MPSIF

The Michael Price Student Investment Fund

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

2010 Annual Report

August 31, 2010

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

What is the Michael Price Student Investment Fund?

With over $1.48 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.

Executive Committee – Fall 2010

President	Benjamin Reynolds
Portfolio Manager, Fixed Income Fund	David Mandel
Co-Portfolio Managers, Growth Fund	Mario Contreras and Kristen Pulley
Co-Portfolio Managers, Small Cap Fund	Dana Vartabedian and Eric Wu
Co-Portfolio Managers, Value Fund	Matthew Akers and Ron Zember
Faculty Advisor	Professor Richard Levich

Executive Committee – Spring 2010

President	David Handy
Portfolio Manager, Fixed Income Fund	Cameron Schubert
Co-Portfolio Managers, Growth Fund	Kinjal D. Bhatt and Daniel Busch
Co-Portfolio Managers, Small Cap Fund	Itay Banayan and Matthew Lynam
Co-Portfolio Managers, Value Fund	Sharif Farag and Matthew Lipton
Faculty Advisor	Professor Richard Levich

Internal Leadership – Fall 2010

Vice President, External Affairs	Sid Choraria
Vice President, Economic Strategy	Miguel Menezes-Falcao
Vice President, Portfolio Analytics	Timothy Murphy
Vice President, Sector Strategy	Michael Brown
Vice President, Annual Report	Rizwan Sadiq
Vice President, Marketing	Michael Brown

Management Advisory Council

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

Ex Officio Members

Rosemarie Loffredo, Vice President and Treasurer, New York University
Tina Surh, Chief Investment Officer, New York University

Board of Advisors

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

Resource Faculty

Aswath Damodaran, Professor of Finance, Stern School of Business
Martin Gruber, Professor of Finance, Stern School of Business
Edward Kerschner, Adjunct Professor of Finance, Stern School of Business
Fred Renwick, Emeritus Professor of Finance, Stern School of Business
Matthew Richardson, Professor of Finance, Stern School of Business

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LETTER FROM THE FACULTY ADVISOR

It is my pleasure to again serve as faculty advisor for the Michael Price Student Investment Fund and introduce this report for the fiscal year ending August 31, 2010.

Over the past year, the U.S. economy began to recover from the global financial crisis that first began impacting U.S. output in early 2008. After four quarters of negative growth in the prior fiscal year, the U.S. managed to produce four quarters of positive growth from 2009Q3 – 2010Q2. The U.S. stock market hit its lows in early March 2009 and then recovered by nearly 50% by the start of our fiscal year. The market proceeded higher over the first half of the reporting period, but produced mostly volatility and little net movement over the second half.

Right now, the market seems focused on a range of domestic and international economic factors. Growth in the U.S. remains positive, but gives some indications of slowing down. The U.S. housing sector continues to suffer from an oversupply of houses and rising mortgage delinquency rates. Growing concerns about the foreclosure process could slow adjustment further, although low mortgage rates offer a tremendous incentive for those with good credit who can refinance. The Federal Reserve Board seems to be simultaneously concerned about both inflation and deflation, with the prospect of quantitative easing as a way to vanquish deflation and ward off a Japan-like lost decade. The U.S. mid-term elections are only a few weeks away, the results of which could help stall new policy initiatives, or propel us onto a different course. On the international front, the U.S. and other countries seem locked in high-stakes game of competitive currency valuation. Many countries are urging China to revalue the Yuan, but in lieu of that, competitive devaluations offer an alternative way to improve their competitiveness. The trouble is that competitive devaluations, so-called beggar-thy-neighbor policies, are a dangerous strategy with no winners likely to emerge in the long run.

Against this uncertain backdrop, MPSIF has kept to its knitting, working to earn the highest returns possible consistent with a reasonable degree of diversification and abiding by our other investment policy constraints. Over the fiscal year, MPSIF earned about 5.7% (after fees) or 154 basis points less than our blended benchmark. In May, the Fund voted to implement a portfolio re-allocation, lowering our allocation to Fixed Income and Value and shifting these funds to Growth and Small Cap. The decision will influence our results over the coming fiscal year. Also in May, we welcomed Richard Saperstein of Treasury Partners as a member of our Management Advisory Council. Two additional new members, David Dineen of Pinnacle Associates and Monica Issar of JP Morgan Chase, joined the MAC effective September 1.

The year ahead holds many uncertainties. Nevertheless, I am confident that MPSIF students are ready to apply their time and energy to produce a strong record of performance while learning about investment management through their experience.

Richard M. Levich

Professor of Finance

October 22, 2010

LETTER FROM THE PRESIDENT

As MPSIF embarks on its second decade of operation, I would like to begin by thanking both Mr. Price for his generous contribution to Stern and Professor Richard Levich for his continued leadership and selfless efforts to educate and counsel the MPSIF students. Without the significant contributions from both these men, MPSIF would not exist today.

This past fiscal year, the fund gained 6.3% (gross of fees), slightly underperforming its benchmark of 7.2%. However, relative performance has improved since the Semi-Annual Report from February. Over the last six months, the fund outperformed the benchmark by 2.6%, earning 1.4% (gross of fees), while the benchmark lost 1.2%.

These absolute and relative gains over the past six months have come despite extremely volatile markets, including the 'Flash Crash' in May, when the Dow Jones Industrial Average briefly fell 600 points in a few minutes (and stopped the fund out of several positions), and a decline in the S&P 500 of over 13% in May and June.

Looking to a future with continued high unemployment, sovereign debt worries, record deficits, quantitative easing, and highly volatile markets, MPSIF has implemented several initiatives we believe will help maximize fund performance.

Most recently, the Executive Committee conducted an analysis of the fund's current trading platform at Merrill Lynch compared to an option from BNY Melon. After evaluating the various features of each platform, the Executive Committee approved a plan to move MPSIF assets to BNY Melon. The transfer of assets, which is already in process, will both provide a more interactive experience for the students and save the fund thousands of dollars in fees annually. Additionally, it will simplify administration of the fund, reducing the time burden placed on the students and the Faculty Advisor.

Additionally, larger emphasis has been placed on purchasing benchmark or sector ETFs with excess cash during inactive periods. In the summer months of June, July, and August as well as part of December and January, the fund is not actively managed, and new stocks are not selected by students. This often leads to an excessive amount of cash, which has hampered performance relative to benchmark. Fund Portfolio Managers have recognized this issue, and have decided to better utilize cash holdings. The fund has also levered the research conducted by the Sector Strategy team to invest in sector ETFs when cash is otherwise available. We believe this strategy will improve fund performance in upwardly moving markets, and manage risk in volatile markets.

It is also important to applaud an initiative from the Value Fund, which has promoted a greener environment by eliminating paper at all fund meetings. Voting and the provision of Analyst feedback are done completely electronically and we hope to have all sub-funds follow suit.

Finally, it is important to note that the fund has now distributed over $900,000 (over half the Fund's original endowment) to the University of Oklahoma for scholarships and financial aid allowing 92 OU students to attend summer courses at Stern.

Benjamin Reynolds

MPSIF President

October 25, 2010

THE MICHAEL PRICE STUDENT INVESTMENT FUND

REVIEW OF OPERATIONS

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

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

- Revised the stock pitch feedback form to incorporate and encourage constructive feedback to presenters
- Invite successful investors as guest speakers to stimulate the learning process
- Enhance stop-loss policies and procedures
- Provide more frequent and timely sector and economic analysis to help drive stock allocations
- Enforce updates on stocks after earnings release
- Expand external and internal public relations

We started the semester with a full class "boot camp" devoted to stock pitches presented by experienced second semester analysts. Our "boot camp" showcased one pitch from each equity fund as a way to demonstrate (especially to students in their first semester in MPSIF) the various elements of a pitch and the types of questions that typically arise during a presentation. Rizwan Sadiq presented ARM Holdings, a stock that was up by 80% since he originally pitched the idea to the Growth Fund in March 2010, and was now viewed as fully valued and a "sell." Oscar Bate presented Corning Inc., a stock he had pitched to the Value Fund in March 2010 and still offered good prospects. And Sid Choraria pitched Ulticom, Inc a new microcap name that while not meeting MPSIF's suitability requirements offered a good example of the analysis appropriate for a distressed, special situation firm.

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

On September 21, we were privileged to have Ted Tabasso, Managing Director and Global Research Product Manager at Deutsche Bank, as a guest speaker. He spoke with us about some of his experiences and strategies in proposing and pitching investment ideas.

Several members of the MPSIF Management Advisory Council visited the class during November.

On November 2, Nomi Ghez, Co-Founder of Circle Financial Group and Randy Haase, Portfolio Manager for the Baron Fifth Avenue Growth Fund, spoke to the Fund regarding market cycles and the current investment sentiment.

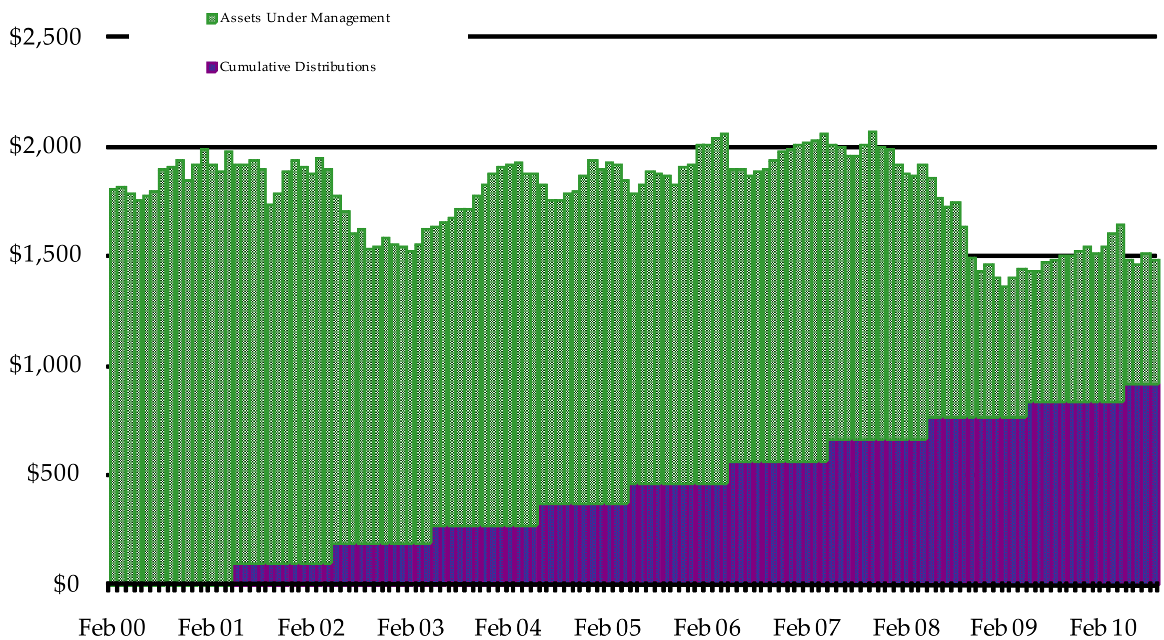
On November 9, Christopher Long, Portfolio Manager for Global Fixed Income at Tudor Investment Corp., discussed the overall macroeconomic environment including the Federal Reserve's recently announce quantitative easing initiative and its likely impact on market conditions. And on November 16, David Dineen, Senior Portfolio Manager at Pinnacle Associates, offered his analysis on emerging capital markets, in particular whether they continued to represent good value for U.S. dollar based investors.

We scheduled economic and sector analysis presentations at the beginning of the semester so that the sub-funds were better able to leverage the views to generate stock ideas. Given the fragile state of the economy and its potential recovery, sector and economic analysis are now even more important than ever before.

The portfolio managers within each fund have taken initiatives to ensure that each Fund's stock holdings are updated frequently. This is to enable a better asset allocation process and to ensure that the investment thesis still holds ground, especially in light of volatile economic conditions. MPSIF continues to engage the investment management industry and improve the overall experience of the Fund. We look forward to discussing the current state of the Fund and the Fund's initiatives with the Management Advisory Council.

Assets Under Management & Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on March 1, 2000. As of August 31, 2010, our assets under management stand at $1.48 M, which represents a cumulative return of 44.23% (gross), taking into account distributions of over $907,000 to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, the MPSIF funds have returned 3.00% net of management and administrative fees (outpacing the benchmark return of 2.22%), allowing us to cover our annual 5% distribution requirement although incurring a 14% reduction of our asset base.

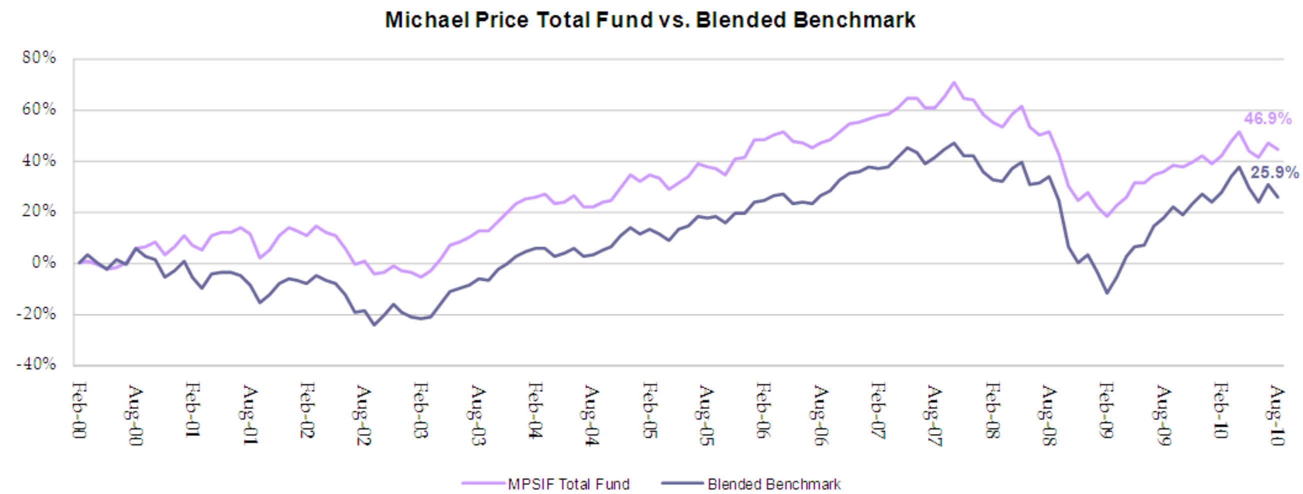


Performance of the Michael Price Student Investment Fund

For the period ending August 31, 2010

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	**1.44%**	**6.32%**	**-10.30%**	**-3.56%**	**4.77%**	**0.94%**	**44.23%**	**3.55%**
Management Fees	-0.32%	-0.58%	-1.65%	-0.55%	-2.68%	-0.54%	-5.47%	-0.53%
Blended Benchmark	-1.19%	7.24%	-10.76%	-3.72%	7.06%	1.37%	25.94%	2.22%
Relative - Gross of Fees	2.62%	-0.92%	0.46%	0.16%	-2.29%	-0.44%	18.28%	1.33%
Relative - Net of Fees	2.30%	-1.54%	-1.03%	-0.37%	-5.10%	-0.98%	10.39%	0.77%
Small Cap Fund	**5.93%**	**12.52%**	**-28.65%**	**-10.64%**	**-14.00%**	**-2.97%**	**74.32%**	**5.43%**
Management Fees	-0.28%	-0.53%	-1.61%	-0.54%	-2.78%	-0.56%	-5.90%	-0.58%
Russell 2000 Index	-3.61%	6.60%	-20.70%	-7.44%	-3.42%	-0.69%	19.56%	1.72%
Relative - Gross of Fees	9.53%	5.92%	-7.95%	-3.20%	-10.58%	-2.28%	54.76%	3.72%
Relative - Net of Fees	9.23%	5.32%	-9.10%	-3.68%	-12.97%	-2.82%	44.47%	3.11%
Value Fund	**-2.83%**	**4.09%**	**-9.57%**	**-3.30%**	**15.37%**	**2.90%**	**65.92%**	**4.94%**
Management Fees	-0.36%	-0.67%	-1.64%	-0.55%	-2.91%	-0.59%	-6.25%	-0.61%
Russell 1000 Value Index	-3.28%	4.97%	-28.58%	-10.61%	-8.14%	-1.68%	38.25%	3.13%
Relative - Gross of Fees	0.45%	-0.88%	19.00%	7.31%	23.52%	4.59%	27.67%	1.81%
Relative - Net of Fees	0.09%	-1.58%	17.52%	6.78%	20.16%	3.98%	17.30%	1.16%
Growth Fund	**-2.72%**	**1.21%**	**-18.60%**	**-6.63%**	**-8.92%**	**-1.85%**	**-26.33%**	**-2.87%**
Management Fees	-0.36%	-0.54%	-1.74%	-0.59%	-2.56%	-0.52%	-5.36%	-0.52%
Russell 1000 Growth Index	-4.65%	6.14%	-17.61%	-6.25%	0.54%	0.11%	-37.17%	-4.33%
Relative - Gross of Fees	1.94%	-4.93%	-0.99%	-0.38%	-9.46%	-1.96%	10.84%	1.46%
Relative - Net of Fees	1.59%	-5.48%	-2.41%	-0.92%	-11.79%	-2.47%	6.89%	0.95%
Fixed Income Fund	**6.49%**	**8.86%**	**22.09%**	**6.88%**	**30.27%**	**5.43%**	**55.39%**	**5.43%**
Management Fees	-0.35%	-0.62%	-1.63%	-0.55%	-2.44%	-0.49%	-3.35%	-0.41%
Vanguard Total Bond Fund	6.01%	9.34%	25.96%	8.00%	34.99%	10.52%	60.38%	5.83%
Relative - Gross of Fees	0.48%	-0.48%	-3.86%	-1.12%	-4.72%	-5.09%	-4.99%	-0.40%
Relative - Net of Fees	0.11%	-1.16%	-5.85%	-1.70%	-7.89%	-5.61%	-10.20%	-0.83%

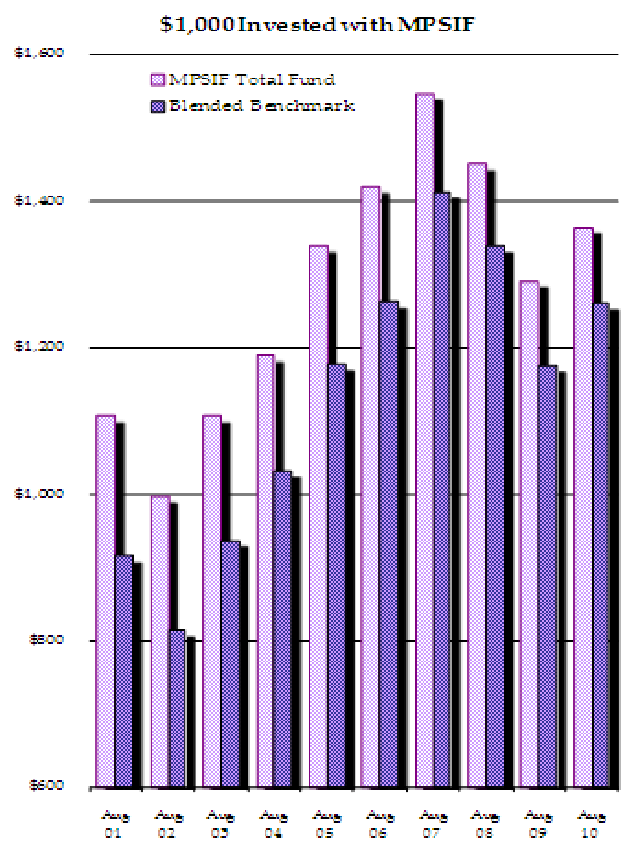
** Inception for all equity funds is March 1, 2000. The Fixed Income fund began operations on May 20, 2002.*
All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.



