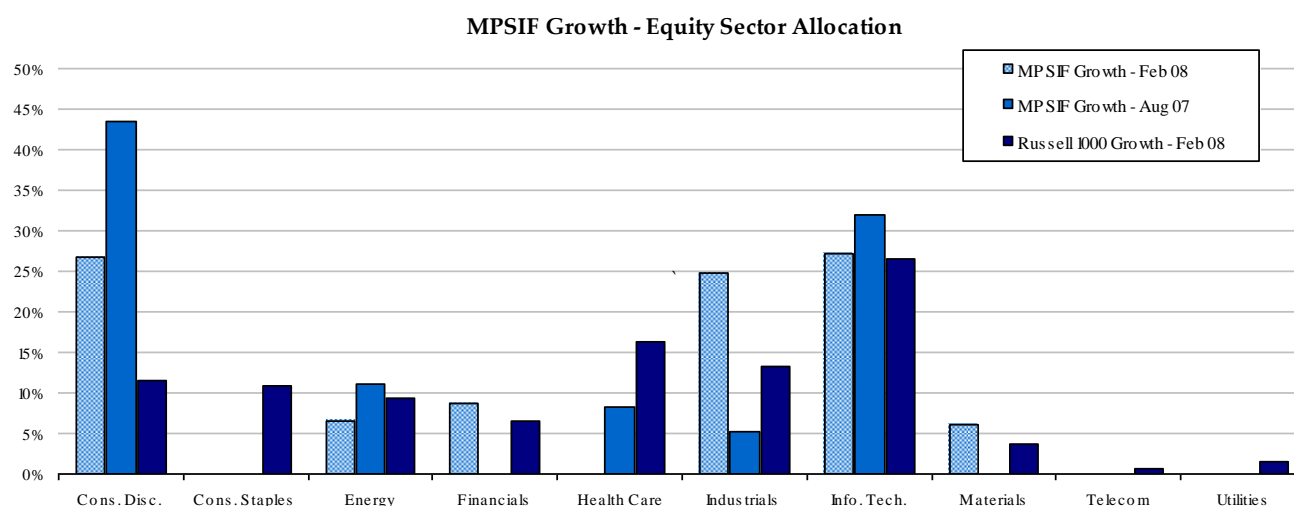
Asset Allocation

As the Fund focuses on bottom up stock-picking and fundamental analysis, asset allocation is a secondary priority. As such, not surprisingly, asset allocation was a drag on performance again in the first half of fiscal year 2008. According to our Wilshire Analytics team, asset allocation decisions reduced portfolio performance by 3.2%.

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. We believe the benefits derived from such a course are immeasurable.

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



Holdings Profile

Growth Portfolio as of February 29th, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
ISHARES RUS 1000 GROW	IWF	Index	915	55.05	50,371	11.6%
Adobe Systems Inc	ADBE	Application Software	355	33.65	11,946	2.8%
Aircastle Ltd	AYR	Industrials	555	20.60	11,433	2.6%
Amphenol Corp	APH	Information Technology	241	36.97	8,910	2.1%
Automated Data Processing	ADP	Financials	612	39.95	24,449	5.6%
Blackrock Inc	BLK	Financials	105	193.25	20,291	4.7%
Citrix Systems Inc	CTXS	Information Technology	489	32.93	16,103	3.7%
Cognizant Technology Solutions Corp	CTSH	Information Technology	645	30.21	19,485	4.5%
Comhania Vale De Rio Doce	RIO	Materials	558	34.84	19,441	4.5%
Gamestop Ord Shs Class A	GME	Consumer Discretionary	191	42.36	8,091	1.9%
International Game Tech Ord Shs	IGT	Consumer Discretionary	450	45.15	20,318	4.7%
Penn National Gaming Inc	PENN	Consumer Discretionary	495	45.83	22,686	5.2%
Petsmart Inc	PETM	Consumer Discretionary	822	21.53	17,698	4.1%
Polo Ralph Lauren Corp	RL	Consumer Discretionary	148	62.19	9,204	2.1%
Ritchie Bros Auctioneers	RBA	Industrials	250	71.61	17,903	4.1%
Signature Bank	SBNY	Financials	286	26.50	7,579	1.7%
Starbucks Corp	SBUX	Consumer Discretionary	441	17.98	7,929	1.8%
Tessera Technologies, Inc	TSRA	Information Technology	255	23.56	6,008	1.4%
Transocean Inc	RIG	Energy	151	140.51	21,217	4.9%
Direct Equity Holdings					270,689	62.4%
Total Equities					321,060	74.0%
Cash as of February 29, 2008					112,757	26.0%
Total Assets					433,817	100.0%

Growth Portfolio as of August 31, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc.	AAPL	Information Technology	283	138.48	39,190	8.9%
Adobe Systems Incorporated	ADBE	Information Technology	355	42.75	15,176	3.4%
Automatic Data Processing	ADP	Financials	612	45.74	27,993	6.4%
Devry Inc.	DV	Consumer Discretionary	566	34.53	19,544	4.4%
Google Inc.	GOOG	Information Technology	31	515.25	15,973	3.6%
Garmin Ltd.	GRMN	Information Technology	252	101.83	25,661	5.8%
Penn National Gaming, Inc	PENN	Consumer Discretionary	495	58.80	29,106	6.6%
Petsmart, Inc.	PETM	Consumer Discretionary	837	34.70	29,044	6.6%
Ritchie Bros Auctioneers	RBA	Industrials	250	64.61	16,153	3.7%
Transocean Inc.	RIG	Energy	324	105.09	34,049	7.7%
Tim Hortons Inc.	THI	Consumer Discretionary	908	33.11	30,064	6.8%
Unitedhealth Group Inc.	UNH	Health Care	509	50.01	25,455	5.8%
Total Equities					307,407	69.8%
Total Cash					132,872	30.2%
Total Assets					440,280	100.0%

Investment Style and Strategy

Our goals: The goal of the Growth Fund is to identify and capitalize on investments that have significant growth potential. The companies we invest in may source their growth from a unique business model or a strong competitive position in a rapidly growing industry. We believe that a company with characteristics like these can achieve more than 15% annual EPS growth over the next five years and in turn experience substantial stock price appreciation. These growth opportunities can be uncovered by finding companies that are pioneering a new product or service that will see significant future demand. Other companies may be altering pre-established norms in a static industry and gaining significant market share. Additionally, these companies could be applying their business model to new regions or they could simply be a leader in an industry that is experiencing high levels of growth. Our analysts use comparable and intrinsic valuation techniques to determine if these growth opportunities are available at attractive prices.

Our objective: To achieve an absolute return in accordance with our positioning as a portion of a university endowment.

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 examines relative valuations and then finally performs a fundamental analysis of the company. The analyst then writes a research report and pitches the stock to the class. The class engages in a debate to challenge the investment rationale. After this rigorous process, the group votes whether or not to purchase the stock.

Sell Discipline: In 2006 we added stop-loss orders to provide more self 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 issuer's growth rate deteriorates or its performance otherwise disappoints.
- The price of the security attains our price target or otherwise appears relatively high to our fund's analysts.
- The company publishes negative earnings announcements that could affect the long-term outlook and industry attractiveness.
- Unfavorable changes in management.

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



THE VALUE FUND

Message from the Portfolio Managers

For the fiscal year ending February 29, 2008, the Value Fund ("the Fund") marked a loss of 1.23% (gross of fees) on an absolute basis, yet outperformed our benchmark Russell 1000 Value Index by 1,022 bps. We are content with our performance given the challenging market environment, and are pleased that we outperformed the benchmark.

The Fund began the Spring Semester with a cash position of 13%. We have decided to employ exchange traded value funds that are focused in sectors that we are underweight and are sold off when investment ideas are added to the portfolio. We have also decided to reinvest cash holdings into stocks that were deemed to have a "strong potential" by the analysts that cover them. If our cash balance drops so much that we cannot fully fund new purchases, we will rebalance the portfolio, selling portions of the exchange traded value funds and the larger positions to generate the needed cash.

The Fund did not employ a stop-loss strategy during the winter recess. As a result, we entered the Spring semester with a number of names that warranted further analysis given the deterioration in the market during the break. The Fund has divested several of the names that the analysts deem fully-valued. It has shifted into defensive-oriented value stocks that we believe will be well positioned in the event of additional global weakness. We are encouraged by the progress made in adding names which we feel are truly undervalued securities offering opportunities in

capital appreciation, while selling names that do not fit this definition. Our goals for the remainder of the fiscal year, ending August 31, 2008, are to focus on outperforming the benchmark index by a larger margin, regaining our positive absolute returns, further diversifying our portfolio, and preserving the gains we have made. This will be achieved through adding well-analyzed names to the Fund and exercising an unbiased sell discipline to limit losses and lock in unrealized gains.

Over the six month period through February 29, 2008, the fund earned \$5,242 in dividends and \$2,008 in interest income from our holdings. The Fund's cash balance ended at \$84,414. Since inception, the Value Fund has gained 81.16% (gross of fees), or 7.71% (gross of fees) on an annualized basis.

Steven Ladany and Marc Bromberg
Portfolio Managers, Value Fund



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	-1.23%	5.72%	26.47%	8.14%	96.82%	14.50%	81.16%	7.71%
Management Fees	-0.31%	-0.65%	-1.94%	-0.65%	-3.24%	-0.66%	-4.99%	-0.64%
<i>Russell 1000 Value Index</i>	<i>-11.45%</i>	<i>-9.01%</i>	<i>16.99%</i>	<i>5.37%</i>	<i>89.35%</i>	<i>13.62%</i>	<i>71.40%</i>	<i>6.97%</i>
Relative - Gross of Fees	10.22%	14.72%	9.48%	2.77%	7.47%	0.88%	9.76%	0.74%
Relative - Net of Fees	9.91%	14.04%	7.02%	2.07%	1.08%	0.13%	0.73%	0.06%

**Inception from March 1, 2000*

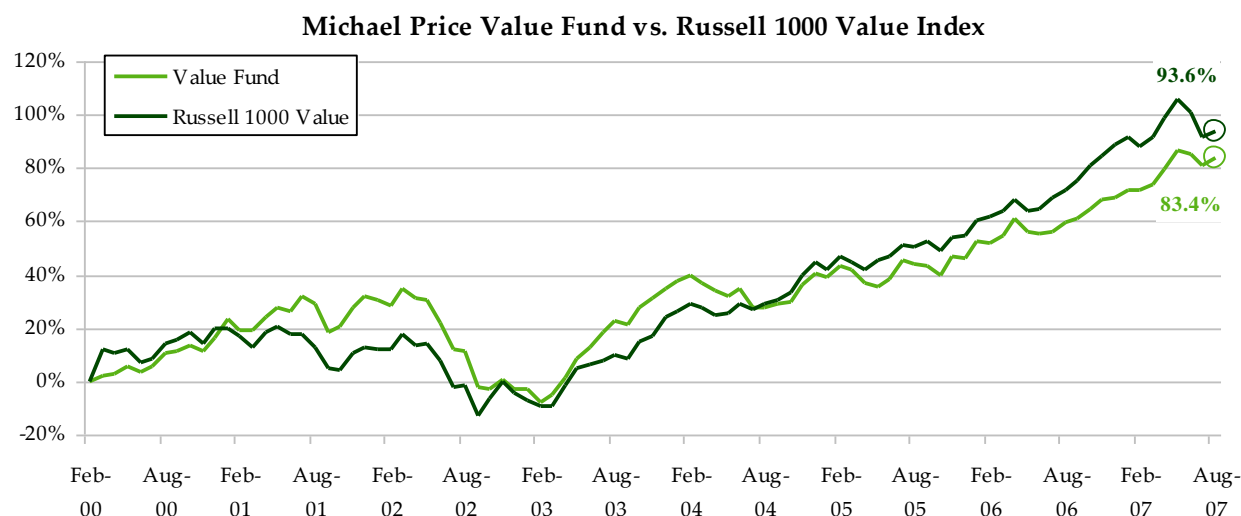
Looking at stock selection, we have been overweight in Consumer Discretionary, Consumer Staples, Information Technology, and Healthcare while we have been underweight in Energy, Financials, Industrials, Telecom & Cable, and Utilities.

