MPSIF

The Michael Price Student Investment Fund

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

Annual Report

31 August, 2007

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 – 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

Executive Committee – Spring 2007

President	Veersen R. Ghatge
Treasurer	Anna Melnikova, CPA
Co-Portfolio Manager, Fixed Income Fund	Suresh Ramayanam
Co-Portfolio Manager, Fixed Income Fund	Michelle Hahn
Co-Portfolio Manager, Growth Fund	Elizabeth Boylan
Co-Portfolio Manager, Growth Fund	Kaimon Chung, CFA
Co-Portfolio Manager, Small Cap Fund	Helena Leung
Co-Portfolio Manager, Small Cap Fund	Ronny Eisemann
Co-Portfolio Manager, Value Fund	Michael Walter
Co-Portfolio Manager, Value Fund	Andrew MacNamara
Faculty Advisor	Professor Richard Levich

Internal Leadership – Fall 2007

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Vice President, Educational Development	Stefan Karlsson
Co-Vice Presidents, External Affairs	Neely Pielet & Sachin Khattar
Vice President, Performance Reporting	Ryan Nash
Vice President, Newsletter	Daniel Parker
Vice President, Portfolio Analytics	Lucy Ye

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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, Managing Director, Citigroup Investment Research

Board of Advisors

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Michael F. Price, Benefactor
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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
Mathew Richardson, Professor of Finance, Stern School of Business

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LETTER FROM THE FACULTY ADVISOR

On behalf of the students who participate in the Michael Price Student Investment Fund, it is my pleasure to introduce the annual report for the fiscal year ending August 31, 2007.

The major financial story in 2007 was the subprime mortgage market crisis. The impact expanded through the year and was felt globally -- resulting in the collapse of large financial institutions, the dissolution of some asset managers, and immense earnings losses for some major global banks (as in the $8 billion write-down by Merrill Lynch at the time of this letter). While the effects continue to be felt today, they reached dangerous levels during the summer of 2007 when the markets withstood unusual levels of volatility. While this represented opportunities for some active asset managers, it clearly was a perilous time for many.

Despite these risks, many major indices enjoyed healthy returns this year: the NASDAQ, S&P 500, and Dow Jones Industrial indices advanced 18.4%, 12.4%, and 16.5%, respectively. By comparison, the three MPSIF equity funds of Growth, Small Cap and Value produced returns of 12.31%, 6.27% and 15.04%, respectively. Including our Fixed Income fund, MPSIF earned 9.55% overall vs. 11.92% for our blended benchmark. Nonetheless, the annual return exceeded our mandated annual 5% distribution, so funds under management continued to grow (the $1,954,881 in assets represents the largest student-managed investment fund among top ten MBA programs, as determined by U.S. News & World Report). Also note that cumulative returns for the aggregate fund since inception have been favorable – 19.62% over the benchmark for the fund's life.

Operationally, we continue to advance our portfolio analytics. One procedural issue, however, which increasingly demands attention, is fund management when students are out of session – especially during the summer when they are preoccupied with their summer jobs. To protect against substantial market decreases, students put in place stop-loss orders; however, during this volatile summer, several of our holdings suffered a significant price decrease followed by a quick rebound -- resulting in the funds being cashed out of some positions before the positive correction. This left portfolios not only underperforming but also over invested in cash. The students are examining mechanisms that will address this going forward.

On the academic side, a significant personnel change preceded my entry to the position of faculty advisor for this year. Professor Richard Levich held this position the last several years and did an outstanding job both in assisting the students historically as well as in facilitating a smooth transition this year. Transition planning has always been one of the more trying aspects of managing a student-run fund, so I am extremely grateful for his immense contributions. The students, starting with the Fund President, have also greatly facilitated in the process and I am equally grateful to – as well as impressed with – them. And, we are all thankful for the continued role of the Management Advisory Council.

MPSIF continues to attain greater visibility. As an example, we are being covered by TheStreet.com. We expect the fund to garner further favorable attention given the attraction of the concept of the "wisdom of the masses" and as other business schools begin to offer similar efforts. Also, two MPSIF analysts participated in CNBC's "Fast Money" Challenge this past year.

Anthony M. Marciano
Clinical Professor of Finance
October 24, 2007

LETTER FROM THE PRESIDENT

The Changing Face of MPSIF

The team this year has focused on strengthening our core strategies - employing a well defined and disciplined investment strategy, identifying attractive investment opportunities and diversifying our holdings. Our investment philosophy and disciplined investment approach has generated steady returns. The fund has earned a cumulative return of 60.75% since making its first investment in March 2000, outpacing the blended benchmark by 19.62%.

Our gain in net worth in 2006-2007 was $71,620 after disbursing about $101,435 to the Price College of Business. The volatility in the equity markets, caused by the credit spillover during the month of August, provided many challenges for the fund. Overall, the fund was up 9.55% for the year, below the blended benchmark of 11.92%. Our fund recovered very strongly in September, and I expect our fund to continue to improve its performance over the next 6 months.

I personally have the pleasure of working with the finest people at NYU Stern – individuals who are incredibly intelligent and motivated. Our investment analysts have experience in finance, strategy, operations and marketing. Because of our diverse backgrounds, we can leverage on one another’s knowledge and capabilities.

The result of this is a broader view of potential investment opportunities and a deeper level of expertise, creating value for our portfolio. We now invest in ADRs of foreign companies and new sectors as well as develop tools to optimize the rebalancing of our portfolio. We are also in the process of transforming the Fixed Income fund into a primary fund in which analysts can devote all of their expertise. We will expand to include top-down and bottom-up analysis, including investing in individual debt instruments.

Through the years our greatest achievement, and a source of satisfaction, has been the success in transforming MPSIF into an integral piece of NYU Stern. MPSIF provides an opportunity for students to gain invaluable practical investment management experience. We also initiated interaction with the media. TheStreet.com, Inc., a leading provider of business and investment content, is covering the performance of the fund from September to December 2007.

Where does the future of MPSIF go from here? Strong leadership and finding the best talent are keys to a successful fund. By fostering mentorship between news members and current leaders, we ensure continuity from semester to semester. We stepped up our promotion efforts this year, and we expect to find an increase in the number of qualified candidates.

We are continuously forging links with our Alumni. It is also important that we reach out to Alumni who have once been a part of MPSIF so that we can become part of a vibrant investment community. MPSIF looks forward to hosting its third annual Student-Alumni Mixer next year.

The best is yet to be.

Louis Kay
MPSIF President
October 25, 2007

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 investment philosophy and disciplined investment approach has generated steady returns.

Our strategic intents this year were as follows:

- Strengthen investment decision making process
- Enhance the overall experience of MPSIF
- Improve external and internal public relations
- Strengthen alumni links

To achieve our strategic intents, we highlight some of our initiatives below:

We identified tools to optimize rebalancing of the portfolio and improve cash allocation decisions.

We are undertaking steps to further develop the fixed income fund into a primary fund by January 1, 2008, staffed with full-time and part-time analysts. This allows us to expand investing opportunities in individual corporate debt, in addition to the publicly traded funds.

We developed external relationships with the media, partnering with the Public Affairs Office. TheStreet.com conducted interviews and tracked the performance of the fund during the semester.

At Stern, we published a news article about MPSIF in the *Stern Opportunity* on October 23 to increase awareness among students and serve as a recruiting tool. MPSIF is now recognized officially as part of the MBA Admissions website and collateral.

To maintain close links to our alumni, we started the use of an online community. This also allows us to keep in touch with outgoing students.

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

- On September 17, Ted Tabasso, MD and Global Head of Equity Focus at Deutsche Bank, and also a regular speaker at MPSIF, returned to speak about the turbulent markets in August.
- On October 11, we were delighted to have Allan Brown (Stern MBA 1994), Distressed Debt Portfolio Manager at Concordia Advisors, conduct a special workshop. He spoke about distressed investing, trends in the markets and what type of opportunities these trends presented for MPSIF.
- On October 29, we invited a former President of MPSIF (2001), Dhruv Mohindra (Stern MBA 2001), who is now a Portfolio Manager at Bear Stearns Asset Management. He engaged the MPSIF class in a lively discussion on issues surrounding the subprime market and the collapse of the Bear Stearns hedge funds.

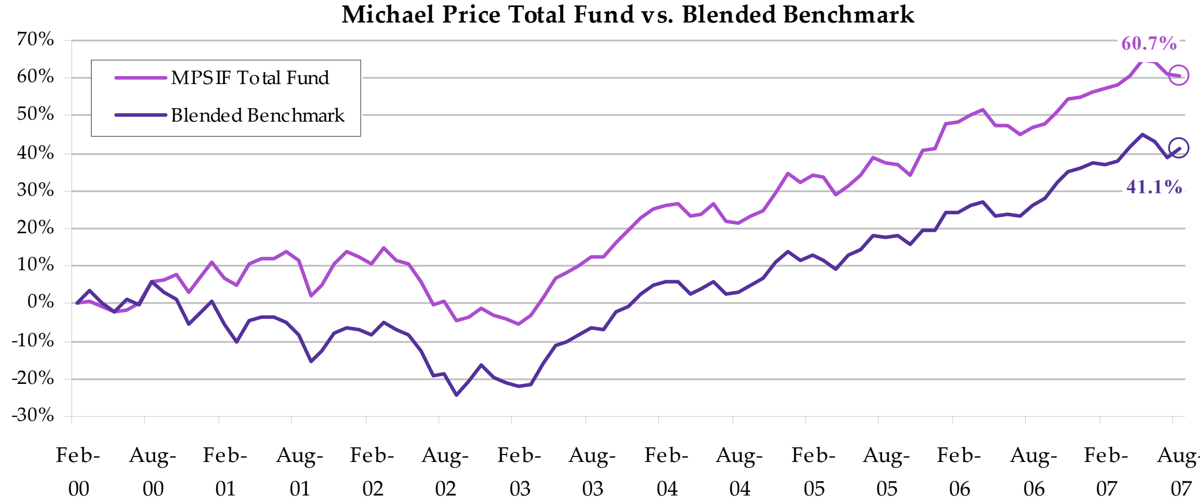
Performance of the Michael Price Student Investment Fund

For the period ending August 31, 2007

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	**2.18%**	**9.55%**	**32.14%**	**9.74%**	**59.37%**	**9.77%**	**60.75%**	**6.53%**
Management Fees	-0.23%	-0.45%	-1.52%	-0.51%	-2.58%	-0.52%	-3.83%	-0.52%
Blended Benchmark	3.20%	11.92%	36.83%	11.02%	73.39%	11.64%	41.13%	4.70%
Relative - Gross of Fees	-1.02%	-2.37%	-4.69%	-1.28%	-14.02%	-1.87%	19.62%	1.83%
Relative - Net of Fees	-1.25%	-2.86%	-6.70%	-1.84%	-18.13%	-2.44%	13.46%	1.28%
Small Cap Fund	**-3.65%**	**6.27%**	**55.49%**	**15.85%**	**114.88%**	**16.53%**	**144.23%**	**12.64%**
Management Fees	-0.30%	-0.55%	-1.87%	-0.63%	-3.21%	-0.65%	-4.36%	-0.59%
Russell 2000 Index	0.54%	11.36%	49.92%	14.45%	115.48%	16.60%	50.76%	5.63%
Relative - Gross of Fees	-4.20%	-5.09%	5.57%	1.40%	-0.61%	-0.07%	93.47%	7.02%
Relative - Net of Fees	-4.48%	-5.68%	2.66%	0.67%	-7.50%	-0.82%	82.81%	6.35%
Value Fund	**7.04%**	**15.04%**	**43.56%**	**12.81%**	**64.56%**	**10.47%**	**83.43%**	**8.42%**
Management Fees	-0.34%	-0.64%	-1.96%	-0.66%	-3.30%	-0.67%	-4.69%	-0.64%
Russell 1000 Value Index	2.76%	12.85%	50.28%	14.54%	97.15%	14.54%	93.57%	9.21%
Relative - Gross of Fees	4.28%	2.19%	-6.73%	-1.73%	-32.59%	-4.07%	-10.14%	-0.78%
Relative - Net of Fees	3.92%	1.45%	-9.54%	-2.48%	-38.01%	-4.80%	-18.74%	-1.47%
Growth Fund	**5.50%**	**12.31%**	**24.33%**	**7.53%**	**44.30%**	**7.61%**	**-9.61%**	**-1.34%**
Management Fees	-0.22%	-0.40%	-1.25%	-0.42%	-2.41%	-0.49%	-3.68%	-0.50%
Russell 1000 Growth Index	7.45%	17.70%	36.84%	11.02%	64.47%	10.46%	-23.74%	-3.55%
Relative - Gross of Fees	-1.95%	-5.39%	-12.51%	-3.49%	-20.16%	-2.85%	14.12%	2.21%
Relative - Net of Fees	-2.19%	-5.83%	-14.07%	-3.94%	-23.63%	-3.37%	10.80%	1.72%
Fixed Income Fund	**1.52%**	**5.44%**	**9.18%**	**2.97%**	**23.52%**	**4.32%**	**27.25%**	**4.55%**
Management Fees	0.00%	-0.17%	-0.94%	-0.32%	-1.47%	-1.47%	-1.54%	-0.29%
Vanguard Total Bond Fund	1.82%	5.53%	11.46%	3.68%	23.27%	7.22%	27.33%	4.63%
Relative - Gross of Fees	-0.30%	-0.09%	-2.28%	-0.71%	0.25%	-2.91%	-0.08%	-0.09%
Relative - Net of Fees	-0.30%	-0.27%	-3.31%	-1.04%	-1.56%	-4.44%	-2.04%	-0.39%

