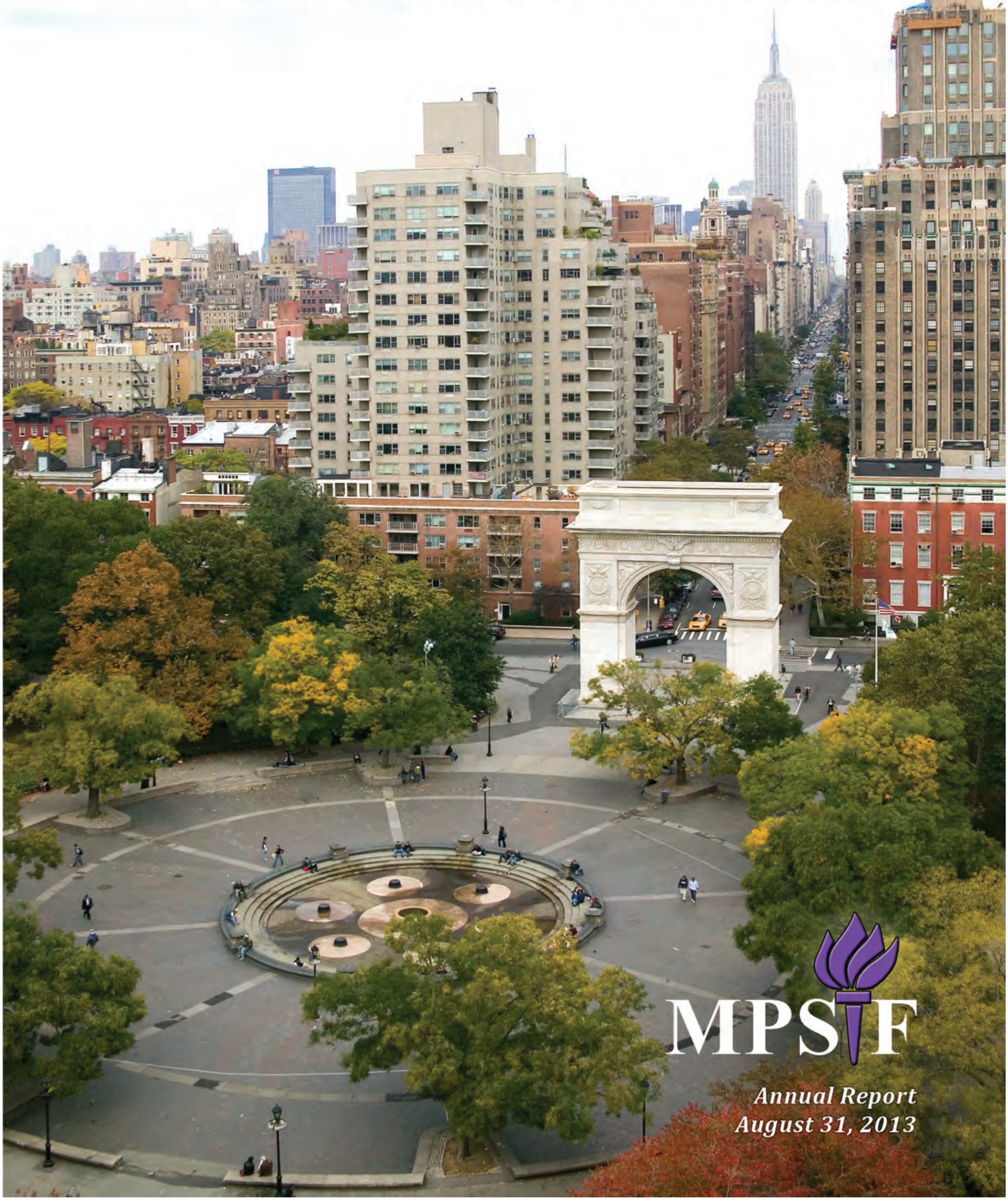
The Michael Price Student Investment Fund

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



MPSIF

Annual Report
August 31, 2013

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 $1.8 million currently under management, the Michael Price Student Investment Fund ("MPSIF" or "the Funds") is a family of funds managed directly by NYU Stern MBA students. The Funds, part of the overall NYU endowment, were established in 1999 through a generous gift from Michael Price, Managing Partner, MFP Investors, LLC and former Chairman of Franklin Mutual Series Funds.

WHAT IS UNIQUE ABOUT MPSIF?

The Michael Price Student Investment Fund provides Stern MBA students with hands on experience managing real Funds with significant assets. In addition, the Funds are required to pay an annual 5% dividend to the University Of Oklahoma Price School Of Business, Mr. Price's undergraduate alma mater. This dividend assists students with their tuition and living expenses so they can attend summer classes at Stern. Additionally, MPSIF maintains a transparent record of our performance and classroom activities.

WHAT IS THE PORTFOLIO COMPOSITION?

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

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

Students must go through a competitive process to become a portfolio manager or analyst with the Funds, which is the basis of Stern's "Managing Investment Funds" course. Stern MBAs must apply to this course, and demand has always exceeded available spots. About 40 students enroll each year and are then responsible for all Fund activities—screening and evaluating stocks, preparing and presenting pitches for buy and sell recommendations and strategizing on broader portfolio issues as they relate to sectors allocation. For the Fixed Income Fund the primary role of analysts is to make tactical allocation recommendations and decisions based on market outlook and economic analyses among various product sectors.

Executive Committee – Fall 2013

President	Justin Montminy
Co-Portfolio Managers, Fixed Income Fund	Paolo Di Marco and Daryn Katzen
Co-Portfolio Managers, Growth Fund	Connor Lynagh and Darryl Pinkus
Co-Portfolio Managers, Small Cap Fund	Cage Brewer and Michael Burley
Co-Portfolio Managers, Value Fund	Adam Moore and Andrew Ralph
Faculty Advisor	Professor Richard Levich

Executive Committee – Spring 2013

President	Jason Mitchell
Co-Portfolio Managers, Fixed Income Fund	Jason Liu and Alex Putterman
Co-Portfolio Managers, Growth Fund	Janet Lin and Alex Putterman
Co-Portfolio Managers, Small Cap Fund	Frank Aldridge and Shivani Sood
Co-Portfolio Managers, Value Fund	Keith Byrne and Jason Listhaus
Faculty Advisor	Professor Richard Levich

Internal Leadership – Fall 2013

Vice President, Economic Strategy	Amit Gutt
Vice President, Portfolio Analytics	Dean Hamilton
Vice President, Sector Strategy	Amit Gutt
Vice President, Annual Report	Andrew Mietling

Management Advisory Council

David Dineen, Senior Portfolio Manager, Pinnacle Associates
Nomi Ghez, Co-founder of Circle Financial Group, retired Partner and Managing Director, Goldman Sachs
Randall Haase, former Portfolio Manager, Baron Fifth Avenue Growth Fund
Nik Mittal, Partner, JANA Partners, LLC
Richard Saperstein, Managing Partner/Principal/Senior Portfolio Manager, Treasury Partners
Mitchell Williams, Real Economy Capital

Ex Officio Members

Stephanie Pianka, Vice President, Financial Operations & Treasurer, New York University
Tina Surh, Chief Investment Officer, New York University

Board of Advisors

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

Resource Faculty

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

TABLE OF CONTENTS

Letter from the Faculty Advisor

It is my pleasure once again to introduce the Annual Report for the Michael Price Student Investment Fund for the fiscal year ending August 31, 2013.

In absolute terms, MPSIF turned in a good year earning 13.55%. However, our blended benchmark performed somewhat better advancing 15.12% giving us a roughly 160 bps shortfall. Performance across the sub-funds varied considerably. The Value Fund earned nearly 30% over the year and outpaced its benchmark by over 600 bps. Small Cap and Growth achieved double-digit returns but trailed their benchmarks by large margins which dragged down overall performance. Fixed Income essentially matched its benchmark but posted a 2.7% loss as interest rates moved higher over the last few months of the fiscal year. However, less than 20% of MPSIF assets were allocated to Fixed Income through the year, a wise allocation decision given the path of interest rates.

MPSIF ended the year with $1.83 million in assets under management compared to $1.66 million one year earlier. In May 2013, for the 13th consecutive year, the Fund paid its annual 5% distribution bringing our cumulative distributions to nearly $1.2 million.

Although US macroeconomic performance continued to deliver lower than desired growth and signs of a slow-down in China and some emerging markets were apparent, US equity markets continued their upward march. Markets have seemed to interpret bad news as a sign that the Fed's quantitative easing (QE) will continue which in turn has helped to buoy US stocks. Like others, we will watch anxiously for the great unwinding to learn how QE works when put into reverse.

Earlier this semester, three distinguished economists – Eugene Fama, Lars Peter Hansen and Robert Shiller – were awarded the 2013 Nobel Prize in Economic Sciences. The press release from the Nobel Prize committee entitled "Trendspotting in Asset Markets" began as follows: "There is no way to predict the price of stocks and bonds over the next few days or weeks. But it is quite possible to foresee the broad course of these prices over longer periods, such as the next three to five years." Both professional investment managers and academic financial economists can find much to agree with and disagree with in both statements which the Nobel committee itself acknowledged could seem both "surprising and contradictory." While numerous academic studies reject the notion that short-term stock price changes have any economic significance for predicting future returns, various short-run and momentum style trading strategies remain popular among market professionals. And while the Nobel citation points to the possibility of predicting returns over the longer run, critics have noted that Shiller's cyclically adjusted, price-earnings ratio based on 10-year averages failed to signal that stocks were radically undervalued in 2009 just before the rally that has since doubled US share prices.

Despite these issues, 50 years of financial research offers valuable strategic insights for investors who seek to beat the market or minimize costs while trying. MPSIF students are committed to applying these lessons and continue their faithful stewardship of the funds entrusted to them.

Richard M. Levich
Professor of Finance
October 25, 2013

Letter from the President

The fiscal year ending August 2013 was a strong year for the Michael Price Student Investment Fund. The fund was up 14.52% versus 15.37% gain for our blended benchmark. While our return was below that of our blended benchmark, the Value Fund beat its benchmark over the 1-year period and the total fund was able to grow by more than our mandated annual 5% distribution in the period.

Despite several macro headwinds such as the U.S. fiscal cliff, sequestration, the U.S. government shutdown, and Federal Reserve tapering concerns, the market has performed well over the last year. The major averages hit record highs during our fiscal year and have continued to do so since the end of August.

MPSIF's underperformance relative to its benchmark was driven primarily by two factors: several funds holding large amount of cash during the market rally and several large underperforming stock picks in a few funds. MPSIF tries to remain fully invested to capture upswings in the market. However, during the winter break, some funds were left with large cash positions as a result of stop-loss limits being hit on many of their positions. As a risk management policy, we have instituted a stock loss policy during school breaks when the funds do not regularly meet. The winter stop losses caused us to miss a significant portion of the market rally in January, February, and March, particularly in our Small Cap fund, as we rebuilt the portfolio and pitched new positions. Over the last year, our funds also suffered from large losses with several positions that have since been sold.

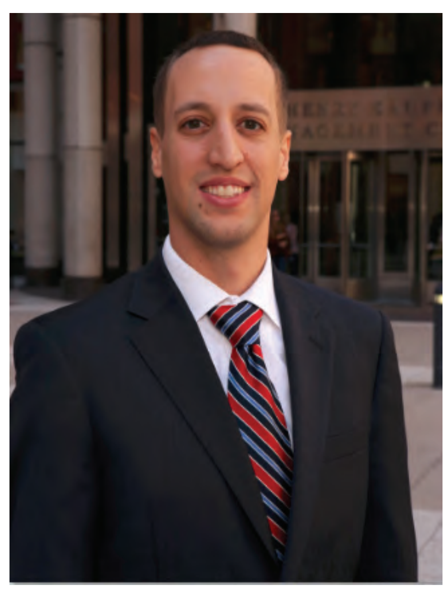
Today each fund has rebuilt its portfolio with a variety of stocks that we believe will help us to beat our benchmarks over the next year as our theses play out. Current cash holdings in the fund are at minimal at 1.7% for the year ending August 31 as a result of our Executive Committee's continued emphasis on remaining fully invested by holding ETFs instead of cash.

Portfolio managers in each fund are also examining different approaches to improve our overall portfolio management to increase returns and manage risk. New risk management measures include employing bear stock pitches and implementing qualitative and quantitative stock screens. We believe these new measures will help avoid the large drawdowns in individual positions that led to the underperformance of MPSIF over the last few years.

The Michael Price Student Investment Fund is now positioned well for the future with each fund having a healthy selection of 10-20 stocks. We are excited about the new students that joined MPSIF this semester and the experience and talent they can bring to the fund. With the market continuing to rise to record levels, we look forward to the remainder of the fall session and believe the funds are positioned well for the next fiscal year.

To close, I would like to thank Michael Price on behalf of all students this semester for the creation of a unique learning experience at NYU Stern. I would also like to thank the Management Advisory Council for taking the time to come speak with students each semester and impart real world investment knowledge to all of us. Finally, I would like to thank our Faculty Advisor, Professor Levich, for his continued efforts to improve the learning experience within the classroom.

Justin Montminy
MPSIF President
October 31, 2013



The Michael Price Student Investment Fund

Review of Operations

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

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

- Continue to adjust our pitching structure to allow for more concise investment recommendations, requiring the same deep level of due diligence while increasing the number of actionable ideas presented in the funds
- Continue to measure our performance against more appropriate benchmarks
- Provide more focused sector and economic analysis to help make timely actionable investment recommendations
- Continue to invite successful investors as guest speakers to stimulate the learning process
- Decrease our holdings of cash and hold more Exchange Traded Funds (ETFs) and individual stocks
- Improve the risk management process and employ quality screens and bear pitches across the funds to better vet stock ideas

We started the semester with a "Pitching 101" session in which experienced second semester analysts presented stock pitches in front of the entire class. Three analysts, one from each equity fund, pitched a stock as a way to demonstrate (especially to students in their first semester in MPSIF) the various elements of a pitch and the types of questions that typically arise during a presentation. Andrew Ralph presented Taro Pharmaceutical Industries Ltd. (TARO), a stock that he originally pitched for the Value Fund during the spring of 2013. Connor Lynagh presented National-Oilwell Varco, Inc. (NOV), a stock that he originally pitched for the Growth Fund during the spring of 2013.