During the period of 3/1/07 – 2/29/08, three of our six top performing stock selections – Archer-Daniels Midland, Unit Corp, and Petroleo Brasileiro were all purchased since October. Archer-Daniels Midland was purchased on 10/17/07 and was sold on 2/14/08,

after a capital appreciation of over 21%. Our best performers CVS and Halliburton were both purchased early in 2006 and the patience paid off over the last twelve months. Ironically, the fund's worst performer, Blackstone Group, has only been in the portfolio since 10/31/07. The fund's lack of Stop/Loss policy between semesters certainly hurt our performance and risk management ability during the year.

Best and Worst Value Fund Holdings (For the Fiscal Year Ending February 29, 2008):

BEST	RETURN	WORST	RETURN
CVS Caremark Corp.	28.8%	Blackstone Group LP	(34.1%)
Halliburton Ord Shares	22.2%	Trinity Industries Inc.	(32.8%)
Archer-Daniels Midland Co.	21.3%	Home Depot	(32.3%)
Unit Corp.	19.8%	Bank of America	(21.1%)
YUM! Brands Inc.	12.2%	Dell Inc.	(19.4%)
Petroleo Brasileiro	12.2%	Advance Auto Parts Inc.	(13.6%)



Other top performers included Unumprovident Corp., Allied Irish Banks, Illinois Tool Works, Trinity Industries, and Duke Energy Corp. Each of these selections returned more than nine percent while held in the Fund.

<u>Top Sectors</u>	<u>Return</u>	<u>Impact</u>
Info. Technology	31.6%	1.1%
Financials	28.6%	0.8%

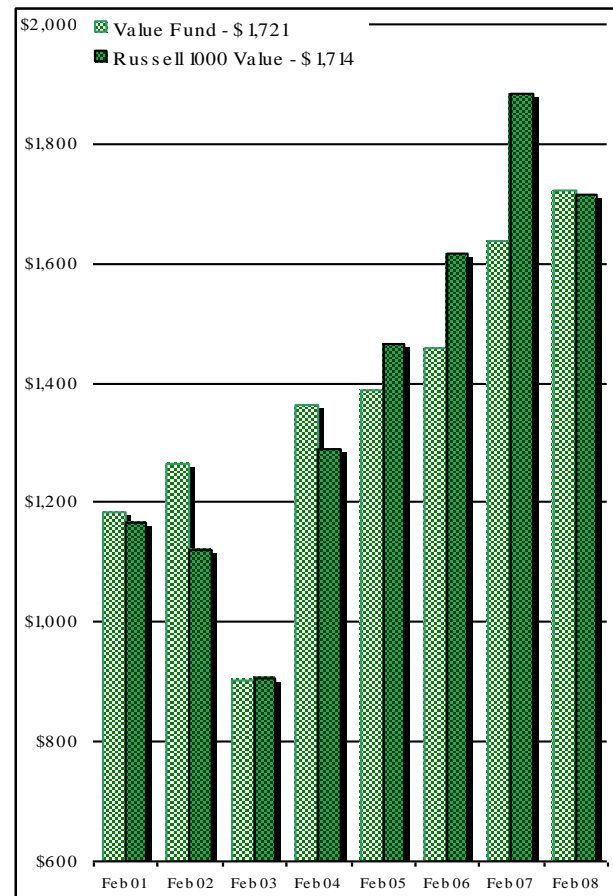
<u>Top Contributors</u>		
Freescall Semi.	26.0%	1.2%
McDonalds Corp.	24.7%	0.7%
FPL Group Inc.	23.3%	0.8%

Stock Selection	1.0%
Allocation Effect	-3.3%

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

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

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



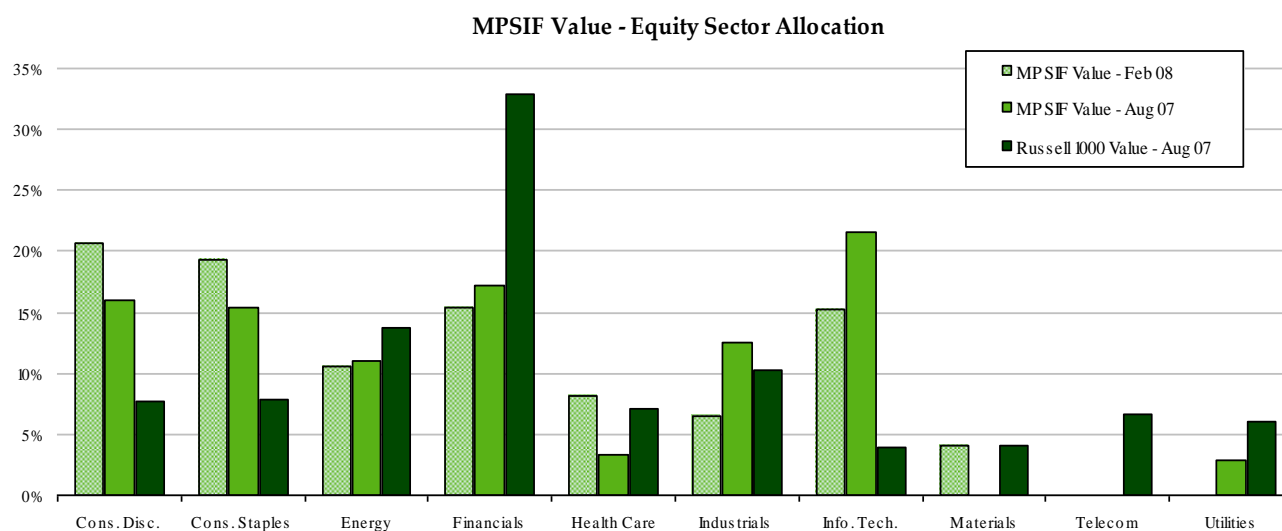
Asset Allocation

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

That being said, we are significantly underweight relative to the Russell 1000 Value Index in the Financials sector. While over 32% of the benchmark index is comprised of financial companies, we do

not feel that there are enough financial stocks that offer a value opportunity to warrant such a sector exposure; thus, we held only 15.39% of our portfolio in Financials as of February 29, 2008.

On the other hand, we are significantly overweight relative to the benchmark in Consumer Staples, Consumer Discretionary, and Information Technology stocks. Again, this does not represent an active bet on this sector; rather, our analysts have found more stocks in this sector than in others that offer the best value opportunities.



Holdings Profile

Value Portfolio as of February 29, 2008

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Advance Auto Parts Inc	AAP	Consumer Discretionary	390	33.54	13,081	2.5%
Altria Group Ord Shs	MO	Consumer Staples	394	73.14	28,817	5.5%
Bank of America Ord Shs	BAC	Financials	550	39.74	21,857	4.2%
Blackstone Group LP	BX	Financials	700	16.50	11,550	2.2%
Corning Inc	GLW	Telecom & Cable	1021	23.23	23,718	4.5%
CVS Caremark Corp	CVS	Consumer Discretionary	427	40.38	17,242	3.3%
Dell Inc.	DELL	Information Technology	892	19.90	17,751	3.4%
Freeport McMoRan Copper & Gold Ord Shs	FCX	Materials	175	100.86	17,651	3.4%
Halliburton Ord Shs	HAL	Materials	408	38.30	15,626	3.0%
Home Depot	HD	Consumer Discretionary	383	26.55	10,169	1.9%
Kinetic Concepts Inc.	KCI	Healthcare	335	51.39	17,216	3.3%
Knight Capital Group Inc	NITE	Financials	1079	16.03	17,296	3.3%
Kohl's Corp	KSS	Consumer Discretionary	356	44.44	15,821	3.0%
Legg Mason Inc	LM	Financials	253	66.04	16,708	3.2%
Mattel Inc	MAT	Consumer Discretionary	886	19.32	17,118	3.3%
Pepsico Inc	PEP	Consumer Staples	271	69.56	18,851	3.6%
Petroleo Brasileiro ADR	PBR	Materials	85	117.34	9,974	1.9%
Pfizer Ord Shs	PFE	Healthcare	832	22.28	18,537	3.5%
Toyota Motor ADR	TM	Consumer Staples	163	108.55	17,694	3.4%
Trinity Industries Inc	TRN	Industrials	420	28.17	11,831	2.3%
Unit Corp.	UNT	Materials	380	55.15	20,957	4.0%
Wal-Mart Stores Inc	WMT	Consumer Discretionary	392	49.59	19,439	3.7%
Waste Management Inc	WMI	Industrials	511	32.83	16,776	3.2%
Western Union Co	WU	Financials	1230	20.80	25,584	4.9%
YUM! BRANDS INC	YUM	Consumer Discretionary	490	34.45	16,881	3.2%
Total Equities					438,143	83.8%
Total Cash					84,414	16.2%
Total Assets					522,557	100.0%

Value Portfolio as of August 31, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Advanced Auto Parts Inc.	AAP	Consumer Discretionary	390	35.56	13,868	2.9%
AFLAC Incorporated	AFL	Financials	465	53.31	24,789	5.2%
ALTRIA GROUP	MO	Consumer Staples	323	69.41	22,419	4.7%
Apache Corporation	APA	Energy	228	77.38	17,643	3.7%
Applied Materials, Inc.	AMAT	Information Technology	1,138	21.36	24,308	5.1%
Bank of America Corporation	BAC	Financials	550	50.68	27,874	5.8%
ConocoPhillips	COP	Energy	260	81.89	21,291	4.4%
Corning Incorporated	GLW	Telecom & Cable	1,021	23.37	23,861	5.0%
CVS Corporation	CVS	Consumer Discretionary	427	37.82	16,149	3.4%
Dell Inc.	DELL	Information Technology	715	28.25	20,199	4.2%
Duke Energy Corporation	DUK	Utilities	762	18.34	13,975	2.9%
Expeditors Intl Wash Inc.	EXPD	Industrials	410	44.17	18,110	3.8%
Halliburton Company	HAL	Energy	408	34.59	14,113	2.9%
Home Depot	HD	Consumer Discretionary	383	38.31	14,673	3.1%
Illinois Tool Works Inc.	ITW	Industrials	454	58.17	26,409	5.5%
Knight Capital Group Inc.	NITE	Financials	1,079	13.74	14,825	3.1%
Kookmin Bank New Spn (ADR)	KB	Financials	190	81.45	15,476	3.2%
PepsiCo, Inc.	PEP	Consumer Staples	271	68.03	18,436	3.8%
Pfizer Inc.	PFE	Health Care	632	24.84	15,699	3.3%
Seagate Technology	STX	Information Technology	834	25.82	21,534	4.5%
The Western Union Co.	WU	Financials	730	18.83	13,746	2.9%
Thor Industries, Inc.	THO	Consumer Discretionary	426	43.99	18,740	3.9%
Toyota Motor Corp. (ADR)	TM	Consumer Discretionary	119	115.68	13,766	2.9%
Trinity Industries, Inc.	TRN	Industrials	420	37.57	15,779	3.3%
Wal-Mart Stores, Inc.	WMT	Consumer Discretionary	392	43.63	17,103	3.6%
YUM Brands	YUM	Consumer Discretionary	490	32.72	16,033	3.3%
Total Equities					480,817	90.6%
Total Cash					49,922	9.4%
Total Assets					530,739	100.0%

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

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

Number of Holdings: Approximately 20 to 25 positions, 3.3% of assets under management per new position.