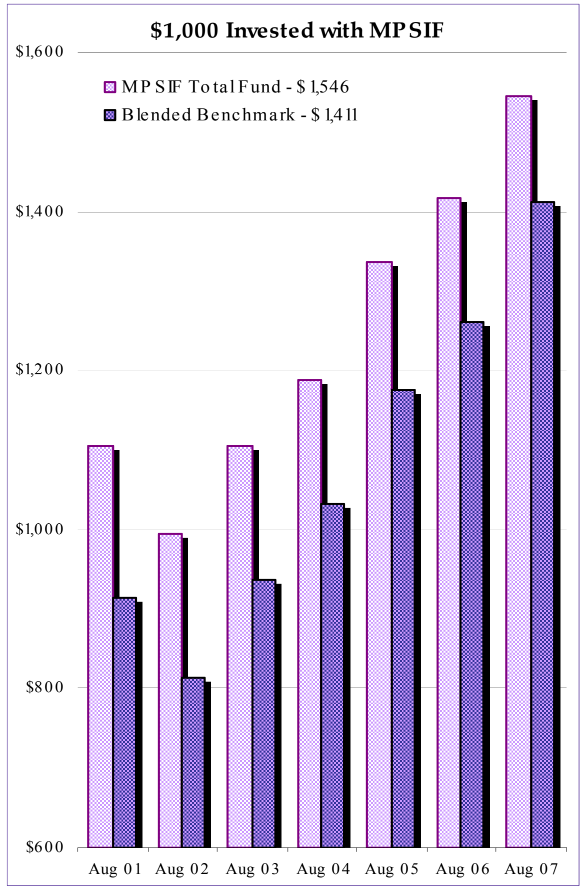
** Inception for all equity funds is March 1, 2000. The Fixed Income fund began operations on May 20, 2002.*
All values adjusted for time-weighted & external cash flows.

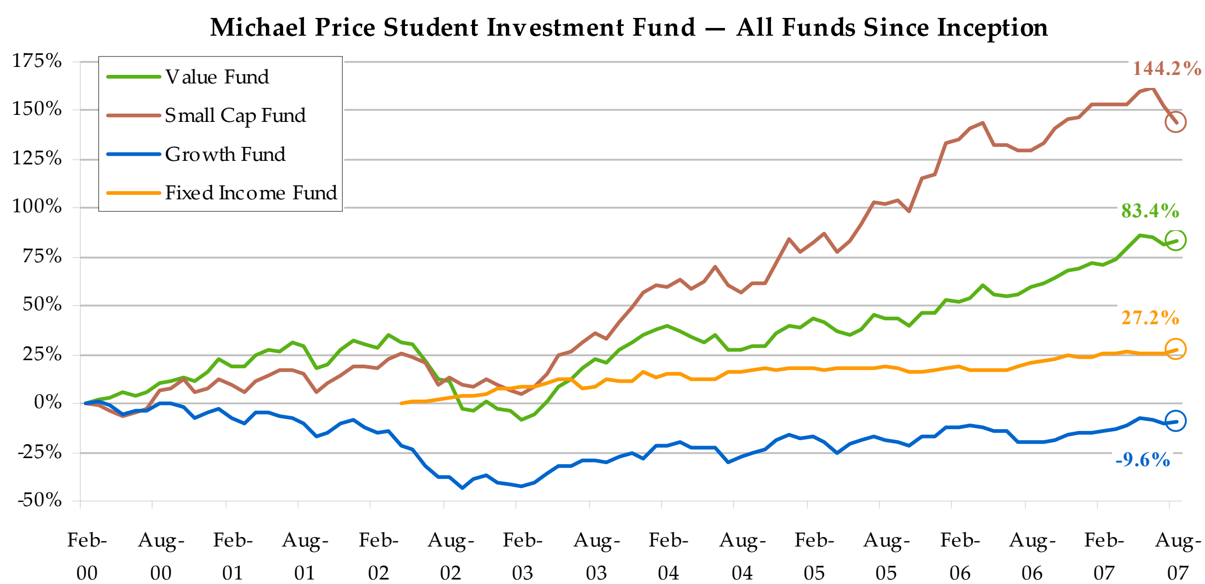
Michael Price Total Fund vs. Blended Benchmark



Our gain in net worth in 2006-2007 was $71,620 after the 5% mandatory distribution of approximately $101,435 to the Price School of Business at the University of Oklahoma. The volatility in the equity markets, caused by the credit spillover during the months of July and August, provided many challenges for the fund. However, we generated positive monthly returns during the year, and we did better than some professionally managed funds. Overall, the fund earned a steady 9.55% for the year, below the blended benchmark of 11.92%. The funds nevertheless achieved the goal of providing an absolute rate of return that exceeded our annual distribution mandate to the University of Oklahoma plus the rate of inflation.

The value fund was the top performer, returning 15.04%, beating the benchmark by 2.19%. The small cap fund and growth funds underperformed the benchmarks, up 6.27% and 12.43% respectively. The fixed income fund earned a steady return of 5.49%, narrowly missing the benchmark by -0.04%. Since inception, MPSIF has earned a cumulative return of 60.75%, outpacing the blended benchmark by 19.62%.





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

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. As of the September 30, 2007, the average market capitalization was approximately $1.3 billion; the median market capitalization was approximately $652 million. The largest company in the index had an approximate market capitalization of $5.2 billion.

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

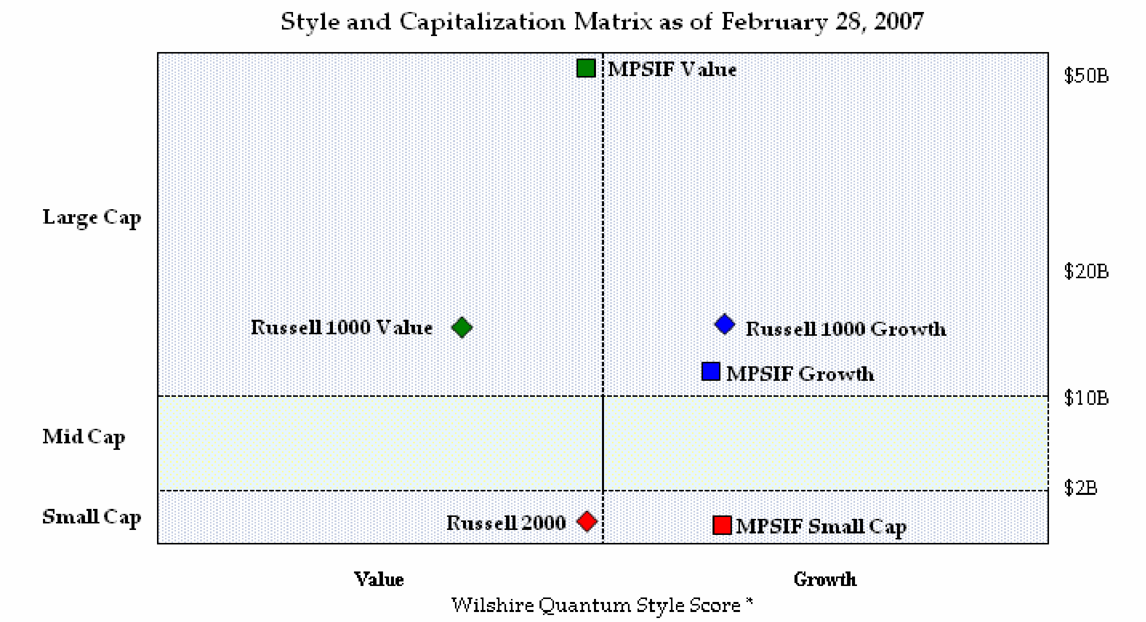
Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

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

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

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).*

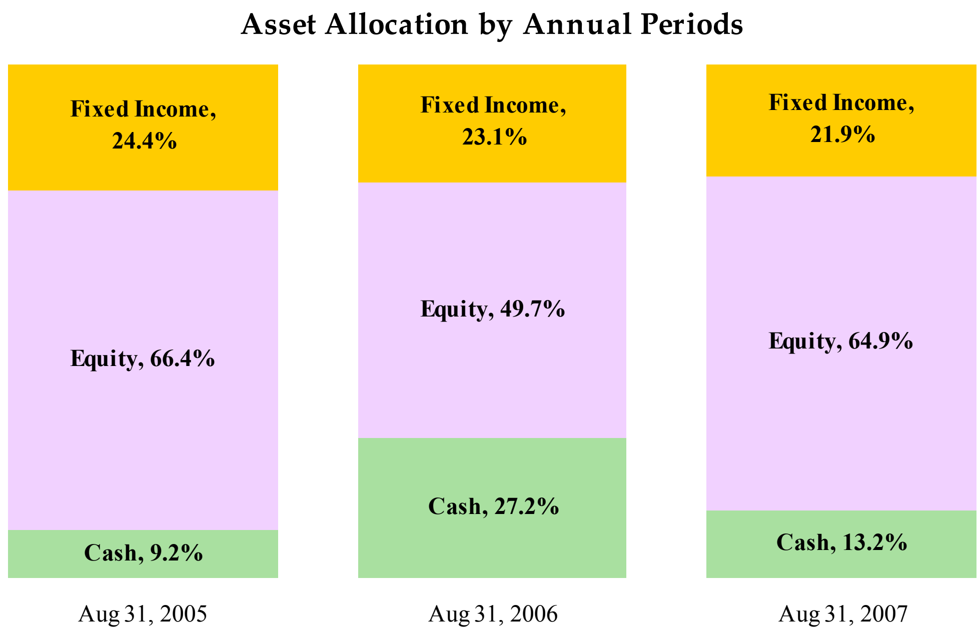
Equity Valuation Characteristics

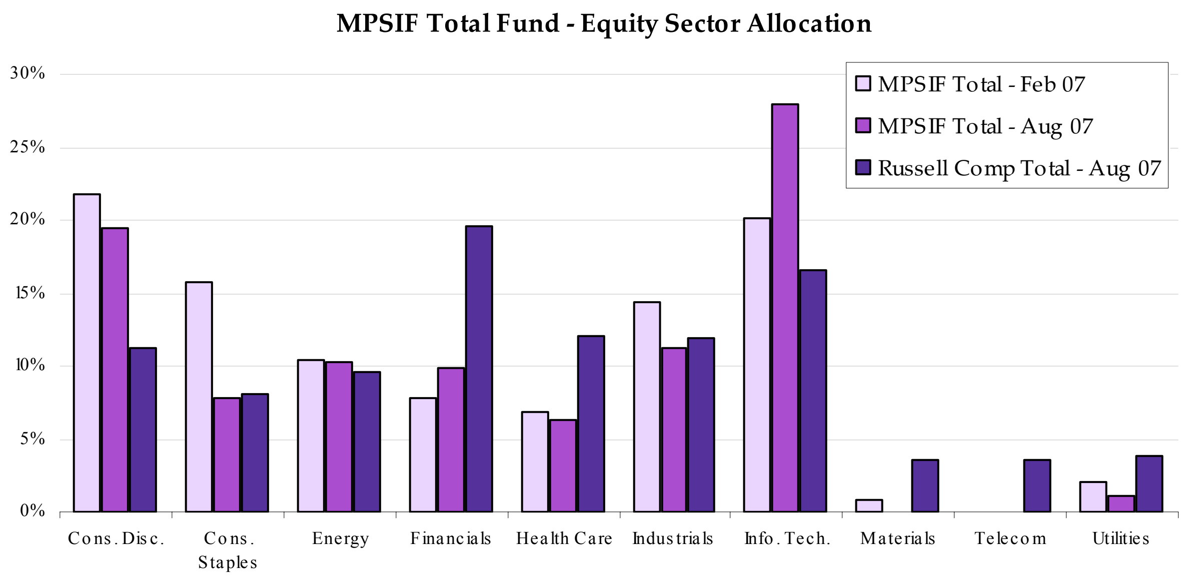
	P/E	ROE	P/BV	Div. Yield
MPSIF Growth	25.6	22.1%	5.6	0.4%
Russell 1000 Growth	20.8	25.8%	4.2	1.1%
Relative	*1.2x*	*0.9x*	*1.3x*	*0.4x*
MPSIF Value	15.3	24.9%	2.8	1.9%
Russell 1000 Value	14.0	18.3%	2.1	2.5%
Relative	*1.1x*	*1.4x*	*1.4x*	*0.7x*
MPSIF Small Cap	28.9	24.3%	4.2	0.6%
Russell 2000	19.3	23.1%	2.2	1.2%
Relative	*1.5x*	*1.1x*	*1.9x*	*0.5x*

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.