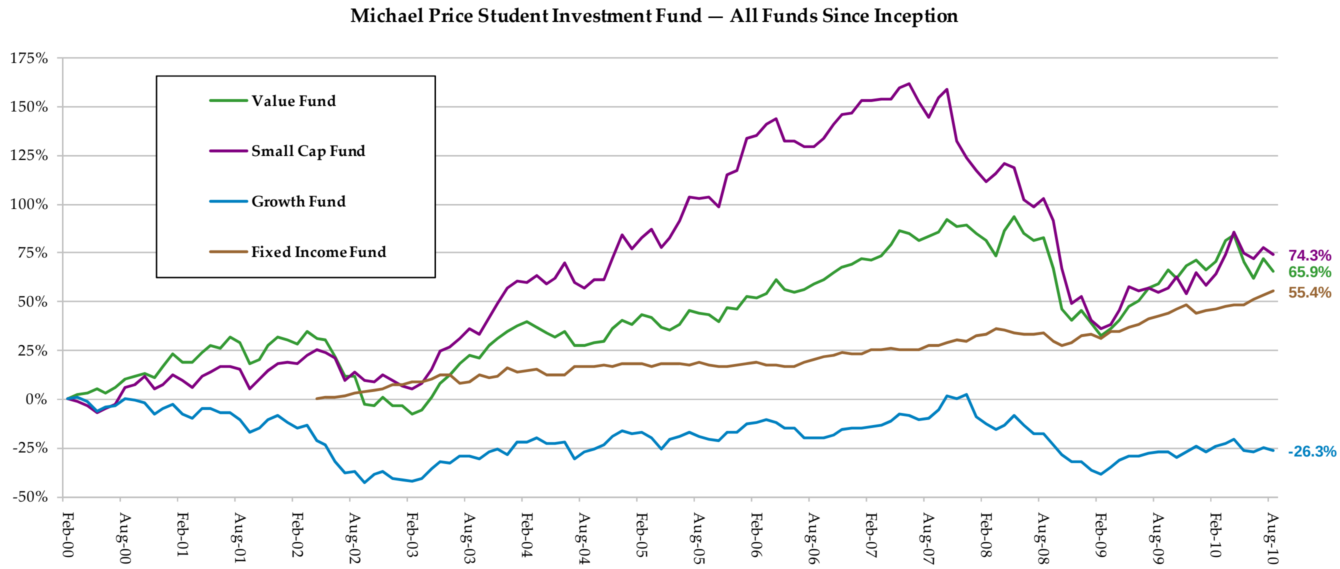
As of August 31, 2010, MPSIF had approximately 26.9% in cash holdings. The percentage of cash holdings decreased from 11% on February 28, 2010, to 6.9% on April 30, 2010, as the analysts pursued new investments. However, with the onset of the three-month long summer recess (June to August), the Fund did not meet for regular sessions and as a result, did not make any new investments. On the other hand, the Fund stopped out of a few equity positions, first due to the "Flash-Crash" and then due to general market downturn.

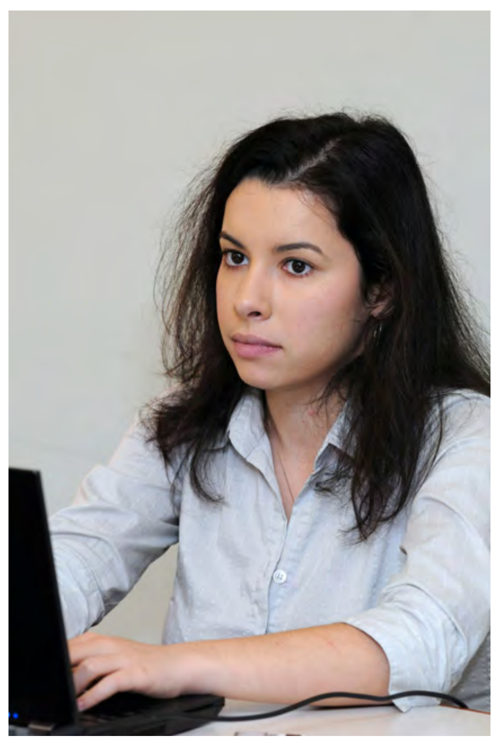
Generally, due to inactivity during the summer and winter breaks, the Fund accumulates excessive amounts of cash which cannot be readily reallocated to new investment ideas. The portfolio managers try to identify buying opportunities in broad-based market and sector ETF's to employ the cash positions and own the market until new securities are pitched.

This summer, while some portfolio managers invested in ETF's, others decided to hold their cash positions, believing that the downturn was more widespread and not specific to a sector so holding cash was more prudent. We will continue to explore new opportunities to effectively invest the remaining cash in the summer and winter recess periods.



The overall Fund returned 6.32% compared to the benchmark of 7.24% on a gross return basis for the entire fiscal year. The relative performance during the second half of the fiscal year was much better than the first half and was largely responsible for ensuring that the Fund was not lagging too far behind the benchmark. The Fixed Income Fund was the top performer over the last 6 months, returning 6.12%, narrowly outperforming its benchmark by 0.11%. The Small Cap Fund performed best relative to its benchmark, returning 9.23% over its benchmark on a net of fees basis. The Growth Fund earned -3.07% but outperformed its benchmark by 1.59%. The Value Fund returned -3.18%, narrowly outperforming its benchmark by 0.09%. Since inception, MPSIF has earned a cumulative return of 44.23%, outpacing the blended benchmark by 10.39%.





Benchmark Index Description

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

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

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

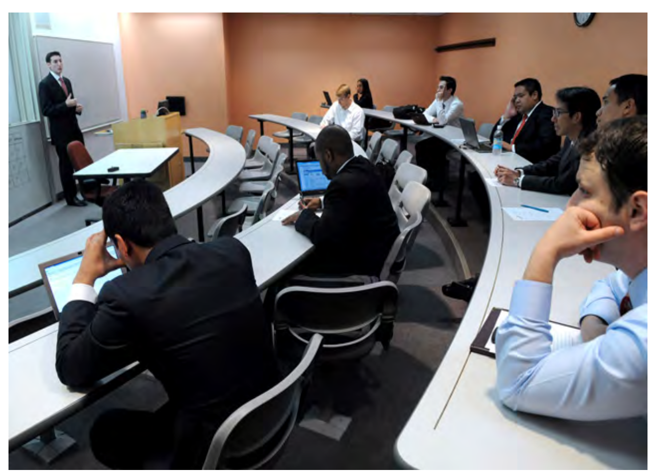
Vanguard Total Bond Index Fund measures the performance of fixed income securities. The benchmark has the following characteristics:

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

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

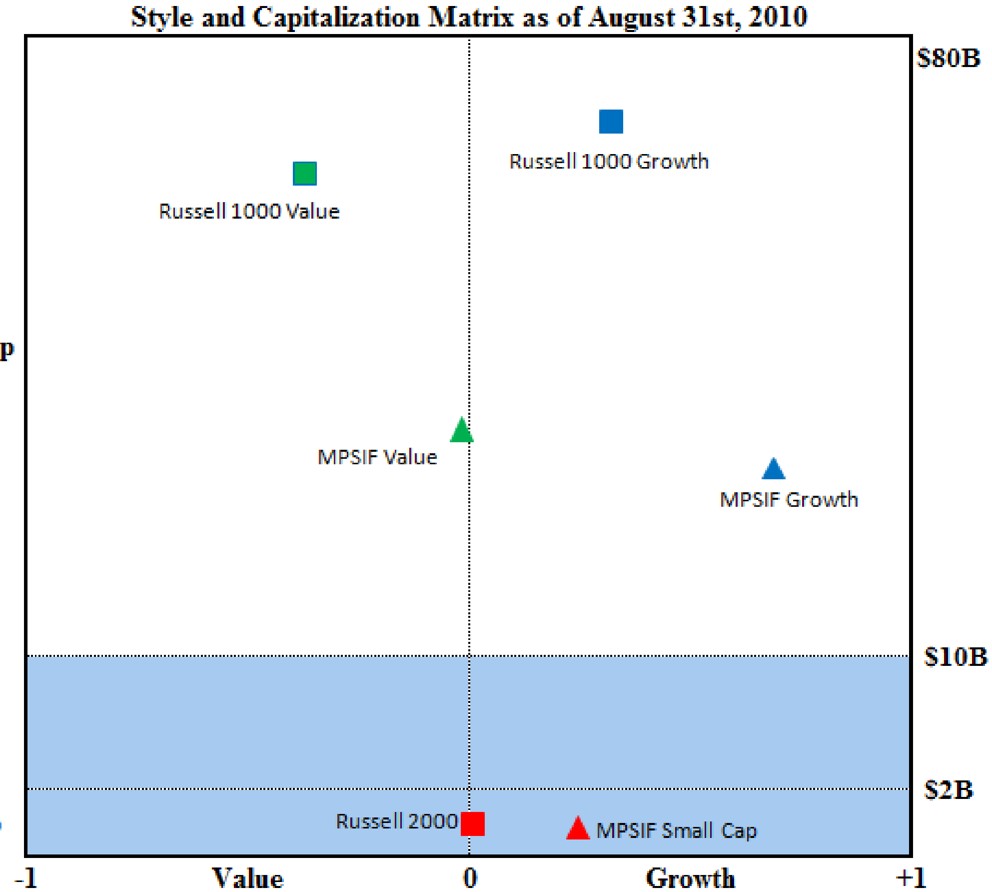
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

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



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.



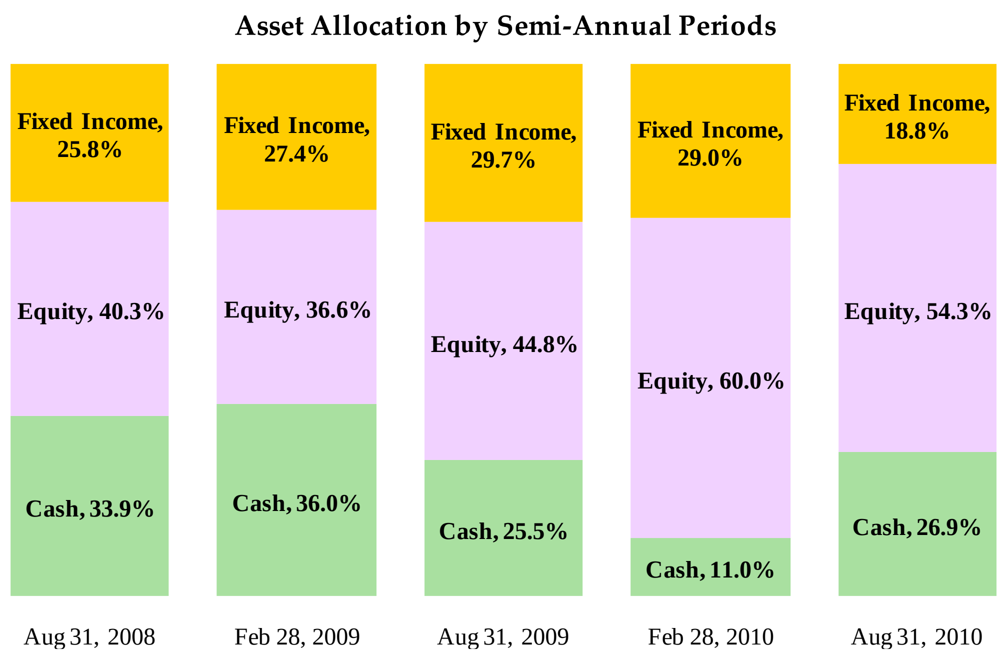
Equity Valuation Characteristics

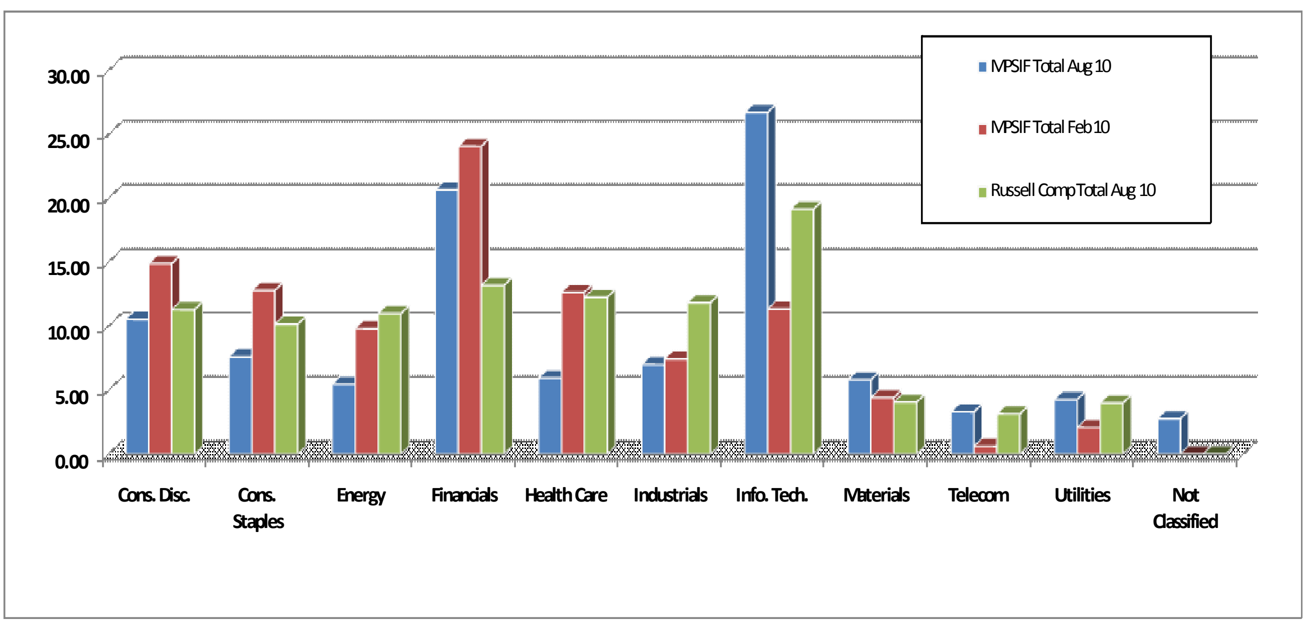
	P/E	ROE	P/B	Div. Yield
MPSIF Growth	20.2	20.74%	3.68	86.00%
Russell 1000 Growth	16.5	23.77%	3.23	1.67%
Relative	*1.2x*	*0.9x*	*1.1x*	*51.5x*
MPSIF Value	17.7	18.66%	0.66	2.80%
Russell 1000 Value	15.9	14.40%	1.321	2.51%
Relative	*1.1x*	*1.3x*	*0.5x*	*1.1x*
MPSIF Small Cap	27.3	5.42%	1.537	1.78%
Russell 2000	30.6	10.29%	1.46	1.35%
Relative	*0.9x*	*0.5x*	*1.1x*	*1.3x*

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.