Finally, Cage Brewer pitched America's Car-Mart, Inc. (CTCT), a company he had originally pitched for the Small Cap in the previous semester.

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 19, we hosted Ted Tabasso, Managing Director of Deutsche Bank. Mr. Tabasso spoke with us about his extensive experience developing and selling investment ideas and provided students valuable advice for developing and pitching stock ideas.

On October 8, we welcomed Nomi Ghez, former Managing Director at Goldman Sachs, and Mitchell Williams, CIO at Real Economy Capital. Ms. Ghez and Mr. Williams gave their views on the macro environment and answered various questions about portfolio management.

On October 24, we had the opportunity to have Nik Mittal of JANA Partners and Richard Saperstein as guest speakers. Both speakers discussed potential stock ideas and shared past experiences in their careers.

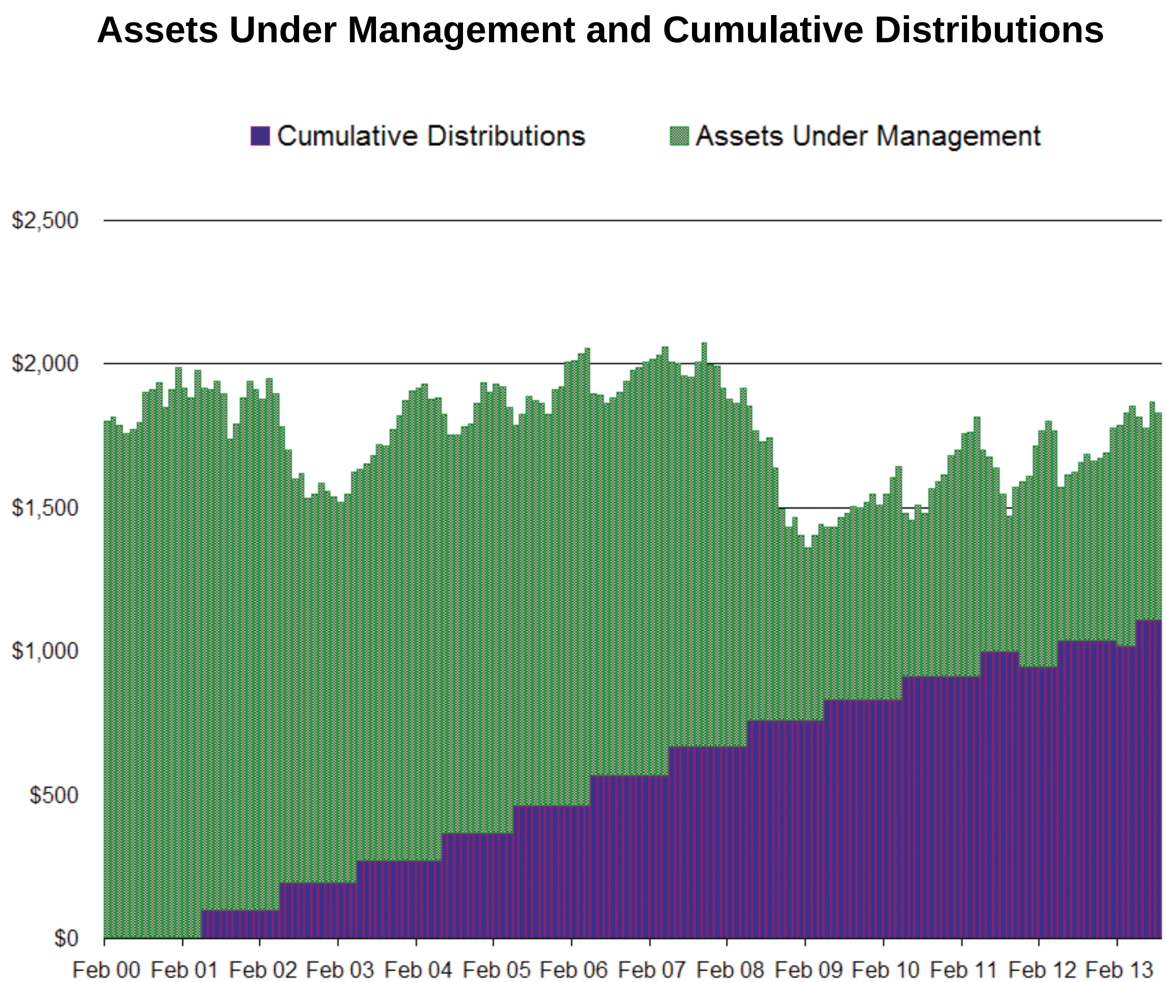
On October 29, we heard from David Dineen, Senior Portfolio Manager at Pinnacle Associates, and Randall Hasse, former Portfolio Manager at Baron Capital and former Managing Director at Duquesne Capital. Mr. Dineen walked through a case study that showed his investment process and portfolio positioning. Mr. Haase presented his ideas on stock selection and offered views on sound investment strategies going forward.

We scheduled economic and sector analysis presentations at the beginning of the semester so that the sub-funds were better able to leverage the views to generate stock ideas. The scope of the presentations has been narrowed to allow for more in depth research and actionable investment recommendations. Given ongoing uncertainty and elevated risk across the globe, sector and economic analysis are now more important than ever.

Finally, we instituted additional risk management and due diligence procedures to limit the potential for large losses on individual positions.

Assets Under Management & Cumulative Distributions

The Funds began operating on March 1, 2000 with an endowmwnt of $1.8 million. As of August 31, 2013, our assets under management stand at $1.83 million, which represents a cumulative return of 86.13% (net), taking into account net distributions of over $1.12 million to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, MPSIF has earned 4.71% net of brokerage commissions and fees, somewhat short of our required annual 5% distribution. In spite of our shortfall in retuns, assets under management have risen slightly for the most part due to the return of capital to the Fund on two occasions as noted in the figure below.



Note: In November 2011, $52,217 of the May 2011 distribution representing unspent monies was returned to the fund. In February 2013, $20,745 of the May 2012 distribution representing unspent monies was returned to the Fund.

Performance of the Michael Price Student Investment Fund

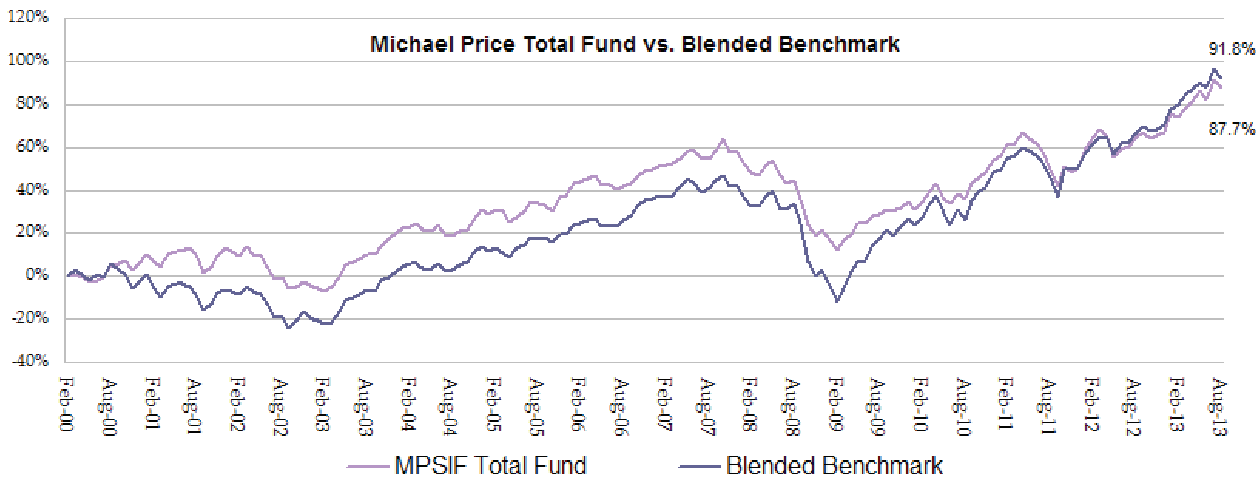
For the period ending August 31, 2013

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	7.67%	14.52%	38.07%	11.35%	29.69%	5.34%	87.71%	4.78%
*Blended Benchmark**	6.81%	15.37%	52.27%	15.04%	43.39%	7.47%	91.77%	4.94%
Relative - Net of Fees	0.86%	-0.85%	-14.20%	-3.69%	-13.70%	-2.14%	-4.06%	-0.17%
Small Cap Fund	8.40%	14.56%	40.01%	11.87%	18.78%	3.50%	129.61%	6.35%
Russell 2000 Index	11.73%	26.27%	74.97%	20.50%	46.80%	7.98%	109.18%	5.62%
Relative - Net of Fees	-3.32%	-11.71%	-34.96%	-8.63%	-28.02%	-4.48%	20.43%	0.73%
Value Fund	12.09%	29.60%	57.58%	16.37%	41.51%	7.19%	144.31%	6.84%
Russell 1000 Value Index	8.79%	23.10%	65.11%	18.19%	38.19%	6.68%	128.27%	6.30%
Relative - Net of Fees	3.30%	6.51%	-7.53%	-1.82%	3.32%	0.51%	16.04%	0.54%
Growth Fund	10.50%	12.89%	41.71%	12.32%	25.09%	4.58%	-1.42%	-0.11%
Russell 1000 Growth Index	9.60%	16.42%	69.39%	19.21%	49.69%	8.40%	6.43%	0.46%
Relative - Net of Fees	0.90%	-3.53%	-27.68%	-6.88%	-24.60%	-3.82%	-7.86%	-0.57%
Fixed Income Fund	-3.78%	-2.72%	6.38%	2.08%	21.54%	3.98%	58.88%	4.17%
Vanguard Total Bond Fund	-2.63%	-2.69%	6.05%	1.98%	26.16%	8.05%	70.08%	4.80%
Relative - Net of Fees	-1.15%	-0.03%	0.33%	0.11%	-4.62%	-4.08%	-11.21%	-0.63%

** The blended benchmark is a simple weighted average of the four benchmarks. If we were to weight the benchmark performances by the respective fund weights, we would see a six-month total benchmark return of 10.96%.*

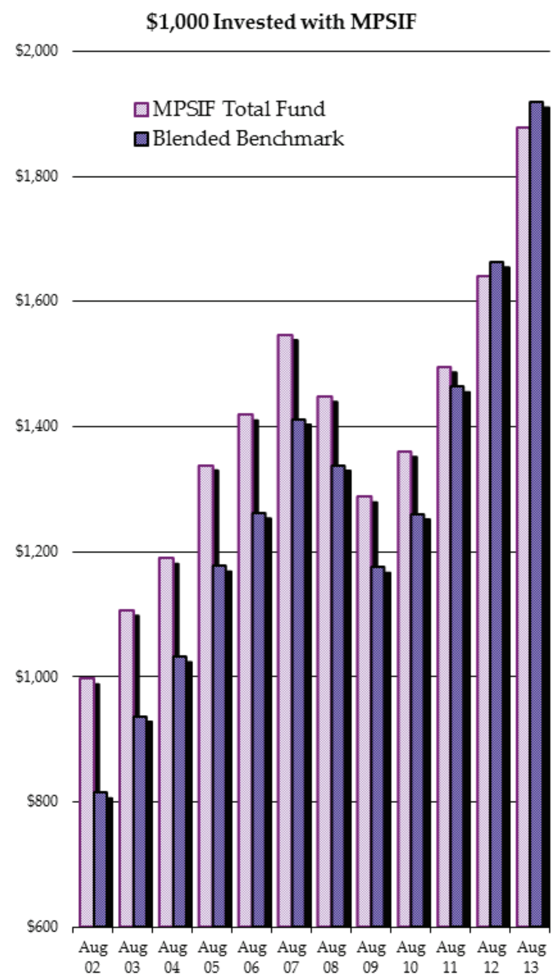
**** Inception for all equity funds is March 1, 2000. The Fixed Income fund began operations on May 20, 2002.*

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



As of August 31, 2013, MPSIF had approximately 1.7% in cash holdings, down from 6.8% as of February 28, 2013.

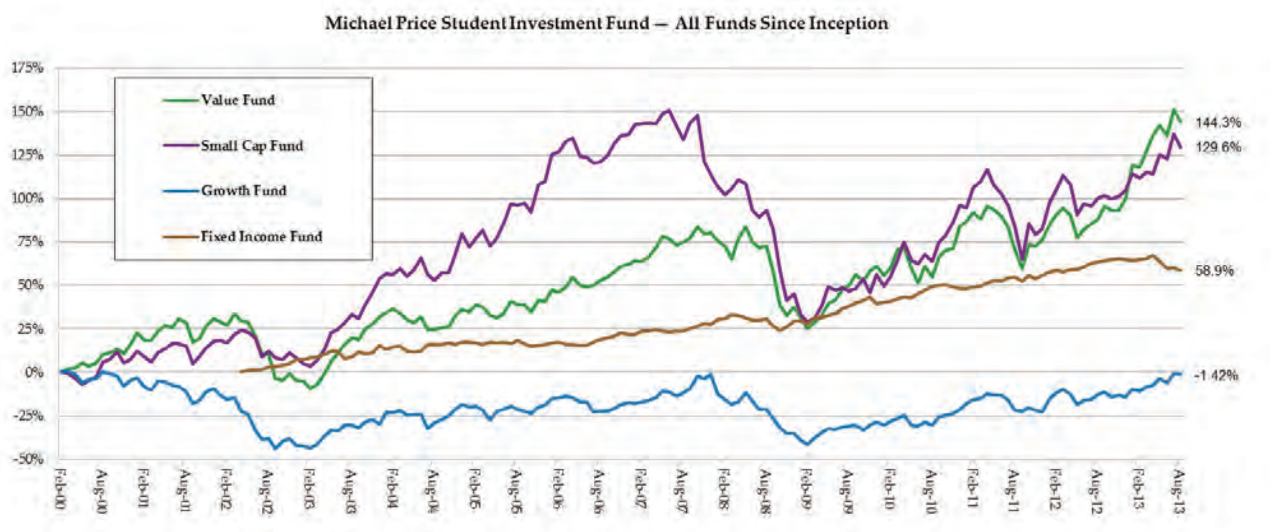
The equity funds, collectively, also held a smaller portion of assets in ETF's as of August 31, 2013. Our stated goal this past year was to have less of our holdings in cash and more in stocks and ETFs. The portfolio managers and analysts identified buying opportunities in both individual holdings and broad-based market and sector ETFs to deploy the cash positions. We now hold what we feel is a better mix of ETFs, individual holdings, and cash.