Source: Wilshire Analytics

Fund Turnover

Portfolio Turnover for the Six Months Ending August 31, 2007

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	70,987	413,078	368,465	218,015
Total Sales	81,492	462,761	264,540	185,896
Minimum (Sales, Purchases)	70,987	413,078	264,540	185,896
Average Invested Assets	439,125	367,961	512,940	489,058
Turnover	16%	112%	52%	38%

Macroeconomic and Market Review

The twelve months that ended August 31, 2007, was a stellar year for the equity markets, despite difficult stretches in February and July/August. The NASDAQ Composite Index led the major indices with a strong gain of 18.9%, closely followed by a 17.4% gain for the Dow Jones Industrial Average. The S&P 500 also posted a strong return of 13.1%. Equity markets have recouped virtually all of their losses from earlier in the summer, when markets fell around 10% over a 4-5 week period.

The market's uneven performance in late February and early March 2007 was sparked by a number of troubling economic events in the news. Most prominent was a single day 8.8% drop in the Shanghai Composite Index and a poor Q406 US GDP report that was revised down to 2.2% vs. 3.5% initially. The continuation of the subprime and overall credit problems into the summer caused the collapse of two Bear Stearns hedge funds as well as others and eroded confidence in credit markets. This fear motivated the Fed to cut the Discount Rate by 50bps to 5.75% in late August and remove the stigma attached to borrowing at the discount window. This move tempered the hysteria for the moment and fueled expectations that the Fed would follow it up with a cut to the Federal Funds rate at its meeting in September.

The 10-year Treasury yield peaked at 5.25% in June but gradually declined over the rest of the summer and closed the period at 4.54%. Following the flight to quality in February and March, the yield spiked in early summer as the subprime meltdown and credit crunch began to take hold, but it has since returned to a level below the 52-week average of 4.74%.

Oil prices remained volatile throughout the year, exceeding $80 for the first time at the end of the summer after falling below $50 in January. Crude oil futures have continued to rise as US inventories have declined and gasoline prices have approached an average of $3 per gallon for regular grade.

The dollar has also experienced volatility, hitting all-time lows against the euro (roughly $1.40), remaining above the $2.00 level against the UK pound, and seeing the rate approach 110 yen by the end of the summer.

After a lengthy period of relative quiet for the CBOE VIX Index, 2007 saw volatility levels jump all over the place. The index hovered near all-time lows (roughly 10-13) from August through mid-February before spiking to the high-teens in late February. After returning to the low-teens throughout the spring, the VIX rallied all summer long, hitting an intra-day high of 37.5 in mid-August before settling back to 23 as of August 31. This value implies that the option market expects the annualized standard deviation of returns on the S&P 500 to be approximately 23% over the course of one year. Given the problems with the housing market, subprime-related credit, and rising energy prices, we are apparently heading into a period of relatively higher volatility (although historic standard deviation from 1928-2006 was 20%).

THE GROWTH FUND

Message from the Portfolio Managers

The Growth Fund ("the Fund") had a somewhat disappointing year ending August 31, 2007. On an absolute basis, annual returns were a solid 12.31%. However, the Fund underperformed against its benchmark (the Russell 1000 Growth index) by 540 basis points over this time period. In May, the Fund was able to distribute $22,595 to the University of Oklahoma Price School of Business.

The Fund's under-performance in the first half of the year (307 bps below the benchmark) was driven in part by our large cash position. The Fund worked diligently to reduce the large cash position it faced in August 2006 – roughly 50% of assets – following a summer where a number of holdings had been automatically sold once they had hit their stop loss limits. After returning in September, the Analysts acted quickly to put the cash to use and add new positions to the Fund. Although we were able to reduce our cash position significantly, a number of the positions were initiated towards the end of the year. By the year end, the Fund had increased its stock holdings four-fold.

Performance in the second half of the year (197 bps below the benchmark) was limited by the mixed results of our stop-loss policy and subsequent cash position growth in the summer of 2007. High market volatility in July and August, driven by turbulence in the credit markets, in part caused the Fund to trigger a number of stop-losses. The six positions sold in July and August (Goldman Sachs, Starwood Hotels, NDS Group Plc, Aircastle Ltd, LCA Vision, and Marriott) had a combined post-sale, one-week return of 7.9% and a post-sale, one-month return of 10.1%. Clearly, the timing of the stop-losses was extremely inopportune.

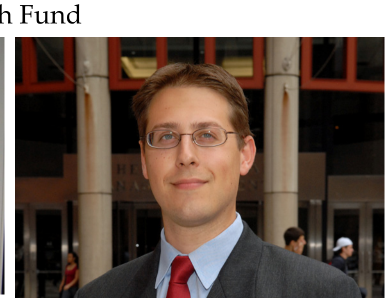
In spite of the poor performance of over the summer, the Fund continues to support its policy of setting stop-loss orders, primarily for two reasons. First, the stop-loss policy has previously proven beneficial, significantly reducing potential losses on Diversa Corp (DVSA) and NutriSystem (NTRI) in the first half of the year. Second, we feel that it would be irresponsible to allow unlimited downside risk due to limited management attention over summer months. This is particularly true in our growth holdings, which are historically quite volatile.

At year-end, the Fund had a cash position of 30.2%, which our analysts are actively working to invest. The Fund operates as a bottom-up fund and does not have a desired asset allocation. The analysts focus on identifying new ideas and allocating cash to high-performance growth stocks across different sectors that will outperform the market.

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.

Eric Chu and Ryan Fiftal

Portfolio Managers, Growth Fund



Discussion of Performance

	6 Month	1 Year	3 Year Cum.	3 Year Annualized	5 Year Cum.	5 Year Annualized	Inception Cum.	Inception Annualized
Growth Fund	**5.50%**	**12.31%**	**24.33%**	**7.53%**	**44.30%**	**7.61%**	**-9.61%**	**-1.34%**
Management Fees	-0.22%	-0.40%	-1.25%	-0.42%	-2.41%	-0.49%	-3.68%	-0.50%
Russell 1000 Growth Index	7.45%	17.70%	36.84%	11.02%	64.47%	10.46%	-23.74%	-3.55%
Relative - Gross of Fees	-1.95%	-5.39%	-12.51%	-3.49%	-20.16%	-2.85%	14.12%	2.21%
Relative - Net of Fees	-2.19%	-5.83%	-14.07%	-3.94%	-23.63%	-3.37%	10.80%	1.72%

** Inception from March 1, 2000*

Performance Overview

The Growth Fund's underperformance of its benchmark was primarily driven by poor asset allocation and the negative effect of automated stop-loss orders. On the positive side, returns were once again boosted by superior stock-picking.

Stock-Picking

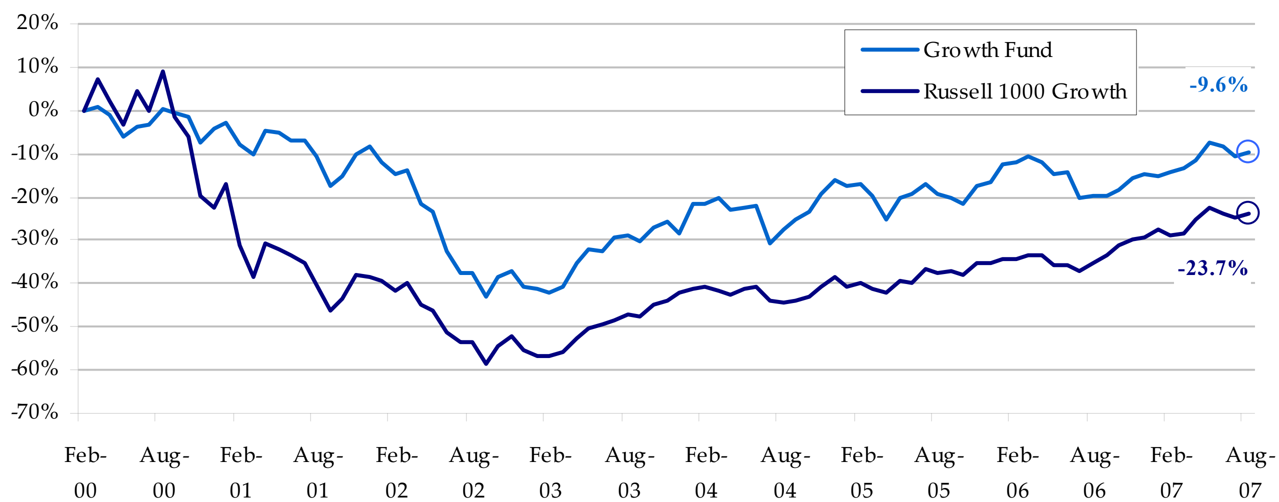
In both the first and second half of the year, stock selection boosted the Fund's overall returns: +1.1% in the first half of the year and +2.9% in the second half, according to our Wilshire Analytics team.

Over the first half of the year, the Fund enjoyed double-digit returns from three stocks that, within weeks, reached price targets originally set by our analysts. Mastercard (35%), Hansen (30%), and Cognizant Technology (20%). Mastercard surprised the Street last November with its blowout third quarter earnings and positive growth guidance. Hansen also provided superior returns from its continued ability to grow market share and news of a new distribution deal struck with Anheuser-Busch. Finally, Cognizant Technology performed above expectations due to its continued ability to win large outsourcing contracts and the rapid growth of the Indian Market.

In the second-half of the year, returns were driven by the strong performance of Apple, Garmin, and Penn National Gaming. By the end of the fiscal year, Apple had returned 52.5% since our purchase in December, with gains driven by continued strength in iPod sales and market anticipation of the iPhone. Garmin returned 85.4% since purchase in mid-April, as the producer of digital navigation products continues to build share in an already fast-growing market. Penn National Gaming returned 54.2% since purchase in October. The stock gained ~20% after the announcement of a buyout by Fortress Investment Group and Centerbridge Partners.

The fund also had its share of disappointments, with a number of stocks falling below their stop-loss limits. In the first half of the year, Diversa Corp,

Michael Price Growth Fund vs. Russell 1000 Growth Index



Nutrisystem, and Starbucks were sold after hitting stop-loss limits. In the second half, Netflix also reached its lower limit and was sold. Furthermore, as previously discussed, six positions were sold in July and August, in part due to high market volatility resulting from turmoil in the credit markets. Of those six stocks, fund analysts reevaluated our investment theses and decided to buy back into one of the positions.

Top Sectors	Return	Impact
Energy	50.7%	1.5%
Industrials	37.0%	0.9%
Top Contributors		
Garmin Ltd	87.6%	2.8%
Transocean Sedco For	57.4%	3.0%
Penn Natl Gaming Inc	54.1%	2.6%
Stock Selection		2.9%
Allocation Effect		-7.4%

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 within each group vs. the benchmark*

Improving Fund Performance

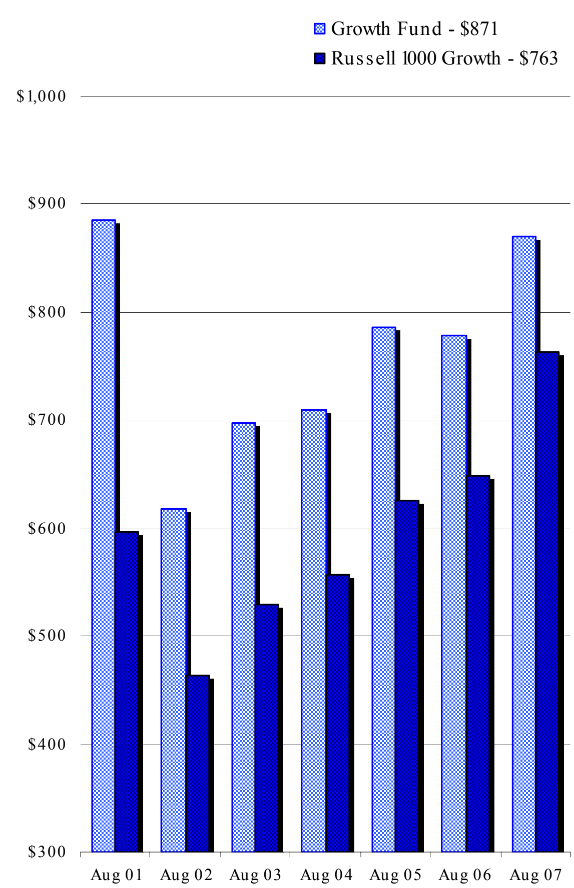
Members of the Fund are constantly working to improve our future performance through enhancements to our processes and methodologies. Over the last few months, our analysts have been working to identify our strengths and weaknesses relative to competing institutional investors and adapt our strategies accordingly.