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



THE SMALL CAP FUND

Message From the Portfolio Managers

The holiday and New Year period is traditionally one of considerable transitions within the Michael Price fund, and this year had the additional impact of a slowing economy and considerable financial unrest. Both these factors had the potential for significant impact on the fund in December. The decision was made by the fund and the incoming portfolio managers to tighten the stop loss orders in response to expected volatility. As the market dipped in the middle of December, stop-losses were triggered and positions were liquidated, leaving the fund with only six positions. This situation shaped the Fund's performance in the first months of 2008. When returning to school in January, the Small Cap team agreed that there was to be more bad weather on the horizon and consequently decided to continue to hold a large amount of cash while commencing research on new positions to add selectively. As a result, we effectively minimized our downside in both January and February and have been able to deliver significant out-performance during these two months. We continue to add positions slowly. Since the beginning of the year we have added 4 positions and have re-entered 3 positions that were stopped-out in December. We will continue to add positions prudently as opportunities arise. However, we still see significant potential downside in the market.

Only five holdings from 2007 remain in our portfolio. These positions have been extremely resilient through the beginning of the year and share favorable fundamentals and are in areas that could benefit during an economic slowdown. A few examples of our current positions include Alliance Resource Partners (ARLP), a coal mining company has offered the fund a very stable yield of roughly 6% over the last one and a half years and continues to be well positioned to benefit from continued strength in the energy markets. EPIQ Systems Inc. (EPIQ), a tech and data services firm that helps to organize data in bankruptcy and class action law suits and provides services for compliance initiatives. EPIQ should benefit as economic

conditions deteriorate and as regulatory conditions tighten. Asta Funding (ASFI) is a receivables collector that we feel is well positioned in the financial sector. As consumer credit has deteriorated recently we feel that Asta should be well positioned to acquire inexpensive pools of credit and provide outsized returns in the next 12 months.

The other investment thesis over the last six months was the international exposure, traditionally a more difficult proposition within the small-cap space. With our belief that areas of global growth would remain strong, or at least lag the US downturn, we sought stocks that provided us this element. Examples of stocks that fit this thesis include Hexcel (HXL), which is proposed to benefit from increasing leisure and business air travel, particularly across the Middle East and Africa; Playboy Industries (PLA) which we view as a relatively inexpensive global media play; and Global Industries (GLBL) which allowed us not only international exposure through Latin America, West Africa and the Asia Pacific region, but also permitted the fund exposure to the commodities cycle.

Many of our positions are countercyclical in nature and thus are indicative of our defensive view. Unfortunately, over the last 6 months these securities have not lived up to expectations. We continue to reassess these positions in the face of changing market conditions but we believe that they represent a good opportunity in the current market.

Bradley H. Doyle and Adam Edgell-Bush

Portfolio Managers of the Small Cap Portfolio



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	-11.74%	-14.97%	18.12%	5.71%	105.06%	15.45%	115.54%	10.08%
Management Fees	-0.28%	-0.58%	-1.79%	-0.60%	-3.14%	-0.64%	-4.63%	-0.59%
Russell 2000 Index	-13.35%	-12.87%	11.60%	3.73%	100.97%	14.98%	30.64%	3.40%
Relative - Gross of Fees	1.60%	-2.09%	6.51%	1.98%	4.09%	0.46%	84.90%	6.68%
Relative - Net of Fees	1.35%	-2.58%	4.40%	1.35%	-2.36%	-0.27%	74.92%	6.03%

**Inception from March 1, 2000*

For this semester, and in contrast to the preceding six months, the Small Cap fund took a directional view on the overall market as evidenced by the tightening of stop loss orders and the gradual return to individual equity positions.

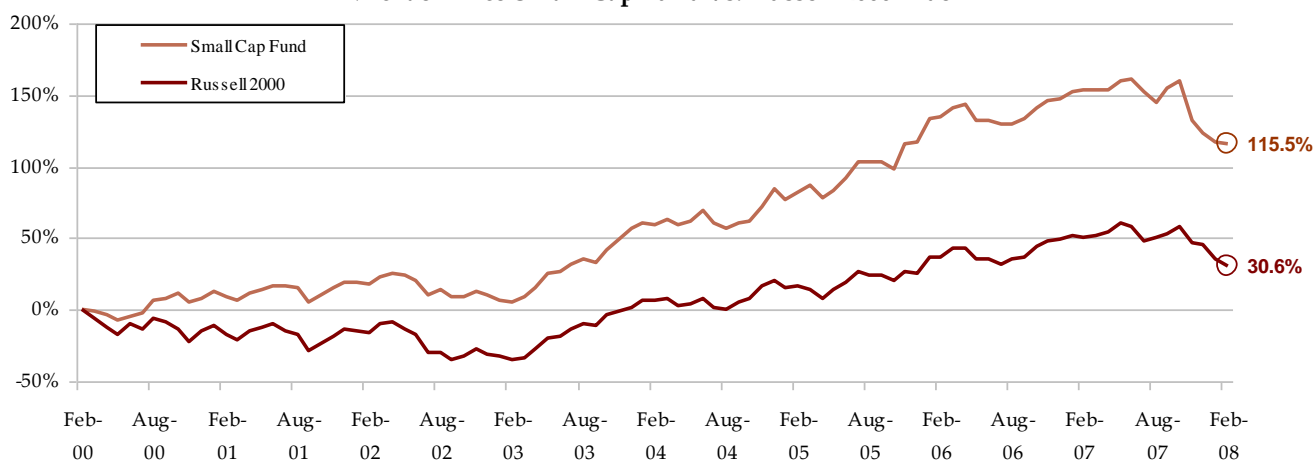
Facing a highly liquid portfolio upon the recommencement of the semester after a number of stop-loss orders were triggered, the fund's first objective was to achieve consensus on the likely direction of the market. The outlook was not positive. With an overweight cash position being our primary option for expressing negative sentiment, the heavy cash holding was maintained. The decision was also made to focus on defensive and recession-resistant sectors in the short term. The decision to maintain a sizeable cash position allowed us to pick up significant relative out-performance versus the Russell 2000. While our short-term outlook for the overall economy had not changed, we did think that there may exist some opportunity for reducing this tracking error and

playing the volatility that has characterized the markets over the semester, with 100+ point swings becoming the norm rather than the exception. To address both of these issues, a laddered buy order was established with our broker, which would buy the index-tracking ETF at pre-determined levels away from the current market, in the expectation of swings back upward. This strategy also served to provide out-performance for the fund, while protecting us against any small-cap led emergence from the contemporary market levels.

Top individual performers included WMS Industries (WMS), a gaming concern that the fund believed was likely to benefit from new markets and a refresh cycle domestically. We also had positive contributions in the energy sector as Berry Petroleum (BRY), an oil exploration company, and Alliance Resource Partners (ARLP), a coal mining company, added sizable returns to the fund over the half year.

The Small Cap Fund experienced losses of -0.44%

Michael Price Small Cap Fund vs. Russell 2000 Index

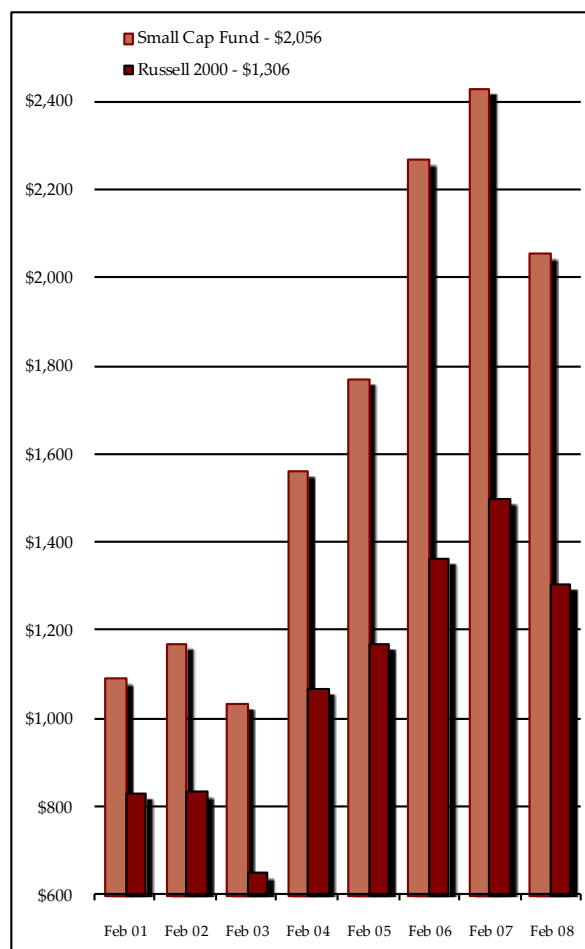


and -6.87% over the 1 and 3 month periods ending February 29, 2008. While the losses were disappointing, they compare favorably relative to the benchmark with losses of -3.80% and -10.63% over the same periods.

Top Contributors

Berry Pete Co	38.1%	1.6%
Wms Industries Inc	29.0%	1.3%
Alliance Resource Partners	16.7%	0.7%

Stock Selection	-4.1%
Allocation Effect	6.9%

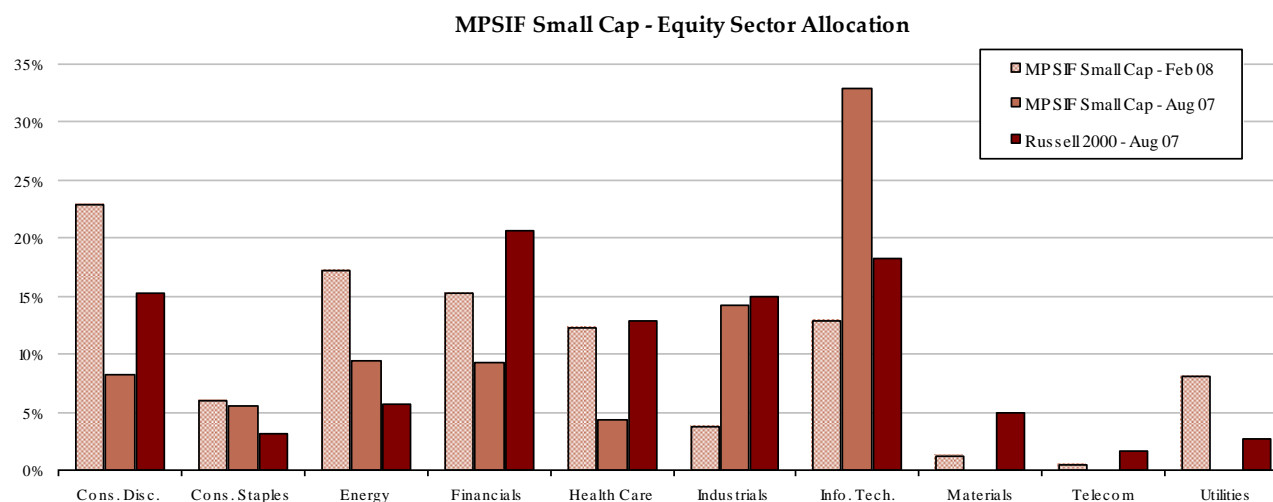


Asset Allocation

The Fund employs a bottom-up approach to analyzing potential investments and therefore does not target an optimal sector allocation. In addition, the Fund's use of price targets and lack of bias towards either growth or value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund seeks to be fully invested as opportunities avail themselves but due to the committee structure, the extent of equity participation may vary significantly – especially during the winter months when liquidations may occur because of stop-losses without the benefit of having new stock pitches to take the old position's

place. This situation was the case in December of 2007. The Fund's small number of holdings means that diversification is difficult to maintain across sectors and within the sector. Currently, the Fund has an over-exposure to consumer discretionary, energy and utilities, but is underweight financials, industrials and information technology.