As indicated in the Asset Allocation chart, cash holdings increased from 11% in the prior reporting period to 26.9%. Equities decreased from 60% to 54.3% while Fixed Income decreased from 29% to 18.8%.





FUND TURNOVER

Portfolio Turnover for the Six Months Ending February 28, 2010

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	131,519	317,714	420,867	417,268
Total Sales	129,013	254,769	328,692	362,378
Minimum (Sales, Purchases)	129,013	254,769	328,692	362,378
Average Invested Assets	453,286	251,847	267,576	378,251
Turnover	28%	101%	123%	96%

Portfolio Turnover for the Six Months Ending August 31, 2010

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	81,340	295,330	235,203	303,846
Total Sales	268,775	320,162	275,732	351,142
Minimum (Sales, Purchases)	81,340	295,330	235,203	303,846
Average Invested Assets	336,072	252,734	250,449	370,376
Turnover	24%	117%	94%	82%

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

MACROECONOMIC AND MARKET REVIEW

Throughout 2010, the global economy went through a stabilization process, with financial markets improving markedly and economic growth resurging in the majority of countries. Nevertheless, uncertainty remains higher than usual and significant risks to sustainable growth prevail.

In the US, GDP grew in the first three quarters of the year, namely by 3.7%, 1.6% and 2.0% (annualized rates). The manufacturing sector has shown particularly strong data, with the ISM Manufacturing persisting at levels clearly above the 50 point threshold, contrasting with the depressed levels recorded in 2009. Although businesses appear to be healthier and corporate profits have rebounded (54.2%, as measured by S&P normalized net income), there is still excessive production capacity installed and employers still seem reluctant to rehire, leading the unemployment rate to range between 9.5% and 9.7%. As for the housing market, new home sales have fallen to record low levels. In the face of the risks to economic growth and threats of deflation, the Fed has been actively involved in trying to buoy the US Economy through monetary policy. Most recently, the policy makers have committed to purchase Treasury securities to the tune of $600 billion.

On the international scene, the euro zone's sovereign debt crisis has been the most worrisome topic, with the economic and fiscal problems of Portugal, Ireland, Greece and Spain proving difficult to solve. On the other hand, Germany has experienced solid growth and, surprisingly, its unemployment rate has been falling. However, Germany's strength has not been sufficient to relieve investors' concerns on the euro zone economy overall. In contrast to the problems in the developed economies, some developing economies seem to be going through a growth phase. In China, GDP growth picked up, in part due to very expansionary monetary policy. In Brazil, macroeconomic fundamentals look very strong, with GDP posting solid growth and the unemployment rate maintaining its downward trend.

In spite of the prevalence of concerns and uncertainties, it is clear that the global economic environment has improved considerably. This development, in addition to a very loose US monetary policy, led to a strong performance of various asset classes. In fact, stock prices have been rising, with the S&P 500 up 10% year-to-date, bonds have also been performing well, as US government yields have decreased while corporate spreads have narrowed, and some commodity prices have been on a strong upward trend, such as gold, which is up by more than 20% year-to-date. However, it is hard to say to what extent this asset appreciation is being caused by global economic improvement or merely by dollar depreciation against those assets caused by the Fed's Quantitative Easing programs. In fact, the foreign exchange markets are currently the strongest evidence that the world is still not economically stable, as the Federal Reserve's focus in devaluing the dollar has sparked efforts by other countries to try to devalue their currencies instead, leading to a "currency war." Other evidence of economic instability in the markets comes from the euro zone, where government credit spreads of the peripheral economies are trading at high levels, with a clear deterioration throughout 2010 in the Greek, Portuguese and Irish spreads.

For the coming quarters we expect the US economy to continue to grow, albeit at a slower pace than what he have seen throughout the past quarters. Now that GDP has recovered to the levels it was before the economic downturn, solid growth rates will be harder to achieve, given that structural problems still persist in the US economy. In fact, the high levels of indebtedness will remain an obstacle to growth and the risk of deflation may materialize, as installed production capacity will likely remain excessive for some while. Therefore, we expect the Federal Reserve to keep monetary policy very loose in the coming quarters.

When looking outside the US, we have to bear in mind that Europe's current economic and political problems are complex and will not be solved quickly, as it will be very hard for the so-called PIGS countries (Portugal, Ireland, Greece and Spain) to solve their problems by themselves, while Germany and the remaining richer countries face political obstacles in providing the financial support they need. Nevertheless, global economic growth should be supported and led by the dynamic developing economies, such as Brazil, China and India.

Sector Initiative

At the beginning of the school year, the correlation among individual stock returns was near an all-time high. The same was true of industrial sectors, with the ten primary sectors within the S&P 500 all near all-time high trailing twelve-month correlations with the index as a whole. This phenomenon was noted in the media, and several explanations emerged. The rise of sector ETF's took a share of the blame, as did the focus on universal macro events over the past 6 months – the debt crisis in Europe and the market's reaction to the 2010 election outlook, for example. Amid the general conditions of uncertainty, along with the growing size of sector ETF's and mutual funds, some analysts predicted that high correlations will be a persistent feature of equity investing in the future. However, MPSIF takes the view that this condition is unlikely. Once greater certainty in the economy is restored, investors will again seek differentiated returns, inevitably creating some winners and losers in the equity markets, both at the level of individual stocks and sectors. Furthermore, we believe the unusually correlated market should create great individual opportunities, particularly within sectors that may be grossly under-priced by the market.

Moving forward, our sector team recommends overweighting the information technology, energy, consumer staples, telecommunications, and industrials sectors. We recommend underweighting consumer discretionary, utilities, financials, and materials stocks, and have a neutral outlook for the health care industry.

Information Technology has been a recent underperformer and is still trading at a slight discount to historical P/E multiple norms. The sector will benefit from any sign of improvement in consumer demand. Large tech firms holding huge cash balances should buoy the sector as they find attractive, undervalued opportunities. - *Overweight*

Energy stocks have also recently underperformed the market, although sector rotation theory suggests that they are poised to outperform as we move into a slow recovery phase. Oil and gas futures point to generally higher prices over the next 12 months, although much of the demand in this sector is based in Asia, where growth rates are at risk of significant decline. - *Overweight*

The **Consumer Staples** sector is also poised to outperform the market based on sector rotation theory. The sector is particularly well positioned to capture growth in emerging markets, which may accelerate faster out of the global recession. The sector is also seen as a defensive play in the event of a "double dip", although we are not expecting that scenario. - *Overweight*

Telecommunications offer the highest dividend yields in the current market and healthy balance sheets. The sector should continue to benefit from growth in the smart phone/wireless segments.
-*Overweight*

Industrial capacity utilization has been rising this year, and the sector is poised to benefit as the recovery continues. The sector is trading at a slight premium to the market, in line with what sector rotation theory would imply. - *Overweight*

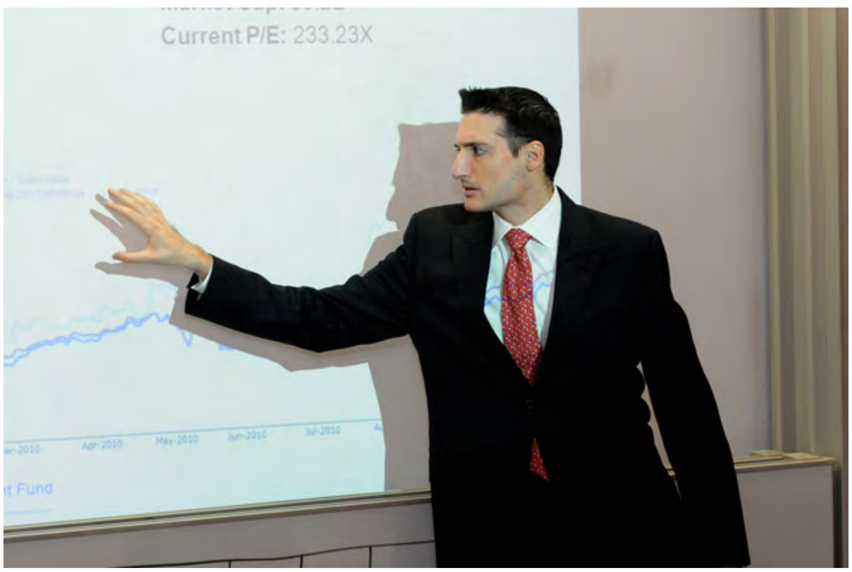
The **Health Care** sector has benefitted slightly from reduced legislative uncertainty. However, regulatory uncertainty still exists. This uncertainty could be balanced by increased insurance volumes and continued M&A in the medical device and pharmaceutical sectors. - *Market weight*

Consumer Discretionary stocks have rallied significantly this year, and may be running out of steam. We see headwinds ahead, as consumers are still deleveraging and unemployment is likely to remain high. - *Underweight*

Utilities have benefitted from their defensive nature over the past year, and yields have declined as investors flocked to safety. We believe money will begin to exit this sector in search for higher returns. - *Underweight*

The F**inancial** sector, after recovering from its crisis lows, is still facing considerable uncertainty. The housing market is still stabilizing, and the regulatory impacts of Dodd-Frank are still unclear. – *Underweight*

The M**aterials** sector has recovered significantly along with commodities this year, but now appears slightly overvalued relative to the broad market. If commodity prices come under pressure, we expect this sector to underperform. - *Underweight*



THE GROWTH FUND

MESSAGE FROM THE PORTFOLIO MANAGERS

For the six months ending August 31, 2010, the Growth Fund ("the Fund") had an absolute return of -3.6%. The benchmark, the Russell 1000 Growth Index, generated a return of -4.7% during the same time period. While we are disappointed to have generated negative returns, we are pleased that we outperformed the benchmark by 110 basis points. We continue to strive to position the Fund to capture the early cycle recovery for the US and global economies and identify high growth opportunities for the Fund.

So far, 2010 has proven to be a difficult period for growth stocks. During both the second and third quarters of 2010, early quarter gains were wiped out in the final month of the quarter. In 2Q10, March and April were up, but May proved to be a difficult month. In the third quarter, the negative months of June and August outweighed gains in July. Economic indicators continued to remain relatively stagnant, with little improvement in employment and a deceleration in growth from the manufacturing sector. Consumer confidence appeared to rebound slightly in early 2Q10, but has since reversed course.

Over the six-month period from March through August, the Fund eliminated its exposure to Healthcare, decreased its exposure to Financials and Consumer Discretionary stocks, and increased its exposure to Information Technology. This was a result of proactively purchasing stocks with significant growth prospects and selling some positions in order to capture profits. Some positions were stopped out during the second half of the period as they performed poorly with the overall market, particularly in the months of June and July.

Positions that contributed the most to the Fund's outperformance over the past six months were ARM Holdings, Lululemon, and Apple. Those that contributed the least were Amedisys, Aeropostale, and Waddell & Reed. The Fund ended the fiscal year with a significant cash position due to an internal transfer from the other MPSIF Funds as well as the aforementioned stop-outs.

In the beginning of the Fall Semester 2010, in an effort to maintain a fully invested portfolio, better position the Fund relative to the benchmark, and align ourselves with the sector weights recommended by the MPSIF Sector Strategy team, we established positions in IXJ, the S&P Global Healthcare Index Fund and IYJ, the Dow Jones US Industrials Index Fund. Since we believe a number of additional growth opportunities exist in markets outside of the U.S., we established a substantial position in EEM, the MSCI Emerging Index Fund.

Going forward in Fall Semester 2010, we are aiming to invest in sectors that we believe are primed for growth during the recovery. We will continue to stay abreast of our holdings with regular "lightning rounds" during which Fund members can share updates on their covered stocks. We look forward to continuing to generate alpha for the Fund and taking full advantage of the learning opportunity that has been afforded to us by Michael Price and the Board.

Mario Contreras and Kristen Pulley

Portfolio Managers, Growth Fund

DISCUSSION OF PERFORMANCE

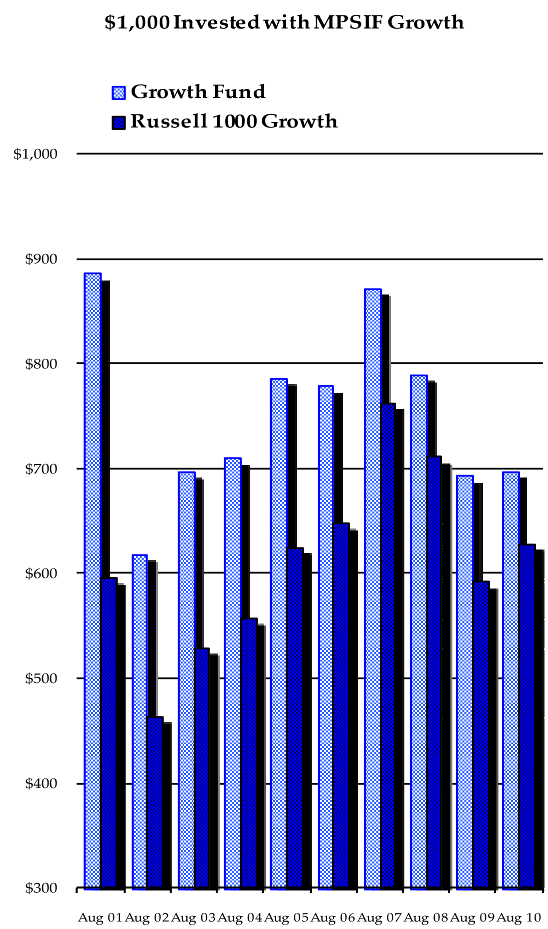
	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	**-2.72%**	**1.21%**	**-18.60%**	**-6.63%**	**-8.92%**	**-1.85%**	**-26.33%**	**-2.87%**
Management Fees	-0.36%	-0.54%	-1.74%	-0.59%	-2.56%	-0.52%	-5.36%	-0.52%
Russell 1000 Growth Index	-4.65%	6.14%	-17.61%	-6.25%	0.54%	0.11%	-37.17%	-4.33%
Relative - Gross of Fees	1.94%	-4.93%	-0.99%	-0.38%	-9.46%	-1.96%	10.84%	1.46%
Relative - Net of Fees	1.59%	-5.48%	-2.41%	-0.92%	-11.79%	-2.47%	6.89%	0.95%

** Inception from March 1, 2000*

Performance Overview

During the second half of fiscal year 2010, the Fund outperformed its benchmark, the Russell 1000 Growth Index, by 1.94% gross of management fees. The Growth fund earned a negative return of 2.72% while the Index returned -4.65%. The Fund's outperformance relative to its benchmark was partially the result of a stock picking strategy based on fundamental analysis.

On a longer-term view, the last decade has not been very positive for growth stocks. If we had invested $1,000 in Russell 1000 Growth in March 2000 at our Fund's inception, our net holding would have been only $697 by August 2010, despite the Fund's outperformance of the benchmark.



Top Sectors	Return	Impact
Information Technology	4.01%	6.46%
Energy	17.01%	0.01%
Top Contributors		
ARM Holdings Plc	56.83%	3.20%
Lululemon Athletica, Inc	37.33%	1.39%
Apple, Inc.	16.45%	1.22%
Stock Selection		1.68%
Allocation Effect		0.74%

Impact *: measures contribution to the portfolio's relative performance vs. benchmark*
Stock Selection *: is the aggregate success of selection decisions within each group vs. benchmark*
Allocation Effect *: is the total impact of sector weighting decisions within each group vs. benchmark*

Stock Picking

According to our Wilshire Analytics team, stock-selection had positive impact of 1.68% towards the net performance of the Fund.

The sector which contributed most to the six-month relative performance was Information Technology, which had a positive impact of 6.46% on performance.

The top performing stock in the fund, ARM Holdings Plc (ARMH), was from the IT sector. ARMH designs microprocessors, physical Internet protocol (IP) and related technology and software, and sells development tools. The stock generated a return of 56.83% for the Fund for the 6-month period ending August 31. The Fund subsequently sold out of its position in September 2010.

Another noteworthy stock for the Growth Fund was Lululemon Athelitca Inc. (LULU), a designer and retailer of technical athletic apparel primarily in North America. The fund sold its position in LULU in March 2010, realizing a gain of 37.33%.

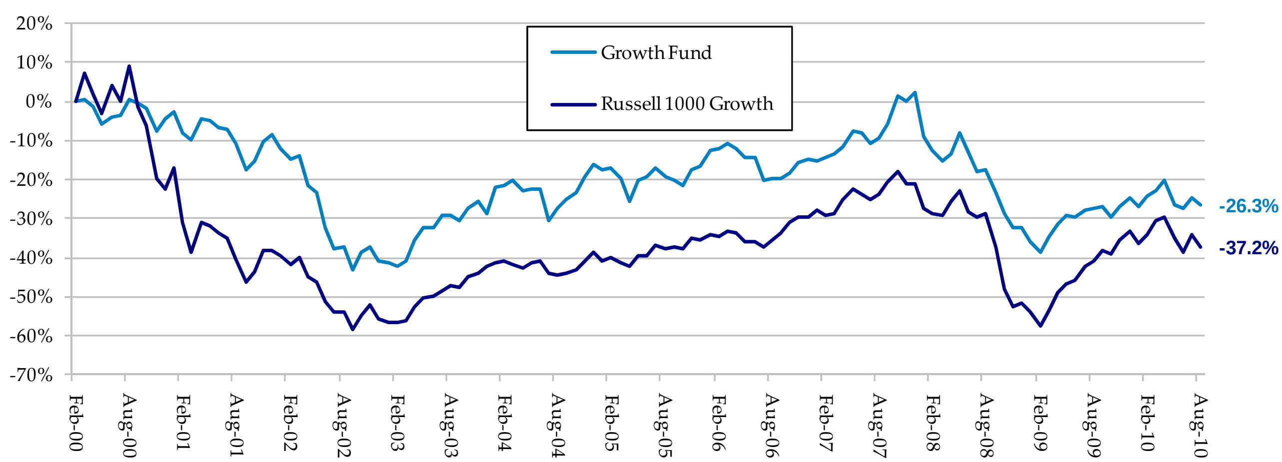
Apple Inc. (AAPL) was also a strong performer for the Fund over the last 6 months. The stock returned 16.45% over the last reported 6-month period. Our AAPL analyst continues to believe in the growth story for this company and the Fund has retained a full position in AAPL.