Based on our discussions, we have concluded that the part-time attention of Fund analysts is our most significant competitive disadvantage. As a single piece of the MBA curriculum, MPSIF is only one of many demands on analyst time. Though analysts are extremely diligent, stock performance cannot be given complete "real-time" attention (as done by a full-time professional). Therefore, we react to news more slowly than our competitors.

Given this reality, our analysts have concluded that a longer target holding period could help to mitigate our relative weakness.

By focusing on companies that have strong potential to create value over the medium and long-term, our investment theses will be less dependent on short-term news events. Furthermore, a longer holding period implies lower portfolio turnover and lower transactions costs. Finally, lower turnover would enable the fund to focus more closely on our highest conviction ideas (with fewer new positions added per year, the Fund will be positioned to approve a smaller percentage of analyst pitches). This year, analysts are focusing their research on creating investment theses with at least a 2-year time horizon.

$1,000 Invested with MPSIF Growth



Asset Allocation

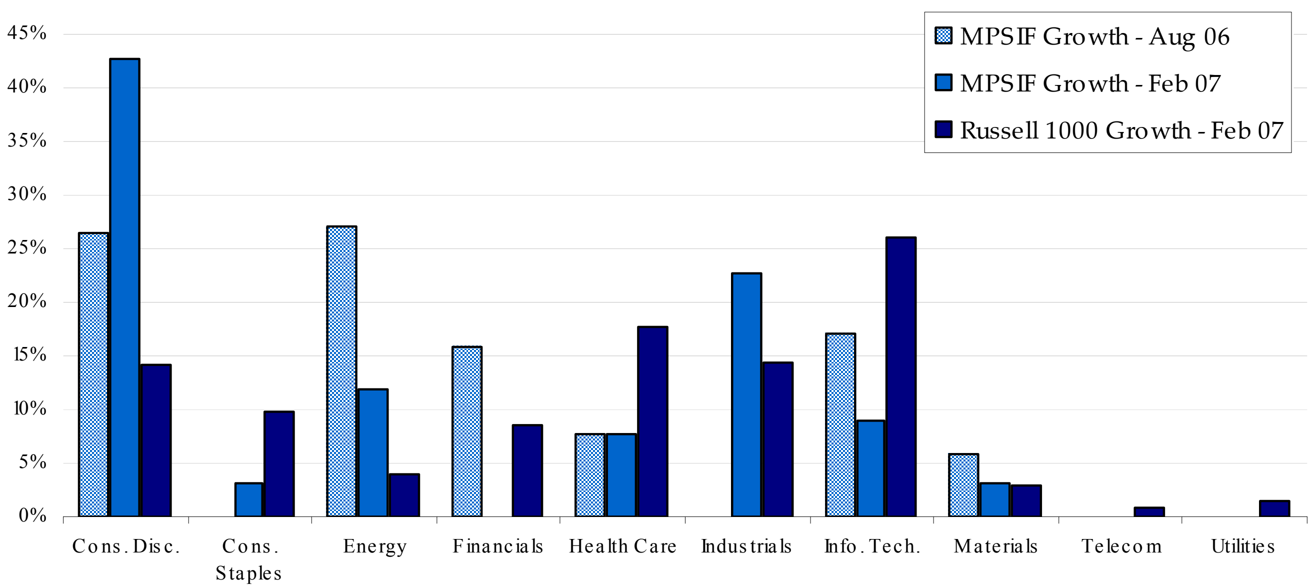
According to our Wilshire Analytics team, most of the Fund's underperformance was attributable to asset allocation decisions.

First, large cash positions were allowed to build over the summer of 2006, with roughly 50% of fund assets sitting in cash by August. Despite the aggressive work of Fund analysts, it took a number of months to reinvest the cash. In the summer of 2007, stop-losses again caused a rise in cash. Mid-summer, the Fund reinvested cash back into its portfolio by purchasing equal dollar amounts of each position. Going forward, when large cash positions arise, the Fund will consider reinvesting cash in the Russell 1000 index (using iShares). This will help to prevent the Fund from placing unintentional "bets" against the market due to cash buildup.

Beyond the issue of cash management, sector allocation also contributed to underperformance. For much of the fiscal year, The Fund was significantly under-weight in Financials, a sector that outperformed the market in the first half of the period. In the second half, the Fund took a small position Financials, only to see the sector under-perform over the summer. On a final note, the Fund is working to significantly reduce its significant over-weight in the Consumer Discretionary sector in the next fiscal period.

Going forward, we remain committed to taking a bottom-up approach to stock selection. While we encourage analysts to explore sectors that we under-weight relative to the Russell 1000 Growth Index, we do not make specific sector bets.

MPSIF Growth - Equity Sector Allocation



Holdings Profile

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%

Growth Portfolio as of February 28,2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc.	AAPL	Information Technology	220	84.61	18,614	4.2%
Barrick Gold Corporation	ABX	Materials	323	29.87	9,648	2.2%
Ceradyne, Inc.	CRDN	Industrials	381	51.60	19,660	4.5%
Dick's Sporting Goods, Inc.	DKS	Consumer Discretionary	364	52.28	19,030	4.3%
Starwood Hotels & Resorts Worldwide, Inc	HOT	Consumer Discretionary	350	65.75	23,013	5.2%
LCA-Vision Inc.	LCAV	Health Care	570	43.60	24,852	5.7%
Lan Airlines S.A. (ADR)	LFL	Industrials	402	68.32	27,465	6.2%
Netflix, Inc.	NFLX	Consumer Discretionary	698	22.53	15,726	3.6%
NDS Group plc (ADR)	NNDS	Information Technology	207	48.78	10,097	2.3%
Penn National Gaming, Inc	PENN	Consumer Discretionary	526	46.63	24,527	5.6%
PetSmart, Inc.	PETM	Consumer Discretionary	825	30.31	25,006	5.7%
Transocean Inc.	RIG	Energy	367	76.62	28,120	6.4%
Sonic Corporation	SONC	Consumer Discretionary	870	21.67	18,853	4.3%
Suntech Power Holdings Co., Ltd.	STP	Industrials	697	36.25	25,266	5.7%
Whole Foods Market, Inc.	WFMI	Consumer Staples	205	47.77	9,793	2.2%
Weatherford International Ltd.	WFT	Energy	240	40.10	9,624	2.2%
Quiksilver, Inc.	ZQK	Consumer Discretionary	716	13.92	9,967	2.3%
Total Equities					319,260	72.6%
Total Cash					120,389	27.4%
Total Assets					439,649	100.0%

Investment Style and Strategy

Our goals: The goal of the Growth Fund is to identify and capitalize on investments that represent significant growth potential. The companies we invest in may source their growth from a unique business model or occupy 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 have its stock price appreciate. 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.

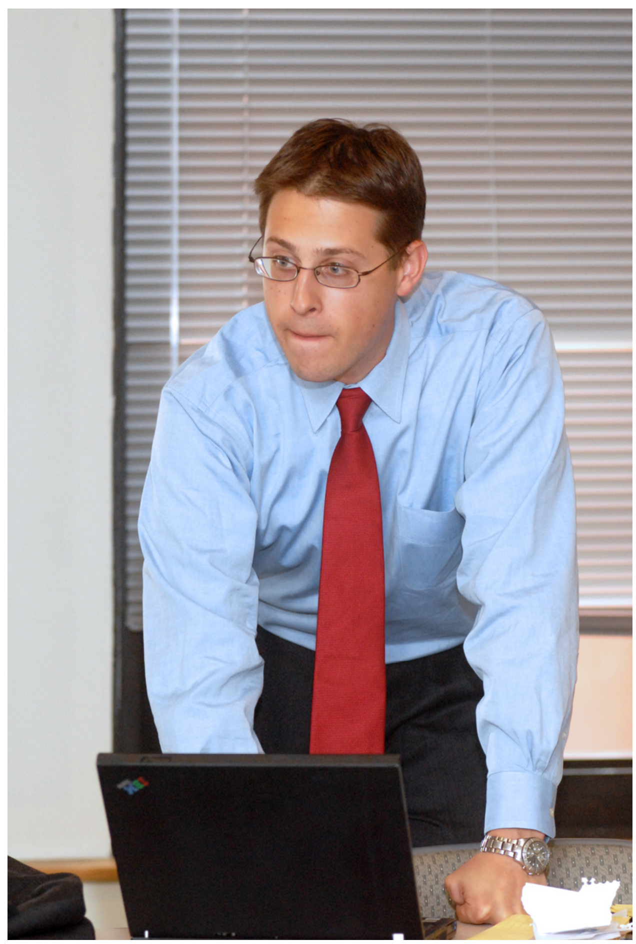
Our objective: To achieve an absolute return in accordance with our positioning as a portion of a university endowment.

Investment Process: Our analysts look at a firm and ask: "What is the catalyst for growth?" The analyst considers whether the company's business model will succeed. A valuation analysis follows beginning with balance sheet analysis, revenue and earnings trends. The analyst examines relative valuations and then finally performs a fundamental analysis of the company. After the analyst writes a research report, the analyst 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 related to the stock's volatility and downside risk. We will actively reduce 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 August 31, 2007, the Value Fund ("the Fund") gained 15.06% (gross of fees) on an absolute basis, and outperformed our benchmark Russell 1000 Value Index by 215 bps. We are content with our performance on an absolute basis, and are pleased that we outperformed the benchmark.

The Fund was fully vested leading into the summer, though the cash position increased to just under 10% on August 31 as a number of stocks were sold as they hit their price targets. 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 who 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 has divested many names that would fit better as a holding in the Growth Fund and that were no longer considered value plays, so today we resemble a much more "classic" long-only value fund. 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 fiscal year, ending August 31, 2008, will now focus on outperforming the benchmark index by a larger margin, continuing our strong 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.

Of note, the Fund was able to distribute $26,135.37 in May 2007, our largest distribution since the creation of MPSIF's Fixed Income Fund. The Fund earned $8,147.23 in dividends and $2,905.45 in interest income from our cash holdings. The Fund's cash balance ended the year at $49,922. Since inception, the Value Fund has gained 83.4% (gross of fees), or 8.42% (gross of fees) on an annualized basis.

Andrew Eimer & Marc Albanese

Portfolio Managers, Value Fund

Discussion of Performance

	6 Month	1 Year	3 Year Cum.	3 Year Annualized	5 Year Cum.	5 Year Annualized	Inception Cum.	Inception Annualized
Value Fund	**7.04%**	**15.04%**	**43.56%**	**12.81%**	**64.56%**	**10.47%**	**83.43%**	**8.42%**
Management Fees	-0.34%	-0.64%	-1.96%	-0.66%	-3.30%	-0.67%	-4.69%	-0.64%
Russell 1000 Value Index	2.76%	12.85%	50.28%	14.54%	97.15%	14.54%	93.57%	9.21%
Relative - Gross of Fees	4.28%	2.19%	-6.73%	-1.73%	-32.59%	-4.07%	-10.14%	-0.78%
Relative - Net of Fees	3.92%	1.45%	-9.54%	-2.48%	-38.01%	-4.80%	-18.74%	-1.47%

** 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.

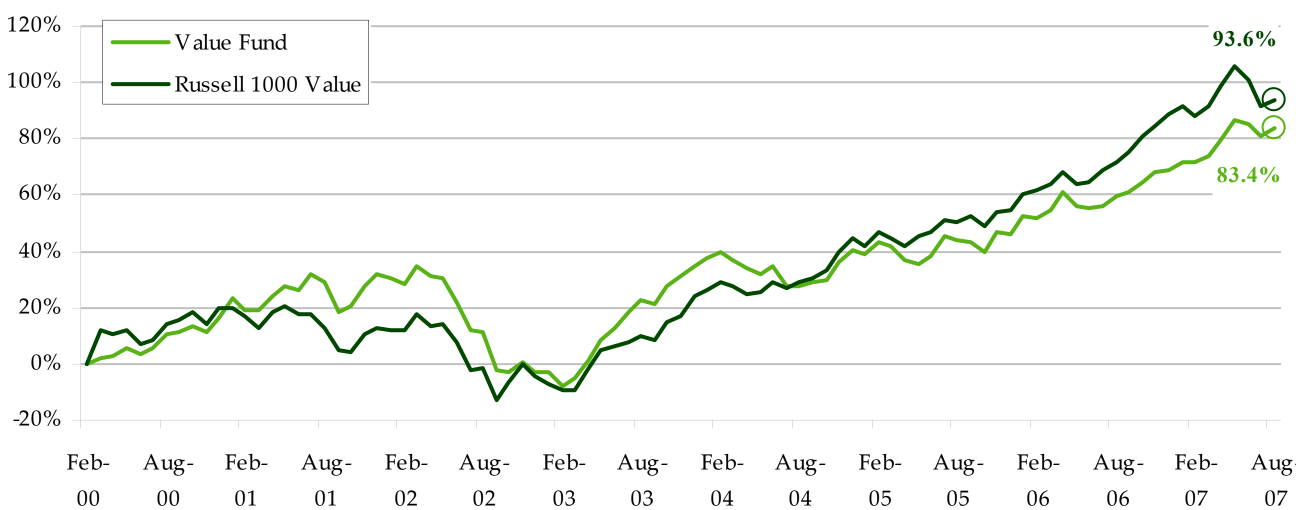
Looking at stock selection, we have been overweight in Consumer Discretionary, Consumer Staples, Industrials, and Information Technology, while we have been underweight in Energy, Financials, Health Care, Materials, Telecom & Cable, and Utilities.