The overall Fund returned 7.67% in the last six months of the fiscal year and 14.52% over the last twelve months. This compares to 6.81% and 15.37% for the benchmark over the same periods (note that the blended benchmark is calculated using a simple average of the four benchmarks). With respect to the individual funds, results were mixed. The Small Cap Fund underperformed the benchmark on a six-month basis by 3.32%. For the fiscal year, the Small Cap Fund underperformed the benchmark by 11.71%. The Value Fund outperformed the benchmark by 3.30% over the last six months and 6.51% over the fiscal year. The Growth Fund outperformed the benchmark by 0.90% for the last six months but underperformed by 3.53% over the fiscal year. The Fixed Income Fund underperformed the benchmark by 1.15% for the last six months but by only 0.03% for the fiscal year.

Since inception, MPSIF has earned a cumulative return of 87.71% net of fees, underperforming the blended benchmark by 4.06% or 0.17% on an annualized basis.

From inception until October 2011, our brokerage accounts were held at Merrill Lynch and subject to a wrap fee of approximately 0.55% per annum. Since November 2011, our accounts are at Bank of New York–Mellon, where we incur per transaction trading costs equal to the greater of $0.02/share or $15. Under this new arrangement, our brokerage costs have dropped substantially. While trading activity varies across funds, we estimate that brokerage fees have cost MPSIF approximately 0.23% over fiscal year ending August 31, 2013. Given our assets under management, this translates to a savings of roughly $5,500 per annum.



Benchmark Index Description

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

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

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

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

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

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

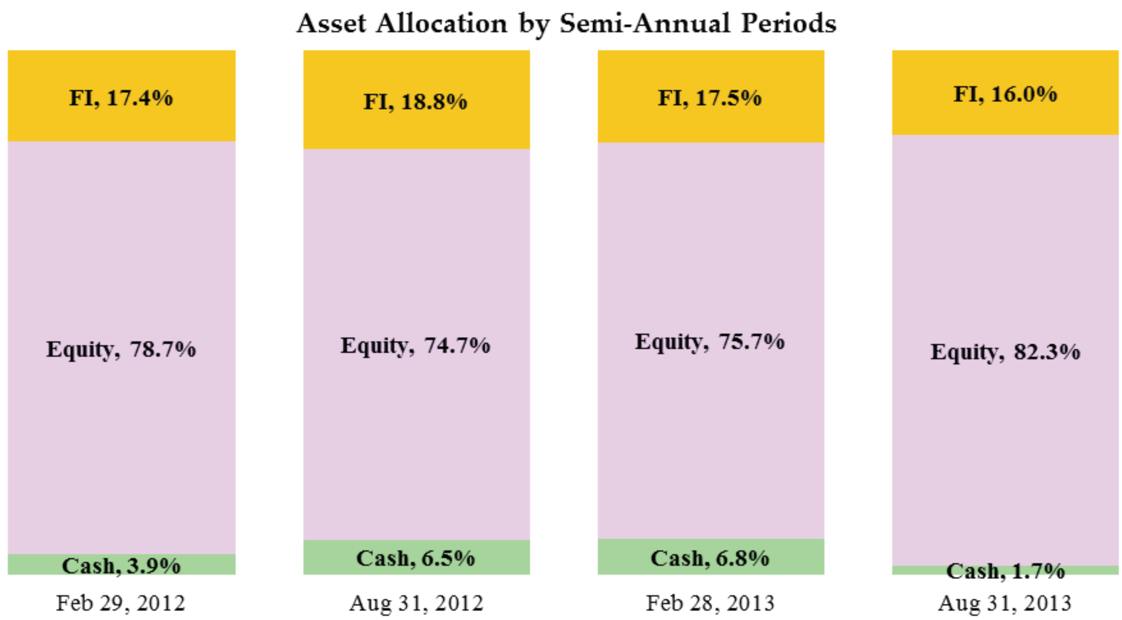
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

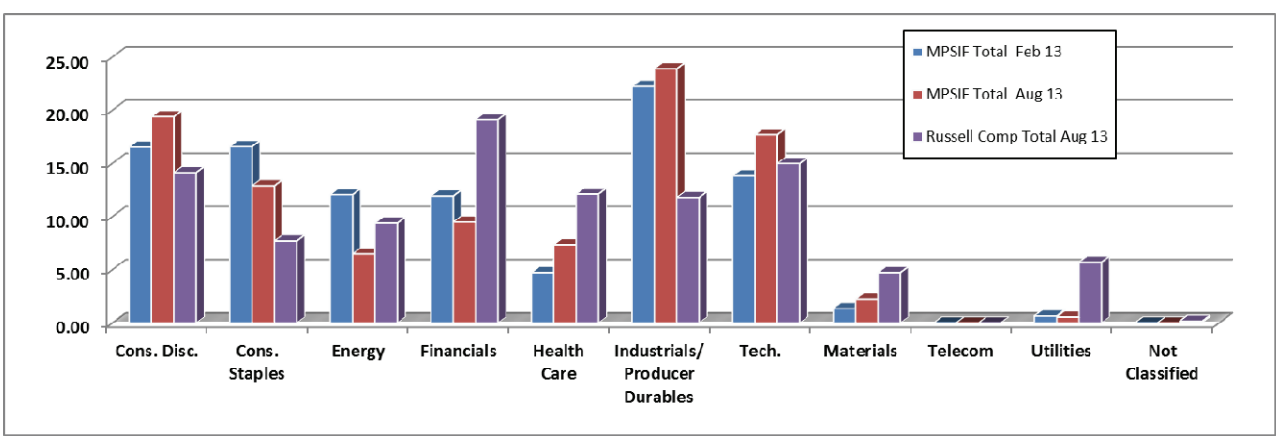
The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Asset Allocation

The following charts show our total asset allocation by asset class and our composite equity sector allocation. The Executive Committee does not utilize any top-down approach to set a target allocation. In May 2010, the Executive Committee voted to reduce our allocation to Fixed Income and Value, transferring those funds to Growth and Small Cap.

As indicated in the Asset Allocation chart, cash holdings decreased from 6.5% in the prior reporting period to 1.7%. Equities increased from 74.7% to 82.3% while Fixed Income decreased from 18.8% to 16.0%.





Fund Turnover

Portfolio Turnover for the Six Months Ending August 31, 2013

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	194,184	404,704	397,497	339,843
Total Sales	200,289	442,847	319,013	361,921
Minimum (Sales, Purchases)	194,184	404,704	319,013	339,843
Average Invested Assets	291,399	472,569	487,491	514,807
Turnover	67%	86%	65%	66%

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

Portfolio Turnover for the Six Months Ending February 28, 2013

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	16,012	197,408	371,783	407,599
Total Sales	15,939	191,689	385,259	371,919
Minimum (Sales, Purchases)	15,939	191,689	371,783	371,919
Average Invested Assets	312,601	451,963	421,048	442,892
Turnover	5%	42%	88%	84%

** 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

Markets have rallied as the United States economy appears to be continuing its fragile recovery in 2013. Real GDP growth remains at approximately 2%, and the unemployment rate has fallen to 7.3%. The market's attention has been fixed on the Federal Reserve as the role of the Chairman transitions to a new appointee. The potential slowdown or end of quantitative easing has dominated the market at times since the idea was introduced in May.

Market Performance

Volatility has been subdued despite this uncertainty, and the S&P 500 has broken to new highs. Revenue growth has reached parity with GDP growth, but earnings growth has been strong, driving the S&P 500 P/E ratio to approximately 19x, nearly 4 turns higher than its historical average.

As the market has rallied, investors have made increasing use of margin debt. Levels of debt are approaching all-time highs reached before the crisis. Combined with full valuations, this creates potential for high volatility to the downside in the event of a negative shock to the market.

Fed Watching

Since Chairman Bernanke announced the possibility of a "tapering" of quantitative easing in May 2013, markets have been very sensitive to developments that may affect the course of monetary policy. The May announcement was followed by a sharp selloff in the bond market, with 10-year Treasury yields rising from around 1.75% to nearly 3.0%. Interestingly, short term rates did not rise. Recently the market has fallen into a pattern of responding positively to bad economic news because of the expected monetary policy response.

Unemployment and inflation both indicate substantial slack that will allow monetary policy to remain easy for an extended period of time. The unemployment rate has fallen mainly because of decreasing labor market participation. Inflation expectations remain subdued as Janet Yellen takes the reins at the Fed, and low capacity utilization indicates that demand driven inflation is still a long way off. However, with money supply outpacing real GDP growth since the crisis, the risk of inflation will be the ultimate governor of the Fed's actions. Any hint of rising inflation could provoke a substantial correction in the stock market.

Forecast

The IMF expects moderate growth of the US economy to continue, with real GDP expansion approaching its long term trend rate in 2014. Inflation estimates remain well below Federal Reserve thresholds for tightening in 2014. Emerging markets expectations have also moderated; 2014E GDP growth rates fell 40 basis points from the IMF's July estimate to 5.1%. Modest growth is expected to keep the posture of monetary policy expansionary into 2014.

With US equity markets priced to perfection, the economy will have to continue walking on a tightrope between recession and tightening, or threaten a correction to current valuations. Low equity risk premiums appear to skew the risk profile of the market to the downside, but a strengthening consumer and financial sector could continue to push the market to new highs.

Sector Initiative

Identifying where we are in the business cycle is crucial to understanding equity performance over the intermediate time horizon. Historically, changes in economic indicators have been fairly reliable predictors of the economy's position across the four different phases of the business cycle – early, mid, late, and recession. This approach provides a framework to allocating to sectors based on probabilities from historical performance. As such, certain sectors have historically underperformed and outperformed. MPSIF looks to make sector allocations based on this approach.

MPSIF believes the current business cycle is "mid-cycle." This phase is generally associated with equilibrium states, strong credit growth, and peaking profits. The recent record highs in the equity markets are representative of an economic recovery after the great recession and a "flight to yields" given a sustained low interest rate environment. We have also seen a recent rise in 10-year treasury yields from well below 2.0% to over 2.5% within a 6-month period. As such, with a business cycle in transition, there will be a shift in sector leadership. It should be noted that the "mid-cycle" phase is the longest and can last over 5-years.

Based on historical trends, information technology has been the best performer of all the sectors during this phase, having certain industries—such as software and computers and peripherals—that typically pick up momentum once companies gain more confidence in the stability of an economic recovery and are more willing to spend capital. The industrials sector may lack consistent outperformance, but contains industries that are well suited for a mid-cycle expansion. For example, demand for certain industrials—such as airlines and industrial conglomerates—tends to pick up during this phase because they have generally fared well in environments of sustained and more predictable economic growth. Utilities and materials sectors have lagged by the greatest magnitude. Due to the lack of clear sector leadership, the mid-cycle phase is a market environment where investors may want to consider keeping their tactical sector bets to a minimum.

Based on our analyses, we recommend overweighting information technology, energy, and industrial stocks. We recommend underweighting materials, utilities, and financial stocks.

The Growth Fund

Message from the Portfolio Managers

For the six months ending August 31, 2013, the Growth Fund ("the Fund") had a return of 10.50% while the benchmark, the Russell 1000 Growth Index, generated a return of 9.60% over the same time period. For the 12 months ending August 31, 2013, the Fund returned 12.89% while the benchmark generated a return of 16.41%. This computes to a positive alpha of 90bps and a negative alpha of 353bps, respectively. In the following, we will discuss how our experiences over the past twelve months have helped shape our investment process going forward. We have learned from both our successes and failures and used these lessons to adopt new strategies we hope to use in the fund going forward. While we had a few big losers throughout the year and substantially underperformed the benchmark on a 12-month basis, we can report that since we have implemented our new processes, our portfolio has generated positive alpha over the past 6 months. We are proud of these returns, but are equally excited about the structural changes to the investment and allocation process that will serve as foundations for a better risk/return profile long into the future.

Incorporating Board Advice

During the December 2012 Semi-Annual meeting, our external Board members questioned the Fund's "sell" strategy. Historically it seemed that we would sell our winners too early and sell the losers too late. In addition, the Board questioned our allocation strategy. We had previously sized positions based on a confidence vote and risk-return profile, but largely ignored correlation and covariance among the holdings.

Based on the advice of our Board, we have implemented new processes and strategies that give our investment process more structure and give our portfolio a better risk-reward profile.

Managing Sector Exposure

Earlier PMs have noted that the Growth Fund is a bottom-up stock selection fund, and sector selection was thus viewed as a secondary concern. We have decided, however, that this view in and of itself takes a stance on the relative attractiveness of different sectors. We believe that absent a fund-level view of our desired sector allocation, we should seek to be in-line with our benchmark on sector allocation. We have found that our analysts are best when assessing sectors that they know well, and thus do not assign analysts sectors to cover with which they are unfamiliar. Therefore, we find it necessary to use sector ETFs in the Health Care, Financial Services, Industrials, and Consumer Staples in order to maintain our target sector allocations.