Below is the asset allocation at the end of FY 07 and the midpoint of FY 08. Please note that the Fund does not maintain specific guidelines regarding asset allocation among sectors.



Holdings Profile

Small Cap Portfolio as of February 29, 2008

Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Allete Inc	ALE	Utilities	470	\$36.04	\$16,939	3.55%
Alliance Resource Partners LP	ARLP	Energy	955	37.95	36,242	7.59%
American Dairy Inc.	ADY	Consumer Discretionary	1,378	8.71	12,002	2.52%
Asta Funding Inc	ASFI	Financials	1,432	16.18	23,170	4.86%
EPIQ Systems Inc	EPIQ	Information Technology	1,400	13.60	19,040	3.99%
ISHARES RUSSELL 2000 INDEX FD	IWM	-	836	68.86	57,567	12.06%
Kendle International Inc	KNDL	Health Care	460	44.81	20,613	4.32%
WMS Industries Inc	WMS	Information Technology	1,145	37.97	43,476	9.11%
Total Equities					229,048	48.00%
Cash as of Feb 29, 2008					248,163	52.00%
Total Assets					\$477,212	100.00%

Small Cap Portfolio as of August 31, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
American Dairy, Inc.	ADY	Consumer Staples	1,378	20.44	28,166	5.8%
Alliance Resource Partners, L.P.	ARLP	Energy	655	35.39	23,180	4.8%
Asta Funding, Inc.	ASFI	Financials	670	35.46	23,758	4.9%
Astec Industries, Inc.	ASTE	Industrials	629	51.54	32,419	6.7%
Blackboard Inc.	BBBB	Information Technology	800	39.19	31,352	6.5%
Berry Petroleum Company	BRY	Energy	670	34.63	23,202	4.8%
Daktronics, Inc.	DAKT	Information Technology	473	25.00	11,825	2.5%
Itron, Inc.	ITRI	Industrials	396	83.90	33,224	6.9%
ISHARES RUSSELL 2000 INDEX FD	IWM	-	966	77.20	74,575	15.5%
MIPS Technologies, Inc.	MIPS	Information Technology	2,310	7.84	18,110	3.8%
Maxwell Technologies Inc.	MXWL	Information Technology	925	11.12	10,286	2.1%
NutriSystem Inc.	NTRI	Consumer Discretionary	470	54.06	25,408	5.3%
Quality Systems, Inc.	QSII	Information Technology	310	40.50	12,555	2.6%
Sirona Dental Systems, Inc.	SIRO	Health Care	705	33.70	23,759	4.9%
The Bancorp, Inc.	TBBK	Financials	955	18.92	18,069	3.8%
Trimble Navigation Limited	TRMB	Information Technology	980	38.02	37,260	7.7%
WMS Industries Inc.	WMS	Information Technology	457	26.37	12,051	2.5%
Washington Group International, Inc.	WNG	Industrials	418	77.75	32,500	6.7%
Total Equities					471,699	97.9%
Cash as of July 31, 2007					9,996	2.1%
Total Assets					481,695	100.0%

Investment Style and Strategy

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

Style. The Small Cap Fund utilizes a bottom-up approach for security selection and portfolio construction. The Fund invests primarily in domestic equities with market capitalizations of less than \$2 billion and benchmarks its returns against the Russell 2000 Index. The portfolio does not have a value or growth bias or utilize a top-down methodology. Rather, individual company analysis is conducted in conjunction with economic and sector outlooks provided by the MPSIF Economic team. Various criteria may be reviewed to determine the attractiveness of an investment, including, but not limited to, the company's earnings outlook, valuation, M&A activity, management team, and/or other specific catalysts or events.

Strategy. The Small Cap Fund targets a relatively concentrated portfolio comprised of twenty to twenty-five investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. Throughout the semester, Fund analysts will provide both updates on existing positions and pitches for new investments. With regard to existing allocations, each semester the analyst assigned to a particular stock provides an update to the Small Cap Fund. At that time, the entire Fund votes on the analyst's recommended course of action. Options include selling all or half of the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment highlights and weighs them against any potential macro or company-specific risks. Furthermore, the analyst and the Fund review the expected timing of the investment as well as all upside price targets and downside stop-losses. When implementing a stop-loss order, the Fund tries to differentiate between firm specific negative events and a general market downturn. When considering a new position, the Fund may vote for a full

(approximately \$20,000), half, or zero allocation or wait and watch the position until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

Why Small Cap Stocks? Small cap stocks are defined as stocks that have market capitalization of less than \$2 billion. They have proven to offer the greatest returns to investors over time based on historical data. However, They may take longer to be recognized and valued by the market and tend to plunge upon negative earnings announcements.

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



THE FIXED INCOME FUND

Message from the Portfolio Manager

The volatility in the fixed income markets persisted during the first half of 2008 and is currently approaching all-time highs. This has resulted in further widening of the credit spreads as the market continues to reprice risk. Signs of economic weakness are apparent with significant deterioration in the labor markets, a continuing decline in the residential and construction markets as time is needed to work through the additional supply caused by the run-up in Real Estate prices, and a strain in liquidity as financial institutions place stricter guidelines on lending. Recent actions by the Fed have been aimed at supporting the economic growth initiative instead of battling inflation.

Our treasury positions once again benefited from further steepening of the yield curve. This was partially offset by our relatively small position in reverse long-term government bonds. The spread between the 2 and 10 year treasury notes was 187bps as of 2/29/08; a 146bps increase since our 8/31/07 annual report. As a result, investors have been loading up on the front-end of the yield curve due to expectations for higher future inflation and more rate cuts by the Fed. Besides Fed actions, other key catalysts for the increase in inflation expectations are the rise in oil prices and the Global weakness of the U.S. dollar. During the past 6 months the Fed has lowered their Federal Funds target rate 6 times; from 250bps from 4.75% to 2.25%, in order to add liquidity to the marketplace and quell recessionary risks.

Regarding the Fund structure, during the past two semesters, the Fixed Income fund has incorporated more members than has previously been the norm. There are now 10 members of the fund compared to just 6 in the Spring 2007 semester.

Currently, we are focused on investing solely in open-ended mutual funds and ETFs, as we are still evaluating opportunities and the strategies for investing in single corporate names throughout this semester. We are also working to effectively manage the current portfolio in this uncharacteristically volatile fixed-income marketplace.

Starting in the Fall of 2007 semester, with inflationary pressures rising and the U.S. Dollar weakening, the Fixed Income Fund implemented a macro-driven, top-down strategy. We increased our position in the Templeton Global Bond Fund, to protect against the falling U.S. dollar and also took a position in the iShares Lehman TIPS Bond Fund, to profit from the rising expectations of domestic inflation. Both have performed extremely well and we are currently working to exit the latter position. Our current initiatives are to remain at the front-end of the treasury yield curve as future rate cuts are still expected according to the Federal Funds Rate options figures posted by the Cleveland Fed and to also take advantage of the widening spreads by researching high-quality securities with strong fundamentals that have been unfairly beaten down with the rest of the market. Also, we plan to continue adding positions outside of the U.S. - in emerging markets to be precise - as we have seen spreads widen in this arena despite improving fundamentals in many regions.

Joel Pena and Rocco Lisandrelli

Portfolio Managers, Fixed Income Fund



Discussion of Performance

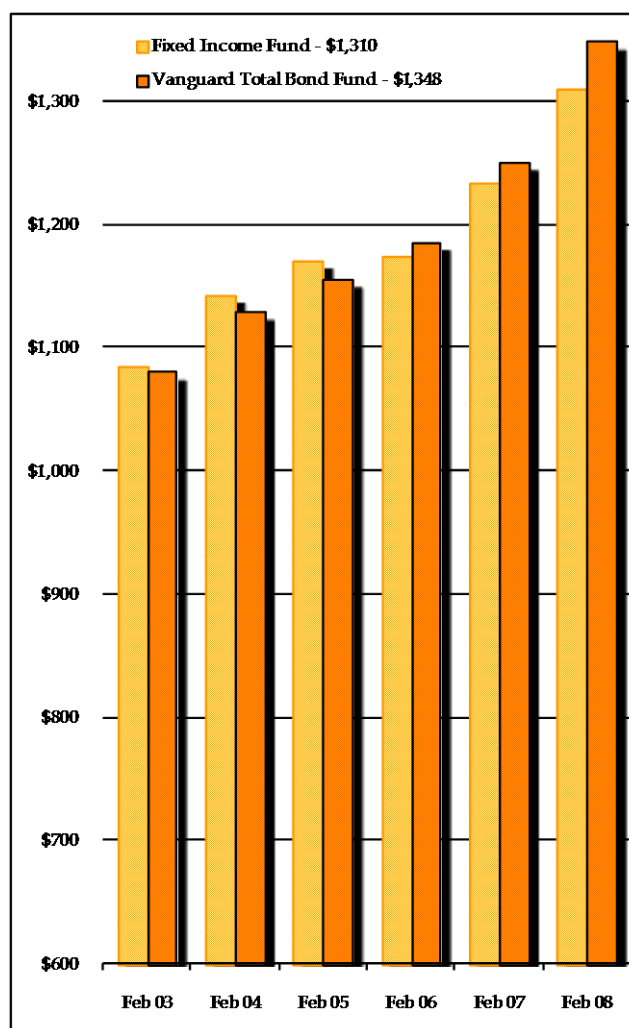
	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	4.77%	6.37%	12.99%	4.15%	22.60%	4.16%	33.32%	4.98%
Management Fees	-0.19%	-0.19%	-0.99%	-0.33%	-1.53%	-1.53%	-1.73%	-0.30%
<i>Vanguard Total Bond Fund</i>	5.90%	7.83%	16.68%	5.28%	24.82%	7.67%	34.83%	5.26%
Relative - Gross of Fees	-1.12%	-1.46%	-3.69%	-1.12%	-2.22%	-3.51%	-1.51%	-0.28%
Relative - Net of Fees	-1.32%	-1.66%	-4.81%	-1.47%	-4.10%	-5.10%	-3.81%	-0.59%

* Inception from May 20, 2002

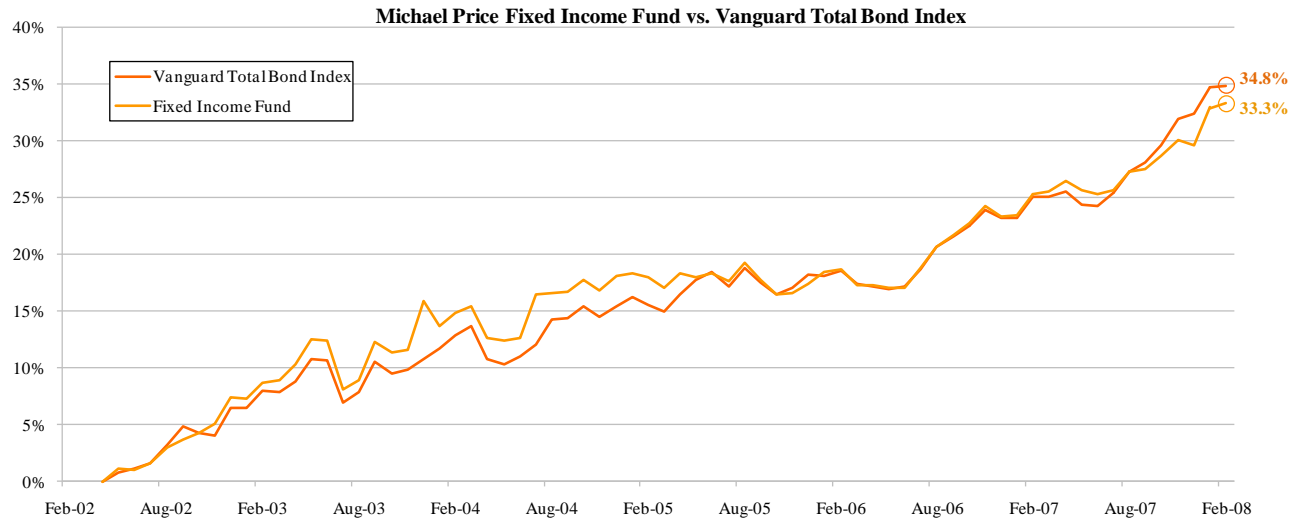
Over the past 6 months and 12 months, the Fixed Income Bond Fund has experienced a 4.77% and a 6.37% return. Although these numbers are 1.32% and 1.66% below the benchmark Vanguard Total Bond Fund, nearly all sectors we have invested in lately have been improving since the beginning of 2008. In fact, the fund has outperformed the benchmark by 0.80% in the last 3 months and by 1.12% YTD.