During the period of 9/1/06 – 8/31/07, three of our six top performing stock selections – Sempra Energy, Illinois Tool Works and Freescale – were positions that we had held prior to 9/1/06. We purchased Sotheby's Holdings on 11/29/06 and sold it on 2/5/07, after a capital appreciation of nearly 38%. Altria Group, our longest held position, appreciated over 15% over the period. Likewise, Bank of America, our second longest held stock, was up nearly 2% over the period, despite the strong market correction related to the subprime crisis over the summer months.

Best and Worst Value Fund Holdings (For the Fiscal Year Ending August 31, 2007):

BEST	RETURN	WORST	RETURN
Sotheby's Holdings Inc	37.53%	Quicksilver Inc.	(15.43%)
ConocoPhillips	36.42%	Western Union Co.	(15.26%)
Jos. A Bank Clothiers Inc.	35.63%	Sanderson Farms Inc.	(13.31%)
Sempra Energy	35.53%	Knight Capital Group	(12.76%)
Illinois Tool Works	34.78%	Cimarex Energy Co.	(12.17%)
Freescale Semiconductor	25.99%	Kookmin Bank	(8.71%)

Michael Price Value Fund vs. Russell 1000 Value Index



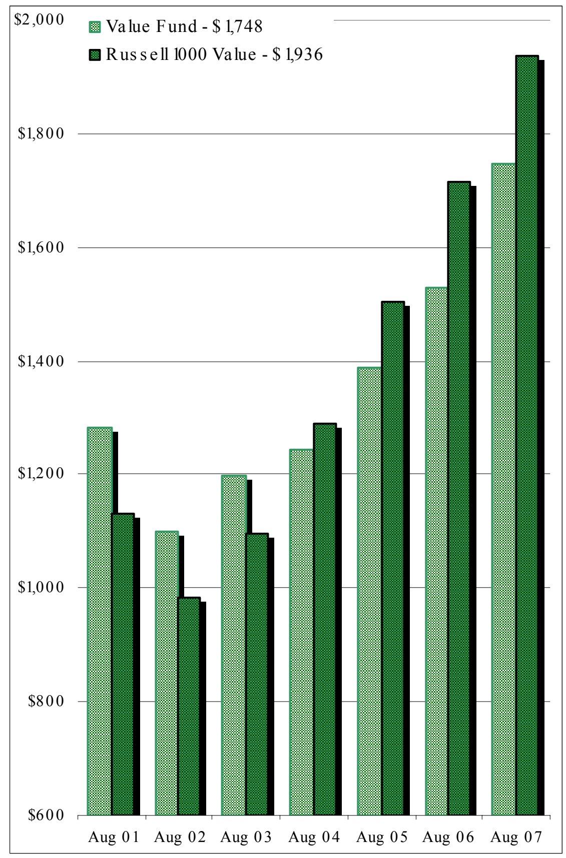
Top Sectors	Return	Impact
Information Technolog	42.0%	2.2%
Financials	12.3%	3.9%
Top Contributors		
Sothebys Hldgs Inc	37.5%	1.2%
Conocophillips	36.4%	1.2%
Jos A Bank Clothiers	35.6%	1.1%
Stock Selection		4.0%
Allocation Effect		-1.9%

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*

Other top performers included McDonald's, CVS Corp, General Mills, Apache Corp, Aflac, Allied Irish Banks, Travelers Companies, 3M, Applied Materials, Seagate, Dell, Corning and FPL Group. Each of these selections returned more than eleven percent over the past 12 months.

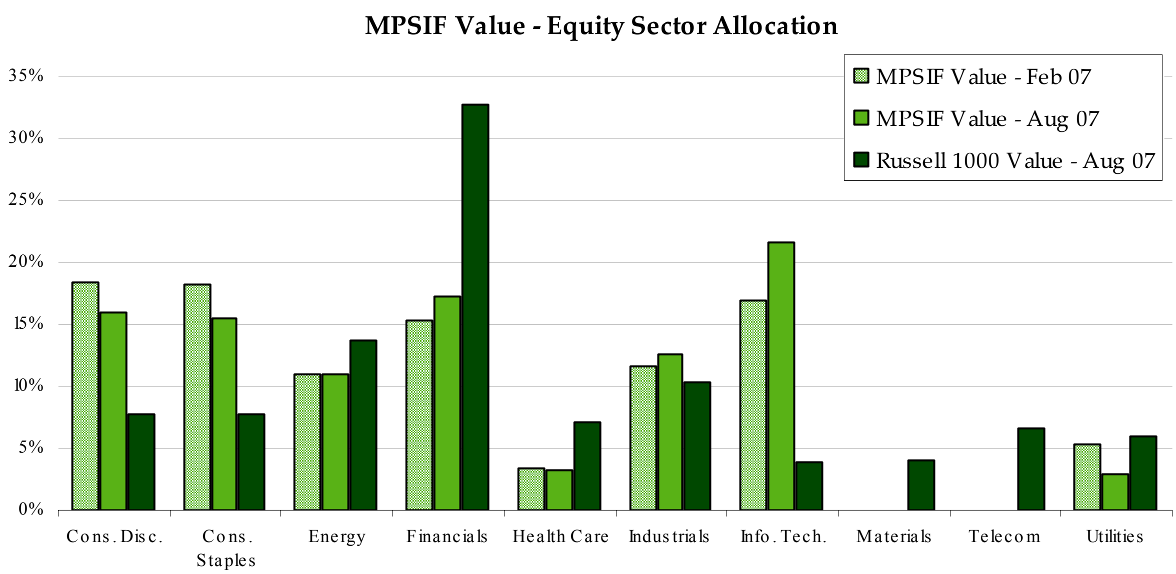


Asset Allocation

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 35% 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 14.58% of our portfolio in Financials as of August 31, 2007.

On the other hand, we are significantly overweight relative to the benchmark in Consumer Staples 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 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%**

Value portfolio as of February 28, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
3M Company	MMM	Industrials	193	74.08	14,297	3.0%
AFLAC Incorporated	AFL	Financials	465	47.24	21,967	4.6%
Allied Irish Banks, plc. (ADR)	AIB	Financials	295	59.73	17,620	3.6%
ALTRIA GROUP	MO	Consumer Staples	394	84.28	33,206	7.0%
Apache Corporation	APA	Energy	228	68.46	15,609	3.3%
Applied Materials, Inc.	AMAT	Information Technology	1,138	18.57	21,133	4.4%
Bank of America Corporation	BAC	Financials	648	50.83	32,938	6.9%
ConocoPhillips	COP	Energy	260	65.32	16,983	3.6%
Corning Incorporated	GLW	Telecom & Cable	1,021	21.00	21,441	4.4%
CVS Corporation	CVS	Consumer Discretionary	481	31.42	15,113	3.2%
Duke Energy Corporation	DUK	Utilities	762	19.68	14,996	3.2%
General Mills, Inc.	GIS	Consumer Staples	308	56.32	17,347	3.7%
Halliburton Company	HAL	Energy	408	30.92	12,615	2.7%
Illinois Tool Works Inc.	ITW	Industrials	454	51.64	23,445	4.9%
Jos. A. Bank Clothiers, Inc.	JOSB	Consumer Discretionary	545	30.82	16,797	3.5%
McDonald's Corporation	MCD	Consumer Discretionary	408	43.69	17,826	3.8%
Pfizer Inc.	PFE	Health Care	632	24.96	15,775	3.4%
Quiksilver, Inc.	ZQK	Consumer Discretionary	929	13.92	12,932	2.7%
Seagate Technology	STX	Information Technology	834	26.90	22,435	4.4%
Sempra Energy	SRE	Utilities	169	60.05	10,148	2.1%
Sotheby's	BID	Consumer Discretionary	530	36.30	19,239	4.4%
Spectra Energy Corp	SE	Materials	255	25.73	6,561	1.4%
The Western Union Co.	WU	Financials	730	21.67	15,819	3.3%
Thor Industries, Inc.	THO	Consumer Discretionary	484	41.84	20,251	4.2%
Trinity Industries, Inc.	TRN	Industrials	420	41.85	17,577	3.7%
Wal-Mart Stores, Inc.	WMT	Consumer Discretionary	433	48.31	20,918	4.4%
Total Equities					474,987	90.8%
Total Cash					47,855	9.2%
Total Assets					**522,842**	**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 under priced 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: 20-25 positions, about 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

Coming off a strong 2007, the Small Cap Fund is positioned to perform well in the coming year. After suffering significant losses compared to the index in August, the portfolio's securities have been re-evaluated. The fund outperformed the index in five months of the year, including a higher return over the difficult summer, especially during June and July, which helped ease the pronounced underperformance in August. Cash drag acted as an anchor holding down performance through the first half of the year, but the fund was fully invested going into the summer. However, we stopped out of a number of stocks during August, resulting in an increase in cash. As a result, we began the semester looking for attractive opportunities in which to deploy the funds. We have continued to monitor every position and believe that the remaining holdings are well positioned for the current economic environment.

Twenty-two investments provided positive contributions to the Fund's performance. Eight investments achieved absolute returns exceeding 30% for the year, including MIPS Technologies Inc. (MIPS), Washington Group Intl. (WNG), Blackboard Inc. (BBBB), Astec International (ASTE), Trimble Navigation (TRMB), Itron Inc. (ITRI), Aeropostale (AERO), and Seaboard Corp (SEB). We do not currently hold Aeropostale or Seaboard Corp. Washington Group Intl. is currently in the process of being acquired by a larger competitor, and we plan to sell in the imminent future. Twenty-nine positions experience negative returns for the year, but we only remain in five due to stop losses and discretionary sells. The Bankcorp (TBBK), which was down almost 16% for the fiscal year, was hurt by sector-specific trouble, but we believe it retains strong upside potential.

The fund underperformed in May because of fundamental changes to positions Five-Star Quality Care (FVE) and Blockbuster Entertainment (BBI). We also sold out of New Dragon Asia (NWD) and Foamex (FMXI.pk) due to regulatory concerns. While New World Asia has recovered, the others have continued to perform very poorly. Similar events cast a shadow on August, as CitiTrends (CTRI) and The Bankcorp suffered significant losses. We sold CitiTrends based on the belief that fundamentals had changed, but held onto The Bankcorp. This has proved to be a prudent move so far, but we will continue to monitor it.

Only four holdings from the prior fiscal year remain in our portfolio. Alliance Resource Partners (ARLP) and Berry Petroleum (BRY) are well positioned for the continued strength in the energy markets—Alliance Resource Partners deals in coal and Berry in Petroleum. MIPS Technologies has continued to provide strong returns as a growing chip designer and Blackboard has grown as a supplier to educational institutions. Thirteen new holdings remained at the end of the fiscal year. Through a focus on thorough analysis and disciplined risk management, the fund has positioned itself well to beat the index and return more than enough to satisfy its distribution requirements.