The Allocation Model

We are excited about our new allocation model that is designed to maximize the portfolio Sharpe ratio. Once a security receives a majority "buy" vote, we run the entire portfolio through a model that sizes each stock position on a scale between 3-6% of the portfolio. To calculate each security's risk-return profile, we use price targets as expected return and implied volatility as a measure of risk. The model uses these inputs to calculate portfolio variance and maximize the portfolio's Sharpe Ratio. In order to minimize transaction costs, we do not adjust allocations per the model unless the suggested adjustment is greater than 3%.

Once we determine our target position sizing, we use sector-concentrated ETFs to balance our portfolio sector exposure to be within 2% variance bands of the index sector weights. Our goal is to take exposure to individual names, but remain neutral in sector exposure versus our index.

Holding Winners and Selling Losers

To deal with the historical issue of holding our "losers" too long, we have implemented a dynamic stop-loss system. The goal has been to limit negative alpha on any single name to a set limit. Across all positions, we have set a negative 15% alpha limit. If a position falls greater than 15% below the index performance, we are automatically stopped out of the position. If the analyst feels that his/her thesis is still intact, they are forced to "re-pitch" the stock for us to initiate a new position. We feel this eliminates the emotional bias of holding a position just because we have a substantial unrealized loss. Naturally, this strategy incurs additional trading costs, but we feel the benefit of a more disciplined investing process is worth this cost.

Controlling Downside while Capturing Upside

The final issue we have tried to address is our habit of selling our winners too early. Many times a stock would exceed our price target and we would immediately sell, realizing months later that the name had continued to outperform. In order to capture unlimited upside and prevent downside, we have implemented a new strategy to not sell outright, but to put a tight stop-loss on are winners that are above their price targets and dynamically adjust the stop price as the stock appreciates. The risk to this strategy is that the name may experience a steep instantaneous drop and sell at a price far below our stop, or that we may sell on a temporary drop and miss further upside. We are still working to perfect this strategy and do not use it on every name that we choose to sell. We limit this strategy to names with which we have strong conviction, where we see limited negative catalysts, and where we feel there is upward potential.

Improving Stock Selection

A consistent theme in prior Fund portfolio managers' letters has been our need to improve stock selection and limit large downside losses. We have taken what we believe to be two key initiatives toward this end: 1) reinstating the "bear pitch" process and 2) improving the idea generation process by adding "thematic pitches."

Reinstating the Bear Case Pitch

In the spring semester, our managers decided to eliminate the "bear case" pitches that were used as a check on analyst pitches. However, we feel that this resulted in the fund being at the mercy of the pitching analyst, as non-sector experts had difficulty identifying key risks or negative catalysts looming for the stocks. We have therefore reinstated the bear pitches, as we believe they are a valuable means of informing our investment discussion. These are relatively new to the Growth Fund, and we will evaluate their efficacy throughout this and next semester.

Thematic Investing

We are very excited about the changes we have made in our idea generation process. In the past, we relied on "speed pitches" which involved analysts presenting a series of unrelated stocks for potential research. We felt that this process was prone to bias by the fund's preconceived opinion on stocks rather than the fundamental value of an overall investing idea. Thus, we have revamped the process to involve presentation of macroeconomic or secular growth themes, and a listing of potential stocks for further research as a result of these themes. We have already seen this process spawn new ideas and pitches that were not part of the initial theme pitching process, and believe this method to be far superior for outright idea generation than the speed pitching process. Key themes discussed in this year's thematic trades were the U.S. housing recovery, North American shale drilling, population aging, manufacturing "re-shoring" and a variety of other quality investment themes.

We are very excited with the changes we have made this semester. We believe that our move to a coherent, quantitative portfolio allocation strategy in addition to the improvements we have made to our fundamental stock analysis will set us up to excel many years into the future.

Darryl Pinkus and Connor Lynagh
Co-Portfolio Managers, MPSIF Growth Fund

Discussion of Performance

For the period ending August 31, 2013:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	**10.50%**	**12.89%**	**41.71%**	**12.32%**	**25.09%**	**4.58%**	**-1.42%**	**-0.11%**
Russell 1000 Growth Index	9.60%	16.42%	69.39%	19.21%	49.69%	8.40%	6.43%	0.46%
Relative - Net of Fees	0.90%	-3.53%	-27.68%	-6.88%	-24.60%	-3.82%	-7.86%	-0.57%

** Inception from March 1, 2000*

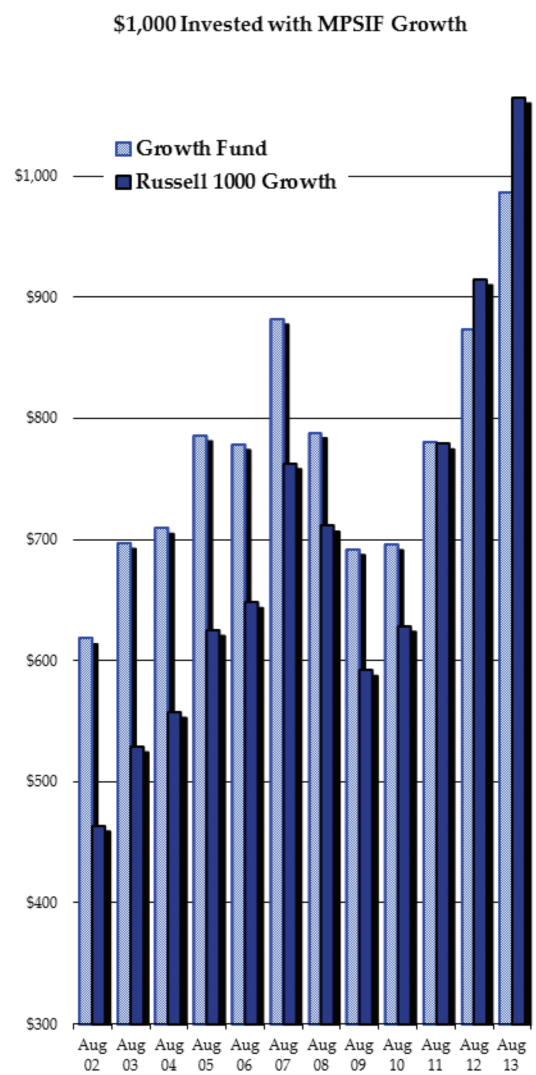
Performance Overview

The Growth Fund ("the Fund") underperformed on a relative basis from August 2012 through August 2013. The Fund's one year return was 12.89% while the Russell 1000 Growth benchmark's return was 16.42%.

A major negative contributor to the Fund's performance was Verifone ("PAY"), which in February 2013 lost nearly 50% of its value within a day. PAY announced a lower than expected the first quarter of 2013 earnings due to macro-economic conditions in Europe, lower than anticipated revenue from Brazil, several customers electing to delay major projects beyond the first quarter, as well as well as a cancellation of a Washington, D.C. taxi project. As a result, in February the Fund had a negative return of 0.9% versus our Russell 1000 Growth Benchmark which advanced 6.2%.

In addition, we have had several "slow bleed" names like Apple, Inc. (AAPL) and Intuitive Surgical, Inc. (ISRG) which declined over several months without sufficient intervention on our part. We believe that our new investment process will help to limit the risk of these types of losses in the future, and should improve our performance going forward.

Since inception, the Fund is still working to recover heavy losses during its first few years. An investment of $1,000 in the Growth Fund in March 2000 would be valued at $986 on August 31, 2013. By comparison, a $1,000 investment in the Russell 1000 Growth index would be valued at $1,064.



Stock Picking

Six months ended August 31, 2013	
Top Performers	**Return**
Priceline.com, Inc.	36.43%
Starbucks Corp.	29.45%
Under Armour, Inc.	27.26%
Bottom Performers	
Crocs, Inc.	-15.98%
Intuitive Surgical, Inc.	-24.20%
Blackberry, Ltd.	-36.70%

__Return__ : measures the stock's return (excluding dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 31, 2013 or the date of disposition.

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

According to our Wilshire Analytics team, our stock-selection decisions had a negative effect on our performance during this most recent period, resulting in an impact of -2.98% towards the performance of the Fund. Our sector allocation was generally in line with the index, but as noted above we have worked to make this more tightly matched going forward.

On a sector basis, we saw strong returns in the Consumer Discretionary, Energy, and Producer Durables sectors. Consumer Discretionary and Producer Durables also benefitted from strong stock selection, so these two sectors accounted for excellent returns this past fiscal year.

Our top two performers this year were FLIR Systems Inc. and Starbucks Corp. Both of these were relatively large positions, and yielded a combined 3.9% total return to the fund. Starbucks Corp. (SBUX) generated a 37.32% return and was our second largest individual stock on an absolute basis (4.53% of the Fund's holdings). Our large position in the stock translated into a large positive impact of 1.64%. The Fund still maintains a position in SBUX.

Our position in FLIR Systems Inc. was closed prior to our fiscal year end, but the fund booked a 63.17% return from FLIR as of our closing. Because of our large position in the stock, FLIR add a strong positive impact of 2.31% to our overall performance. Another positive performing stock was Tesoro, appreciating by a comparable amount, 56.40%, but only impacted our overall performance by 1.26% as it was a smaller holding. Tesoro was also sold prior to our fiscal year end.

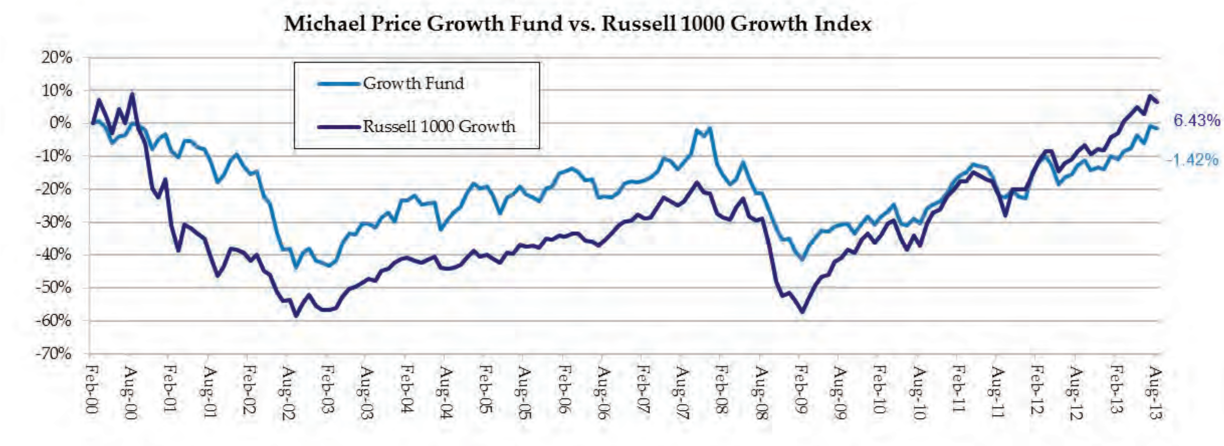
This year was not without some losing positions, however. Our three worst-performing positions on the year were Apple, Inc. (AAPL), Intuitive Surgical, Inc. (ISRG), and Blackberry, Ltd. (BBRY). Together, these positions accounted for nearly 4% negative return in the portfolio. We hope that our improved allocation and selection strategies will help to limit these types of losses in the future.

Apple Inc. (AAPL), our largest individual position on an absolute basis (6.06% of holdings), was one of our worst performers during the last year, with a 25.04% negative return. Our relatively large position in the stock also translated into a negative impact of -2.09% to the overall fund performance. The Fund still maintains a position in AAPL, and has seen approximately a 12% recovery in the stock's value over the past 6 months.

Our worst stock selection in the second half of the fiscal year was Blackberry, Ltd. (BBRY). Blackberry fell 36.71% as of August 31, 2013, leading to a fund impact of -0.85%. We have since closed our position in BBRY.

Driving Fund Performance

In general, we are encouraged by the performance of the Fund in the second half of the year. We have improved our skew of winners to losers and outperformed our benchmark in general. We believe that our sector allocation strategy and improved fundamental research process will allow us to continue our momentum into the coming fiscal year.



Asset Allocation

The Growth Fund continues to focus on bottom up stock-picking and fundamental analysis, and as such asset allocation was in the past a secondary priority. Despite our new commitment to sector allocation, the fund did differ from its benchmark at the end of the fiscal year.

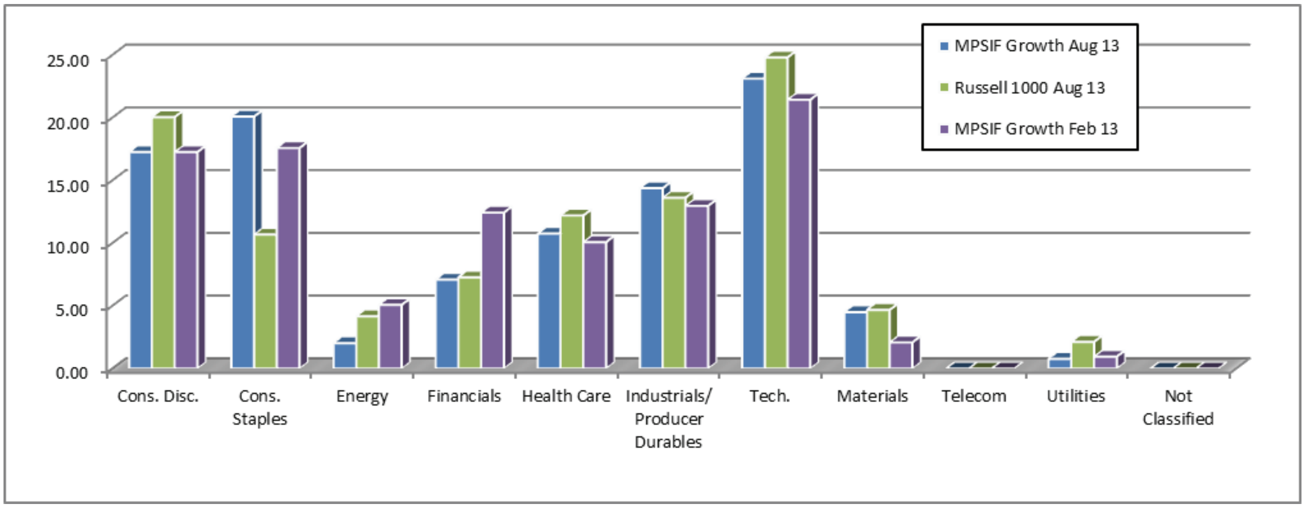
The Fund's continued commitment to bottom-up stock selection derives from the purpose of the course. The Fund is a seminar style course in which students use and combine skills learned in other classes in a hands-on environment. We believe there are enormous benefits derived from this course design.