The Health Care sector was the poorest performing sector in the fund, with home-health provider Amedisys Inc (AMED) returning -40.26%.

Improving Fund Performance

During the second half of fiscal 2010, the Fund made the decision to retain cash from stop-loss sales rather than re-invest in an uncertain market. Over the summer break period, a number of positions were stopped out of due to volatile market conditions. As the market recovers, and the Fund resumes its academic year meetings with regular stock pitches, our cash position will continue to decline.

Michael Price Growth Fund vs. Russell 1000 Growth Index



Asset Allocation

As the Fund focuses on bottom up stock-picking and fundamental analysis, asset allocation is a secondary priority. Despite this, asset allocation had a positive impact in the second half of fiscal year 2010. According to our Wilshire Analytics team, asset allocation decisions improved portfolio performance by 0.74%.

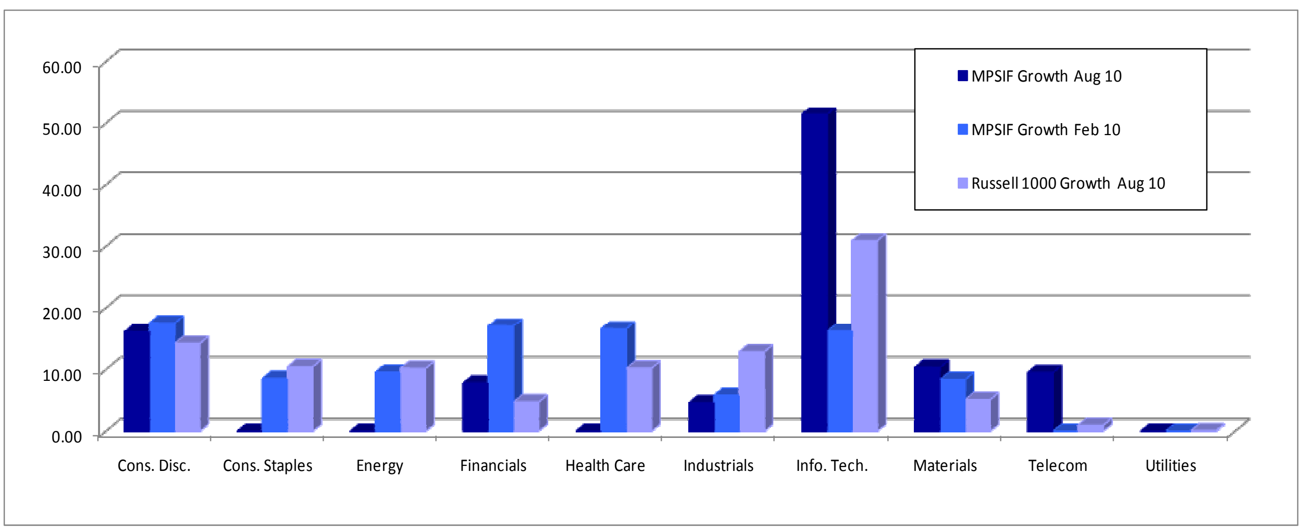
The Fund's commitment to bottom-up stock selection is primarily pedagogical in nature. The Fund is a seminar style course in which students can use and combine skills garnered in their other classes in a professionally practicable manner. We believe the benefits derived from such a course are immeasurable.

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

As of August 31, 2010, the sectors with the most significant weight in the Growth Fund are:

- Information technology: with 51.46% asset allocation and the largest sector in the Growth Fund, IT is overweight compared to the Russell 1000 Growth, which has a 30.89% weight in IT.
- Consumer discretionary: this sector's weight in the Growth Fund is 16.11%, a steady comparison to the Russell 1000 Growth weight of 14.34%.
- Materials: has a 10.36% share in the Growth Fund, overweight compared to the Russell 1000 Growth's weight of 5.12%.

Over the past 6 months we have continued to focus on a blended approach of identifying promising sectors which could prove to be resilient amid the aftermath of the recession and implemented a bottom-up process for selecting best of breed in these areas. A bottom-up strategy alone could be insufficient in the current market. As of August 31, the fund did not hold any positions in ETFs.



Holdings Profile

Growth Portfolio as of August 31, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Aeropostale, Inc.	ARO	Consumer Discretionary	558	$ 21.30	$11,885	**3.06%**
Ross Stores, Inc.	ROST	Consumer Discretionary	292	$ 49.63	$14,492	**3.73%**
Urban Outfitters, Inc.	URBN	Consumer Discretionary	304	$ 30.32	$9,217	**2.37%**
First Solar, Inc.	FSLR	Energy	131	$ 127.85	$16,748	**4.31%**
Jefferies Group, Inc.	JEF	Financials	777	$ 22.51	$17,490	**4.50%**
Eaton Corporation	ETN	Industrials	147	$ 69.48	$10,214	**2.63%**
Apple, Inc.	AAPL	Information Technology	84	$ 243.10	$20,420	**5.26%**
ARM Holdings Plc	ARMH	Information Technology	991	$ 16.70	$16,550	**4.26%**
EMC Corporation	EMC	Information Technology	603	$ 18.24	$10,999	**2.83%**
Longtop Financial Technologies Ltd.	LFT	Information Technology	625	$ 32.58	$20,363	**5.24%**
Qualcomm, Inc.	QCOM	Information Technology	266	$ 38.30	$10,188	**2.62%**
Wipro Ltd.	WIT	Information Technology	1436	$ 12.83	$18,424	**4.74%**
FMC Corporation	FMC	Materials	189	$ 62.28	$11,771	**3.03%**
Agnico-Eagle Mines Ltd.	AEM	Materials	171	$ 64.97	$11,110	**2.86%**
Millicom International Cellular SA	MICC	Telecomm	229	$ 92.08	$21,086	**5.43%**
Direct Equity Holdings					$220,957	**56.88%**
Total Equity Holdings					$220,957	**56.88%**
Cash as of August 31, 2010					$167,472	**43.12%**
Total Assets					**$388,429**	**100.00%**

Growth Portfolio as of February 28, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Autozone Inc.	AZO	Consumer Discretionary	69	$ 165.93	$11,449	**3.54%**
Gafisa SA	GFA	Consumer Discretionary	326	$ 30.71	$10,011	**3.10%**
ITT Educational Services	ESI	Consumer Discretionary	107	$ 109.04	$11,667	**3.61%**
Lululemon Athelitca Inc.	LULU	Consumer Discretionary	412	$ 28.65	$11,804	**3.65%**
JM Smucker Co.	SJM	Consumer Staples	369	$ 59.68	$22,022	**6.81%**
Dresser Rand Group Inc.	DRC	Energy	483	$ 30.91	$14,930	**4.62%**
Transocean Ltd.	RIG	Energy	119	$ 79.82	$9,499	**2.94%**
Hudson City Bankcorp Inc.	HCBK	Financials	741	$ 13.52	$10,018	**3.10%**
Jefferies Group Inc.	JEF	Financials	777	$ 24.96	$19,394	**6.00%**
Gilead Sciences Inc.	GILD	Healthcare	223	$ 47.61	$10,617	**3.28%**
Medco Health Solutions	MHS	Healthcare	132	$ 63.24	$8,348	**2.58%**
Teva Pharmacuetical Industry	TEVA	Healthcare	390	$ 60.01	$23,404	**7.24%**
Apple Inc.	AAPL	Information Technology	50	$ 204.62	$10,231	**3.16%**

INVESTMENT STYLE AND STRATEGY

Our goals: The goal of the Growth Fund is to identify and capitalize on investments that have significant growth potential. The companies we invest in may derive their growth from a unique business model or a strong competitive position in a rapidly growing industry. We believe that companies with these characteristics can achieve more than 15% annual EPS growth over the next five years and in turn experience substantial stock price appreciation. These growth opportunities can be uncovered by identifying companies that are pioneering a new product or service that will see significant future demand. Other companies may be altering pre-established norms in a 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: Outperform the benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

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

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

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

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

THE VALUE FUND

MESSAGE FROM THE PORTFOLIO MANAGERS

During the six months ended August 31, 2010, the market made slight losses amidst high volatility (including the "flash crash" on May 6th). The Value Fund ("the Fund") generated a negative return of 2.83% (gross of fees). Though we were disappointed by the overall performance, we are very pleased to report that the Fund outperformed the Russell 1000 Value benchmark ("the benchmark"), generating a positive excess return of 0.45%, gross of fees. Since inception, the Fund has gained 65.92%, or 4.94% on an annualized basis, gross of fees. During the period, $4,705.76 in dividends and interest was realized.

The Fund began the period with a cash position of 6.95%, which was down from 20.19% at the start of the previous period. Toward the end of 2009, the Fund decided to purchase the benchmark ETF and some sector-specific ETFs as a way to remove the downward drag of cash. This strategy has allowed us to stay in line with our benchmark. Going forward, the Fund has decided to abandon the benchmark ETF, and to only use sector-specific ETFs to maintain sector exposure. The Fund ended the period with a cash position of 5.35% and an aggregate ETF position of 43.30%.

The Fund re-evaluated its sector views during the period, and decided to maintain an overweight position in the Consumer Staples sector, while staying somewhat underweight in Financials. The Fund used sector ETFs to achieve this sector weighting in the near-term, and intends to replace these ETFs with stocks as the proper opportunities are identified.

Our strongest realized and unrealized gains in the past period were in the Consumer Discretionary, Utilities, and Telecom sectors. We believe that Utilities stocks continue to present attractive opportunities as part of an overall infrastructure theme, though we are cautious on Consumer Discretionary names given the current economic situation.

Looking forward, we expect a slow, drawn-out global economic recovery. We feel this will be partially due to less capital in the markets caused by deleveraging and increased financial regulation. We intend to identify stocks with value propositions that have been overlooked by the market. Stock selection and sector weightings are the fund's top priorities as we believe that this will allow us to outperform our benchmark.

Ron Zember and Matthew Akers

Portfolio Managers, Value Fund

DISCUSSION OF PERFORMANCE

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**-2.83%**	**4.09%**	**-9.57%**	**-3.30%**	**15.37%**	**2.90%**	**65.92%**	**4.94%**
Management Fees	-0.36%	-0.67%	-1.64%	-0.55%	-2.91%	-0.59%	-6.25%	-0.61%
Russell 1000 Value Index	-3.28%	4.97%	-28.58%	-10.61%	-8.14%	-1.68%	38.25%	3.13%
Relative - Gross of Fees	0.45%	-0.88%	19.00%	7.31%	23.52%	4.59%	27.67%	1.81%
Relative - Net of Fees	0.09%	-1.58%	17.52%	6.78%	20.16%	3.98%	17.30%	1.16%

** Inception from March 1, 2000*

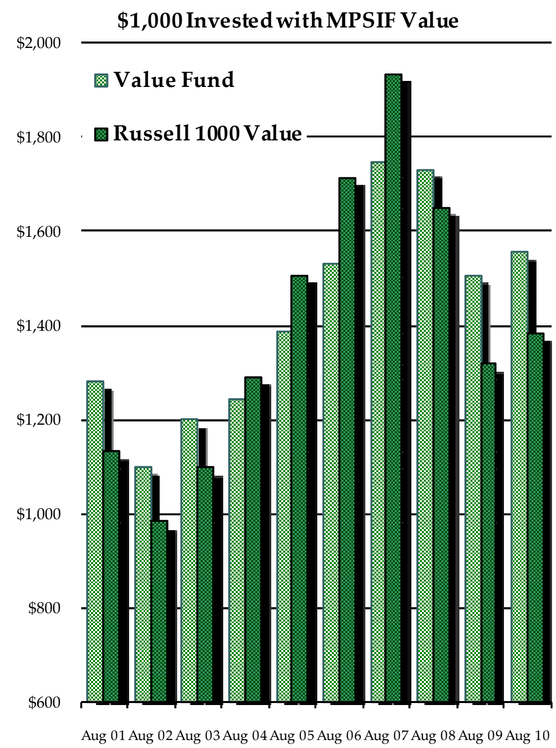
The sectors that contributed most to the twelve-month relative performance were consumer discretionary, consumer staples, energy, information technology, and utilities. These sectors returned 8.4%, -1.4%, -5.0%, -14.7%, and 7.9% respectively, in absolute terms.

The consumer discretionary sector had the largest absolute return, earning 8.4%, outperforming the benchmark by 12.57%. Our strongest performer in this sector and also the most profitable holding in the portfolio was Yum Brands Inc. gaining 24.34%.

Other profitable holdings in the portfolio were Nextera Energy Inc. and Carnival Plc., which earned 15.6% and 14.8% respectively. Other strong performers included Deere & Co. (9.6%) and Philip Morris Intl. Inc. (7.7%).

Top Sectors	**Return**	**Impact**
Consumer Discretionary	8.39%	1.04%
Utilities	7.94%	0.25%
Top Contributors		
Yum!Brands, Inc.	24.34%	1.05%
Annaly Capital Mgmt.	6.54%	0.77%
Stock Selection		0.32%
Allocation Effect		0.40%

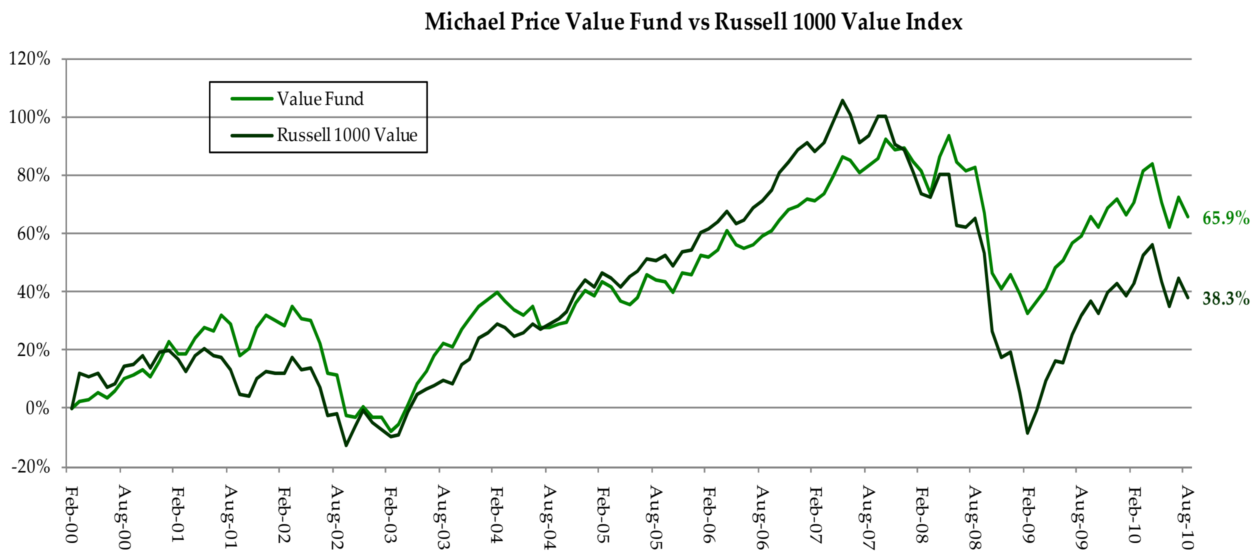
***Impact**: measures contribution to the portfolio's relative performance vs. benchmark*
***Stock Selection**: is the aggregate success of selection decisions within each group vs. benchmark*
***Allocation Effect**: is the total impact of sector weighting decisions within each group vs. benchmark*



The worst performing stock in our portfolio was ArcelorMittal SA, which lost 20.9% before it was sold. We also lost money on CVS Corp., Intel Corp., and Corning Inc., which dropped 19.6%, 19.2%, and 18.1%, respectively.

During the twelve-month period we sold off many of our holdings due to price targets being met, and in a few cases due to protective stops being triggered. In some cases this left us without exposure to certain sectors, and in these instances we purchased sector exchange traded funds (ETF's) in these sectors as we searched for attractive investments.

We were delighted, however, that our twelve-month performance topped that of our benchmark by 1.8% (1.2% net of fees). In addition, we are proud to see that over the past three years our Fund has outperformed the benchmark by over seven percentage points annually. This shows that we have been successful in protecting our investors' interests during difficult market times and through the Great Recession.



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.

Over the past six months, we significantly decreased our positions in Materials, selling our position in ArcelorMittal SA. Our only investment in this sector is now through an ETF.