Jonathan Blankenheim, CFA

Zachary Shannon

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	**-3.65%**	**6.27%**	**55.49%**	**15.85%**	**114.88%**	**16.53%**	**144.23%**	**12.64%**
Management Fees	-0.30%	-0.55%	-1.87%	-0.63%	-3.21%	-0.65%	-4.36%	-0.59%
Russell 2000 Index	0.54%	11.36%	49.92%	14.45%	115.48%	16.60%	50.76%	5.63%
Relative - Gross of Fees	-4.20%	-5.09%	5.57%	1.40%	-0.61%	-0.07%	93.47%	7.02%
Relative - Net of Fees	-4.48%	-5.68%	2.66%	0.67%	-7.50%	-0.82%	82.81%	6.35%

** Inception from March 1, 2000*

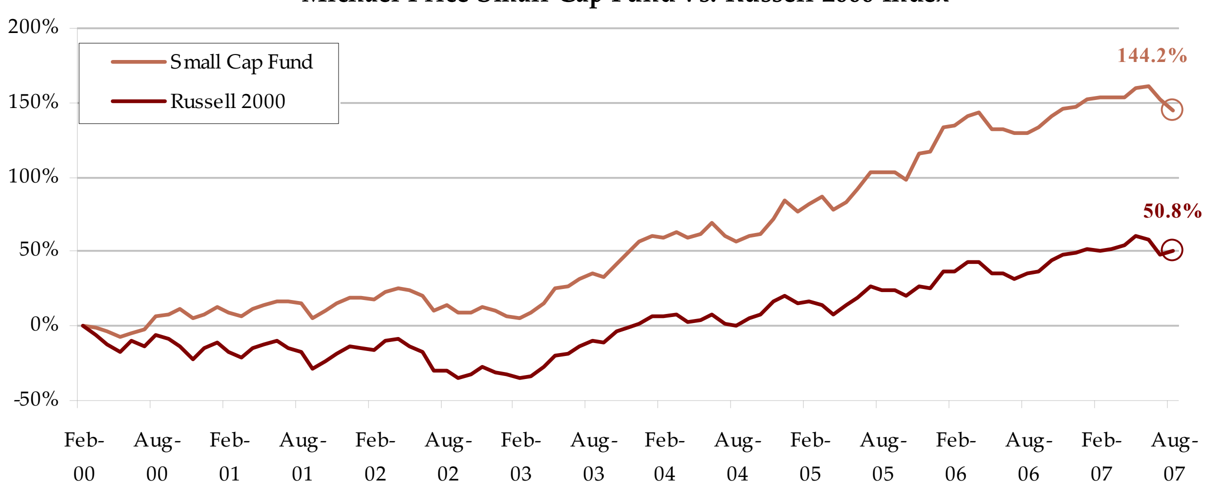
The Small Cap Fund received positive contributions from twenty positions over the fiscal year, while twenty positions detracted from absolute return with negative performance. Of the twenty positive contributors, eight returned more than 25%. We have sold eight of the positive contributors, and continue hold the other twelve. We continue to hold five of the negative contributors, as we believe they have long-term upside.

Seaboard Inc. contributed the highest return, increasing more than 60% during our holding period. We continue to hold Blackboard Inc. and Washington Group Intl., which have returned 57% and 44%, respectively. We plan to sell Washington Group Intl. shortly, as a larger competitor has recently agreed to purchase the company. Trimble Navigation continues to grow in the GPS market, providing a return of 39% by the end of the fiscal year.

Despite the fact that several of the fund's top performers were in Consumer Discretionary, the sector hurt the fund relative to the index due to poor performance by clothing retailers. Health Care was the weakest relative sector for the fund, as all of the fund's holdings in this sector fell. We sold two of the holdings and retained Sirona Dental Systems, which makes innovative computer products for dentists. Information Technology provided the greatest performance relative to the Russell 2000 with seven out of eleven stocks providing positive performance. Industrials also outperformed the Russell 2000, with two stocks returning more than 25% and only one negative performer. We remain well positioned in these two sectors with nine of our seventeen current holdings.

While the fund trailed the Russell 2000 Index significantly, it made up ground over the summer. After paying its 5% annual distribution of $29,730 in May, the fund was still up over $2,000 for the fiscal year. We believe that it is well positioned to perform well in the coming fiscal year and look forward to adding a few more positions.

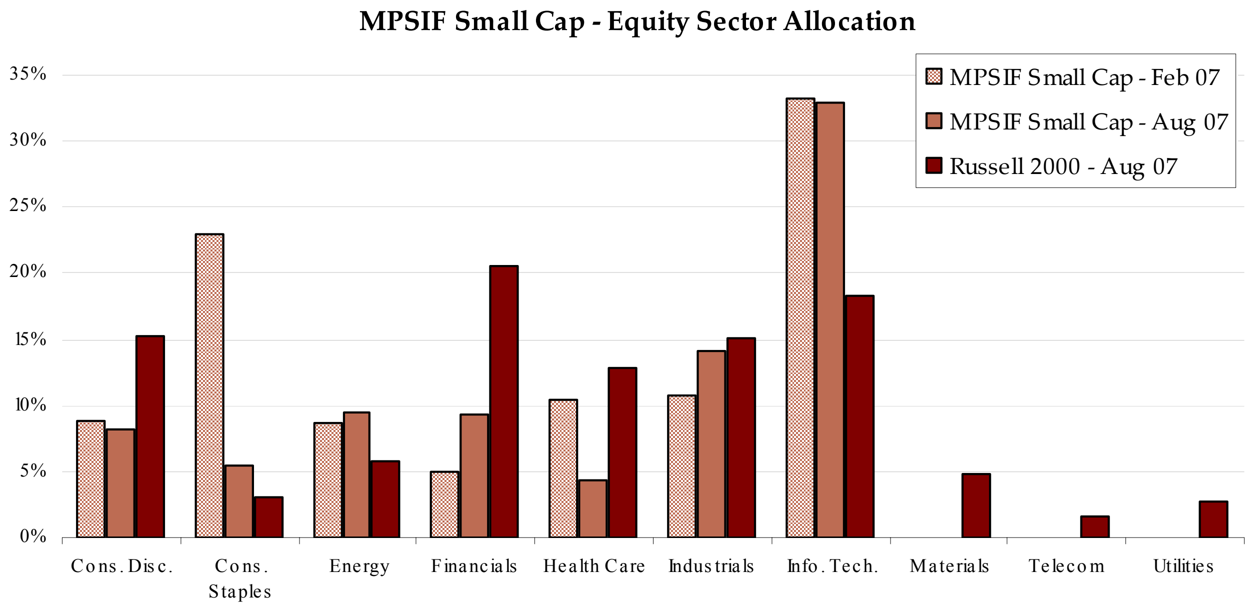
Michael Price Small Cap Fund vs. Russell 2000 Index



Asset Allocation

The Fund employs a bottom-up approach to analyzing potential investments and therefore does not target an optimal sector allocation. Also, the Fund's use of price targets and bias towards value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund seeks to maintain a minimum cash balance 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 but new stock pitches do not occur. The Fund's small number of holdings means that diversification is difficult to maintain across sectors and within the sector. During the FY 07, the Fund had over-exposure to consumer staples and information technology sector, but was underweight in financials.

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



Holdings Profile

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%**

Small Cap Portfolio as of February 28, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
American Dairy, Inc.	ADY	Dairy Products	1,078	18.80	21,657	5.5%
Asta Funding, Inc.	ASFI	Credit Services	590	36.79	19,517	5.0%
Alliance Resource Partners, L.P.	ARLP	Coal Mining	535	37.30	18,565	4.7%
Blackboard Inc.	BBBB	Enterprise Software	650	29.79	21,684	5.5%
Blockbuster Inc.	BBI	Video Retailer	2,250	4.49	14,940	3.8%
Berry Petroleum Company	BRY	Oil & Gas Exploration	520	38.41	15,746	4.0%
Century Casinos, Inc.	CNTY	Resorts & Casinos	1,950	10.23	19,851	5.1%
Daktronics, Inc.	DAKT	Electronic Equipment Manufacturing	373	26.84	9,948	2.5%
Five Star Quality Care, Inc.	FVE	Home Health Care	2,000	10.14	22,800	5.8%
Itron, Inc.	ITRI	Scientific and Technical Instruments	326	61.37	21,066	5.4%
The Knot, Inc.	KNOT	Life Stage Media & Services	430	23.44	10,165	2.6%
MIPS Technologies, Inc.	MIPS	Semiconductors	1,750	5.82	16,310	4.2%
New Dragon Asia Corp.	NWD	Processed & Packaged Food Products	5,154	1.95	8,401	2.1%
Quality Systems, Inc.	QSII	Healthcare Information Services	250	40.09	10,233	2.6%
Rural/Metro Corporation	RURL	Services	2,350	8.50	17,790	4.5%
Seaboard Corporation	SEB	Meat Products	15	1,297.00	32,250	8.2%
Trimble Navigation Limited	TRMB	Scientific & Technical Instruments	800	24.92	21,168	5.4%
USANA Health Sciences, Inc.	USNA	Nutritional and personal care	476	42.18	27,641	7.0%
Washington Group International, Inc.	WGII	Technical Services	348	57.82	20,400	5.2%
World Air Holdings, Inc.	WLDA	Airline	2,200	8.60	22,330	5.7%
WNS (Holdings) Limited (ADR)	WNS	Data Services	618	32.47	19,881	5.1%
Total Equities					392,342	66.1%
Total Cash					201,614	33.9%
Total Assets					**593,956**	**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 and does not 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 the stock provides an update to the Small Cap Fund. At that time, the entire Fund re-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 limits. 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 any 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. Small caps have proven to offer the greatest returns to investors over time based on historical data. However, small caps may take longer to get recognized and valued by the market and tend to plunge when negative earnings are announced.

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 are closely following the stock especially during earnings season. Considering the volatility of Small Cap, it is very important to take action immediately against price movement and market sentiment. All positions are 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

In contrast to the first half-year, the second half-year has witnessed extremely volatile fixed income markets across all sectors. The mispricing of risk, as evidenced by excessively low credit spreads, punished investors in the third quarter of 2007 when higher-than-expected default rates amongst sub-prime mortgage debt was magnified into a full-blown credit crunch by the excessive leverage positions in the MBS sector. Risk was re-priced and investors regained confidence after Fed's 50 bps rate cut in September.

Over the past six to 12 month period, the Fund has benefitted from its curve steepening bias, as the yield curve inversion reversed. This effect was offset by an overweight position to mortgage-backed and corporate bonds, as spreads in these sectors widened dramatically in the third quarter amidst a credit crunch. Outside of the U.S., the fund benefitted from exposure to emerging market debt as favorable credit fundamentals and strong economic conditions continue to drive investor demand.

We expect the credit crunch to slowly subside going into the fourth quarter and will look to opportunistically add exposure to credit-related issues which stand at attractive levels. We also expect the Fed to continue to cut rates as we move into the New Year amid continued weakness in the consumer sector. The housing market continues to be in the spotlight. High leverage and weak HPA (home price appreciation) worked together to keep uncertainty surrounding mortgage debt elevated. A national decline in home prices in 2008 is estimated using OFHEO (Office of Federal Housing Enterprise Oversight) data, and this drop should impact MBS on both the credit and prepayment front. As such, we will maintain our bias to the front-end of the yield curve. Finally, we anticipate continued strong relative economic growth outside the U.S. as the decoupling trend of these markets, particularly developing nations, is sustained. We will, therefore, look to add exposure to benefit from a weakening U.S. dollar and continuing strong appetite amongst investors for emerging market debt.

Over the course of the Fall 2007 semester, we plan on instituting two major changes to the policies and procedures of the Fixed Income fund. First, we will gradually make the Fixed Income fund a primary, rather than secondary, responsibility for MPSIF members. We expect that this change will provide benefits for fund performance, giving it closer day-to-day attention from its full-time analysts. Second, we will look to add exposure to individual corporate names and implement strategies that utilize a more complete menu of fixed income instruments. We will look to leverage the research done in the stock selection process for the equity funds, and add credit names where prudent and applicable.

Despite these changes, the investment process of the fund will largely maintain its "top-down" bias. However, given the current market conditions and opportunities in credit markets, we will look to augment our investment decisions with "bottom-up" driven trade ideas. We expect that the marriage of these investment approaches will provide the members of the investment team a more rewarding experience, and help increase awareness of existing relationships between various market sectors.