During the past 6 months, we have made 2 changes in the portfolio. One was increasing our position in the global markets through increasing our stake in the Templeton Global Bond Fund after decreasing our position in Mortgage-Backed Securities in the process of lessening our risk exposure given the lingering uncertainty in the Real Estate market. This movement gave the portfolio a higher-yielding investment while decreasing our concentration in the domestic marketplace.

The other position taken in October 2007 was in the iShares Lehman TIPs Bond Fund. Our reasoning behind this has been that the recent macroeconomic factors, such as the rising price of oil and the extraordinary decline in the value of U.S. Dollar coupled with the actions by the Fed to curtail the lack of liquidity in the credit markets, would lead to higher inflation expectations. Our Tips investment has seen impressive appreciation of over 7% since our purchase and we are currently looking to replace this position in our portfolio given the lack



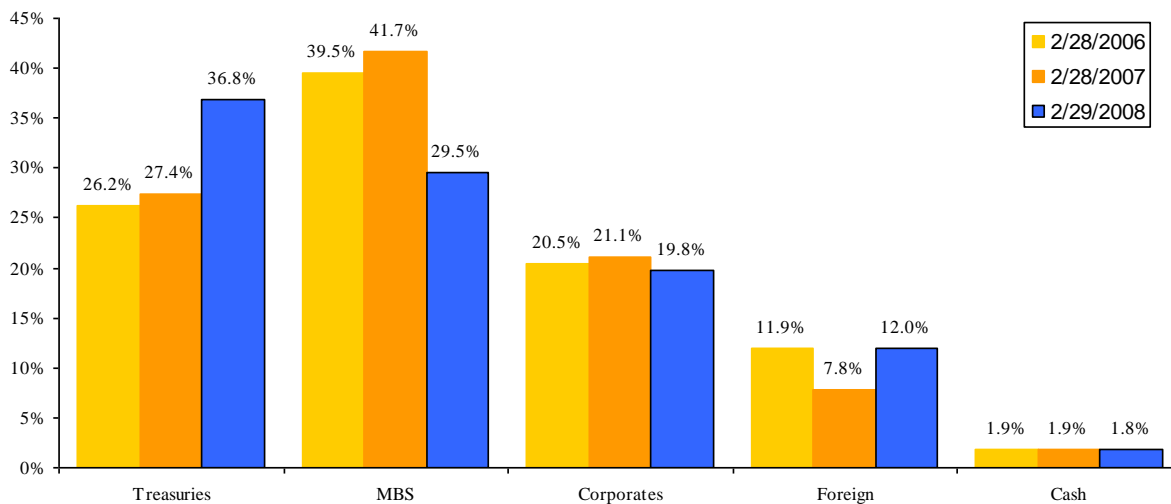
of leeway currently available to the Fed for further rate cuts. As of 2/29/08, TIPs represented 9.1% of the Fixed Income Fund's investment portfolio.



Asset Allocation

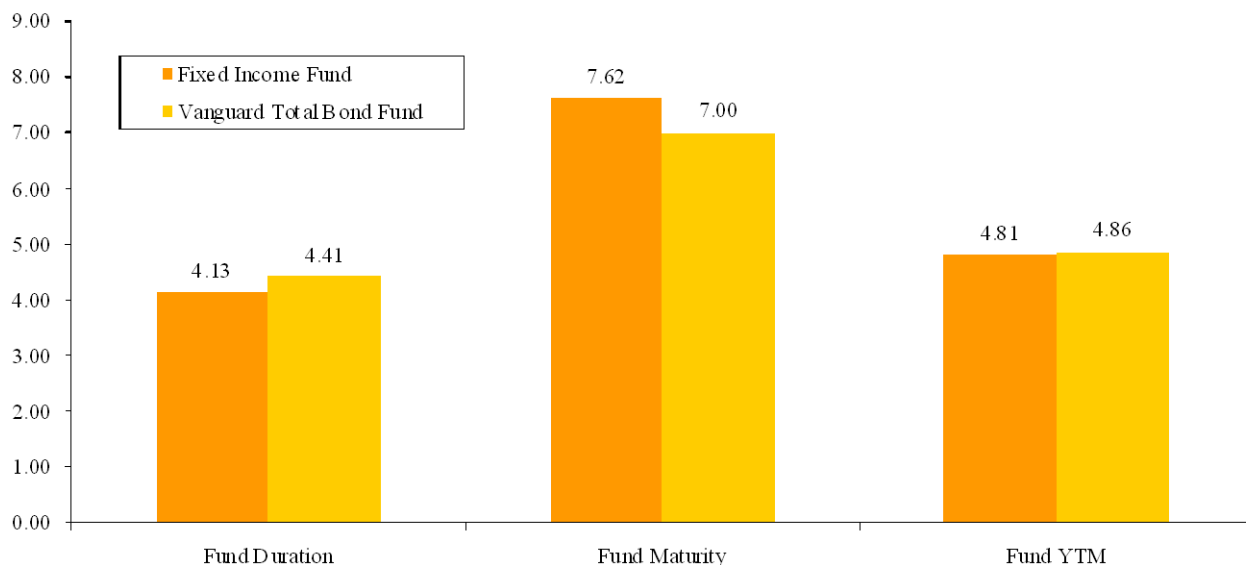
Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The Fund under-weights the MBS sectors, over-weights the Foreign and Corporate sectors and under-weights the Treasuries sector. As we go forward, we intend to continue making investments consistent with our view (which currently contemplates reducing our exposure to TIPS and participating in emerging markets debt). Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach.

Sector Allocation of the Fixed Income Fund



Note that this allocation is calculated by assigning each holder to a sector. This is a simplification of the data, as a particular bond mutual fund assigned to a category might not hold 100% of its bonds in that sector. For example, as of August 31, 2005, the Fixed Income Fund owned PIMCO Total Return Mortgage Fund. This fund's bond holdings were 69% MBS, but for purposes of this chart, the PIMCO fund is classified as 100% MBS.

Fixed Income vs Vanguard Total Bond Fund As of February 29th, 2008



* Duration and maturity reported in years. Yield to maturity reported in percentage terms.

Holdings Profile

Fixed Income Portfolio as of February 29, 2008

Company	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Portfolio
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	12,729	10.90	138,748	29.5%
Templeton Global Bond Fund	TPINX	Foreign	4,697	12.03	56,506	12.0%
iShares Lehman 3 - 7 Year Treasury Bond	IEI	Treasuries	455	110.02	50,059	10.7%
iShares Lehman 7 - 10 Year Treasury Bond	IEF	Treasuries	550	90.76	49,918	10.6%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	75	94.23	7,067	1.5%
iShares Trust Lehman Treasury Inflation Bond	TIP	Treasuries	385	110.57	42,569	9.1%
iShares GS \$ Invest Grade Corp Bond Fund	LQD	Corporate	875	106.28	92,995	19.8%
Rydex Inverse Government Bond Fund	RYJUX	Treasuries	1,368	17.18	23,509	5.0%
Total Securities					461,372	98.2%
Cash					8,491	1.8%
Total Assets					469,864	100.0%

Fixed Income Portfolio as of August 31, 2007

Company	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Portfolio
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	17,288	10.62	183,599	40.7%
Templeton Global Bond Fund	TPINX	Foreign	3,399	11.15	37,899	8.4%
iShares Lehman 3-7 Year Treasury Bond	IEI	Treasuries	455	102.30	46,547	10.3%
iShares Lehman 7-10 Year Treasury Bond	IEF	Treasuries	550	84.14	46,277	10.3%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	75	88.88	6,666	1.5%
iShares GS \$ Invest Grade Corp Bond Fund	LQD	Corporate	875	105.21	92,059	20.4%
Rydex Inverse Government Bond Fund	RYJUX	Treasuries	1319	19.46	25,668	5.7%
Total Securities					438,715	97.2%
Cash					12,571	2.8%
Total Assets					451,286	100.0%

Investment Style & Strategy

The Fund seeks to outperform its benchmark, the Vanguard Total Bond Fund (VBMFX). The Fund implements its views through a top-down allocation approach to the three main sub-sectors of the US Fixed Income investment grade market, namely – US Treasuries, Corporate bonds, Mortgage-backed/Asset-backed securities and Foreign investment grade bonds. Due to its tax-exempt status, the fund does not invest in any Municipal bonds. Also, the Fund does not engage in shorting, derivatives trading, or other esoteric investment strategies. Currently, the Fund does not buy individual securities, due to the limitations of the account. Instead the Fund invests in other publicly traded funds to implement its sector allocation.

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



Sector Review & Outlook

US Treasuries: We expect that the Federal Funds Rate will trough at 1% by June. Central banks have stopped buying agency debt and a flight to quality (treasuries) is fueling the narrowing spreads on government notes and bonds. January Treasury International Capital survey suggests that official investors purchased \$31Bn treasuries, almost no agencies, sold corporate debt and bought 13.9Bn in equities. We think that the treasuries are overvalued at this time. Eventually low yields and low dollar will push away international investors.

During a brief period of time in March, TIPS yields were below zero, a first since the securities started trading in 1997. However, April data with a drop in break-even inflation rates on TIPS suggests that the Fed gained the market's trust again in its abilities to combat inflation. Although the data suggests that the recessionary environment will remain deflationary against all Fed liquidity injections and rate cuts, as investors start pricing in a recovery fueling further inflation, the 10-year yields should go up above 4% by June 2008.

Corporate Bonds: Spreads on corporate bonds improved after the Fed cut rates on March 18th, but they remain elevated. Risk premiums on investment-grade bonds now stand at 2.41 percentage points over Treasuries, the level at which speculative-grade spreads bottomed out early last June. For junk bonds, risk premiums have mushroomed from record lows last June of about 2.4 percentage points over comparable Treasuries to approximately 8 percentage points over, a level last seen in April 2003. Spreads on junk bonds are significantly higher than the historical average of about 510 basis points. This is despite the fact that corporate default rates remain near historic lows of 1% compared to historical averages of about 5%. Spreads could further worsen if corporate default rates jump to 5.3% in 2008 as predicted by Moody's. One of the reasons

spreads have been widening is that the expected forward calendar of new bond issuance has seized up as issuers are shelving new issues until spreads contract again.

Mortgage-Backed/Asset-Backed Securities:

During Q108, MBS spreads rose steadily reaching an apex of 200bps before quickly declining to 140bps by the middle of March; less than 10bps above where they started the quarter. Popular explanations cite Fed actions – coming in the form of opening its lending window to primary dealers and agreeing to guarantee \$30 billion of Bear Stern's balance sheet in connection with J.P. Morgan's acquisition – as the primary driver behind the tightening MBS spreads. Looking at the broader ABS market, not all of these securities saw their spreads benefit equally from the March tightening. This uneven response appears to reflect differences in vintage (e.g. when the securitization was completed) and collateral fundamentals.