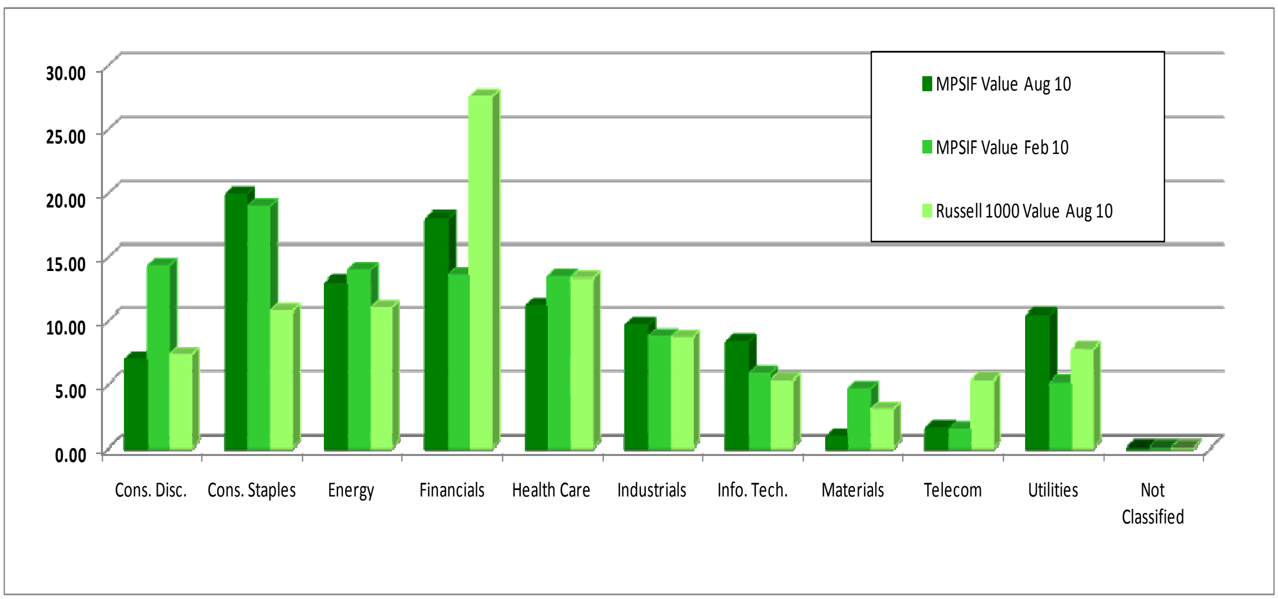
We also decreased our exposure to Consumer Discretionary, selling off Carnival Corp. and VF Corp. Healthcare was also reduced, as we cut our stake in Becton Dickinson & Co. This shift puts us closer to market weight in Consumer Discretionary and Energy.

As of August 31, 2010, we are represented in the sectors Healthcare, Energy, and Materials merely by ETF's.

By adding Annaly Capital Management, Inc., we increased our position in Financials. However, the financial sector still leaves us with our largest difference compared to our benchmark.

We were active in the Utility sector, as we added NextEra Energy, Inc. (formerly known as FPL Group Inc.) and NRG Energy, Inc.

During the past fiscal year, cash decreased as a percentage of assets from 20.2% to 5.4%, reflecting a shift from a cash-heavy mix at the end of the previous period.



HOLDINGS PROFILE

Value Portfolio as of August 31, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Yum! Brands, Inc.	YUM	Consumer Discretionary	400	$ 41.70	$16,680	**4.52%**
Phillip Morris International Inc.	PM	Consumer Staples	554	$ 51.36	$28,453	**7.71%**
PepsiCo, Inc.	PEP	Consumer Staples	271	$ 64.18	$17,393	**4.71%**
Wal-Mart Stores, Inc.	WMT	Consumer Staples	248	$ 50.14	$12,435	**3.37%**
Chevron Corporation	CVX	Energy	200	$ 74.08	$14,816	**4.02%**
Tidewater Inc.	TDW	Energy	250	$ 40.08	$10,020	**2.72%**
Annaly Capital Management, Inc.	NLY	Financials	700	$ 17.38	$12,166	**3.30%**
Deere & Company	DE	Industrials	270	$ 63.27	$17,083	**4.63%**
Corning Inc.	GLW	Information Technology	650	$ 15.68	$10,192	**2.76%**
Intel Corporation	INTC	Information Technology	750	$ 17.67	$13,249	**3.59%**
NextEra Energy, Inc.	NEE	Utilities	280	$ 53.73	$15,044	**4.08%**
NRG Energy, Inc.	NRG	Utilities	650	$ 20.32	$13,208	**3.58%**
iShares Dow Jones US Energy Sector	IYE	Energy	300	$ 29.60	$8,880	**2.41%**
iShares Dow Jones US Financial Services	IYG	Financials	455	$ 47.79	$21,744	**5.89%**
iShares Dow Jones US Healthcare Sector	IYH	Healthcare	430	$ 58.02	$24,949	**6.76%**
iShares Dow Jones US Materials Sector	IYM	Materials	130	$ 58.67	$7,627	**2.07%**
iShares Russell 1000 Value Index	IWD	N/A	1910	$ 55.13	$105,298	**28.54%**
Direct Equity Holdings					$180,739	**48.98%**
Total Equity Holdings					$349,237	**94.65%**
Cash as of August 31, 2010					$19,735	**5.35%**
Total Assets					**$368,972**	**100.00%**

Value Portfolio as of February 28, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
ArcelorMittal SA	MT	Materials	375	$ 38.22	$14,333	**3.26%**
Archer Daniels Midland Co.	ADM	Consumer Staples	455	$ 29.36	$13,359	**3.04%**
Becton Dickinson & Co.	BDX	Healthcare	210	$ 77.87	$16,353	**3.72%**
Carnival Corporation	CCL	Consumer Discretionary	437	$ 35.96	$15,715	**3.57%**
Chevron Corporation	CVX	Energy	200	$ 72.30	$14,460	**3.29%**
Cisco Systems, Inc.	CSCO	Information Technology	738	$ 24.33	$17,956	**4.08%**
Deere & Company	DE	Industrials	270	$ 57.30	$15,471	**3.52%**
FPL Group, Inc.	FPL	Utilities	280	$ 46.37	$12,984	**2.95%**
PepsiCo Inc.	PEP	Consumer Staples	271	$ 62.47	$16,929	**3.85%**
Phillip Morris International Inc.	PM	Consumer Staples	554	$ 48.98	$27,135	**6.17%**
Tidewater Inc.	TDW	Energy	250	$ 44.57	$11,143	**2.53%**

INVESTMENT STYLE AND STRATEGY

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

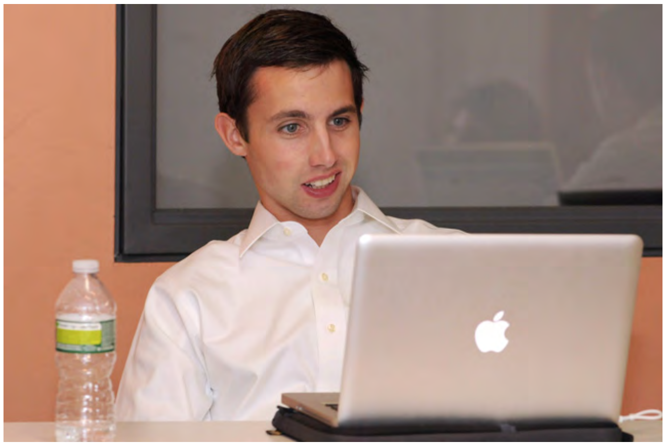
Benchmark: Russell 1000 Value Index

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

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

Number of Holdings: An objective of 30 positions, 3.3% of assets under management per new position.

Cash: The goal of the Fund is to be invested in the best value opportunities in the marketplace. To the extent we have non-invested cash, we will search for opportunities to employ that capital that fits our strategy. We do not have a maximum cash balance and only utilize ETFs to reduce our cash exposure on a short-term basis. 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

If 2008 was the "crash", and 2009 was the "recovery", then 2010 can be thought of as the "now what?" Uncertainty about the continued ability of the US to claw out of the Great Recession, yo-yoing between optimism and pessimism, roiled the markets since the semi-annual update in February. The Russell 2000 Small Cap index rose a remarkable 20% between February and April, but gave it all back by the end of August as the old adage "sell in May and go away" never appeared more prescient.

For the MPSIF Small Cap Fund ("the Fund"), that meant exercising disciplined stop-losses and a hawk-like focus on the return of capital as opposed to the return on capital. As the summer sell-off went on, we stopped out of eight different stocks, but only three for losses, none of which exceeded -18%. The others were a result of trailing stops that locked in gains ranging from breakeven to 56%. Cash within the Fund accumulated above 50% by the end of August. As a result, we handily outperformed the Russell 2000 during the down drafts, but trailed during the rallies.

Whether it is with a small or large degree of fortune, we are happy to have generated a positive absolute return as well as beat the Russell 2000 benchmark for the past 6 months (5.93% vs. -3.61%) and for the past fiscal year as a whole (12.52% vs. 6.60%). This result was driven by harvesting gains via trailing stops, and subsequently sitting on the growing amounts of cash as the summer markets thrashed. Should stocks have shaken off the dips and surged upwards, MPS would not have beaten the benchmark but we would not have lost money either. In our view, there is nothing more devastating than losing money, because one needs to return 100% to break even if one loses only 50%.

One of the Fund's most hotly contested issues, even to this day, is whether or not to invest excess cash in the index ETF IWM. The argument for: reduce tracking error from the benchmark, effectively applying portfolio theory by hugging beta and attempting to generate alpha from the residual stock picks. The argument against: what would make our "shareholders" angrier, the fact that we lost money but we beat the benchmark, or the fact that we did not lose money but underperformed the benchmark? Given that MPSIF is an endowment responsible for annual distributions, it is probably the former. In the end, we came to a compromise of investing a prudent fraction in IWM so long as we believed there was an imminent upside to the market but lacked the agility to capitalize given our pitch and vote cycles.

As the Fund begins a new fiscal year, we feel guarded about the direction of equities moving forward. It is not getting any easier to identify mispriced, undervalued investment ideas as the specter of a double dip looms large. Realizing our limitations as student analysts and zealously protecting capital above all else will be in our foremost thoughts as we guide the Fund for the remainder of the semester.

Eric Wu and Dana Vartabedian

Portfolio Managers, Small Cap Fund

DISCUSSION OF PERFORMANCE

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**5.93%**	**12.52%**	**-28.65%**	**-10.64%**	**-14.00%**	**-2.97%**	**74.32%**	**5.43%**
Management Fees	-0.28%	-0.53%	-1.61%	-0.54%	-2.78%	-0.56%	-5.90%	-0.58%
Russell 2000 Index	-3.61%	6.60%	-20.70%	-7.44%	-3.42%	-0.69%	19.56%	1.72%
Relative - Gross of Fees	9.53%	5.92%	-7.95%	-3.20%	-10.58%	-2.28%	54.76%	3.72%
Relative - Net of Fees	9.23%	5.32%	-9.10%	-3.68%	-12.97%	-2.82%	44.47%	3.11%

** Inception from March 1, 2000*

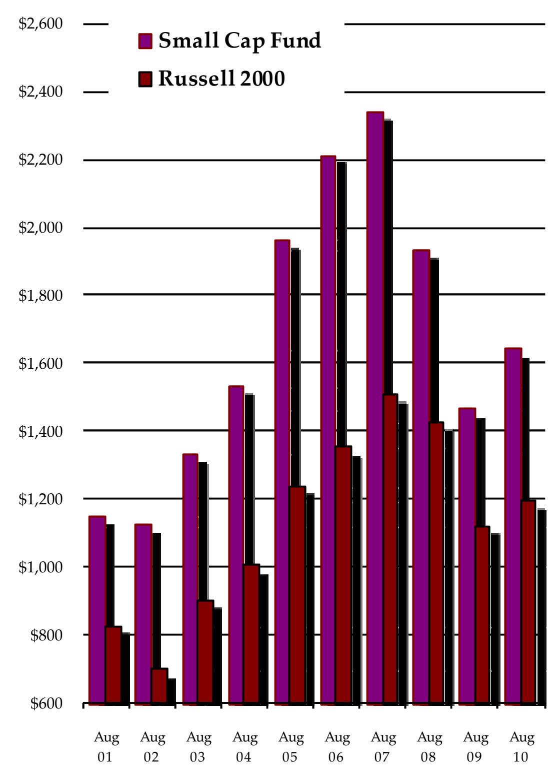
Over the most recent 6-month period beginning March 1, 2010, and ending August 31, 2010, Small Cap earned 5.93% gross of fees, outperforming the benchmark Russell 2000 return of -3.61%. For the most recent 12 months, the Small Cap Fund earned 12.52% net of fees, outperforming the benchmark return of 6.60%. In terms of stock holdings, the Fund's decisions were based on a bottom-up strategy that focused on finding innovative firms with stable balance sheets, strong management teams, and compelling growth prospects.

Top Sectors	Return	Impact
Information Technology	17.03%	5.03%
Financials	3.69%	2.96%
Top Contributors		
Thoratec Corp.	51.85%	3.05%
Riverbed Technology	33.89%	2.91%
Stock Selection		9.42%
Allocation Effect		1.65%

***Impact**: measures contribution to the portfolio's relative performance vs. benchmark*
***Stock Selection**: is the aggregate success of selection decisions within each group vs. benchmark*
***Allocation Effect**: is the total impact of sector weighting decisions within each group vs. benchmark*

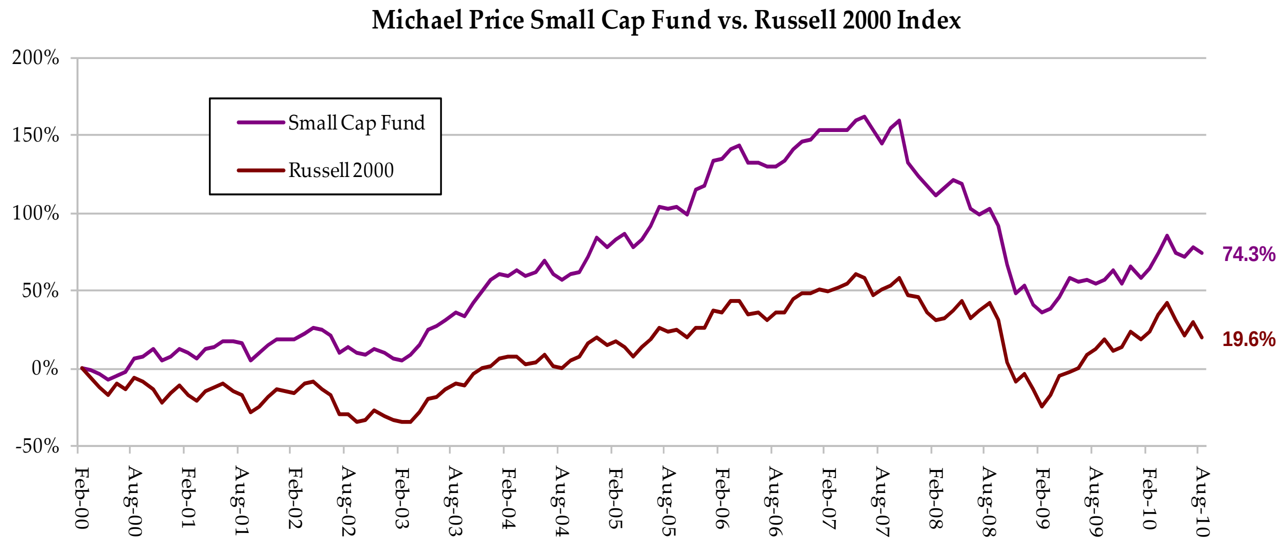
The sectors that contributed most to the six-month relative performance were Health Care, Information Technology, and Utilities. These sectors returned 17.8%, 17.0% and 5.5% respectively. The best performing stock in the portfolio over the six-month period was Thoratec Corp (THOR), a manufacturer of mechanical circulatory support products for use by patients with heart failure. The stock appreciated 51.9% in the six month period and 39.4% during the holding period November 2009 to March 2010.

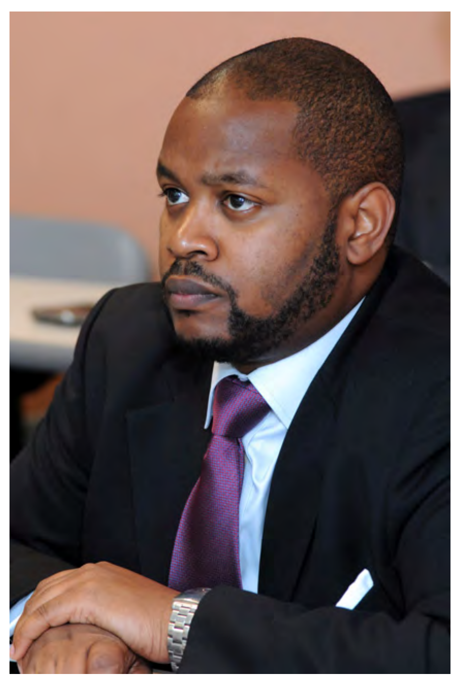
$1,000 Invested with MPSIF Small Cap



Riverbed Technology Inc. (RVBD), which develops solutions for information technology problems associated with performance across wide area networks (WAN), was another excellent performer, with an absolute return of 33.9% during the period. Other top performers included K-12 Inc (LRN) and T-3 Energy Services (TTES) which gained 26.0%, and 24.5% respectively during the period.