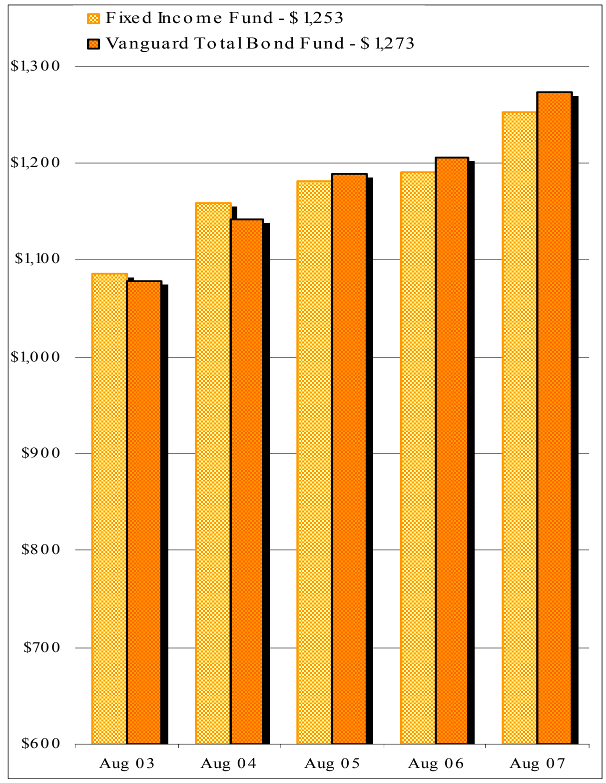
Ryan Hart and Liyuan (Steven) Tao

Co-Portfolio Managers, Fixed Income Fund

Discussion of Performance

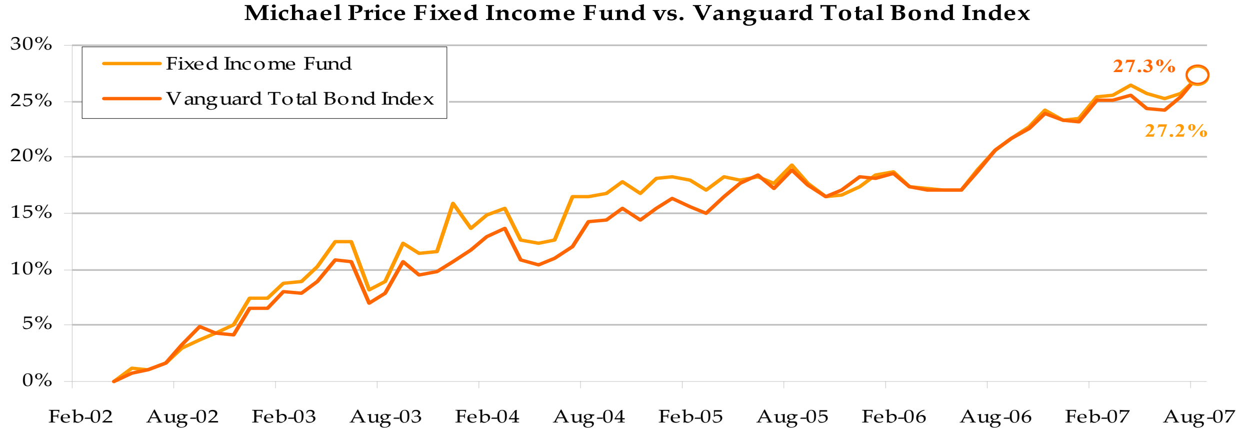
	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**1.52%**	**5.44%**	**9.18%**	**2.97%**	**23.52%**	**4.32%**	**27.25%**	**4.55%**
Management Fees	0.00%	-0.17%	-0.94%	-0.32%	-1.47%	-1.47%	-1.54%	-0.29%
Vanguard Total Bond Fund	1.82%	5.53%	11.46%	3.68%	23.27%	7.22%	27.33%	4.63%
Relative - Gross of Fees	-0.30%	-0.09%	-2.28%	-0.71%	0.25%	-2.91%	-0.08%	-0.09%
Relative - Net of Fees	-0.30%	-0.27%	-3.31%	-1.04%	-1.56%	-4.44%	-2.04%	-0.39%

** Inception from May 20, 2002*



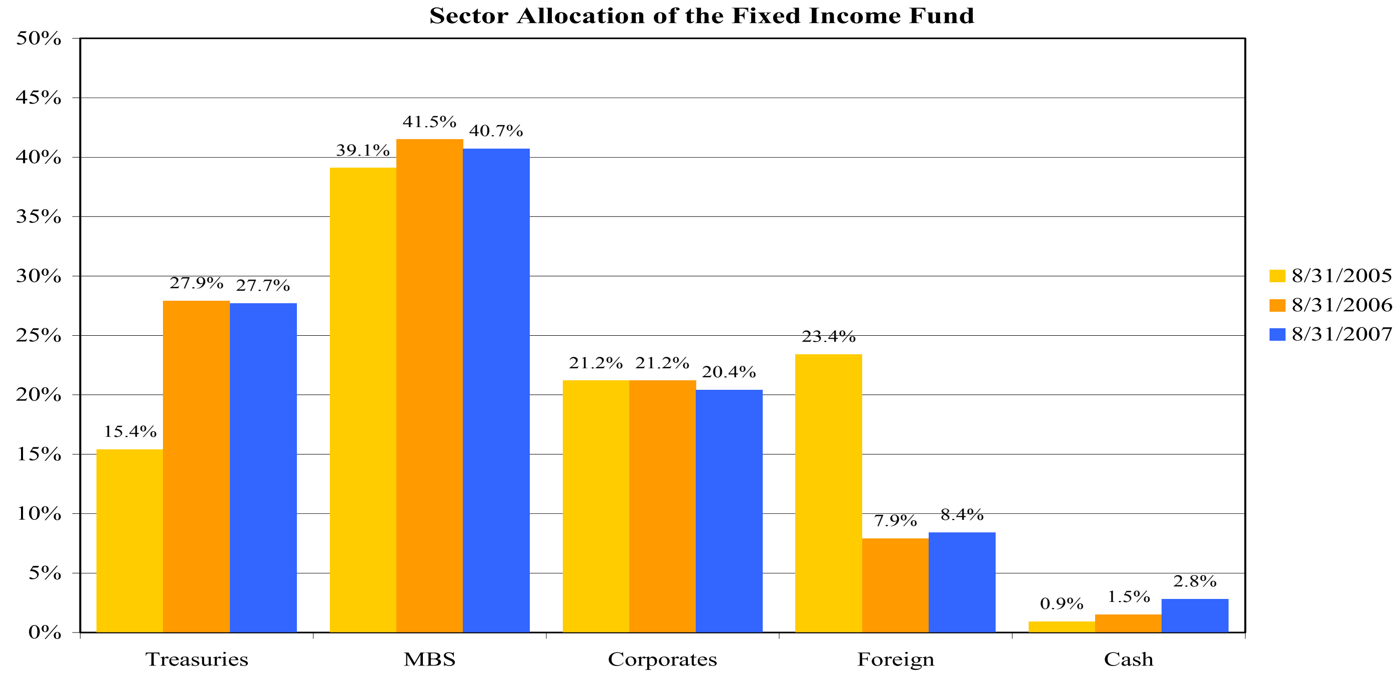
For the year ending August 31, 2007, the Fixed Income Fund had a positive yearly return of 5.44%, trailing its benchmark – the Vanguard Total Bond Fund – by 9 bps after management fees. During the first half of the year, the Fund performed consistently due to overexposure to the long end of the yield curve as fed target rates remained steady per Fed Policy. However, the market volatility increased dramatically in the second half of the year due to subprime mortgage concern, Bear Stearns hedge fund problems, leveraged buyout pipeline growth and ongoing credit concerns. During the second half of the year, the Fixed Income Fund had a positive return of 1.57%, underperforming its benchmark – by 25 bps. During this period, the Fund benefited from its curve steepening bias and its foreign bond exposure, as the yield curve inversion prevalent throughout much of 2006 and 2007 reversed following a strong rally at the front-end of the curve. This effect was offset by an overweight position to mortgage-backed and corporate bonds, as spreads in these sectors widened dramatically in the third quarter. We expect the credit crunch to slowly subside going into the fourth quarter and will look to opportunistically add exposure to credit-related issues which stand at attractive levels. We also expect the Fed to continue to cut rates as we move into the New Year amid continued weakness in the consumer sector. As such, we will maintain our bias to the front-end of the yield curve.

Michael Price Fixed Income Fund vs. Vanguard Total Bond Index

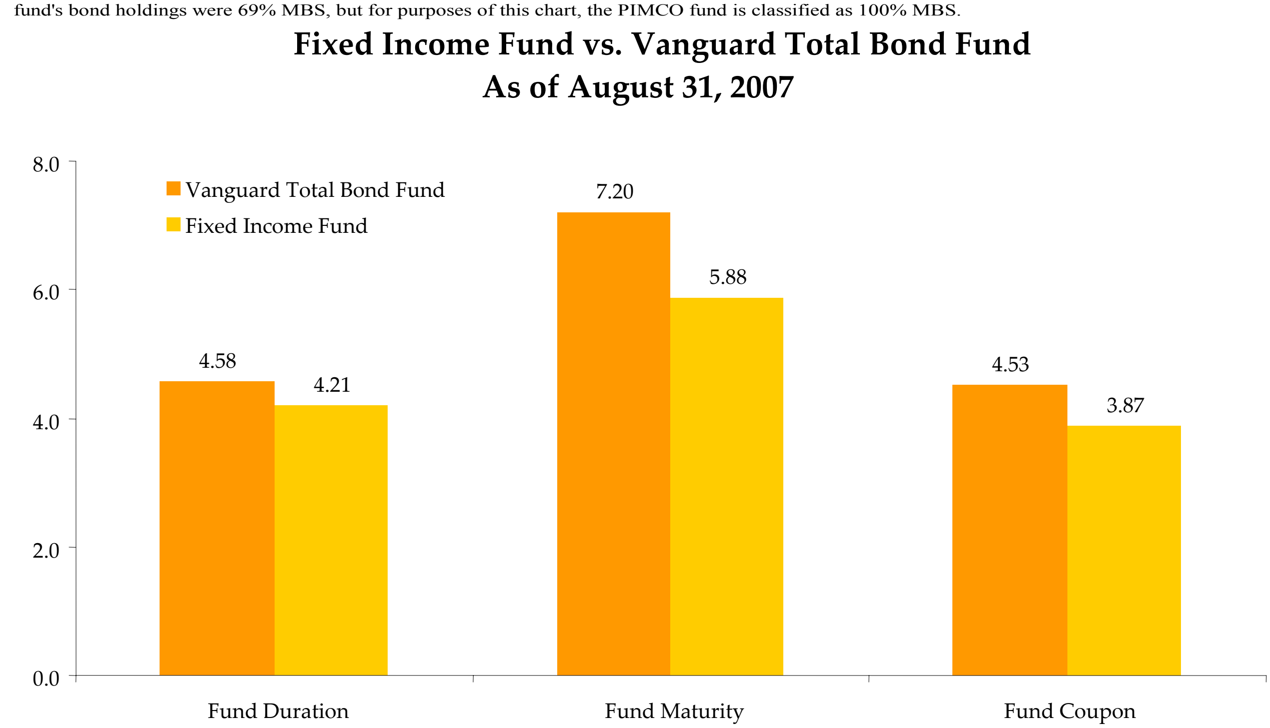


Asset Allocation

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. Not all our current asset allocation decisions are consistent with our sector outlooks in the following section. As we go forward, we intend to make investments consistent with our view, although our actual allocation in each fixed income product may differ from our intended sector percentages. As mentioned earlier, this is a challenge that the Fund will continually face.



Note that this allocation is calculated by assigning each holding 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 the 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.



Duration and maturity reported in years, coupon reported as a percentage.

Holdings Profile

Fixed Income Portfolio as of February 28, 2006

Company	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Portfolio
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	17,838	10.71	191,045	41.7%
Templeton Global Bond Fund	TPINX	Foreign	3,319	10.99	36,476	8.0%
iShares Lehman 1-3 Year Treasury Bond	SHY	Treasuries	575	80.37	46,213	10.1%
iShares Lehman 7-10 Year Treasury Bond	IEF	Treasuries	550	83.40	45,870	10.0%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	355	90.15	32,003	7.0%
iShares GS $ Invest Grade Corp Bond Fund	LQD	Corporate	875	108.45	94,894	20.7%
Total Securities					446,501	97.4%
Cash					11,882	2.6%
Total Assets					**458,383**	**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: The yield curve is no longer inverted and we expect it to be steepening due to FED's further rate cut and the global market's flight to quality. The US economy is still filled with uncertainty with the key issue being whether and when the housing sector will bottom out. The FED cut 50 basis points in September against a consensus 25 basis points and effectively boosted the market confidence. We expect that the FED will achieve a target rate of 4.5% within the next 6 months. The turmoil in the US sub-prime sector and the subsequent fear of the credit crunch has led to a global flight to quality. We witnessed an extreme buying spree on the short end in August and we expect the demand for short-term treasuries to continue in the near term. We recommend overweighting the short end to take advantage of the steepening yield curve.

Mortgage-Backed/Asset-Backed Securities: Mortgages significantly underperformed in 3Q, and stress in the fixed-income markets mounted. Initial indications are that the rate cuts are beginning to at least calm the markets. Right after the Fed 50 basis point cut in September, MBS spreads tightened sharply. But the Fed is unlikely to deliver the series of rate cuts that MBS investors are longing for, which should result in disappointment in the second half of Q4. High leverage and weak HPA (home price appreciation) is a bad combination, and should keep uncertainty about US mortgages elevated. A national decline in home prices in 2008 is estimated using OPHEO (Office of Federal Housing Enterprise Oversight) data, and this drop should impact MBS on both the credit and prepayment front. Other sponsorship is less certain, particularly from foreign entities.