Foreign Investment Grade: International markets are mixed. In the Americas, Canada's Q4 GDP growth profile shows a very weak external sector and very strong domestic sector. Domestic sectors drove GDP growth with major contributions from consumer spending, business investment, and government spending. Further south, Latin America is poised for what could be its fifth consecutive year of strong economic growth in 2008, according to the International Monetary Fund. High inflation, especially in foods, has kept central banks hawkish, in order to maintain stamina in Latam currencies. The Euro Zone's GDP in 2007 grew 2.7%, a slightly lower growth rate than the previous year. The European Central Bank eased its stance on interest rates and should decree a rate cut in June. This should scale back the U.S.-Euro exchange rate down from its recent record setting highs. More bumps in the road lay ahead for the financial sector and additional write-downs are

expected. Corporate defaults are expected to increase, as 39 percent of European companies' funding is due within a year. Inflation is hitting all time highs in Middle-East and Gulf countries. Their currencies' peg to the dollar leaves them no choice, but to cut rates in tandem with the Fed. The Gulf Cooperation Council countries are expected to revaluation their currencies in coming months and implement a peg to a basket of currencies.

Asia, including Japan, has been mostly insulated from credit crunch woes. Banks have little or no exposure to subprime contagion, are well capitalized, and have seen growth of domestic funding. Like

Latam, Asia is experiencing inflationary pressure on food prices. Asian countries have implemented price controls, restricted exports and reduced tariffs on imports to combat inflation. China will accelerate Yuan appreciation to curb inflation. Prospects are mixed for Asia, but most are lackluster. Standard Chartered predicts a U.S. slowdown will deeply impact Asian exports, with Singapore and Malaysia being the hardest hit, and India and Indonesia will be least affected. Japan's Central Bank is expected to maintain interest rates at 0.5% throughout 2008, even though the U.S.-Yen exchange rate crossed the 100 mark.

FUND MANAGEMENT

The Executive Committee



Back row: Joel Peña, Elizabeth Clouston

Seated: Anthony Marciano, Brad Doyle, Henry Sham, Marc Bromberg, Steven Ladany

Standing: Raymond Li, Brian Baytosh, Rocco Lisandrelli, Adam Edgell-Bush

Anthony Marciano – Faculty Advisor

Anthony is a Clinical Professor of Finance at New York University's Leonard N. Stern School of Business. Previously, he served on the faculties of the Massachusetts Institute of Technology Sloan School of Management and the University of Chicago Graduate School of Business for a dozen years. While at Chicago, he was named to Business Week's list of Outstanding Faculty and won multiple teaching awards. Professor Marciano has also taught at Northwestern University's Kellogg School of Management and in numerous corporate education and advisory programs. He received an MBA from the Sloan School of Management in 1988 after working for Morgan Stanley. Afterwards, he took a position in the Financial Institutions Group at Goldman Sachs before returning to pursue a Ph.D. from the University of Chicago. His research interests and publications are focused on Corporate Finance and Financial Institutions.

Raymond Li – President

Raymond interned at BNP Paribas as a Fixed Income Associate last summer. He also worked part-time at a merger arbitrage hedge fund last year. Prior to Stern, Raymond was a manager at KPMG LLP focusing on tax technology initiatives. He has spent the majority of his professional career as consultant at BearingPoint, Inc. advising clients on technology, supply chain, and finance functions within the consumer products, media, and

industrial industries. Raymond received an MS and BS in Information Systems Management from Carnegie Mellon University.

Elizabeth Clouston – Treasurer

Elizabeth is a Planning Associate in the Global Wealth Management group at Merrill Lynch. In her role, she advises high-net worth clients regarding asset allocation and investment management. Prior to Stern, Elizabeth was with the Private Banking and Investment Group of Merrill Lynch for six years where she was responsible for performance reporting and asset allocation modeling. Born and raised in Atlanta, Georgia, she earned a B.S. from Wake Forest University. She currently resides in Manhattan with her husband.

Brian Baytosh – Portfolio Manager, Growth Fund

Last summer, Brian worked in Equity Research covering the Enterprise Software space at UBS Securities. Before enrolling at Stern, Brian was Production Manager for Men's Health Magazine and Martha Stewart Living. He received his undergraduate degree in Mathematics and Classical Languages from Vanderbilt University.

Henry Sham – Portfolio Manager, Growth Fund

Last summer, Henry worked in the Financial Institutions Group within Lehman Brothers' Investment Banking Division. Prior to enrolling at Stern, Henry was a Managing Consultant at Navigant Consulting, where he focused on managing projects within its Litigation and Investigations practice. Before that, he worked as a technology consultant at Computer Sciences Corporation covering financial institutions clients. He earned a BS in Management Information Systems at Binghamton University.

Marc Bromberg – Portfolio Manager, Value Fund

Last summer, Marc worked as a Credit Analyst at Barclays Capital, covering the Automotive and Homebuilder/Insurance sectors. He will be returning to Barclays Capital following graduation. Before coming to Stern, Marc was a Research Manager at IAC/InterActiveCorp and a Research Analyst at the Wall Street Journal. He received his undergraduate degree from Ithaca College.

Steven Ladany – Portfolio Manager, Value Fund

Last summer, Steve interned in the Syndicated and Leveraged Finance group within the Investment Banking division of JPMorgan. Prior to enrolling at Stern, Steve spent over four years in the Private Client Group of Wachovia Securities as a Financial Advisor working with clients to design and implement personalized investment strategies. He earned a BS degree in Business Administration from Seton Hall University.

Bradley H. Doyle – Portfolio Manager, Small Cap Fund

Over the past summer, Bradley worked in the health care investment banking group at Cowen and Company. Prior to attending Stern, he was a fund of hedge funds analyst at J.H. Whitney. Prior to joining J.H. Whitney he held positions as an analyst with Holding Capital Group, a small private equity firm and also as a trading clerk for a coffee futures options trader on the New York Board of Trade. He holds a BA in Economics from the University of Michigan.

Adam Edgell-Bush – Portfolio Manager, Small Cap Fund

Adam spent his summer internship at Credit Suisse rotating through the CDO, Corporate Trading, Delta One, Structured Product and Interest Rate Derivatives groups. Prior to joining Stern he was a Director with UBS Wealth Management in London advising ultra-high net worth clients. Adam received his undergraduate degree in Economics and Finance from the University of Sydney.

Joel Peña – *Portfolio Manager, Fixed Income Fund*

Last summer, Joel interned in the Private Wealth Management division at Morgan Stanley. Prior to enrolling at NYU Stern, Joel spent a year with Bank Hapoalim first as Senior Private Banker and later as Deputy Manager for the Brazil-Chile region, responsible for investment decisions and the general performance of the business unit. Before that, he spent five years working at BBVA Bancomer as Broker, Financial Products Specialist and in the Operations department developing new business opportunities for the organization. He earned a BA degree in Economics from ITESM Monterrey Institute of Technology.

Rocco Lisandrelli – *Portfolio Manager, Fixed Income Fund*

Last summer, Rocco worked as an Equity Research Associate for the value-focused investment management firm, Caveat Emptor Capital Management. Before enrolling at Stern, Rocco worked as a marketing associate for The Millburn Corporation, an asset management firm with an emphasis managed futures programs. He received an undergraduate degree in Business Management from Binghamton University.

The Growth Fund



Back Row: Nicholas Yulico, Derek Apfel, Jiorden Sanchez

Not pictured: Tokyou Lee

Fourth Row: Anthony Mboya, Kyle Okita, Nadia Lovell,

Third Row: Pauline Hubert, David Paz, Sun K. Park

Second Row: Joe (Sz-Mong) Fan, Amit Sinha, Joel Peña, Catherine (Shu) Zhang, Cindy Chan

Front Row: Joshua Michaels, Henry Sham, Brian Baytosh, Nitesh Singla

Derek Apfel

Prior to attending Stern, Derek worked as a budget analyst for the Social Security Administration in Baltimore, MD. This involved analyzing historical workload trends and funding scenarios to forecast and allocate agency resources. Derek earned his B.S. in Management with a concentration in Economics from Boston College in 2004. He will spend his summer working as an equity research associate for Lehman Brothers in a sector to be determined. Derek is also the incoming president of the Stern Basketball Club.

Brian Baytosh

Last summer, Brian worked in Equity Research covering the Enterprise Software space at UBS Securities. Before enrolling at Stern, Brian was Production Manager for Men's Health Magazine and Martha Stewart Living. He received his undergraduate degree in Mathematics and Classical Languages from Vanderbilt University.

Cindy Chan

Over the summer, Cindy will be interning at Charles River Associates International, a financial, economic and strategy consulting firm. Prior to attending Stern, Cindy was a Senior Auditor at Gap Inc. where her core focus was on forensic accounting and investigations of internal fraud. Prior to joining Gap Inc., Cindy was a

Senior Associate in the Forensic Practice at KPMG, LLP where she assisted clients in identifying journal entry or payroll fraud, methodology and applications issues related to Government Pricing Calculations, and stock backdating schemes. Cindy holds a BA in Business Economics from the University of California, Los Angeles.

Joe (Sz-Mong) Fan

Last summer, Joe had internship in Equity Research at Goldman Sachs, doing research on Asian tech companies. Prior to Stern, Joe was a senior consultant at KPMG Financial Advisory Services, where he advised distressed companies to turn around their business. He received a BBA degree in International Business from National Taiwan University.

Pauline Hubert

Prior to Stern, Pauline founded BookMovement, LLC a database-driven web site for book clubs after conducting proprietary research on the book club market. Prior to BookMovement, she worked as a research associate in the New Media and Corporate Advisory Group at the William Morris Agency. She holds a BA in English Literature from Barnard College. This summer, Pauline will be an equity research summer associate at UBS.

Tokyou Lee

Last summer, Tokyou interned in the Corporate Finance group at BNP Paribas. Prior to coming to Stern, Tokyou worked for four years at Lehman Brothers equity research in South Korea covering telecom service companies and internet companies. He received a BA degree in Business Administration from Korea University.

Nadia Lovell

Prior to attending Stern, Nadia worked as an institutional client services associate in the American Funds Institutional Group at Capital Research & Management Company. While she was there, she served as a conduit for information between the company's investment professionals and clients, which included its sales force, broker/dealers' mutual funds research group, investment management consultants and institutional clients. She received a BA in Math and Physics from Smith College.

Anthony Mboya

This past summer Anthony worked as a credit analyst covering transportation in WestLB's Credit Risk Management division. Before Stern, he worked as a proprietary equity trader at Schonfeld Securities and also as a paralegal at Boies, Schiller & Flexner in the securities litigation group. He earned a BA in History from Columbia University.

Joshua Michaels

Joshua is a Stern Langone student, currently working in the Mergers and Acquisitions group at Sumitomo Corporation of America, the US subsidiary of the Japanese trading house Sumitomo Corporation. His work is primarily focused on evaluating, structuring and executing cross-border acquisitions in the Industrial Goods and Energy sectors. Prior to Sumitomo, Joshua was a strategy and finance analyst at BlackRock, Inc. He holds a BA in Economics from Hamilton College.

Kyle Okita

Last summer, Kyle worked as a Summer Associate in Standard & Poor's Corporate Ratings division. He is currently interning at the Telsey Advisory Group, a boutique sell-side equity research firm specializing in the retail industry. Prior to attending Stern, Kyle was a Financial Planner at The Ayco Company, a Goldman Sachs Company. At Ayco Kyle provided comprehensive financial planning services to corporate executives and other high net worth individuals.