For the last 12 months, the Fund's conservative stop-loss policy has had a significant effect on our holdings, as seven positions were automatically sold. These positions included Allegiant Travel Corp. (ALGT), Cutera Inc. (CUTR), Darling International (DAR), K-12 Inc. (LRN), Thoratec Inc. (THOR), Diana Shipping Inc. (DSX), and Perfect World Co. (PWRD). Positions sold at a loss were Cutera (-17.2%), Diana Inc. (-17.8%), and Perfect World Co. (-12.3%). Positions sold at a gain were Allegiant (+3.7%), Darling (+14.3%), K-12 (+12.7%), and Thoratec (+39.4%). By the end of summer, the Fund was left with a significant cash position that it continues to put to work throughout the semester.

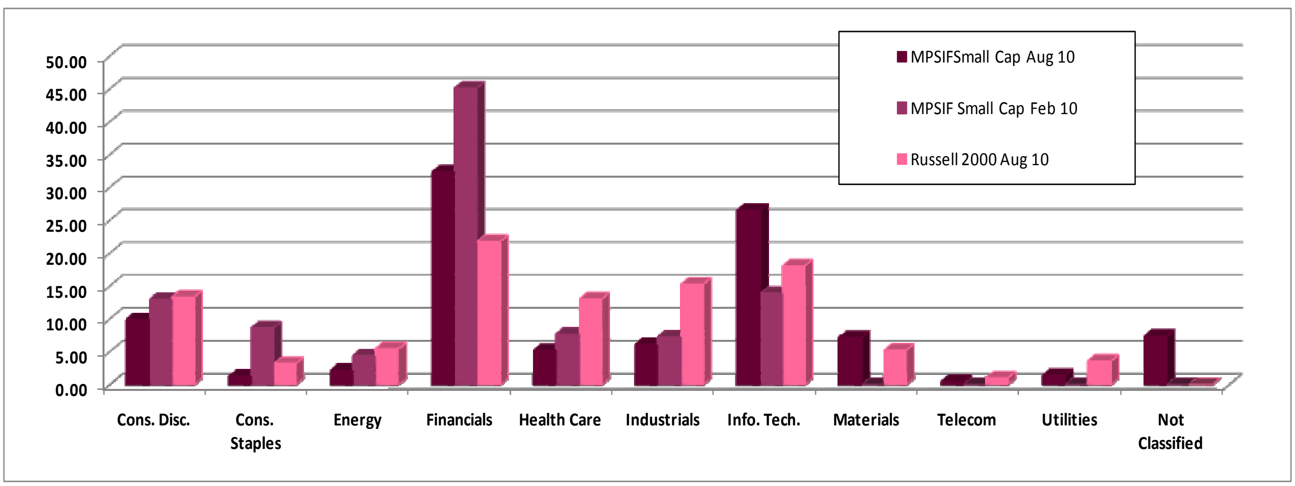




ASSET ALLOCATION

The Small Cap Fund employs a bottom-up approach to analyzing potential investments. However, optimal sector allocations are taken into consideration for any additions to the portfolio. The Fund's use of price targets and lack of bias towards either growth or value has contributed to turnover, which in turn has led to significant changes in sector allocation over the course of the year. Due to our committee decision-making structure, the level of equity investment may vary significantly. In particular, during the winter and summer break periods when liquidations occur because of stop-loss orders, the Fund does not have the benefit of new stock pitches to take the original position's place. This was the case in Summer 2010, when many positions were automatically sold. With just eight equity holdings and a large cash position as of the end of the fiscal year, it is difficult to achieve a high degree of diversification. For the current period, the fund is overweight in Financials, Information Technology, and Cash but is underweight in Consumer, Energy, Healthcare, Industrials, Materials, Telecom, and Utilities.

Below is the asset allocation as of August 2010 and February 2010, along with that of the Russell 2000. Please note that the Fund does not maintain mandatory guidelines regarding asset allocation among sectors.



HOLDINGS PROFILE

Small Cap Portfolio as of August 31, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
NutriSystem Inc.	NTRI	Consumer Discretionary	994	$ 17.56	$17,455	**4.21%**
RC2 Corporation	RCRC	Consumer Discretionary	586	$ 18.41	$10,788	**2.60%**
Riverbed Technology, Inc.	RVBD	Information Technology	479	$ 38.36	$18,374	**4.43%**
Skyworks Solutions, Inc.	SWKS	Information Technology	1502	$ 17.82	$26,766	**6.46%**
Amerisafe, Inc.	AMSF	Financials	1079	$ 17.57	$18,958	**4.58%**
Community Bank System, Inc.	CBU	Financials	556	$ 22.58	$12,554	**3.03%**
National Retail Properties, Inc.	NNN	Financials	983	$ 24.36	$23,946	**5.78%**
Innophos Holdings, Inc.	IPHS	Materials	409	$ 29.17	$11,931	**2.88%**
iShares Russell 2000 Index	IWM	Not Classified	1559	$ 60.18	$93,821	**22.64%**
Direct Equity Holdings					$140,772	**33.97%**
Total Equity Holdings					$234,593	**56.62%**
Cash as of August 31, 2010					$179,764	**43.38%**
Total Assets					**$414,356**	**100.00%**

Small Cap Portfolio as of February 28, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Core-Mark Holding Company, Inc.	CORE	Consumer Discretionary	346	$ 32.04	$11,086	**3.39%**
Deckers Outdoor Corp.	DECK	Consumer Discretionary	100	$ 120.20	$12,020	**3.68%**
K12, Inc.	LRN	Consumer Discretionary	525	$ 20.13	$10,568	**3.23%**
Darling International Inc.	DAR	Consumer Staples	2774	$ 8.06	$22,358	**6.84%**
T-3 Energy Services, Inc.	TTES	Energy	483	$ 23.74	$11,466	**3.51%**
Amerisafe Inc.	AMSF	Financials	1079	$ 17.21	$18,570	**5.68%**
Community BankSystem Inc.	CBU	Financials	1112	$ 22.41	$24,920	**7.63%**
EZ CORP Inc.	EZPW	Financials	1518	$ 19.73	$29,950	**9.17%**
Life Partners Holdings, Inc.	LPHI	Financials	1099	$ 20.58	$22,617	**6.92%**
National Retail Properties, Inc.	NNN	Financials	983	$ 21.22	$20,859	**6.38%**
Thoratec Corporation	THOR	Healthcare	690	$ 28.85	$19,907	**6.09%**
Allegiant Travel Company	ALGT	Industrials	214	$ 52.14	$11,158	**3.42%**
FTI Consulting Inc.	FCN	Industrials	210	$ 36.34	$7,715	**2.36%**
Riverbed Technology, Inc.	RVBD	Information Technology	479	$ 27.25	$13,053	**4.00%**
Skyworks Solutions, Inc.	SWKS	Information Technology	1502	$ 15.27	$22,936	**7.02%**
Direct Equity Holdings					$259,183	**79.33%**
Total Equity Holdings					$259,183	**79.33%**
Cash as of February 28, 2010					$67,537	**20.67%**

INVESTMENT STYLE AND STRATEGY

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

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

Strategy: The Fund targets a relatively concentrated portfolio comprised of 10 to 25 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. Throughout the semester, Fund analysts provide both updates on existing positions and pitches for new investments. With regard to existing allocations, the analyst assigned to a particular stock provides updates to the Fund throughout the course of the semester. At that time, the entire Fund votes on the analyst's recommended course of action. The possible actions are selling the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. This semester, "half positions" have been eliminated as an equity purchase option.

New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment fundamentals and weighs them against any potential macro or company-specific risks. Furthermore, the analyst and the Fund review the expected timing of the investment as well as all upside price targets and downside stop-losses. When considering a new investment, the Fund may vote for a full position (approximately $20,000), zero allocation, or wait and watch the position until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

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

Risk Management: As stated earlier, stop-loss prices are implemented during the winter and summer breaks. The Fund employs a standard 15% stop-loss policy at purchase (or update) price across all names, regardless of sector or industry, which is revised with every 20% price appreciation throughout the holding period. Considering the volatility of Small Cap stocks, it is very important to take action immediately against price movement and market sentiment. Every position is assigned to a particular analyst. In order to maintain continuity between semesters, stocks assigned to outgoing analysts are temporarily assigned to second-semester analysts (over the recess periods) until new analysts join the Fund and the stock coverage is reassigned.

THE FIXED INCOME FUND

MESSAGE FROM THE PORTFOLIO MANAGER

The odds of rampant inflation, strong economic growth, or Federal Reserve tightening in the near future all seem low at this point. These are all points that would justify maintaining an overweight in exposure to US Treasuries. While there is a possibility of a further rally in the US Treasury market, the Corporate Bond market is a much better risk-adjusted investment going forward for a variety of reasons. Corporate spreads are wide when compared with historical averages; companies have a lot of cash on their balance sheets; and pension funds have their liabilities discounted at long-term AA-rated corporate rates.

Domestically, as a result of the credit crisis of 2008 and 2009, the Fed Funds target rate remains at 0-0.25%, the lowest possible level. While short-term rates have nowhere to go but up, it is not clear which direction long-term rates will go. The U.S. government has once again raised the cap on the deficit as a result of record spending by current and past administrations.

Internationally, markets that had been rocked by the threat of sovereign default have since rallied. Years of overspending and poor fiscal management put Greece on the verge of default, necessitating bailouts from fellow EU countries. Investors, who were worried that we might be on the verge of the first developed sovereign crisis in decades, have since reinvested.

While most financial markets have certainly stabilized, all eyes remain focused on job creation. Monthly non-farm payrolls continue to show losses even in the face of improving corporate profits. Inflation numbers have been tame, lending support to the bond markets, but have also fueled the fire of pending deflation which would threaten the entire global recovery.

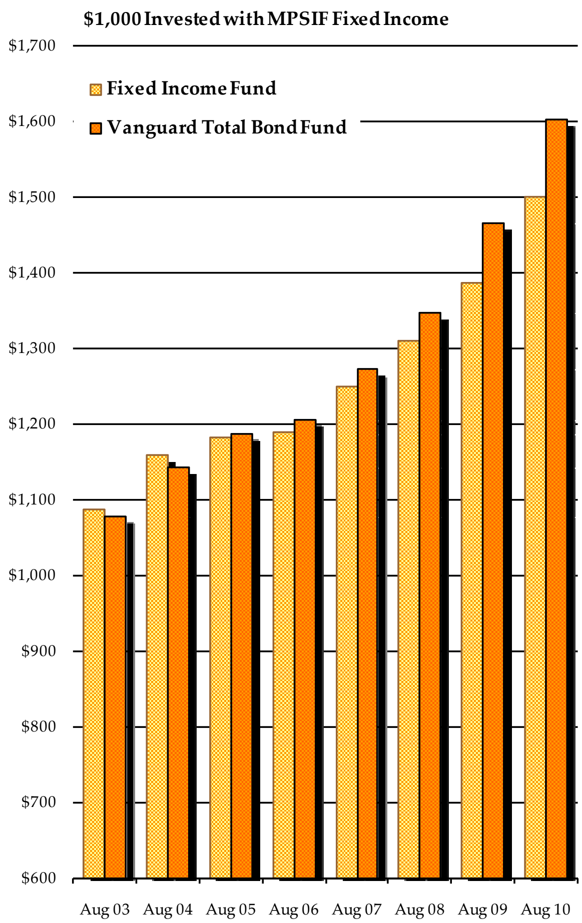
Investors have to focus their efforts on finding solid investments where the risk-adjusted yield is high enough to offset any possible price loss due to rate increases. Staying short duration, so that we can simply lose less than the benchmark in a rising rate environment, is not an acceptable solution. As an endowment fund we have both capital preservation and payout requirements which focus our energies on absolute returns. In the coming few quarters, the Fund will likely need to be nimble. The fixed income team at MPSIF has structured the portfolio to best weather any potential challenges ahead.

David Mandel

Portfolio Manager, Fixed Income Fund

Discussion Of Performance

Over the past 6 and 12 months, the Fund has earned 6.49% and 8.86% gross returns, respectively. During the most recent 6-month period, gross of fees, the Fund outperformed the benchmark Vanguard Total Bond Fund, which gained 6.01%, by 0.48%. For the full 12 months timeframe, the Fund return was 0.48% below the benchmark, gross of fees.



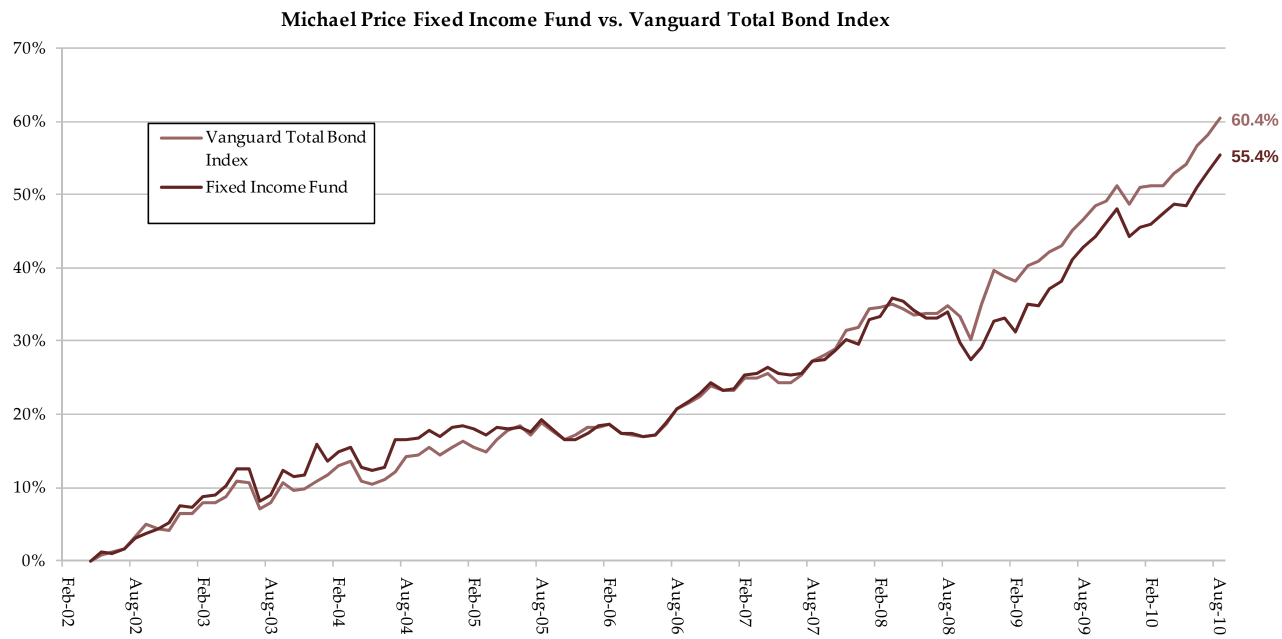
Overall, the Fund achieved positive results through successful yield curve management. Over the past 6 months, we have made several changes in the portfolio. The Fund added to its positions in the Investment Grade Bond ETF (LQD) and the High-Yield Bond ETF (HYG). The Fund's increased exposure to long duration credit is driven by three main observations: companies currently have significant cash on their balance sheets, pension funds have their liabilities discounted at long-term corporate rates and corporate spreads are wide when compared with historical averages.

The Fund added a position in long-duration treasuries with a purchase of the 20+ Year Treasury Bond ETF (TLT) as we believe that the Fed will continue its asset purchases for the foreseeable future. The Fund is also using its position in TLT as a partial hedge to its long credit position. Over the last 6 months, the Fund sold its positions in 3-7 year and 7-10 year treasury bonds, as well as intermediate credit bonds. The Fund's overall long position at the back-end of the curve is based on its view that inflation will remain low due to high unemployment and slow growth, and that the long end should perform well at the expense of other parts of the curve as interest rates start to increase.

Over the last 6 months, the Fund also reduced its exposure to the MBS/ABS sector as well as emerging market and other foreign credit.

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**6.49%**	**8.86%**	**22.09%**	**6.88%**	**30.27%**	**5.43%**	**55.39%**	**5.43%**
Management Fees	-0.35%	-0.62%	-1.63%	-0.55%	-2.44%	-0.49%	-3.35%	-0.41%
Vanguard Total Bond Fund	6.01%	9.34%	25.96%	8.00%	34.99%	10.52%	60.38%	5.83%
Relative - Gross of Fees	0.48%	-0.48%	-3.86%	-1.12%	-4.72%	-5.09%	-4.99%	-0.40%
Relative - Net of Fees	0.11%	-1.16%	-5.85%	-1.70%	-7.89%	-5.61%	-10.20%	-0.83%

** Inception from May 20, 2002*



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 is currently overweight the High yield and Corporate bond sectors, and underweight the Treasuries and MBS sectors. As we go forward, we intend to continue making investments consistent with our view which currently includes closely following our exposure to the MBS and emerging market sectors. Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach.