That said, asset allocation is a significant consideration and the Fund carefully considers appropriate allocation strategies. The fund has continued using ETFs to increase exposure to sectors with fewer individual security holdings, and we closely examine our holdings in a sector context regularly.

As of August 31, 2013, the sectors with the most significant weight in the Growth Fund are:

- Technology which represents approximately 23% of the Fund's holdings is actually slightly underweight relative to the benchmark. The Fund has added new holdings in the consumer internet space since August to increase our exposure.
- Consumer Staples, which represents about 20% of the Fund's holdings as of the fiscal year end is the Fund's largest overweight position relative to the benchmark. However, we are comfortable with our selections of HAIN and SBUX as two high-growth names within the sector.
- Consumer Discretionary, at about 17% of our holdings, is slightly underweight relative to the benchmark's target holdings. We have made significant purchases in this sector since the fiscal year-end, and find that this continues to be a preferred sector for our analysts.

Over the past year, 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. As of August 31, 2013, to keep sector exposure in-line with the index, the fund held positions in iShares Russell 1000 Growth (IWF), Health care Spdr (XLV), Vanguard Cons Staples (VDC), Vanguard Info Tech (VGT), and Financial Spdr (XLF).


25.00
20.00
15.00
10.00
5.00
0.00
MPSIF Growth Aug 13
Russell 1000 Aug 13
MPSIF Growth Feb 13
Cons. Disc.
Cons. Staples
Energy
Financials
Health Care
Industrials/ Producer Durables
Tech.
Materials
Telecom
Utilities
Not Classified

Holdings Profile

Growth Portfolio as of August 31, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc	AAPL	Technology	55	487.22	$26,797	**5.44%**
Cirrus Logic Inc	CRUS	Technology	335	22.50	$7,538	**1.53%**
Eagle Materials Inc. Com.	EXP	Materials	168	64.16	$10,779	**2.19%**
Express Scripts Hldg Co Com	ESRX	Health Care	277	63.88	$17,695	**3.59%**
Generac Holdings Inc. Com.	GNRC	Industrial	382	39.59	$15,123	**3.07%**
Hain Celestial Group	HAIN	Consumer Staples	195	81.78	$15,947	**3.24%**
Michael Kors Holdings	KORS	Consumer Discretionary	218	74.09	$16,152	**3.28%**
Manitowoc Inc	MTW	Industrial	333	19.98	$6,653	**1.35%**
National Oilwell Varco Inc	NOV	Energy	217	74.30	$16,123	**3.27%**
Priceline Com Inc	PCLN	Technology	18	938.53	$16,894	**3.43%**
Qualcomm Inc	QCOM	Technology	219	66.28	$14,515	**2.95%**
Starbucks Corp	SBUX	Consumer Staples	284	70.52	$20,028	**4.06%**
Under Armour Inc	UA	Consumer Discretionary	251	72.64	$18,233	**3.70%**
Ishares R1000 Growth	IWF	Index ETF	2678	75.13	$201,198	**40.83%**
Health care Spdr	XLV	Health Care	198	49.22	$9,746	**1.98%**
Vanguard Cons Staples	VDC	Consumer Staples	367	102.00	$37,434	**7.60%**
Financial Spdr	XLF	Financials	895	19.44	$17,399	**3.53%**
Direct Equity Holdings					$202,476	**41.09%**
Total Equity Holdings					$468,252	**95.03%**
Cash as of August 31, 2013					$24,472	**4.97%**
Total Assets					**$492,724**	**100.00%**

Growth Portfolio as of February 28, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Apple Inc	AAPL	Technology	55	441.40	$24,277	**5.19%**
Autonation Inc	AN	Consumer Discretionary	323	43.77	$14,138	**3.02%**
Cirrus Logic Inc	CRUS	Technology	286	24.04	$6,875	**1.47%**
Credit Acceptance Corp	CACC	Financials	67	110.53	$7,406	**1.58%**
Deere & CO	DE	Durables	119	87.83	$10,452	**2.23%**
Flir Systems Inc	FLIR	Durables	810	26.33	$21,327	**4.56%**
Intuitive Surgical Inc	ISRG	Health Care	25	509.89	$12,747	**2.72%**
Michael Kors Holdings	KORS	Consumer Discretionary	171	59.28	$10,137	**2.17%**
Panera Bread Co	PNRA	Consumer Discretionary	87	160.95	$14,003	**2.99%**
Qualcomm Inc	QCOM	Technology	162	65.64	$10,634	**2.27%**
Starbucks Corp	SBUX	Consumer Staples	436	54.85	$23,915	**5.11%**
Tesoro Corp	TSO	Energy	260	56.24	$14,622	**3.12%**
Verifone Systems Inc	PAY	Technology	312	18.97	$5,919	**1.26%**
Visa Inc	V	Financials	150	158.64	$23,796	**5.08%**
Ishares R1000 Growth	IWF	Index ETF	2997	69.00	$206,793	**44.17%**
Health care Spdr	XLV	Health Care	198	43.45	$8,603	**1.84%**
Vanguard Cons Staples	VDC	Consumer Staples	367	95.97	$35,221	**7.52%**
Financial Spdr	XLF	Financials	637	17.59	$11,205	**2.39%**
Direct Equity Holdings					$200,247	**42.77%**
Total Equity Holdings					$462,069	**98.69%**
Cash as of February 28, 2013					$6,133	**1.31%**
Total Assets					**$468,202**	**100.00%**

Investment Style and Strategy

Our goals: The goal of the Growth Fund is to identify and capitalize on investments that have significant growth potential. The companies we invest in may derive their growth from a unique business model or a strong competitive position in a rapidly growing industry. Our criterion for companies that meet this requirement is that forecasted earnings growth over the next five years should be at least 15%. These growth opportunities can be uncovered by identifying companies that are pioneering a new product or service that will see significant future demand. Other companies may be altering pre-established norms in a mature industry and gaining significant market share. Additionally, these companies could be applying their business model to new regions or they could simply be a leader in an industry that is experiencing high levels of growth. Our analysts use comparable and intrinsic valuation techniques to determine if these growth opportunities are available at attractive prices.

Our objective: Our goal is to outperform the benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

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

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

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

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

The Value Fund

Message from the Portfolio Managers

The Value Fund generated a return of 12.09% for the six months ended August 31, 2013 ("the period"), and a 29.60% return in fiscal 2013, producing an investment gain of $124,037. For the fiscal year and six month returns, the Value fund outperformed the Russell 1000 Value Index ("the benchmark") by 6.51% and 3.30%, respectively. This outperformance was due to stock selection and comes after poor relative performance in fiscal 2012. With a long-term investment horizon, we don't place much weight on the performance of any given year and believe that our efforts are justified through long-term outperformance of the benchmark. Since inception, the Value Fund has generated an annualized return of 6.84% compared to the annualized benchmark return of 6.30%.

In fiscal 2013, we modified how we determine position sizing and added more of a "human element" to our decisions. We inherited a process in which the position size of an investment was determined by members' conviction levels. This purely mechanistic process attempted to incorporate each member's thoughts on the merits of the investment idea itself while giving consideration to the overall fit into the portfolio. We believe that position sizing is ultimately the responsibility of the portfolio managers so while we have kept the same voting process, we now have the discretion to scale up or down the position based on our conviction levels and holistic view of the portfolio.

At the end of the period, the Fund was overweight Industrials/Producer Durables and Consumer Discretionary and underweight Financial Services and Healthcare sectors compared to the benchmark. Both healthcare and Financial Services are significant percentages of their index and we do gain additional exposure through our ETF investment. While we consider sector allocation recommendations given by our sector strategy team, we have found that giving analysts discretion over their stock pitches allow them to have more ownership in the investment process and outcome. That said, any company that is pitched is scrutinized for value and providing a margin of safety.

Our best performers during the period were Genworth Financial, CVS and US Airways. We were pleased that we added a number of new positions during the period, as we started with only 11 holdings and nearly a 50% position in the ETF. We locked in gains on a number of holdings as the market rallied and our investment theses played out. The period ended with 21 holdings and a 30% position in the ETF. We continued the effort to look globally for value and bought a second ADR (TARO) and bought several great franchises at attractive values including Apple, Moody's, U-Haul and Hertz. We continue to seek out undervalued investment ideas using a bottom-up approach across all sectors and geographies.

Looking forward, we believe we have a strong portfolio with diversified businesses and diversified catalysts to generate a satisfactory return. We remain focused on our objective of finding businesses that can be bought for an amount less than their intrinsic worth.

Adam Moore and Andrew Ralph
Co-Portfolio Managers, MPSIF Value Fund

Discussion of Performance

For the period ending August 31, 2013:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**12.09%**	**29.60%**	**57.58%**	**16.37%**	**41.51%**	**7.19%**	**144.31%**	**6.84%**
Russell 1000 Value Index	8.79%	23.10%	65.11%	18.19%	38.19%	6.68%	128.27%	6.30%
Relative - Net of Fees	3.30%	6.51%	-7.53%	-1.82%	3.32%	0.51%	16.04%	0.54%

** Inception from March 1, 2000*

The past fiscal year offered a strong bull market for value stocks, and a particularly good year for the Value Fund. Several of the Fund's bottom-up picks had terrific performance. The Fund consistently outperformed the index by more than 3% in both halves of the year.

In this growth environment, the Fund was able to capture gains across 20 of 26 of our holdings. Financials was our best performing sector, in absolute and relative terms producing a return of 23.1% led by our holdings, in Genworth and Moody's. Healthcare and Consumer Staples were also growth sectors in absolute terms, with returns of 13.1% and 13.7%. In relative terms, our second and third top performing sectors were Consumer Staples and Energy, where The Fund outperformed the benchmarks by 5.1% and 4.5%. Consumer Discretionary was our worst relative performer, lagging the benchmark by 5.2% driven in particular by weak performance in Coach.

Stock Picking

The top contributing stock to the Fund's performance was Genworth Financial. Genworth is a long-term care insurance provider. The Fund identified bottom up value characteristics in Genworth from both price-to-book and earnings perspectives. The company is also a beneficiary of demographic trends and as the baby boom ages. Genworth contributed a fantastic 38.5% to the Fund's performance in the past 6 months alone.

Moody's was another Financial sector firm buoying Value Fund performance in 2013. Moody's is a ratings agency that had experienced distress in the wake of the financial crisis. Moody's settled a potentially disastrous lawsuit with investors in April 2013 who had relied on their ratings services and avoided an expensive and embarassing jury trial.

The Fund has exited both Genworth and Moody's as our analysts concluded that the original value propositions had played out.

<u>Six months ended August 31, 2013</u>	
Top Performers	**Return**
Genworth Financial	38.50%
U S Airways Group	29.10%
Moodys Corp	24.98%
Bottom Performers	
Phillip Morris	-11.85%
Coach	-9.75%
Dean Foods Co	-8.68%

***Return** : measures the stock's return (excluding dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 31, 2013 or the date of disposition.*

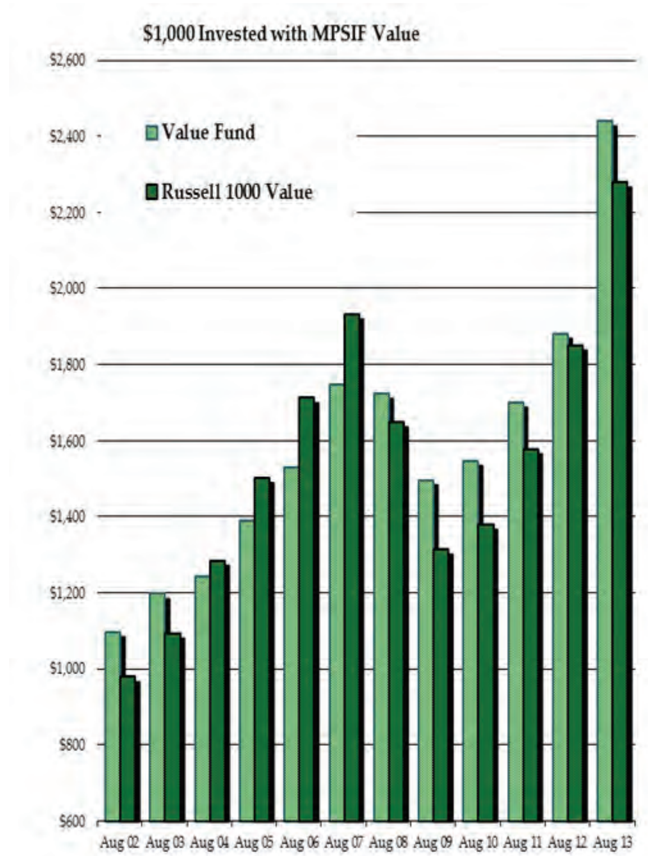
***Note** : in addition, this report uses prices as of the market close and not intraday numbers.*