Sun K. Park

Prior to attending Stern, Sun was an assistant portfolio manager at asset management division of Samsung Securities in Seoul, Korea. He also worked as an equity research analyst at Samsung Securities in the past. Over the summer, he plans to intern at Credit Suisse Asset Management in Singapore, covering Asian stock markets. He received his BA in Computer Science from University of Texas at Austin.

David Paz

Prior to attending Stern, David worked as a senior financial analyst in the CFO organization at Pacific Gas & Electric Company (PG&E). Prior to joining PG&E, David worked as a senior analyst in the energy practice of Analysis Group, an economic consulting firm. There he performed quantitative research for energy economists testifying on behalf of clients in complex litigated matters and regulatory hearings. This summer, David will be working at Highbridge Capital Management, a New York City-based hedge fund. He received his BA in economics and statistics from the University of California, Berkeley.

Joel Peña

Last summer, Joel interned in the Private Wealth Management division at Morgan Stanley. Prior to enrolling at NYU Stern, Joel spent a year with Bank Hapoalim first as Senior Private Banker and later as Deputy Manager for the Brazil-Chile region, responsible for investment decisions and the general performance of the business unit. Before that, he spent five years working at BBVA Bancomer as Broker, Financial Products Specialist and in the Operations department developing new business opportunities for the organization. He earned a BA degree in Economics from ITESM Monterrey Institute of Technology. He will start with PIMCO as Account Manager after his MBA at NYU Stern School of Business.

Jiorden Sanchez

Prior to attending the Stern School of Business, Jiorden spent time in the asset management arena working for Pinnacle Associates as an assistant portfolio manager. His primary responsibility was to oversee 200 million dollars in assets by analyzing client accounts and selecting appropriate equity and fixed income securities based on the client's risk tolerance, income needs, tax sensitivity, and return objectives. This summer, Jiorden will be interning in the equity research division within Deutsche Bank's Global Markets Business. He holds a BS in Business Management and Economics from the State University of Stony Brook.

Henry Sham

Last summer, Henry worked in the Financial Institutions Group in Lehman Brothers' Investment Banking Division. Prior to attending Stern, Henry was a Managing Consultant at Navigant Consulting, where he managed projects for clients under litigation or regulatory scrutiny as part of its Litigation and Investigations practice. Before working at Navigant Consulting, he was a technology consultant at Computer Sciences Corporation, where he provided technology solutions to financial institutions clients. He earned a BS in Management Information Systems from Binghamton University.

Nitesh Singla

Nitesh is a part time MBA student who works in the Financial Advisory practice of Deloitte. There he focuses on pricing and valuation strategies in their M&A group. He received his MS in Computer Engineering with minor in Finance from University of Southern California, Los Angeles.

Amit Sinha

Amit spent his summer at the Structured Credit Trading desk at HSBC and will join the desk as a trader on graduation. Prior to joining Stern, he worked as a senior analyst with the Fixed Income Technology team at Goldman Sachs. Amit has a Bachelor's degree in computer science from Indian Institute of Technology, Kanpur.

Nicholas Yulico

Nicholas is currently a senior writer at TheStreet.com, where he primarily covers stocks in the real estate, casino, and specialty finance sectors. He also writes the "Bricks and Mortar" column, which tracks his stock picks in a long/short mock trading portfolio. He holds a BA degree in philosophy from UCLA and is a candidate in the CFA program.

Catherine (Shu) Zhang

Last summer, Catherine interned as an Investment Banking Summer Associate at Bank of America Public Finance division. Before enrolling at Stern, Catherine had worked as a Supply Chain Leader in Operations group at Harman/Becker Automotive Systems for 3 years. She earned a MS degree Operations Research from University of Florida, and a MS degree in Physics from Northwest University in China.

The Value Fund



*Back row: Cedric Silas, Greg Konrad, Carolyn Park, Amy Klug, Rocco Lisandrelli
Middle row: Pablo Caicedo, Luiz Caselli, Greg Urban, Henry Barash, Steven Ladany
Front row: Ward Jones, Christopher Bolton, Peifang Sun, Imaan Kabir, Marc Bromberg
Not Pictured: Mario Markus, Yuval Berger, Ramprasad Sundaram*

Henry Barash

Henry currently works at Standard and Poor's as a credit analyst in their Structured Finance group. Here he focuses on evaluating the performance of RMBS transactions and researches current market trends. Prior to joining S&P, Henry worked at Bear Stearns, in their Financial Analytics group and at Citigroup, in their Mortgage Analytics group. At Bear Stearns, Henry structured ABS deals and analyzed bonds for potential trading opportunities. At Citigroup, Henry modeled CMO Agency deals and analyzed structured transactions. He holds a B.S. in Computer Science and a B.A. in Economics from Binghamton University.

Yuval Berger

Yuval completed four years of army service in the Israeli Army. He holds a bachelor's degree in Economics and Business Administration. Soon after completing his undergraduate studies, he pitched an idea to his company to start a trading desk in New York aimed at Israeli portfolio managers; the idea was well-received and he was sent to NY to start the operation. Working closely with the portfolio managers, he developed strong interest in and passion for research and investing, and enrolled in business school at Stern to acquire the skills to successfully transition into research and investment management. Yuval will be graduating with his MBA in Finance and Accounting in May 2008.

Christopher Bolton

Chris will work this summer at Barclays Capital in Fixed Income Sales and Trading. Prior to attending Stern, Chris was a consultant in the Corporate and Institutional Banking Practice at Oliver Wyman, a management consulting firm. Prior to joining Oliver Wyman, Chris worked as a Senior Analyst in the Securities and Financial Risk Management Practice at National Economic Research Associates, an Economic Consulting firm. Chris received a MA in Economics from Johns Hopkins University and a BA in Economics from Duke University.

Marc Bromberg

Last summer, Marc worked as a Credit Analyst at Barclays Capital, covering the Automotive and Homebuilder/Insurance sectors. He will be returning to Barclays Capital following graduation. Before coming to Stern, Marc was a Research Manager at IAC/InterActiveCorp and a Research Analyst at the Wall Street Journal. He received his undergraduate degree from Ithaca College.

Luiz A. Caselli, CFA

Over the summer, Luiz will intern as a summer associate at McKinsey & Company, Brazilian Office. Prior to attending Stern, Luiz was a risk analyst at Banco Santander Asset Management, managing the market risk of approximately 30 billion dollars in assets under management. Luiz Caselli is a CFA charterholder and a member of the CFA Society of Brazil. He holds a BSc in industrial engineering from the University of Sao Paulo, at Sao Paulo, Brazil.

Pablo Caicedo

Pablo graduated with a Bachelor of Arts in Economics and a minor in Business Administration from Universidad de los Andes in 2002. Prior to Stern, Pablo was a sales manager at Canusa Hershman Recycling Company in Baltimore, where he traded and commercialized recovered commodities. During the summer of 2007, Pablo worked in New York City at Lehman Brothers in their Sales & Trading Summer Associate program where he worked with the Desk Based Analytics and FX Derivatives Trading Desks.

Ward Jones

This summer, Ward will be interning as an Associate in the Investment Banking Division at Citigroup. Prior to coming to Stern, he spent 6 years as a Research Analyst at Friess Associates, growth equity manager of the Brandywine Funds. There he focused on covering small- and mid-cap growth companies across several industries. Ward received his BA in Economics from Cornell University in 2001.

Imaan Kabir

Imaan Kabir is a first-year MBA specializing in Finance and Accounting. Prior to attending Stern, Imaan was the Marketing & Administrative Director of a New York based asset management firm, Mason Hill Advisors LLC. There she was responsible for marketing the investment products to prospective investors, conducting due diligence meetings and managing relationships with current clients. She holds a BA in Economics from Amherst College.

Amy Klug

Prior to attending Stern, Amy was a Senior Research Assistant at King Street Capital Management, L.L.C., a New York based hedge fund focused on special situations and value investing. There she focused on researching investment opportunities across the capital structure in several industries, including healthcare, aerospace and defense, and paper and packaging. Amy holds a B.A. in Political Economy from Georgetown University. This summer she will be interning as a Research Summer Associate in the Credit Portfolio Group at JPMorgan.

Greg Konrad

Before coming to Stern, Greg worked in various roles at John Hancock Financial Services and MFS Investment Management. Most recently he was an investment analyst at John Hancock, where he analyzed third party money managers. Greg has completed all three levels of the CFA program and holds a BS in Finance from the University of Maryland College Park. This summer he will be interning for the equity research department at UBS.

Steven Ladany

Last summer, Steve interned in the Syndicated and Leveraged Finance group within the Investment Banking division of JPMorgan. Prior to enrolling at Stern, Steve spent over four years in the Private Client Group of Wachovia Securities as a Financial Advisor working with clients to design and implement personalized investment strategies. He earned a BS degree in Business Administration from Seton Hall University.

Rocco Lisandrelli

Over the summer, Rocco worked as an Equity Research Associate for the value-focused investment management firm, Caveat Emptor Capital Management. Before enrolling at Stern, Rocco worked as a marketing associate for The Millburn Corporation, an asset management firm with an emphasis managed futures programs. He received in undergraduate degree in Business Management from Binghamton University.

Mario Pekelmann Markus

Last summer, Mario interned in the Special Situations and Emerging Markets Structuring groups at Merrill Lynch London. Prior to enrolling at Stern, Mario spent 9 years working at Renascenca DTVM, a Brazilian fixed income broker dealer, as the Director of the Fixed Income desk. He earned a BA degree in Economics from Universidade de Sao Paulo.

Carolyn Park

Prior to coming to Stern, Carolyn worked in a number of different functions within the Commercial Banking unit at US Bancorp. Her most recent role before coming to Stern was as a portfolio manager where she covered several middle market companies across varied industries. Carolyn received her BA in Economics from UCLA in 2003.

Cedric Silas

Cedric will be interning as an Equity Research Associate at UBS this coming summer. He is currently co-President of the Association of Investment Management and Research, a student run organization which focuses on assisting students interested in areas of equity and fixed income research and asset management. Prior to attending Stern, Cedric has worked in various capacities as a technology professional. In his most recent position, he was responsible for enterprise application development at BBDO NY. Cedric received his Bachelors of Science in Computer Science from Central Washington University.

Peifang Sun

Peifang is a first year MBA student. Prior to attending Stern, Peifang worked for Hannover Reinsurance Company in China, responsible for accounting and finance reporting. Prior to joining Hannover Re, Peifang was a Senior Associate of Assurance Department at PricewaterhouseCooper Shanghai Office. She is a Chartered Financial Analyst(CFA) and a member of New York Society of Security Analysts (NYSSA). She received a Bachelor's Degree of Economics from Shanghai Jiao Tong University.

Ram Sundaram

Ram Sundaram is a part-time student specializing in Financial Instruments and Markets. He works as an Assistant Vice-President in the Equity Finance - Technology Group at Lehman Brothers. He received his Post-Graduate Diploma in Management from IIM Bangalore, India.

Greg Urban

Last summer, Greg interned in the Investment Banking division at Piper Jaffray working as a generalist for the Healthcare, Financial Institutions and Restructuring groups. Prior to Stern, Greg spent five years at Ford Motor Company as a product development engineer where he developed vehicles such as the Hybrid Escape, Edge and the 2009 Lincoln Mks. Greg earned a BS and MS in Mechanical Engineering, both from Iowa State University.