HOLDINGS PROFILE

Fixed Income Portfolio as of August 31, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	MBS/ABS	7,549	$ 11.10	$83,802	**27.08%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	1,190	$ 11.25	$13,396	**4.33%**
SPDR Wells Fargo Preferred Stock ETF	PSK	Prfd Stk	230	$ 45.91	$10,559	**3.41%**
iShares Barclays Agency Bond Fund	AGZ	Agency	115	$ 111.60	$12,834	**4.15%**
iShares Lehman 1- 3 Year Treasury Bond	SHY	Treasuries	286	$ 84.34	$24,121	**7.79%**
iShares Barclays 20+ Year Treasury Bond	TLT	Treasuries	150	$ 108.56	$16,284	**5.26%**
iShares Trust Barclays Treasury Inflation Bond	TIP	Treasuries	182	$ 108.24	$19,700	**6.36%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	668	$ 113.00	$75,484	**24.39%**
iShares iBoxx $ High Yid Corp Bond	HYG	Corporate	250	$ 87.15	$21,788	**7.04%**
Total Securities					$277,968	**89.81%**
Cash as of August 31, 2010					$31,544	**10.19%**
Total Assets					**$309,512**	**100.00%**

Fixed Income Portfolio as of February 28, 2010

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage P	PMRAX	MBS/ABS	13,348	$ 10.73	$143,222	**31.51%**
SPDR Barclays Capital Intl Tresy Bd ETF	BWX	Foreign	1,395	$ 55.97	$78,078	**17.18%**
iShares Barclays Intermediate Credit	CIU	Corporate	227	$ 104.05	$23,619	**5.20%**
iShares Lehman 1- 3 Year Treasury Bond	SHY	Treasuries	323	$ 83.67	$27,025	**5.95%**
iShares Lehman 3 - 7 Year Treasury Bond	IEI	Treasuries	253	$ 112.26	$28,402	**6.25%**
iShares Lehman 7 - 10 Year Treasury Bond	IEF	Treasuries	400	$ 90.70	$36,278	**7.98%**
iShares Trust Barclays Treasury Inflation Bond	TIP	Treasuries	182	$ 103.91	$18,912	**4.16%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	418	$ 105.53	$44,112	**9.71%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	3,722	$ 10.45	$38,895	**8.56%**
iShares iBoxx $ High Yid Corp Bond	HYG	Corporate	136	$ 87.17	$11,855	**2.61%**
Total Securities					$450,398	**99.10%**
Cash as of February 28, 2010					$4,099	**0.90%**
Total Assets					**$454,497**	**100.00%**

Fixed Income Portfolio as of August 31, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	14,018	$ 10.74	$150,553	**34.10%**
SPDR Barclays Capital Intl Tresy Bd ETF	BWX	Foreign	1,130	$ 56.80	$64,184	**14.54%**

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 (Emerging Markets and Developed Markets). Due to its tax-exempt status, the Fund does not invest in Municipal bonds. Also, the Fund does not engage in shorting, derivatives trading, or other non-linear investment strategies. Currently, the Fund does not buy individual securities, due to the limited size of our trades and market spreads associated with buying individual securities. Instead the Fund invests in ETFs and other publicly traded funds to implement its sector allocation. However, given the current market opportunities, we are working on a strategy to incorporate individual securities which provide superior returns with limited risk.

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

SECTOR REVIEW & OUTLOOK

US Treasuries: After reaching a one-year high for 10Y and 30Y treasuries in early April 2010, the entire yield curve flattened significantly with 10s dropping 118 bps to 2.563% and bonds dropping 67 bps to 3.937%. Since the Fed completed its $1.25 trillion MBS buying program on March 31, 2010, the US economy showed increasing "unusual uncertainties".

In August 2010, rumors of QE2 led the market to believe that Fed would be creating inflation by buying US treasury securities. Treasury trading activity was relegated to position squaring in advance of the upcoming supplies.

Following the QE2 announcement, the marching orders for the market appear two-fold: 1) Buy What the Fed is Buying; and 2) Don't Buy What the Fed Isn't Buying. Under this scenario, the Fund believes a steepening in the long-end of the curve (10s/bonds) for the next six months could lead to profits.

Even though the entire curve has flattened since April, spreads for 10s/bonds actually widened 50 bps from 87.3bps in late April to 142bps in mid October. As the Fed's QE2 targets the intermediates, specifically the 4Y to 10Y sections, the dollar will continue to weaken, and the long-end of the curve has already priced in upcoming inflation. As the 10s yield is anchored by the Fed's program, and bond's yield continues to rise to capture more term premium, the 10s/bonds curve should continue to steepen back out.

US Corporate: Investor money continues to flow into bond funds, with $14.28bn of inflows into bond mutual funds in September 2010. This trend is likely to continue for the next several months as negative sentiment remains over equities.

Investment grade bonds have rallied powerfully as the economy has recovered from its lows in March 2009. Investment Grade bond spreads have tightened to pre-crisis levels. Mathematically, it is impossible for investment grade bonds to rally much more than they already have. Additionally, given the current health of corporate balance sheets (high cash, capital markets open to debt issues), default risk is limited.

Corporate Bonds offer relative safety and are less sensitive to a rise in rates than Treasuries. Given this view, the Fund will be aiming to maintain at least a market-weight position in the iShares IBoxx Investment Grade Bond Fund.

High Yield Bonds: In many ways high yield can be seen as a hybrid between equity and fixed income markets. By buying bonds of distressed companies we are essentially convinced they will survive long enough to pay back on our investment.

The High Yield market has been on a tear over the course of the last year, returning more than 13%. 2010 has already blown 2009 issuances out of the water and there seems to be no real signs of let up as issuers continue to come to market, taking advantage of the extremely low cost financing. The current economic environment is something of a "Goldilocks" situation for Corporates, particularly HY debt. Interest rates are historically low, inflation is extremely low, defaults continue to come down and there are moderate growth expectations which are unlikely to stoke inflation/rate hike concerns in the near future. QE2 should be a boost to the HY index and bonds in general.

Given the fertile environment for corporate debt, the outlook for continued quantitative easing and continued investor demand for yield, the High Yield space continues to be one where the Fund desires exposure.

Developed market credit: Government bonds in the world's major economies have posted strong gains in 2010 as yields have converged upon historically low levels. Government bonds have returned on average 5.6% this year, versus 0.9% in all of 2009.

Of the major economies, the gains have been led by the 8.3% return for Treasuries, followed by U.K. gilts at 7.9%, German bunds at 7.7% and Japanese bonds at 2.9%

However, investors remain wary of the PIIGS countries (Portugal, Ireland, Italy, Greece and Spain). The risks inherent to investing in even in the "safest" of securities can still be observed per the relatively high yields on the PIIGS debt; spreads over the 10-year German bund are still several hundred basis points, near record levels. As a consequence of the European sovereign debt crisis, returns on bonds from Greece, Ireland, and Portugal are down more than 5% in 2010.

In spite of QE2, the Fund believes there is little room for bond yields to move lower in most developed economies, and thus expect less than stellar returns in the coming year. With 10-yr yields in the U.S., Germany, UK, and Japan all under 300 bps, we believe a market neutral allocation in these countries is appropriate at the current time.

Emerging Market Credit: Emerging Market Bonds continue to offer strong yields but could face headwinds in 2011. While many key emerging market governments maintain strong balance sheets (relative to developed market counterparts) the Fund feels that tightening labor markets and an influx of even more QE2-driven investor funds could cause inflation problems.

With labor markets tightening in key emerging markets, inflation is becoming more of a concern. In Brazil, unemployment has fallen to 6.2% in September, which is a record low. The Brazilian Central Bank has set rates at 10.75% and some expect the rates to be raised as soon as January.

Additionally, with many investors viewing emerging markets bonds as safer than they once were, yields are coming down. Credit rating agencies are also seeing improvements in many of these countries.

An "Emerging Markets Bubble" remains a concern. In 2010, inflow into mutual funds specializing in emerging-market bonds was four times its previous annual record. QE2 has the potential to complicate matters further, potentially inundating foreign bonds markets with even more inflows.

However, the Fund will be aiming to increase its exposure to Australia. Australian debt is offering a relatively attractive yield without the sovereign risk associated with the PIIGS. The current 10-yr bond is yielding 5.3%. The Fund also believes that there is some room for price appreciation due to the Australian central bank jumping the gun on interest rate hikes. As seen by the current near-term inversion on the Australian yield curve, rates may need to be adjusted downward before global economic stability allows for further hikes to resume.

FUND MANAGEMENT

THE EXECUTIVE COMMITTEE

Back Row: Benjamin Reynolds, David Mandel
Middle Row: Eric Wu, Matthew Akers, Professor Levich
Front Row: Ron Zember, Dana Vartabedian, Mario Contreras, Kristen Pulley

Professor Richard Levich – *Faculty Advisor*

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

Benjamin Reynolds – ***President***

Benjamin Reynolds has a BS in Commerce from the University of Virginia's McIntire School of Commerce. Prior to Stern, he worked as a Vice President in the M&A group at the CIT Group and prior to that as an Associate in the Restructuring group at the Seabury Group.

Kristen Pulley - *Co-Portfolio Manager, Growth Fund*

Kristen Pulley has a B.S.B.A. in Finance and Organizational/Human Resource Management from Washington University in St. Louis. Prior to Stern, she was an Analyst in Equity Research at Merrill Lynch and became a CFA Charterholder in 2008. She spent the summer as an Equity Research Summer Associate on the Branded Apparel and Footwear Team at Credit Suisse.

Mario Contreras - *Co-Portfolio Manager, Growth Fund*

Mario Contreras has a B.S. in Management from Case Western Reserve University. He has worked for Ford Motor Company and Nissan North America as a Financial Analyst. While at Stern, Mario works part-time as an equity research analyst intern at Telsey Advisory Group.

Matthew Akers - *Co-Portfolio Manager, Value Fund*

Matthew Akers has a Master of Science in Electrical Engineering from Rensselaer Polytechnic Institute. Prior to Stern he worked as a Product Engineer for ITT Corporation and as a Project Engineer at United Technologies. He spent the past summer as an equity research summer associate in the Computer Services and IT Consulting group at UBS. Matthew is a CFA Level 2 Candidate.

Ron Zember - *Co-Portfolio Manager, Value Fund*

Ron Zember has a Bachelor's degree in Applied Economics & Management from Cornell University. Prior to Stern, Ron worked as an Equity Research Analyst at energy-focused hedge fund, Zimmer Lucas Partners. He spent the past summer as a Fixed Income Research Summer Associate at Bank of America Merrill Lynch.

Dana Vartabedian - *Co-Portfolio Manager, Small Cap Fund*

Dana Vartabedian has a B.A. in Mathematics from Boston College. Prior to Stern, she was an Analyst in the Portfolio Construction group at the JPMorgan Private Bank. Over the summer she worked at MetLife Investments in both their Portfolio Management & Hedge Fund Research group.

Eric Wu - *Co-Portfolio Manager, Small Cap Fund*

Eric Wu has a B.S. in Computer Science from UCLA. Prior to Stern, he spent 6 years as an IT consultant, advising Fortune 500 companies on enterprise software technologies and streamlining business optimization practices. Over the summer, Eric interned at a distressed debt hedge fund, valuing senior securities of distressed businesses across a variety of industries.

David Mandel - *Portfolio Manager, Fixed Income Fund*

David Mandel has a B.A. in Psychology from the University of Pennsylvania. Prior to Stern, David worked as a Fixed Income Investment Analyst at Prudential Financial. He spent the past summer as an Associate in Credit Research at the Federal Reserve Bank of New York.

THE GROWTH FUND

Back Row: Mario Contreras, Miguel Menezes-Falcao
Middle Row: Benjamin Reynolds, Ling (Henry) Chen, Sindhu Sameer, Gurpreet Pal
Front Row: Kristen Pulley, Karina Melamed, Dennis Snopkowski, Mirette Kouchouk, Rizwan Sadiq

Ling (Henry) Chen has a B.A. in Accounting from Baruch College in 2005. Prior to Stern, he worked in the Business Risk Services division of Ernst & Young and U.S. ABS Secondary Trading desk at Deutsche Bank. During the summer, Ling worked at the Rates Trading desk at UBS and will be going back as a fulltime associate.

Mario Contreras has a B.S. in Management from Case Western Reserve University. He has worked for Ford Motor Company and Nissan North America as a Financial Analyst. While at Stern, Mario works part-time as an equity research analyst intern at Telsey Advisory Group.

Mirette Kouchouk has a B.S. in Quantitative Economics from Tufts University. Prior to Stern, Mirette worked as an Equity Research Analyst at Banc of America Securities. She spent the past summer as an Investment Banking Associate in the Valuation Group at Houlihan Lokey.

Karina Melamed has a BBA in Finance and Public Accounting from Pace University. Prior to Stern, Karina was a Senior Associate in the Alternative Investments Group of Pricewaterhouse Coopers. She spent the past summer as an Equity Research Summer Associate at Livingston Securities.

Miguel Menezes-Falcao graduated in Business from the Catholic University of Portugal. Prior to Stern, Miguel worked as a Sovereign Fixed Income Research analyst at Portugal's Millennium Investment Bank. During the summer, he worked as a Buy-Side Equity Research Associate at Opus Asset Management in Brazil.

Gurpreet Pal has a B.Comm (honors) in Finance and Accounting from Monash University, Australia. Prior to Stern, she was an Investment Banking Associate at Deutsche Bank, London. Gurpreet spent the past summer as an Equity Research Intern in the Emerging Markets team at Artisan Partners.

Kristen Pulley has a B.S.B.A. in Finance and Organizational/Human Resource Management from Washington University in St. Louis. Prior to Stern, she was an Analyst in Equity Research at Merrill Lynch and became a CFA Charterholder in 2008. She spent the summer as an Equity Research Summer Associate on the Branded Apparel and Footwear Team at Credit Suisse.

Benjamin Reynolds has a BS in Commerce from the University of Virginia's McIntire School of Commerce. Prior to Stern, he worked as a Vice President in the M&A group at the CIT Group and prior to that as an Associate in the Restructuring group at the Seabury Group.

Rizwan Sadiq has a BA in Economics and Mathematics from University of Virginia. Prior to Stern, he worked as an Associate Actuary at Watson Wyatt Worldwide. He spent the summer as an Associate at Global Wealth & Investment Management (GWIM) division of Bank of America Merrill Lynch.

Sindhu Sameer has a B.Tech. in Civil Engineering from Indian Institute of Technology (IIT) Delhi. Prior to Stern, he worked as a Business Analyst at American Express. He spent the past summer as an Investment Banking Summer Associate in the Natural Resources/Power Group at Nomura International in London.

Dennis Snopkowski has a B.S. in Biology from Tufts University. Prior to Stern, Dennis worked as a Client Associate at Greenwich Associates. He spent the past summer as a Research Intern at Liquidnet.

THE VALUE FUND

Back Row: Robert Wynn, Oscar Bate, Arne Volkers
Middle Row: Patrick Fruzetti, Aviva Shwaid, Jeff Schwartz
Front Row: Timothy Murphy, Ron Zember, Matthew Akers, Damian Karas
Not in the picture: Chris Bottiglieri

Matthew Akers has a Master of Science in Electrical Engineering from Rensselaer Polytechnic Institute. Prior to Stern he worked as a Product Engineer for ITT Corporation and as a Project Engineer at United Technologies. He spent the past summer as an equity research summer associate in the Computer Services and IT Consulting group at UBS. Matthew is a CFA Level 2 Candidate.

Oscar Bate has a BA in History from Colgate University. Prior to Stern, Oscar worked as an Associate at S3 Partners, LLC. He spent the past summer covering Healthcare and Emerging Markets as a Summer Associate in Credit Research at Barclays Capital.

Chris Bottiglieri has a Bachelors of Science in Accounting from Lehigh University. Prior to Stern, he worked at Deloitte & Touche where he was a CPA. Chris is a CFA Level 2 Candidate.

Patrick Fruzetti has a B.S. in Business Administration from Babson College. Prior to Stern, Patrick worked at Lehman Brothers in various groups including Treasury and Fixed Income.

Damian Karas has a B.A. in Economics and Italian Literature from the University of Notre Dame. Prior to Stern, Damian worked as a Risk Manager at Pace Global Energy Services, LLC. He spent the past summer in London as a Sales & Trading Summer Associate at Deutsche Bank.

Timothy Murphy has a B.A. in Economics and Accounting from Washington University in St. Louis. Prior to Stern, Tim worked as a public accountant at Eisner LLP. He spent the past summer as an investment analyst at Caveat Emptor Capital Management.

Jeff Schwartz, CFA, FRM has a B.S., cum laude, in Finance and Accounting from NYU Stern. Before business school, Jeff was an Analyst in J.P. Morgan's Emerging Debt Capital Markets group and Director of Analytics at Traiger & Hinckley LLP. He spent the past summer researching equities at Roosevelt Investments.

Aviva Shwaid, CFA holds a Bachelor of Commerce in Finance and International Business from the University of Manitoba. Prior to Stern, Aviva worked as an Equity Analyst for Dreman Value Management, LLC. She spent the past summer working in R&D Strategy & Analytics as Bristol-Myers Squibb.

J. Arne Volkers has a B.S. in Finance from Schleswig-Holstein University of Applied Administrative Sciences in Germany. During the summer, Arne worked in the transactions group at a real estate private equity fund where he was directly involved in deal sourcing and gained underwriting experience. Prior to NYU Stern, Arne worked as a Manager at Augustin Partners LLC, an international tax and accounting firm in Manhattan.

Robert Wynn has a B.S. in Political Science from the United States Naval Academy. Prior to Stern, Rob worked for five years as a Submarine Warfare Officer in the United States Navy Submarine Force. He spent his summer as an Associate with the J.P. Morgan Private Bank where he will return after graduation.