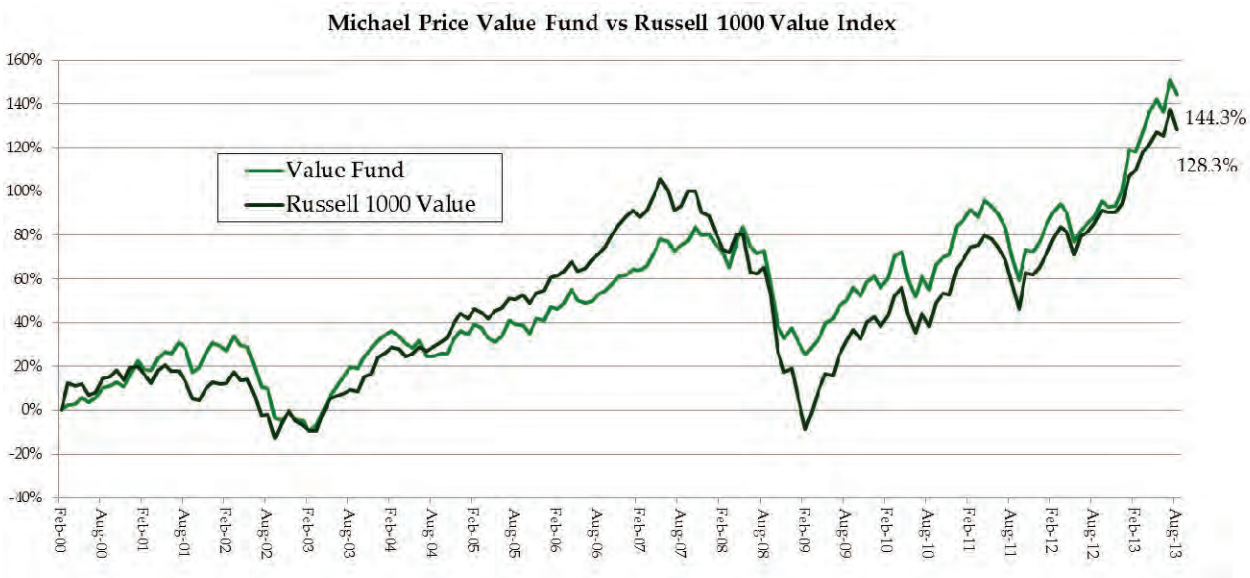
The second largest contributer to fund returns during the period was US Airways (LCC). US Air is currently negotiating a merger with American Airlines. The merger is being scrutinized by the Department of Justice for antitust reasons and would create the largest airline in the world if consummated. Since our entry point, LCC appreciated by 29.1% and the fund exited the position.

The worst stock selections during the period were Phillip Morris (PM) and Coach (COH), which returned -11.8% and -9.8% respectively during the period. We continue to hold these stocks as we believe the fundamental value thesis underlying our investment decision has not changed.

Driving Fund Performance

In light of the performance of these stocks, we are proud of our annual performance in both absolute and relative terms. MPSIF Value Fund analysts began the annual period with 66.7% of the assets in the ETF, and have deployed much of the capital into individual stocks. At the close of the period, the ETF position had been reduced to 31.2% of the portfolio, Fund managers added 21 companies to the portfolio over the period. Many of the investment thesis predicted played out as expected. We have consolidated the portfolio since and are currently evaluating new value opportunities moving forward. Even in the light of what we consider to be an expensive broader market, we look forward to the upcoming year where we continue to outperform the index through prudent risk taking based on deep fundamental analysis.



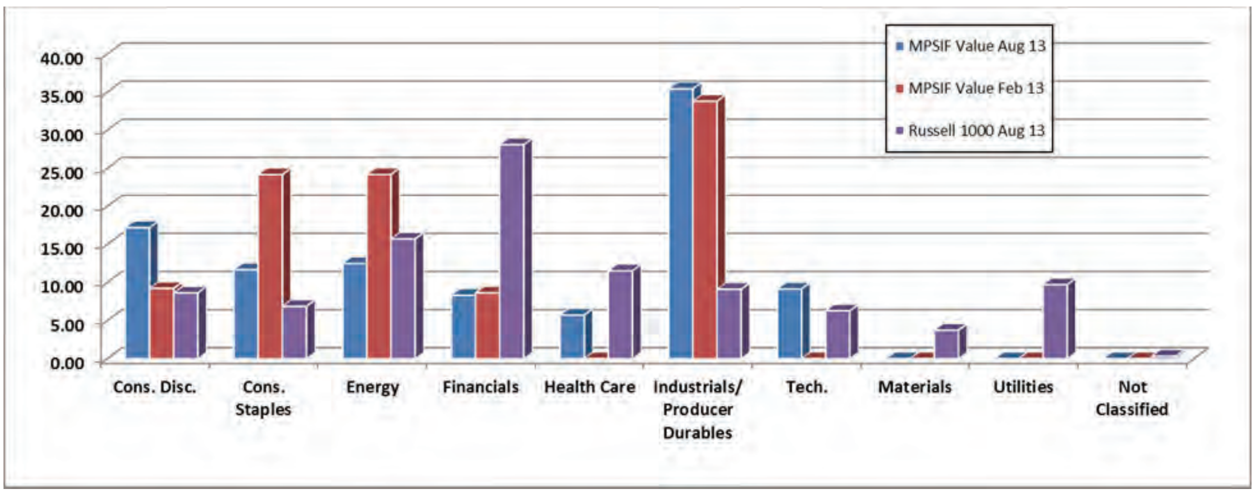

Michael Price Value Fund vs Russell 1000 Value Index
160%
140%
120%
100%
80%
60%
40%
20%
0%
-20%
-40%
Value Fund
Russell 1000 Value
144.3%
128.3%
Feb-00
Aug-00
Feb-01
Aug-01
Feb-02
Aug-02
Feb-03
Aug-03
Feb-04
Aug-04
Feb-05
Aug-05
Feb-06
Aug-06
Feb-07
Aug-07
Feb-08
Aug-08
Feb-09
Aug-09
Feb-10
Aug-10
Feb-11
Aug-11
Feb-12
Aug-12
Feb-13
Aug-13

Asset Allocation

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

As of August 2013, the Fund was significantly overweight in the Consumer Staples and Industrial sectors. During this period, we reduced our exposure in the Technology, Consumer Discretionary, and Healthcare sectors as some of our positions had reached their target prices or new information emerged. Over the past five months we have diversified our holdings in individual stocks, but remain concentrated by sector. Moving forward we are conscious of placing some emphasis on value opportunities across sectors.

Our portfolio currently holds 31.8% of its assets in the benchmark ETF which is a decline from the 49.0% ETF position held by the Fund on February 28, 2013. We continue to identify new attractive investments to add to the portfolio. We have exited positions since and are continuing to evaluate new positions and reduce our direct exposure to the benchmark through ETFs.



Holdings Profile

Value Portfolio as of August 31, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
ACI Worldwide	ACIW	Technology	240	48.67	$11,681	**2.23%**
Amerco	UHAL	Industrials	167	163.60	$27,321	**5.22%**
Apple	AAPL	Technology	43	487.22	$20,950	**4.00%**
Baker Hughes, Inc	BHI	Energy	215	46.49	$9,995	**1.91%**
Coach	COH	Consumer Discretionary	400	52.81	$21,124	**4.04%**
CVS Caremark Corp	CVS	Consumer Staples	300	58.05	$17,415	**3.33%**
Dean Foods	DF	Consumer Staples	246	19.16	$4,713	**0.90%**
Deere & Co	DE	Producer Durables	256	83.64	$21,412	**4.09%**
Gentex	GNTX	Consumer Discretionary	504	22.53	$11,355	**2.17%**
Genworth Financial, Inc	GNW	Financials	2510	11.80	$29,618	**5.66%**
GNC	GNC	Consumer Staples	270	50.87	$13,735	**2.62%**
Halliburton Co	HAL	Energy	242	48.00	$11,616	**2.22%**
Hertz Global Holdings	HTZ	Industrials	700	24.03	$16,821	**3.21%**
International Paper	IP	Industrials	255	47.21	$12,039	**2.30%**
LVMH Moet Hennessy Louis Vuitton	LVMUY	Consumer Discretionary	444	34.96	$15,520	**2.97%**
Murphy Oil Co	MUR	Energy	340	67.42	$22,923	**4.38%**
Phillip Morris	PM	Consumer Discretionary	160	83.44	$13,350	**2.55%**
Taro Pharmaceutical	TARO	Healthcare	310	65.80	$20,398	**3.90%**
Timken Co	TKR	Industrials	279	56.06	$15,641	**2.99%**
W.W. Grainger, Inc.	GWW	Producer Durables	65	247.35	$16,078	**3.07%**
Waste Management, Inc	WM	Producer Durables	420	40.44	$16,985	**3.25%**
Whitewave CL A	WWAV	Consumer Staples	125	19.12	$2,390	**0.46%**
Whitewave CL B	WWAV.B	Consumer Staples	178	18.95	$3,373	**0.64%**
Ishares R1000 Value	IWD	Index ETF	1,938	84.47	$163,703	**31.28%**
Direct Equity Holdings					$356,453	**68.12%**
Total Equity Holdings					$520,156	**99.40%**
Cash as of August 31, 2013					$3,141	**0.60%**
Total Assets					**$523,297**	**100.00%**

Value Portfolio as of February 28, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Baker Hughes, Inc	BHI	Energy	430	44.82	$19,273	**3.93%**
CVS Caremark Corp	CVS	Consumer Staples	740	51.12	$37,829	**7.72%**
Deere & Co	DE	Producer Durables	256	87.83	$22,484	**4.59%**
GNC	GNC	Consumer Staples	540	41.00	$22,140	**4.52%**
Genworth Financial, Inc	GNW	Financials	2510	8.54	$21,435	**4.37%**
W.W. Grainger, Inc.	GWW	Producer Durables	130	226.46	$29,440	**6.00%**
Halliburton Co	HAL	Energy	483	41.51	$20,049	**4.09%**
LVMH Moet Hennessy Louis Vuitton	LVMUY	Consumer Discretionary	664	34.49	$22,900	**4.67%**
Murphy Oil Co	MUR	Energy	340	60.88	$20,699	**4.22%**
US Airways Group, Inc	LCC	Producer Durables	1,215	13.43	$16,317	**3.33%**
Waste Management, Inc	WM	Producer Durables	420	37.32	$15,674	**3.20%**
Ishares R1000 Value	IWD	Index ETF	3,063	78.40	$240,139	**48.98%**
Direct Equity Holdings					$248,241	**50.63%**
Total Equity Holdings					$488,381	**99.61%**
Cash as of August 31, 2012					$1,935	**0.39%**
Total Assets					**$490,316**	**100.00%**

Investment Style and Strategy

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

Benchmark: Russell 1000 Value Index

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

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

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

The Small Cap Fund

Message from the Portfolio Managers

From March 1 through August 31, 2013, the Small Cap Fund returned 8.4%, underperforming its Russell 2000 benchmark by 332 basis points. This was primarily a period of passive management, with no trading activity after May 3. For the period, our top winners were Stone Energy Corporation (+38.9%), Constant Contact, (+38.5%), and Bally Technologies (+35.4%), while KB Home (-28.8%), Titan International (-22.1%), and several other positions negatively impacted Fund performance.

In early April, the outgoing Portfolio Managers implemented a Sector ETF strategy, designed to bring our industry sector weightings in-line with the Russell 2000 and to reduce the size of the actively-managed portion of the portfolio. Prior to the implementation of this strategy, the Fund held a significant amount of cash—which hurt performance in a rising market—and leaned heavily toward consumer discretionary names, given analysts' familiarity with the space.

As incoming PMs, we saw an opportunity to further refine Fund operations. While the Sector ETF strategy helps reduce the Fund's relative performance gap, the only way to maintain an active allocation and to close the gap entirely is to improve our security selection procedures. We've worked to enhance the quality of analysis and selection with positive results. In September, the Small Cap Fund posted a return of 6.9%, more than 50 basis points ahead of the Russell 2000—this was particularly strong considering the 72% ETF allocation during the period.

To drive increased Fund performance, we've made three reforms: we (1) require analysts to use a 10-point quality screen during the research process; (2) create standard update and speed pitch templates, along with guidelines for stock pitches; and (3) instituted a web-based silent-auction style voting process, which eliminates the bias of our previous open-call procedure.

To improve the Fund's quality of security selection, as part of an analyst's fundamental research process they must analyze and make a subjective judgment of ten elements which we believe influence long-term price performance. We believe this 10-point quality screen helps improve the Fund's risk-return profile while investing in the Small Cap universe. The ten elements which our quality screen captures include: differentiated product/service and/or lower cost structure, legal risk, clean audit letter, positive operating cash flow in the past three fiscal years, little to no debt, return on equity above industry average, obsolescence risk, large customer risk, regulatory risk, and understandability of the business. The quality screen encourages analysts to think about and address potential red flags, with the ultimate goal of the quality screen being to limit left tail risk events, which had a significant negative effect on Fund performance from mid-2012 through early-2013.

At the beginning of each semester, analysts in the Small Cap Fund provide an update on each current holding of the portfolio. This semester the Portfolio Managers provided analysts with a standardized update template which focuses on highlighting any changes since the last analyst report to determine if the investment thesis is still intact and if the price target has changed. While Fund updates previously extended through the first month of a new semester, using the new update template allows the Fund to move efficiently through our updates within two class periods in the fall of 2013. This provides the Fund with significantly more time for fundamental research and investment pitches, which will approximately double the number of investment ideas the Fund will analyze this semester.

As part of our idea generation process, the Small Cap team holds a "speed pitch" day, during which each Analyst pitches three potential investment ideas that may warrant additional research. To increase the quality of our idea generation process, Analysts are now responsible for preparing a speed pitch template which requires analysts to do more work beforehand. The speed pitch template includes our quality screen, business description, current valuation, potential investment thesis, potential investment risks, and a recent earnings summary. This speed pitch template provides the Small Cap team with a tangible work product that can be used during the voting period, where the top ten to fifteen ideas are highlighted as justifying further analysis and a formal pitch to the Fund.