The Small Cap Fund



Back Row: Ahmet Nalcaioglu, Samuel Du, Jaspal Singh, Jorge Trujillo
Middle Row: Philippe Astaing, Francisco Godoy, Emily Smith, Shaun Wong, Manuel Navas
Front Row: Raymond Li, Bradley H. Doyle, Daniel Garcia, Adam Edgell-Bush, Elizabeth Clouston
Not pictured: Candice Diaz, Michael Glickstein, Sobhan Dasari, Karim Samra

Philippe Astaing

Last summer, Philippe interned in the International Equity Division of Morgan Stanley in London. Prior to attending Stern, Philippe was an pan-european equity salesperson for six years at Cheuvreux, one of the leading European brokerage firms. He was in charge of the coverage of the Swiss Institutional clients. He received his BA in Political Science from Sciences-po in Paris and a master in management from ESCP-EAP.

Elizabeth Clouston

Elizabeth is a Planning Associate in the Global Wealth Management group at Merrill Lynch. In her role, she advises high-net worth clients regarding asset allocation and investment management. Prior to Stern, Elizabeth was with the Private Banking and Investment Group of Merrill Lynch for six years where she was responsible for performance reporting and asset allocation modeling. Born and raised in Atlanta, Georgia, she earned a B.S. from Wake Forest University. She currently resides in Manhattan with her husband.

Sobhan Dasari

Sobhan currently works at Credit Suisse in the technology division as Assistant Vice President supporting the emerging markets Fixed Income trading desk developing pricing, risk and structured trading sheets. Sobhan joined Credit Suisse as a Technical Associate in 2002 and has worked in various groups as Project Manager and in

developing front office trading systems. Prior to that, he worked for a year at Thor Technologies (later acquired by Oracle). Sobhan holds a Masters in Computer Science at New York University and a Bachelors in Engineering at National Institute of Technology, Trichy, India.

Candice Diaz

Prior to joining Stern, Candice managed the operations, control and reporting department at BiscayneAmericas Advisers, LLC, investment advisers to a series of emerging market fixed income mutual funds. Candice received her BS in finance from the University of Florida.

Bradley H. Doyle

Over the past summer, Bradley worked in the health care investment banking group at Cowen and Company. Prior to attending Stern, he was a fund of hedge funds analyst at J.H. Whitney. Prior to joining J.H. Whitney he held positions as an analyst with Holding Capital Group, a small private equity firm and also as a trading clerk for a coffee futures options trader on the New York Board of Trade. He holds a BA in Economics from the University of Michigan.

Samuel Du

Samuel works as a research analyst at JP Morgan Asset Management. There he focuses on fixed income portfolio performance analysis and derivatives pricing. Prior to joining JP Morgan, Samuel worked as a research analyst on market risk in Citigroup. Before joining Citigroup, Samuel worked as a credit and ratings analyst in Standard and Poor's. He holds a PhD in Genetics from Cornell University.

Adam Edgell-Bush

Adam spent the summer at Credit Suisse rotating through the CDO, Corporate Trading, Delta One, Structured Product and Interest Rate Derivatives groups. Prior to joining Stern he was a Director with UBS Wealth Management in London advising ultra-high net worth clients. Adam received his undergraduate degree in Economics and Finance from the University of Sydney. While at school, Adam has been working for a hedge fund sourcing and analyzing potential investments.

Daniel Garcia

Daniel is an Analyst of the Infrastructure Finance team of BNP Paribas, New York. Before joining BNP Paribas, Daniel had ten years of engineering experience and held positions at a number of engineering firms, including Parsons Brinckerhoff and HPA-Halcrow. Most recently he held the title of Senior Internal Auditor at Parsons Brinckerhoff, where he evaluated risk profiles on projects and recommended risk mitigation measures to corporate management. He holds a Bachelor of Science in Civil Engineering from the University of Florida and a Masters of Science in Civil Engineering from Oregon State University. Daniel's area of academic focus was coastal engineering, and he currently holds Professional Engineer titles in the States of New York and Florida. Daniel is currently working towards an MBA degree at New York University's Stern School of Business, where he focuses his studies on International Finance and Global Business.

Michael Glickstein

Prior to attending Stern, Mike was an equity research analyst at Mercer Partners, a global long-short equity hedge fund. Previously Mike spent two and a half years at Goldman Sachs in the Global Investment Research division, primarily as part of a team that launched on and covered the U.S. Autos sector. He started his career on the sell-side at Friedman Billings & Ramsey assisting three senior equity research analysts.

Francisco Godoy

Francisco worked as investment consultant for Watson Wyatt. Francisco also served as pension investment officer for several multinational companies based in Mexico and promoted the implementation of corporate

governance standards among investment managers and clients. He holds a BSc in actuarial science from Instituto Tecnológico Autónomo de México.

Raymond Li

Raymond interned at BNP Paribas as a Fixed Income Associate over the summer. He also worked part-time at a merger arbitrage hedge fund last year. Prior to Stern, Raymond was a manager at KPMG LLP focusing on tax technology initiatives. He has spent the majority of his professional career as consultant at BearingPoint, Inc. advising clients on technology, supply chain, and finance functions within the consumer products, media, and industrial industries. Raymond received an MS and BS in Information Systems Management from Carnegie Mellon University.

Ahmet Nalcaioglu

Ahmet is a Stern Langone student. He currently works as a trader/researcher and runs the Asia desk at R.G. Niederhoffer Capital Management, a Commodity Trading Advisor focused on quantitative and systematic trading. Prior to joining RGNM, Ahmet worked for Goldman Sachs as a technology analyst where he developed equities, futures and options trading servers. He holds an MS degree in Computer Science from the University of Florida and he received his BS in Computer Science from Bilkent University, Turkey.

Manuel Navas

Prior to attending Stern, Manuel was a financial adviser with MetLife Resources. He designed retirement solutions for both organizations and individuals in the non-profit market place. Previously, Manuel worked with Wachovia Securities and created investment plans for high-net worth individuals. He holds a BS in Business Administration from the University of Maryland at College Park.

Karim Samra

Karim is currently majoring in Finance and Accounting and will be spending the summer at GE Energy's direct investment division, focusing on renewable energy, oil & gas, and water. Prior to Stern, he worked in emerging market investment banking and private equity, focusing on companies driven by consumer demand. Karim speaks French and Italian, and holds a BA in History from Boston College.

Jaspal Singh

This summer, Jaspal will be interning for Merrill Lynch in the Global Investment Management division. Prior to attending Stern, Jaspal spent six years working in Merrill Lynch Technology where he worked on the firm's online brokerage and Financial Advisor Workstation. He received his BA in Economics from Swarthmore College.

Emily Smith

Emily is a first year student specializing in Finance and Management. Prior to attending Stern, Emily worked as a Senior Client Service Manager at Sands Capital Management. There she focused on managing institutional client relationships and performing portfolio analysis. Prior to joining Sands Capital Management, Emily worked as an Investment Performance Associate at Cambridge Associates. She received a BS in Finance and a BS in Marketing from the University of Maryland - College Park in 2003.

Jorge Trujillo

Jorge works at Morgan Stanley in the technology space. His day-to-day duties involve interacting with a variety of software vendors in the information management and search sector, evaluating their product offerings and guiding the technology strategy for the firm. He holds a BS in Computer Engineering and a MS in Telecommunications and Networking from the University of Pennsylvania.

Shaun (Shun-ning) Wong

Shaun will be working within Fixed Income and Equities Sales & Trading at Credit Suisse over the summer. Prior to attending NYU Stern, he was Senior Director of Finance and Strategy at EcoKool, Inc., a start-up focused on advanced eco-friendly refrigeration technology. Prior to EcoKool, Shaun spent four years at Goldman Sachs and Co., first as an Analyst in Corporate Treasury and then as an Associate on the Fixed Income trading desk, where he co-managed the overnight Repurchase Finance book as well as the firm's daily liquidity position. Shaun holds a BA from Princeton University.

The Fixed Income Fund

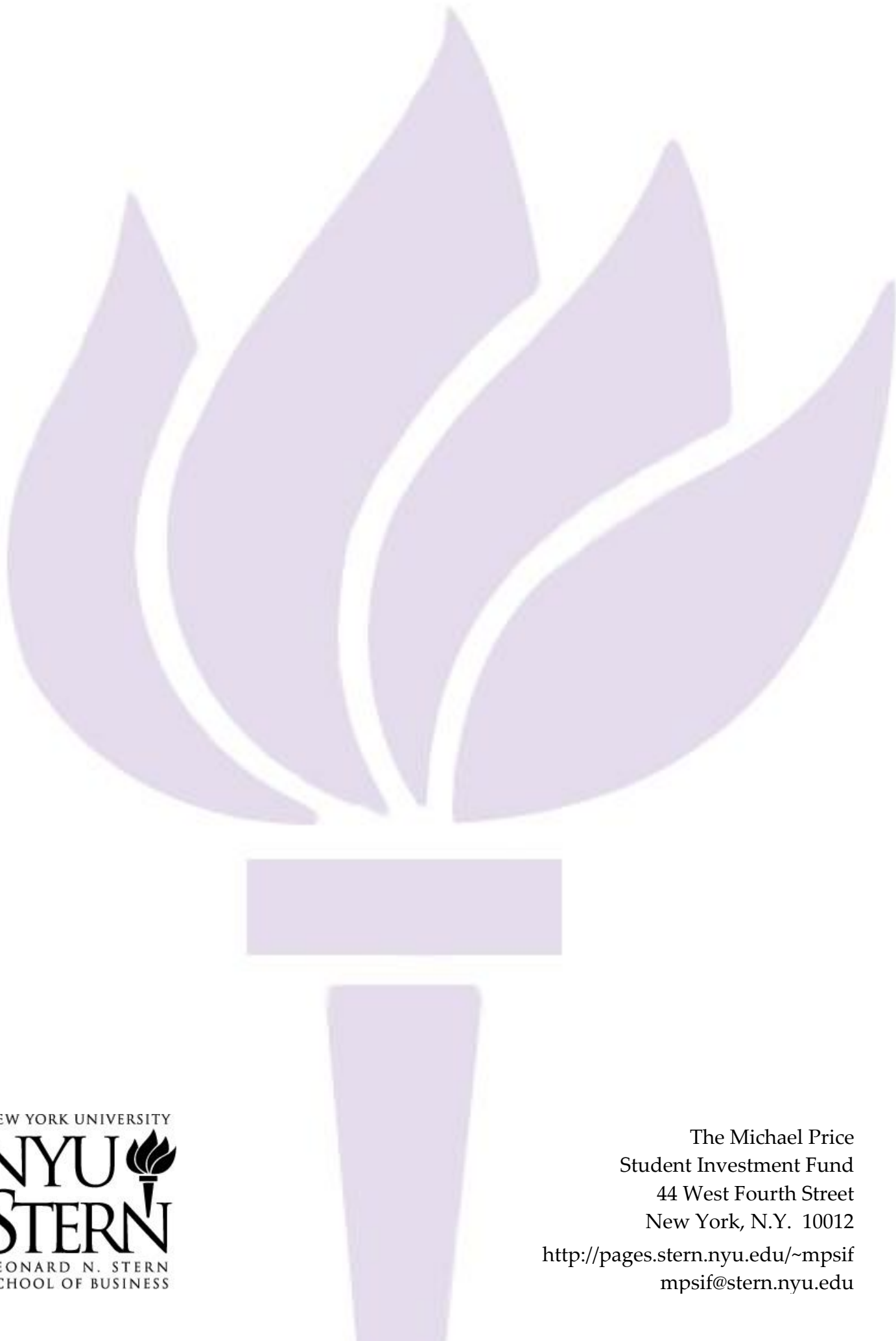


Back Row: Christopher Bolton, Luiz Caselli, Steven Ladany, HenryBarash, Manuel Navas

Front Row: Joel Peña, David Paz, Rocco Lisandrelli

Not pictures: Karim Samra, Shaun Wong

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



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