Corporate Bonds: The trend of credit spread compression continued throughout the first and second quarters of 2007 amid strong appetites amongst investors for incremental yield over Treasuries. This drove down risk premiums to unprecedented levels, particularly for high yield credit; the yields on below investment grade corporate bonds tightened to a record low of 233 basis points over comparable Treasuries going into the third quarter. This trend was drastically reversed in the third quarter amidst a full-blown credit crunch sparked by fears that exposure to risky subprime mortgage-related debt would infect the balance sheets of various corporate entities, particularly financial institutions. Spreads on corporate bonds retraced dramatically during the third quarter with high yield credit spreads widening as far as 465 basis points before settling down to end the quarter at 385 basis points. It was an equally challenging quarter for investment grade credit, particularly for some of the lower quality financial names, which rely heavily on short-term borrowing to fund operations. The normally sleepy commercial paper market ceased to trade at one point during the quarter, sending some of the nation's largest mortgage and consumer finance institutions dangerously close to insolvency. The fears surrounding the credit market subsided following the Fed rate cut and spreads versus Treasuries tightened a bit as investors sensed that the worst of the credit crunch had passed.

Foreign Investment Grade: We have seen a slow down in growth in the European region and expect ECB to eventually start cutting interest rates, in sync with the US Fed moves, to offset the stronger Euro. We expect curve steepening and are overweight in Euro and UK bonds. We expect the Bank of Japan will keep interest rates steady in the short term due to low inflationary pressures with the possibility of global slowdown from an impact of the mortgage crisis in the US and Europe. The carry trade still has some room to run. The global economy is now less tightly coupled with the US economy and despite the credit crisis this summer, there is still excess liquidity and higher than expected inflation in the fast growing emerging economies of Russia, China, India and South Africa. This increases expectations that central banks in these regions will tighten money supply further and increase interest rates.

FUND MANAGEMENT

The Executive Committee

Seated: Anthony Marciano, Zachary Shannon, Andrew Eimer   Absent: Eric (Zhaoyang) Chu
Standing: Jeff Agne, Jonathan Blankenheim, Ryan Fiftal, Louis Kay, Marc Albanese, Liyuan (Steven) Tao, Ryan Hart

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.

Louis Kay – *President*
Louis worked in the Leveraged Finance Group at Merrill Lynch over summer. He is currently assisting Dr. Edward Altman at the NYU Salomon Center for Research in High Yield and Distressed markets. Louis also served as a Senior Officer at the Economic Development Board where he was responsible for promoting industry development and advised companies in emerging markets. He holds a BSc in chemical engineering from the University of Illinois at Urbana.

Jeffrey R. Agne – Treasurer
Over the summer, Jeff interned as an equity research analyst at Act II Partners, a long/short equity hedge fund focused on the media and telecom industries. Prior to attending Stern, Jeff was an equity research analyst at Banc of America Securities. There he focused on covering equities in several healthcare industries, including large-cap pharmaceuticals and diagnostic and research supplies. Prior to joining Banc of America, Jeff worked as an equity analyst for Schwab Soundview Capital Markets and as a consultant for FactSet Research Systems. He received his BS in Business Administration from the University of Vermont.

Eric (Zhaoyang) Chu– ***Portfolio Manager, Growth Fund***
Over the summer, Eric worked as an equity research analyst at Bear Stearns. Eric also completed a spring-semester internship at W.R. Huff Asset Management. Prior to Stern, Eric worked for an engineering consulting firm in Philadelphia, where he focused on clients in the US transportation industry. He received a MS degree from Case Western Reserve University and a B.S. degree from Tsinghua University in Beijing, China.

Ryan Fiftal – ***Portfolio Manager, Growth Fund***
Last summer, Ryan worked as an Equity Research Associate at Morgan Stanley. Prior to attending Stern, Ryan worked as an Associate at Oliver Wyman, where he worked on new business design, operations improvement, and marketing analysis for a variety of Fortune 500 companies. He graduated from Yale University with a BA in Physics and Philosophy.

Marc Albanese – ***Portfolio Manager, Value Fund***
During the past summer, Marc was a Summer Associate in Equity Research at UBS in the beverage sector. Just prior to Stern, Marc worked in systems engineering, program management, and business development at Adaptive Optics Associates. Before that Marc worked in operations at Sycamore Networks and Tellabs. Marc graduated with a B.S. in Biomedical Engineering from Boston University in 1999, and a M.S. in Electrical Engineering from Boston University in 2003.

Andrew Eimer – ***Portfolio Manager, Value Fund***
This past summer, Andrew interned in the Investment Management Division of Lehman Brothers, rotating between the hedge fund, LibertyView Capital Management, and the fund of funds group, Lehman Brothers Alternative Investment Management. Prior to enrolling at Stern, Andrew spent three years in JPMorgan's Syndicated and Leveraged Finance division. He earned an undergraduate degree in Economics from Duke University.

Jonathan Blankenheim, CFA – ***Portfolio Manager, Small Cap Fund***
Over the summer, Jonathan interned in the corporate ratings division of Standard & Poor's, focusing on electric and gas utilities. Prior to enrolling at Stern, Jonathan received a BBA degree from the University of Texas with a concentration in marketing. He spent seven years at AIM Investments, performing duties in marketing and performance analysis. He completed the CFA curriculum in 2006.

Zachary Shannon – ***Portfolio Manager, Small Cap Fund***
Zach Shannon graduated from Arizona State University with degrees in Finance and Economics. He is currently an MBA candidate at the Stern School of Business at New York University. Over the summer and during the current semester, Zach worked at UBS O'Connor as an equity analyst on the firm's long/short market neutral hedge fund. Prior to attending Stern, he worked at Gradient Analytics, an independent forensic accounting and earnings quality research firm, serving as a Senior Analyst and assistant director of research. He is a Level III CFA Candidate.

Ryan Hart – ***Portfolio Manager, Fixed Income Fund***

During the past summer, Ryan was a MBA Portfolio Management Intern on the Commodity, TIPS and Real Estate desk at PIMCO. Prior to Stern, Ryan also worked at PIMCO as an Associate within the Global Product Management group as well as various assignments with the firm in Munich, Germany and London, England. Ryan graduated with a B.A. in Business/Economics from the University of California at Santa Barbara in 2000.

Liyuan (Steven) Tao, CFA – ***Portfolio Manager, Fixed Income Fund***

Last summer, Steven interned in the Global Markets division at Deutsche Bank Hong Kong, where he will return upon graduation. Prior to enrolling at Stern, Steven worked for HSBC Shanghai Branch as a Vice President in its Commercial Banking division. He earned a BBA degree in Management from Shanghai International Studies University, China. Steven is a CFA charterholder.

The Growth Fund

Back Row: Tokyou Lee, Joel Peña, Marc Bloomberg, Anthony Mboya,
Middle Row: Ryan Fiftal, Amit Sinha,, Brian Baytosh, Joe (Sz-Mong) Fan,
Front Row: Kyle Okita, Henry Sham, Louis Kay, (Lucy) Wei Ye, Catherine (Shu) Zhang

Brian Baytosh
Over the 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.

Marc Bromberg
Last summer, Marc worked as a Credit Analyst at Barclays Capital, where he will return after graduation. Before coming to Stern, Marc worked as a Research Manager at IAC/InterActive Corp and as a Research Analyst at the Wall Street Journal. He received his undergraduate degree from Ithaca College.

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.

Tokyou Lee
Over the 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.

Anthony Mboya
Last 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.

Kyle Okita
During the summer, Kyle was a Summer Associate at Standard and Poor's Corporate and Government Ratings. Prior to enrolling at Stern, Kyle worked for 3 years at The Ayco Company, a subsidiary of Goldman Sachs. There, Kyle worked on a team to provide financial counseling to corporate executives and other high net worth individuals. He earned a BS in Business Administration at the University of Southern California.

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.

Henry Sham
Over the 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.

Amit Sinha
Amit spent the 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.

(Lucy) Wei Ye
Over the summer, Lucy worked for an Institutional Investors ranked Specialty Finance equity research analyst at Bear Stearns. Before enrolling at Stern, Lucy worked for ExxonMobil where she regularly presented earnings estimate and analysis in the monthly management meetings. Before ExxonMobil, Lucy worked for PricewaterhouseCoopers as a Senior Auditor. Lucy received her undergraduate degree in Finance from Shanghai International Studies University. Lucy is a CFA level II candidate and a CPA.

Catherine (Shu) Zhang
Over the 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: Daniel Parker, Liyuan (Steven) Tao, Jeremy Feffer, Pablo Caicedo, Neely Pielet, Mario Pekelmann Markus, Steven Ladany, Yuval Berger
Front row: Ryan Hart, Marc Albanese, Andrew Eimer, Greg Urban, Rocco Lisandrelli
Not Pictured: Ram Sundaram

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.

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.

Jeremy Feffer
Jeremy was an intern on the Distressed Debt desk at Concordia Advisors, a $2 billion hedge fund in New York, this past summer. Prior to Stern, Jeremy was an Equity Research Associate at Banc of America Securities, covering Healthcare Facilities and Healthcare REITs. He earned an AB in Economics and Political Science from the University of Chicago in 2000 and a Diploma in Economics from the London School of Economics in 2001.

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.

Daniel Parker
Daniel Parker is a 2nd year student at the Stern School of business and a member of MPSIF. Prior to returning to obtain his MBA, Daniel spent approximately 8 years working international equity research in New York. Last summer, Daniel worked as a free-lance financial consultant to start-up alternative energy project in Thailand.

Neely Pielet
During the past summer, Neely was a Summer Associate in Equity Research at Lehman in the semiconductor sector. Prior to joining Stern, Neely was a Team Leader at SAP where she managed a team of Quality Assurance engineers and ensured the quality of SAP's NetWeaver product. She started her career at a software startup that provided solutions for telecom companies. She holds a B.Sc. in Computer Science and Business Administration from Hebrew University in Israel. Neely also served in the Israeli Defense Forces as a Sergeant of Communications in the war room.

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: Sachin Khattar, Stefan Karlsson, Adam Edgell-Bush, Zachary Shannon, Sobhan Dasari
Middle Row: Jeffrey Agne, Changho Cho, Ryan Nash, , Jonathan Blankenheim
Front Row: Raymond Li, Bradley Doyle, Elizabeth Clouston, Daniel Garcia Absent: Philippe Astaing

Philippe Astaing
Over the summer, Philippe interned in the International Equity Division at Morgan Stanley in London. Prior to enrolling at Stern, Philippe worked for 6 years at Cheuvreux in France as an Equity Salesperson, covering institutional clients. He received a MA in Management from ESCP-EAP European School of Management and a MA in Political Studies from the Institut d'Etudes Politiques de Paris.

Changho Cho
Last summer, Changho worked as a consultant at McKinsey & Company. Prior to Stern, he was an engineer and a manager at Samsung Electronics, where he researched industry and innovation trends in the high-tech industry. He became passionate about the stock market while building and managing his personal investment portfolio since he received employee stock in 1998. Changho holds a BS and a MS in Electrical Engineering from Seoul National University.

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.

Bradley H. Doyle

Last summer, Brad interned in the Healthcare Investment Banking Group at Cowen and Company. Prior to Stern, Brad spent a year at J.H. Whitney as an analyst in their fund of hedge funds group. Before that, he spent two years working as an analyst at Holding Capital Group, an asset management firm, where he worked on private equity and fund of hedge fund investments. Brad received a BA degree in Economics from the University of Michigan.

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.

Daniel Garcia

Daniel Garcia currently works as an internal auditor at Parsons Brinckerhoff, an international project management and engineering consulting firm. Before his current role in auditing, Daniel worked as a coastal engineer on several domestic and international port infrastructure and coastal development projects. He holds a MS in Civil Engineering from Oregon State University and a BS in Civil Engineering from the University of Florida.

Stefan Karlsson

Last summer, Stefan interned in the equity research division at UBS where he worked with the Consumer Finance analyst. Before enrolling at Stern, Stefan worked in operations for Paulson & Co., a hedge fund headquartered in New York. Previously, Stefan was a Commercial Credit Analyst for Valley National Bank. In 2007, Stefan completed level 3 of the CFA exam. He earned his undergraduate degree in Business Economics from Brown University.

Sachin Khattar, CFA

Sachin worked at Houlihan Lokey's restructuring group as an investment banking associate during the summer. In the spring semester of his first year, he interned at Restoration Capital, a distressed debt focused hedge fund. Prior to enrolling at Stern, he was a specialist handling credit analyst at CIT group's Los Angeles office. Sachin earned a BS in Business Administration from the University of Southern California.

Ryan Nash

Last summer, Ryan was a summer associate in the equity research department at UBS, covering large cap commercial banks. Prior to Stern, Ryan spent 3 years in the finance area at Drake Management, a multi-strategy fixed income hedge fund. Previously, he had worked for three years in public accounting, two at Arthur Andersen and one at Ernst & Young. Ryan earned a BS degree in Accounting from Lehigh University. He is a Chartered Financial Analyst (CFA) and a certified public accountant (CPA).

The Fixed Income Fund

Back Row: Steven Ladani, Joel Peña, Louis Kay, Sobhan Dasari
Front Row: Liyuan (Steven) Tao, Catherine (Shu) Zhang, Ryan Hart

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

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