Another improvement we recently instituted is a web-based, silent auction voting process. Prior to this new procedure, Fund members would make an open voice vote to approve or disapprove an investment recommendation immediately following the pitch, which often led to groupthink, voter influence, and social pressures. Fund members now have up to twelve hours to vote through an online survey used to gauge buy/sell recommendations and level of conviction. Fund members are able to vote on a 5-point scale: 5-Buy (High Conviction); 4-Buy (Low Conviction); 3-Hold/Indifferent; 2-Do Not Buy/Sell (Low Conviction); 1-Do Not Buy/Sell (High Conviction). Analysts also provide commentary regarding factors that influenced their buy/sell recommendation. The twelve hour voting period provides Fund members with an opportunity to ask follow-up questions and perform additional research before voting to buy or sell.

Given a "buy" decision based upon the web-based voting process, the Fund Portfolio Managers ultimately have final decision regarding position sizing. With a maximum position size of 4% of the portfolio, the Portfolio Managers use analyst conviction and potential risk-return relative to the overall portfolio, Russell 2000 benchmark, and the stock's sector-specific ETF in determining position sizing. We believe giving the Portfolio Managers position sizing responsibilities adds an additional level of risk management as we seek to improve the Fund's security selection.

Additionally, through Fund efficiency improvements, we expect the Small Cap team to double its number of stock pitches in the fall of 2013. As a result, our goal is to increase our number of holdings into the 25-30 range, which will allow us to continue to reduce our ETF exposure. The Fund will continue to utilize Sector ETFs to fill competency gaps and keep the Fund fully invested at all times. Lastly, the Fund will also adjust its sector weights twice per semester, based upon recommendations of the sector strategy team and Small Cap team's voting results.

We believe the investment strategy implemented by outgoing Portfolio Managers in the spring of 2013 has been enhanced by the refinements to operations that we have made in the fall of 2013. These reforms aim to improve idea generation and investment recommendations. We are encouraged by the early results and hope to see strong performance in the coming months as the improvements we have made to the Fund continue to drive improved security selection.

Cage Brewer and Michael Burley
Co-Portfolio Managers, MPSIF Small Cap Fund

Discussion of Performance

For the period ending August 31, 2013:

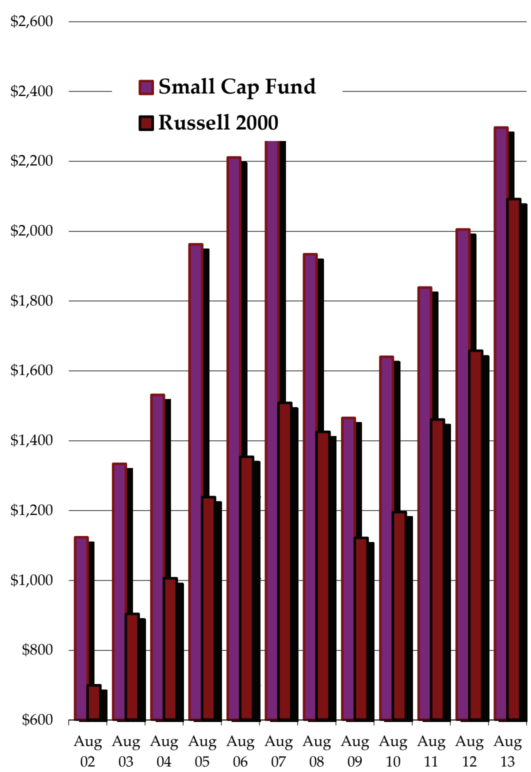
	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**8.40%**	**14.56%**	**40.01%**	**11.87%**	**18.78%**	**3.50%**	**129.61%**	**6.35%**
Russell 2000 Index	11.73%	26.27%	74.97%	20.50%	46.80%	7.98%	109.18%	5.62%
Relative - Net of Fees	-3.32%	-11.71%	-34.96%	-8.63%	-28.02%	-4.48%	20.43%	0.73%

**Inception from March 1, 2000*

Performance Overview

During the second half of fiscal year 2013, the Fund underperformed its benchmark, the Russell 2000 Index, by 3.32% net of management fees. Although positive, the Fund's fiscal year performance underperformed the benchmark by 11.71%. This relative underperformance was largely the result of a handful of positions that were stopped out or experienced material decreases in the stock price. The implementation of the Sector ETF strategy combined with efforts to increase individual stock exposure should help to diversify risk while preserving the potential for alpha generation.

$1,000 Invested with MPSIF Small Cap



Stock Picking

Six months ended August 31, 2013	
Top Performers	**Return**
Stone Energy Corp	38.88%
Constant Contact Inc	38.52%
Bally Technologies	35.38%
Bottom Performers	
KB Home	-28.78%
Titan Intl Inc	-22.07%
Tetra Tech Inc	-21.26%

***Return** : measures the stock's return (excluding dividends) since the later of August 31, 2012 or the date of acquisition to the earlier of February 28, 2013 or the date of disposition.*

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

The top contributing stock for the Fund in the six months ended August 31 was Stone Energy Corp (SGY). The Fund's investment in SGY was designed to gain exposure to an oil and gas company with proven, and increasing, reserves that was negatively impacted by temporary operating issues that hurt production. Relative to proven reserves, increased diversification, and the pending commencement of the company's first deepwater wells, we believed the stock was undervalued and presented an attractive investment opportunity. Since the last report, SGY recorded consecutive positive earnings surprises, increased volume from its Marcellus exposure, and additional production in both Appalachia and La Cantera. SGY raised the upper end of its yearly production guidance and has a strong hedged position to protect against potential unfavorable changes in oil and natural gas prices. As of the end of the Fund's fiscal year, SGY had appreciated nearly 40% since our initial investment.

However, the holding continues to shine as the stock has risen another 30% in September and October, bringing the total unrealized gain to roughly 75%.

Our second best performer was Constant Contact Inc. (CTCT). CTCT is a full service provider of small business marketing services. In the first half of the fiscal year, the stock fell 30% following a weak earnings report. The miss was driven by issues surrounding execution, not demand, which subsided in the following months. However, the stock did not reflect this reality and we felt the market reaction was overblown and the stock would regain strength. Accordingly, CTCT appreciated 38% over the Fund's fiscal second half and, having recovered to our target price and noticing possible future weak earnings power, we decided to sell CTCT, realizing the profit.

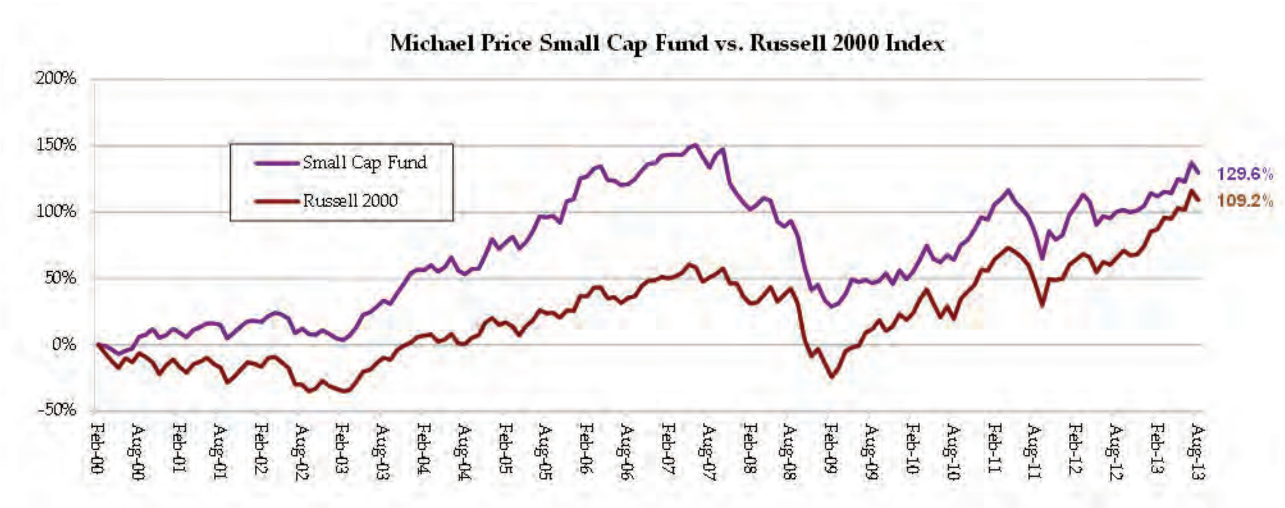
Bally Technologies (BYI) was another notable investment for the Fund. BYI is a provider of gaming technology, with a premium product pipeline we felt could gain market share in casinos. We found the stock attractive given the approval of online gaming licenses in several states, which would benefit their information systems business. Additionally, BYI committed to a series of share buybacks. With these positive developments, the company increased both revenue and earnings projections and the stock reflected this improvement. Similar to CTCT, the stock reached our target price and we sold the position, realizing a 35% profit.

Underperforming investments included KB Home (KBH), Titan International Inc. (TWI), and Tetra Tech Inc. (TTEK). KBH produced a -29% return and was the Fund's largest negative contributor for the period. KBH was mostly impacted by negative news flow on new home sales and a rise in interest rates, which suppressed the stock price. However, we believe the current environment exhibits solid housing fundamentals and recent gross margin expansion coupled with increased land spend guidance could benefit the company. We are maintaining this position while also exploring complementary investments that build on the housing tailwind. TWI lost 22% due to a material earnings miss related to a build-up of tire inventory in the farm and construction machinery sector. We felt TWI would be negatively impacted by the curtailment of Section 179 and other equipment purchase deductions and the position was subsequently sold. TTEK, an environmental consulting and natural resource management firm, reported earnings below consensus and was downgraded by various analysts, resulting in a 21% loss. TTEK's growth areas are slowing, operations exhibit political and governmental risk and unsuccessful M&A activity led us to believe management's goal of expanding the EBITDA margin seemed unlikely. When coupled with lowered guidance along with sub-optimal economic conditions from operations in Eastern Canada, we sold the position in September and reallocated the proceeds to the Industrials ETF.

We continue to actively monitor all of the Fund's investments and believe the implementation of a formalized quality screen helps to scrutinize investment theses.

Driving Fund Performance

During fiscal 2013, and particularly in the second half, the Fund balanced and diversified its equity exposure through the use of Sector ETFs. As a result of recent speed pitches, the Fund has identified a variety of attractive investment opportunities and we have increased single stock exposure subsequent to the fiscal year-end. We will continue to utilize speed pitches going forward and, as always, analysts will perform deep-dive analysis on the top ideas, providing necessary updates as warranted.


Michael Price Small Cap Fund vs. Russell 2000 Index
200%
150%
100%
50%
0%
-50%
Small Cap Fund
Russell 2000
129.6%
109.2%
Feb-00
Aug-00
Feb-01
Aug-01
Feb-02
Aug-02
Feb-03
Aug-03
Feb-04
Aug-04
Feb-05
Aug-05
Feb-06
Aug-06
Feb-07
Aug-07
Feb-08
Aug-08
Feb-09
Aug-09
Feb-10
Aug-10
Feb-11
Aug-11
Feb-12
Aug-12
Feb-13
Aug-13

Asset Allocation

As the Fund primarily focuses on bottom-up stock picking and fundamental analysis, asset allocation has historically been a secondary consideration.

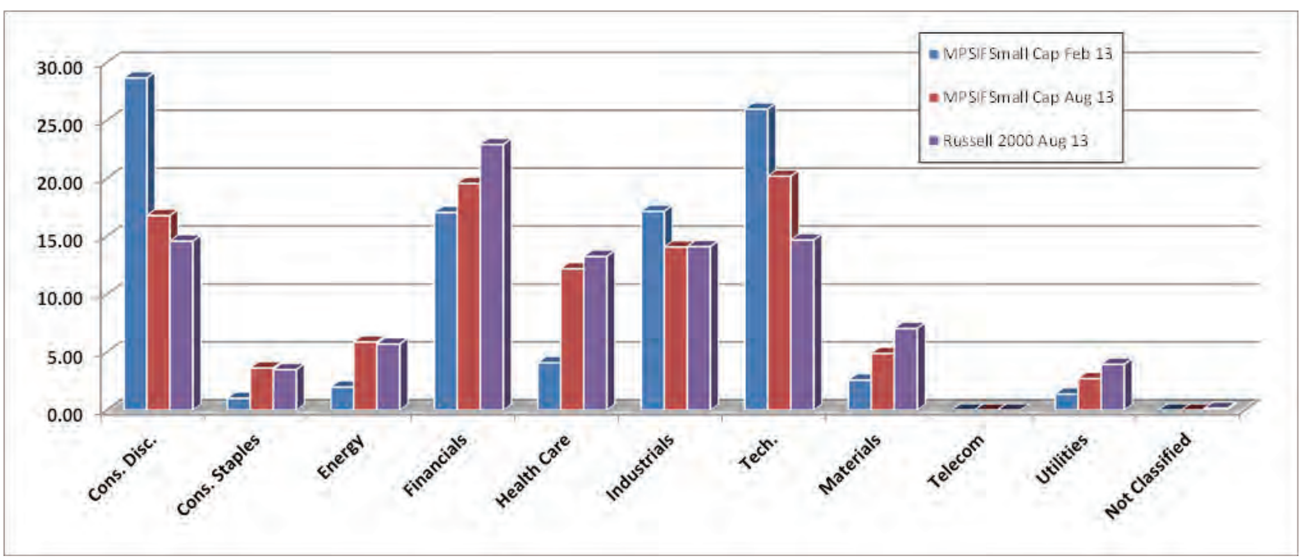
The Fund's commitment to bottom-up stock selection is primarily pedagogical in nature. The Fund is a seminar style course in which students can use and combine skills garnered in their other classes in a professionally practicable manner.