Ron Zember has a Bachelor's degree in Applied Economics & Management from Cornell University. Prior to Stern, Ron worked as an Equity Research Analyst at energy-focused hedge fund, Zimmer Lucas Partners. He spent the past summer as a Fixed Income Research Summer Associate at Bank of America Merrill Lynch.

THE SMALL CAP FUND

Back Row: Emmanuel Durand, Adam Borg
Middle Row: Andrew Lieu, Michael Brown, David Mandel, Justin Matthews
Front Row: Henry Chen, Eric Wu, Dana Vartabedian, Siddharth Choraria
Not in picture: Siddharth Bhargava

Siddharth Bhargava has a B.A. in Economics from the University of Virginia. Prior to Stern, Siddharth worked as a high yield investment analyst at Sandell Asset Management in New York and London. He spent the past summer as an investment associate at Navigator Capital.

Adam Borg has a B.S in Management, with concentrations in Finance and Management Information Systems from Binghamton University, graduating Magna Cum Laude. As a part-time student, he is currently a manager in the Risk Management Corporate Audit group at the Depository Trust & Clearing Corporation.

Michael Brown graduated from Yale University with a BA in History. Prior to starting at Stern, he worked in strategy consulting for Dean and Company in Washington DC. Mike spent the summer at energy efficiency start-up OPOWER in the Strategy and Product Marketing department.

Siddharth Choraria received a graduate degree in computer science from The George Washington University. Prior to Stern, he worked at Merrill Lynch & Co for six years within the High Yield Debt Syndicate investment banking division in Hong Kong and Derivatives Products Group in New York.

Henry Chen has a B.A. in Economics and Mathematics from Northwestern University. Prior to Stern, Henry worked as a Research Associate at Harvard Business School. He spent the past summer as an Associate at GCG LLC, an investment advisory firm.

Emmanuel Durand, CFA has a Masters in Finance from the Université de Clermont-Ferrand in France. Prior to Stern, he worked with Société Générale Asset Management as a portfolio manager, specializing in short-term products. He is currently working part-time as a treasury analyst at Nokia.

Andrew Lieu has a B.S.E. in Operations Research and Financial Engineering from Princeton University. Prior to Stern, Andrew worked as a Financial Analyst at Citigroup, Inc. He spent the past summer as a Director at Roundview Capital.

David Mandel has a B.A. in Psychology from the University of Pennsylvania. Prior to Stern, David worked as a Fixed Income Investment Analyst at Prudential Financial. He spent the past summer as an Associate in Credit Research at the Federal Reserve Bank of New York.

Justin Matthews has a B.S. in Industrial and Labor Relations from Cornell University. Prior to Stern, Justin worked as the Associate Director of Retail Research at Standard & Poor's Vista Research (d/b/a Guidepoint Global). He spent the past summer working as an Equity Research Summer Associate at UBS in the Consumer Softlines group.

Dana Vartabedian has a B.A. in Mathematics from Boston College. Prior to Stern, she was an Analyst in the Portfolio Construction group at the JPMorgan Private Bank. Over the summer she worked at MetLife Investments in both their Portfolio Management & Hedge Fund Research group.

Eric Wu has a B.S. in Computer Science from UCLA. Prior to Stern, he spent 6 years as an IT consultant, advising Fortune 500 companies on enterprise software technologies and streamlining business optimization practices. Over the summer, Eric interned at a distressed debt hedge fund, valuing senior securities of distressed businesses across a variety of industries.

THE FIXED INCOME FUND

Back Row: Oscar Bate, Mario Contreras
Middle Row: Robert Wynn, Patrick Fruzetti, Henry Chen, Damian Karas
Front Row: Andrew Lieu, David Mandel, Ling (Henry) Chen

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

FINANCIAL STATEMENTS

Michael Price Student Investment Fund

Consolidated Financial Statement

	Six Months Ending 2/29/08	Fiscal Year Ending 8/31/08	Six Months Ending 2/28/09	Fiscal Year Ending 8/31/09	Six Months Ending 2/28/10	Fiscal Year Ending 8/31/10
Investment Income						
Dividends - Fixed Income	12,156	20,983	12,492	21,577	14,192	20,400
Dividends - Growth	1,764	2,474	838	2,102	1,288	3,780
Dividends - Small Cap	1,747	5,131	3,882	6,330	1,545	3,906
Dividends - Value	5,452	9,226	3,039	5,873	3,594	8,253
Total Dividends	21,118	37,814	20,251	35,882	20,619	36,339
Interest - Fixed Income	120	102	232	274	(4)	14
Interest - Growth	906	1,921	812	913	90	230
Interest - Small Cap	2,508	3,226	502	625	83	221
Interest - Value	2,008	3,044	792	904	71	118
Total Interest	5,542	8,293	2,338	2,716	241	584
Investment Income - Fixed Income	12,276	21,085	12,725	21,851	14,188	20,414
Investment Income - Growth	2,670	4,395	1,650	3,015	1,378	4,011
Investment Income - Small Cap	4,255	8,358	4,384	6,954	1,629	4,128
Investment Income - Value	7,460	12,269	3,831	6,778	3,665	8,371
Total Investment Income	26,661	46,106	22,589	38,598	20,860	36,923
Expenses - Fixed Income	(1,305)	(2,784)	(1,043)	(2,161)	(1,234)	(2,509)
Expenses - Growth	(1,305)	(2,784)	(1,043)	(2,161)	(1,234)	(2,509)
Expenses - Small Cap	(1,510)	(2,677)	(913)	(1,766)	(812)	(1,863)
Expenses - Value	(1,683)	(3,258)	(1,016)	(2,033)	(1,355)	(2,844)
Total Expenses	(5,803)	(11,504)	(4,014)	(8,120)	(4,635)	(9,725)
Net Investment Income - Fixed Income	10,971	18,301	11,682	19,690	12,954	17,905
Net Investment Income - Growth	1,365	1,611	607	855	144	1,502
Net Investment Income - Small Cap	2,744	5,680	3,472	5,189	816	2,264
Net Investment Income - Value	5,777	9,011	2,815	4,744	2,310	5,527
Total Net Investment Income	20,858	34,603	18,575	30,478	16,225	27,199
Cash Flow from Operations						
Cash Balance, beginning of period - Fixed Income	3,429	3,429	(10,920)	(10,920)	1,885	1,885
Cash Balance, beginning of period - Growth	132,325	132,325	242,042	242,042	132,019	132,019
Cash Balance, beginning of period - Small Cap	68,954	68,954	190,479	190,479	158,896	158,896
Cash Balance, beginning of period - Value	49,922	49,922	169,768	169,768	83,180	83,180
Total Cash Balance, beginning of period	254,629	254,629	591,368	591,368	375,980	375,980
Annual 5% Distribution - Fixed Income	0	(23,754)	0	(23,057)	0	(22,800)
Annual 5% Distribution - Growth	0	(21,089)	0	(15,000)	0	(16,700)
Annual 5% Distribution - Small Cap	0	(23,442)	0	(14,552)	0	(17,300)
Annual 5% Distribution - Value	0	(25,063)	0	(18,600)	0	(23,400)
Total Annual 5% Distribution	0	(93,348)	0	(71,209)	0	(80,200)

	Six Months Ending 2/29/08	Fiscal Year Ending 8/31/08	Six Months Ending 2/28/09	Fiscal Year Ending 8/31/09	Six Months Ending 2/28/10	Fiscal Year Ending 8/31/10
Cash Flow from Operations (cont.)						
Sales of Securities - Fixed Income	53,800	138,061	111,876	246,661	129,013	397,788
Sales of Securities - Growth	307,146	714,285	335,433	531,690	254,769	574,931
Sales of Securities - Small Cap	599,080	990,417	201,024	437,954	328,692	604,423
Sales of Securities - Value	241,966	484,773	129,449	303,430	362,378	713,520
Total Sales of Securities	1,201,992	2,327,536	777,782	1,519,735	1,074,852	2,290,663
Purchases of Securities - Fixed Income	(52,778)	(137,143)	(45,068)	(215,911)	(131,519)	(212,858)
Purchases of Securities - Growth	(355,940)	(595,791)	(399,084)	(627,482)	(317,714)	(613,044)
Purchases of Securities - Small Cap	(422,615)	(851,131)	(292,628)	(460,171)	(420,867)	(656,070)
Purchases of Securities - Value	(213,241)	(348,825)	(151,932)	(376,118)	(417,268)	(721,114)
Total Purchases of Securities	(1,044,574)	(1,932,890)	(888,711)	(1,679,683)	(1,287,368)	(2,203,087)
Net Other Adjustments - Fixed Income	(6,843)	(9,813)	(9,967)	(14,577)	(9,190)	(150,377)
Net Other Adjustments - Growth	10,718	10,701	(30)	(85)	(5)	88,764
Net Other Adjustments - Small Cap	0	0	0	(2)	0	87,550
Net Other Adjustments - Value	(10)	(50)	(45)	(45)	(16)	(37,977)
Total Net Other Adjustments *	3,865	838	(10,041)	(14,708)	(9,212)	(12,040)
Net Change in Cash - Fixed Income	5,150	(14,349)	68,524	12,806	1,258	29,658
Net Change in Cash - Growth	(36,710)	109,717	(63,075)	(110,023)	(62,806)	35,453
Net Change in Cash - Small Cap	179,209	121,525	(88,132)	(31,583)	(91,359)	20,867
Net Change in Cash - Value	34,492	119,846	(19,713)	(86,588)	(52,597)	(63,445)
Total Net Change in Cash	182,140	336,739	(102,395)	(215,388)	(205,504)	22,534
Cash Balance, end of period - Fixed Income	8,578	(10,920)	57,604	1,885	3,144	31,544
Cash Balance, end of period - Growth	95,614	242,042	178,967	132,019	69,213	167,472
Cash Balance, end of period - Small Cap	248,163	190,479	102,347	158,896	67,537	179,764
Cash Balance, end of period - Value	84,414	169,768	150,055	83,180	30,583	19,735
Total Cash Balance, end of period	436,769	591,368	488,973	375,980	170,476	398,515

* Taxes owed on foreign securities' dividends, reinvestment of dividends on bond funds. The entries for 8/31/10 include the effects of a portfolio reallocation among the Funds adopted by the Executive Committee in May 2010. The re-allocation included outflows from Fixed Income and Value of $138,600 and $37,950 respectively, and inflows to Growth and Small Cap of $89,000 and $87,550 respectively.

Growth Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10
Investment Income									
Dividends	1,649	1,113	2,143	1,764	2,474	838	2,102	1,288	3,780
Interest	3,241	2,779	4,425	906	1,921	812	913	90	230
Total Investment Income	4,891	3,892	6,568	2,670	4,395	1,650	3,015	1,378	4,011
Expenses	(1,948)	(759)	(1,740)	(1,305)	(2,784)	(1,043)	(2,161)	(1,234)	(2,509)
Net Investment Income	2,943	3,133	4,827	1,365	1,611	607	855	144	1,502
Cash Flow from Operations									
Cash Balance, beginning of period	68,933	226,701	226,701	132,325	132,325	242,042	242,042	132,019	132,019
Net Investment Income	2,943	3,133	4,827	1,365	1,611	607	855	144	1,502
Annual 5% Distribution	(24,200)	0	(22,317)	0	(21,089)	0	(15,000)	0	(16,700)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0	0	0
Sales of Securities	597,689	203,576	666,337	307,146	714,285	335,433	531,690	254,769	574,931
Purchases of Securities	(418,664)	(329,987)	(743,065)	(355,940)	(595,791)	(399,084)	(627,482)	(317,714)	(613,044)
Net Other Adjustments *	0	(153)	(158)	10,718	10,701	(30)	(85)	(5)	88,764
Net Change in Cash	157,768	(123,431)	(94,376)	(36,710)	109,717	(63,075)	(110,023)	(62,806)	35,453
Cash Balance, end of period	226,701	103,270	132,325	95,614	242,042	178,967	132,019	69,213	167,472

* Taxes owed on foreign securities' dividends. . The entry for 8/31/10 includes the effects of a portfolio reallocation among the Funds adopted by the Executive Committee in May 2010.
The re-allocation included an inflow to Growth of $89,000.

Value Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10
Investment Income									
Dividends	6,569	3,641	8,147	5,452	9,226	3,039	5,873	3,594	8,253
Interest	1,302	2,084	2,905	2,008	3,044	792	904	71	118
Total Investment Income	7,871	5,724	11,053	7,460	12,269	3,831	6,778	3,665	8,371
Expenses	(3,155)	(1,534)	(3,266)	(1,683)	(3,258)	(1,016)	(2,033)	(1,355)	(2,844)
Net Investment Income	4,716	4,190	7,787	5,777	9,011	2,815	4,744	2,310	5,527
Cash Flow from Operations									
Cash Balance, beginning of period	50,622	50,399	50,399	49,922	49,922	169,768	169,768	83,180	83,180
Net Investment Income	4,716	4,190	7,787	5,777	9,011	2,815	4,744	2,310	5,527
Annual 5% Distribution	(24,895)	0	(26,515)	0	(25,063)	0	(18,600)	0	(23,400)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0	0	0
Sales of Securities	598,661	241,782	427,677	241,966	484,773	129,449	303,430	362,378	713,520
Purchases of Securities	(578,906)	(192,070)	(410,085)	(213,241)	(348,825)	(151,932)	(376,118)	(417,268)	(721,114)
Net Other Adjustments *	201	447	658	(10)	(50)	(45)	(45)	(16)	(37,977)
Net Change in Cash	(223)	54,349	(477)	34,492	119,846	(19,713)	(86,588)	(52,597)	(63,445)
Cash Balance, end of period	50,399	104,748	49,922	84,414	169,768	150,055	83,180	30,583	19,735

* Taxes owed on foreign securities' dividends. The entry for 8/31/10 includes the effects of a portfolio reallocation among the Funds adopted by the Executive Committee in May 2010. The re-allocation included an outflow from Value of $37,950.

Small Cap Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended	Twelve Months Ended 8/31/10
Investment Income									
Dividends	3,758	1,484	2,620	1,747	5,131	3,882	6,330	1,545	3,906
Interest	3,326	4,133	5,725	2,508	3,226	502	625	83	221
Total Investment Income	7,083	5,617	8,345	4,255	8,358	4,384	6,954	1,629	4,128
Expenses	(3,509)	(1,450)	(3,196)	(1,510)	(2,677)	(913)	(1,766)	(812)	(1,863)
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472	5,189	816	2,264
Cash Flow from Operations									
Cash Balance, beginning of period	47,310	227,349	227,349	68,954	68,954	190,479	190,479	158,896	158,896
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472	5,189	816	2,264
Annual 5% Distribution	(29,985)	0	(29,730)	0	(23,442)	0	(14,552)	0	(17,300)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0	0	0
Sales of Securities	1,345,398	411,635	685,099	599,080	990,417	201,024	437,954	328,692	604,423
Purchases of Securities	(1,138,948)	(430,368)	(818,927)	(422,615)	(851,131)	(292,628)	(460,171)	(420,867)	(656,070)
Net Other Adjustments *	0	0	14	0	0	0	(2)	0	87,550
Net Change in Cash	180,039	(14,565)	(158,395)	179,209	121,525	(88,132)	(31,583)	(91,359)	20,867
Cash Balance, end of period	227,349	212,784	68,954	248,163	190,479	102,347	158,896	67,537	179,764

* Taxes owed on foreign securities' dividends. The entry for 8/31/10 includes the effects of a portfolio reallocation among the Funds adopted by the Executive Committee in May 2010. The re-allocation included an inflow to Small Cap of $87,550.

Fixed Income Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09	Six Months Ended 2/28/10	Twelve Months Ended 8/31/10
Investment Income									
Dividends	18,771	10,546	20,519	12,156	20,983	12,492	21,577	14,192	20,400
Interest	231	209	383	120	102	232	274	(4)	14
Total Investment Income	19,002	10,756	20,902	12,276	21,085	12,725	21,851	14,188	20,414
Expenses	(1,948)	(759)	(1,740)	(1,305)	(2,784)	(1,043)	(2,161)	(1,234)	(2,509)
Net Investment Income	17,054	9,997	19,162	10,971	18,301	11,682	19,690	12,954	17,905
Cash Flow from Operations									
Cash Balance, beginning of period	4,695	7,332	7,332	3,429	3,429	(10,920)	(10,920)	1,885	1,885
Net Investment Income	17,054	9,997	19,162	10,971	18,301	11,682	19,690	12,954	17,905
Annual 5% Distribution	(23,459)	0	(23,805)	0	(23,754)	0	(23,057)	0	(22,800)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0	0	0
Sales of Securities	161,254	0	81,492	53,800	138,061	111,876	246,661	129,013	397,788
Purchases of Securities	(142,733)	0	(70,987)	(52,778)	(137,143)	(45,068)	(215,911)	(131,519)	(212,858)
Net Other Adjustments *	(9,479)	(5,447)	(9,765)	(6,843)	(9,813)	(9,967)	(14,577)	(9,190)	(150,377)
Net Change in Cash	2,637	4,550	(3,903)	5,150	(14,349)	68,524	12,806	1,258	29,658
Cash Balance, end of period	7,332	11,882	3,429	8,578	(10,920)	57,604	1,885	3,144	31,544

* Reinvestment of dividends on bond funds. *Reinvestment of dividends on bond funds. The entry for 8/31/10 includes the effect of a portfolio reallocation among the Funds adopted by the Executive Committee in May 2010. The re-allocation included an outflow from Fixed Income of $138,600.

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