That said, it should be clearly understood that as the central principle of modern portfolio theory, asset allocation, should not be ignored. Accordingly, the Fund has placed more emphasis on asset allocation by using Small Cap Sector ETFs as a part of our portfolio management strategy. As Small Cap stocks tend to be riskier and more volatile than the market, this strategy should also help diversify the Fund and reduce overall volatility in the portfolio.

As of August 31, 2013, the sectors with the most significant weight in the Fund are as follows:

- Technology represented a 20.19% allocation, the largest sector in the Fund. With the Russell 2000 at a 14.69% weighting, the Fund is overweight compared to the benchmark.
- Financials captured a 19.57% share in the Fund, below the 22.93% allocation in the benchmark Russell 2000.
- Consumer Discretionary accounted for a 16.80% allocation in the Fund, higher than the 14.60% allocation for the sector in the Russell 2000.

Over the past six months we have continued to focus on managing the Fund's sector level exposure. Asset allocation, while secondary in nature to our bottom-up strategy, is capturing greater emphasis in our selection. We have set target sector exposures and as we buy (sell) individual stocks, capital is sourced from (directed to) the corresponding Sector ETF. As such, we feel we have created a mechanism for maintaining a balanced portfolio over time.



Holdings Profile

Small Cap Portfolio as of August 31, 2013

Company Name	Ticker	Sector	Closing Price	Position Value	% of Assets
Aegion Corp	AEGN	Industrials	21.40	$9,309	**1.79%**
Americas Car-Mart Inc	CRMT	Consumer Discretionary	41.00	$8,610	**1.66%**
Bally Technologies Inc	BYI	Consumer Discretionary	72.13	$9,593	**1.85%**
Constant Contact Inc	CTCT	Technology	19.13	$20,565	**3.97%**
Copper Tire & Rubr Co	CTB	Consumer Discretionary	31.93	$13,027	**2.51%**
Finish Line Inc	FINL	Consumer Discretionary	20.96	$15,804	**3.05%**
Heartland Express Inc	HTLD	Industrials	13.92	$15,103	**2.91%**
KB Home	KBH	Consumer Discretionary	16.03	$5,899	**1.14%**
Leapfrog Enterprises Inc	LF	Consumer Discretionary	9.62	$17,210	**3.32%**
Liquidity Svcs Inc	LQDT	Technology	29.64	$18,051	**3.48%**
ManTech Intl Corp	MANT	Technology	28.45	$15,790	**3.04%**
Monmouth Real Estate Invt Corp	MNR	Financials	8.98	$10,695	**2.06%**
Pennymac Mtg Invt Tr	PMT	Financials	21.05	$11,620	**2.24%**
RPX Corp	RPXC	Industrials	15.69	$8,990	**1.73%**
Smith & Wesson Holding Corp	SWHC	Consumer Discretionary	10.94	$16,629	**3.21%**
Stone Energy Corp	SGY	Energy	27.40	$20,166	**3.89%**
Tetra Tech Inc	TTEK	Industrials	22.78	$12,301	**2.37%**
PowerShares S&P SmallCap Consumer Staples	PSCC	Consumer Staples	44.31	$18,832	**3.63%**
PowerShares S&P SmallCap Energy	PSCE	Energy	41.80	$10,199	**1.97%**
PowerShares S&P SmallCap Financials	PSCF	Financials	35.60	$78,747	**15.18%**
PowerShares S&P SmallCap Utilities	PSCU	Utilities	32.01	$14,084	**2.72%**
PowerShares S&P SmallCap Materials	PSCM	Materials	36.14	$25,262	**4.87%**
PowerShares S&P SmallCap Information Technology	PSCT	Technology	38.14	$49,887	**9.62%**
PowerShares S&P SmallCap Industrials	PSCI	Industrials	37.89	$27,016	**5.21%**
PowerShares S&P SmallCap Health Care	PSCH	Healthcare	46.70	$63,045	**12.16%**
Direct Equity Holdings				$229,363	**44.22%**
Total Equity Holdings				$516,435	**99.57%**
Cash as of August 31, 2013				$2,205	**0.43%**
Total Assets				**$518,640**	**100.00%**

Small Cap Portfolio as of February 28, 2013

Company Name	Ticker	Sector	Closing Price	Position Value	% of Assets
Capstead Mortgage Corp	CMO	Financials	12.54	$14,296	**2.92%**
Constant Contact Inc	CTCT	Technology	14.13	$15,190	**3.10%**
Ezcorp Inc	EZPW	Financials	20.68	$21,859	**4.46%**
Finish Line Inc	FINL	Consumer Discretionary	18.12	$19,932	**4.07%**
Heartland Express Inc	HTLD	Industrials	13.57	$24,725	**5.05%**
Iconix Brand Group Inc	ICON	Consumer Discretionary	23.63	$15,123	**3.09%**
Jack in the Box Inc	JACK	Consumer Discretionary	31.66	$26,594	**5.43%**
ManTech Intl Corp	MANT	Technology	24.81	$22,949	**4.69%**
Omnivision Technologies Inc	OVTI	Technology	15.41	$25,457	**5.20%**
Skullcandy Inc	SKUL	Consumer Discretionary	6.10	$6,381	**1.30%**
Smith & Wesson Holding Corp	SWHC	Consumer Discretionary	9.55	$14,508	**2.96%**
Strayer Education Inc	STRA	Consumer Discretionary	49.09	$12,763	**2.61%**
Tetra Tech Inc	TTEK	Technology	28.86	$22,511	**4.60%**
Titan Intl Inc	TWI	Industrials	21.11	$25,015	**5.11%**
iShares Russell 2000 Index Fund	IWM	Index ETF	90.48	$133,187	**27.20%**
Direct Equity Holdings				$253,008	**51.67%**
Total Equity Holdings				$386,194	**78.87%**
Cash as of Feburary 28, 2013				$103,491	**21.13%**
Total Assets				**$489,686**	**100.00%**

Investment Style and Strategy

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

Style: The Small Cap Fund combines a bottom-up approach for security selection and portfolio construction with consideration of the Fund's current sector weightings for any new additions to the portfolio. The Fund invests primarily in domestic equities with market capitalization less than $2 billion and benchmarks its returns against the Russell 2000 Index. 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.

The Fund recently instituted the use of Small Cap Sector ETFs to further diversify the portfolio holdings and reduce overall Fund volatility.

Strategy: The Fund targets a relatively concentrated portfolio of individual stock selections with a target of 20-30 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. At least once a semester, Fund analysts provide updates on existing positions in the portfolio. At that time, the entire Fund votes on the analyst's recommended course of action.

The possible actions are selling the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. We set allocations across a range of 2-4% based on the conviction levels and current sector allocations.

New pitches are also presented to the Fund throughout the semester by analysts. 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 risks. For new investments that have been approved by the Fund through a majority vote, the analyst and the Portfolio Managers will determine position weighting based primarily on the analysts conviction level. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings relative to the benchmark and may adjust position weights accordingly.

For sectors where the Fund is underweight from individual stock selections relative to the benchmark, the Portfolio Managers will use Sector ETFs to gain exposure to certain sectors. Sector allocations may deviate from the benchmark depending on economic and sector outlooks held by the Fund.

Rationale for Small Cap Stocks: Small Cap stocks are defined by the Fund as stocks that generally 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. Considering the volatility of Small Cap stocks, it is very important to take action immediately against price movement and market sentiment. While we do not have automatic stop-losses that are triggered upon a price drop, analysts are required to track price activity and initiate a vote to sell upon a price drop. Every position is assigned to a particular analyst. In order to maintain continuity between semesters, stocks assigned to outgoing analysts are temporarily assigned to second-semester analysts (over the recess periods) until new analysts join the Fund and the stock coverage is reassigned.

The Fixed Income Fund

Message from the Portfolio Managers

The last few months have been extraordinarily challenging for fixed income investments. A possible reduction of the Fed's quantitative easing (QE) program caused volatility in the fixed income markets, particularly between May and July 2013, causing the Fund to underperform the benchmark by 1.15% in the period, and by 0.03% on a 12-month basis (-2.72% vs. -2.69%). Given the delay of tapering by the Fed (the QE program is still in place as we write our report) the fund has resumed stronger performance in the last few months.

In 2013, U.S. government debt yields experienced historic volatility; the 10-year dropped as low as 1.63% in May 2013 before advancing to 2.99% a few months later, while the 30-year experienced a 110 basis point difference between its lowest and highest points over the summer. The announcement by the Fed of a possible end to its QE program not only caused a significant increase in the interest rates of US Government bonds, but triggered risk aversion in investors, significantly hurting risk assets, in particular emerging markets bonds and equities.

In our meetings this past year, the Fund continued under the presumption that domestic interest rates were unlikely to remain at their existing depressed levels considering the ongoing recovery, falling unemployment, and eventual inflation. Given that view, we determined it would be in the Fund's best interest to reduce the duration of our Treasury position (but continue holding TIPS) and diversify into assets with either lower duration or lower exposure to US interest rates risk. As part of this strategy, and given the very narrow spread in credit instruments, we decided to express our preference for credit risk through leveraged loans. We continued to like the diversification and spreads offered by dollar-denominated emerging market debt, a view that produced good results at the beginning of the year, but resulted in losses during the summer (with partial recovery in the last few months).

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

1. <u>Reduce Duration of US Treasury Position</u>

We began the fiscal year with an underweight to treasuries relative to our benchmark, which maintains about a 40% weight in treasuries. Following our expectations of a possible end of QE and the ongoing economic recovery, we sought to position the portfolio prudently for a rise in long-term rates by reducing the duration of the portfolio. To do this, we sold out of long-term treasuries (+20 years). Our view was that the long end of the yield curve did not offer enough marginal return to compensate for the risk of holding the bonds that were most sensitive to rising rates. At the same time we decided to sell our exposure to the very short portion of the US Treasury curve, since it was offering a very low carry, with still some interest rate risk (the 3-Year Treasury Bond had a 0.33% yield at the beginning of March 2013).

Rates are no longer at historic lows and the term structure is steeper than before, nevertheless, we still believe there is risk of interest rates hikes. As a result, our entire treasury allocation is invested in ETFs with a term no greater than seven years (ticker IEI), as well as TIPS (ticker TIP). We will continue to monitor this situation, especially to be prepared for a possible increase in the interest rates that would make positions in some other parts of the curve more attractive.

2. <u>Eliminate Allocation to High-Yield Bonds</u>

Various indices indicated that high-yield bond yields were at extraordinarily low levels. Given the possible end of Fed Quantitative Easing, we concluded that we were not being compensated adequately for the interest rate and spread risk we were running.

Although we believe U.S. corporate default rates should remain relatively benign as the economy shows signs of improvement, we decided to express this view through leveraged loans which offer a more attractive risk-reward profile.

3. Allocation to Leveraged Loans

To compensate for eliminating high yield bonds in the portfolio, we initiated a position in leveraged loans as an alternative investment. Since purchasing BKLN in late April, our position has outperformed by 2.70% on a relative basis. We also benefit from the ETF's 4.16% current yield. Our benchmark does not include any allocation to leveraged loans.

4. Increase Position in Emerging Market Debt

In the current low interest rate environment, very few investments offer attractive yield with strong fundamentals. The credit quality of many emerging market countries had been improving while many developed economies suffered from ratings downgrades, rapidly rising debt levels and very low growth rates. At the same time, the controlled inflation in these countries (with some exceptions) and global economic slowdown, led to dovish statements from Central Bank officials in emerging markets. Overall, this leads us to believe that there were no fundamental factors that should indicate a significant increase in their spreads.

Following this view, and the historical evidence of low correlation between emerging market credit and treasuries, we increased our exposure to the PIMCO Emerging Markets Fund.

The already mentioned flight to "quality" that occurred during summer made this originally successful position underperform. Given our perception that emerging markets were fundamentally sound, and that the sell-off was more a consequence of an increased risk aversion, we decided to hold the position for a few months to recover part of the losses.

While emerging market debt is not part of our defined index, we believe this asset class is a growing component of any well-diversified fixed income portfolio. By investing in a fund that holds a basket of both sovereign and the most credit-worthy corporate bonds, we believe we are able to capitalize on the changing dynamics of the global credit market.

Outlook

We expect a volatile market over the next few months driven by potential tapering from the Fed. We expect a continuation of the current slow recovery of the economy and an improvement in the credit quality of US Corporates.

We believe that the yield curve will steepen further and inflation will remain rather benign. Longer-term, we believe that the front end of the yield curve has to rise and that inflation will come in above historical averages. Therefore, we are cautiously monitoring our large positions to Mortgage Backed Securities and emerging market debt to determine whether the risk/reward profile is appropriate for the portfolio.

Paolo Di Marco and Daryn Katzen
Co-Portfolio Managers, MPSIF Fixed Income Fund

Discussion of Performance

For the period ending August 31, 2013:

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**-3.78%**	**-2.72%**	**6.38%**	**2.08%**	**21.54%**	**3.98%**	**58.88%**	**4.17%**
Vanguard Total Bond Fund	-2.63%	-2.69%	6.05%	1.98%	26.16%	8.05%	70.08%	4.80%
Relative - Net of Fees	-1.15%	-0.03%	0.33%	0.11%	-4.62%	-4.08%	-11.21%	-0.63%

** Inception from May 20, 2002*

Over the past 6 and 12 months, the Fund has earned -3.78% and -2.72% net returns, respectively. During the most recent 6-month and 12-month periods, net of fees, the Fund underperformed the benchmark Vanguard Total Bond Fund, which lost -2.63% and -2.69%, respectively.

The top contributing investment was the PowerShares Senior Loan Portfolio (BKLN). The Fund likes BKLN because it is more senior in the capital stack than high yield, offers an attractive yield and bears no interest risk. The BKLN position was added to the portfolio in April and outperformed for the remainder of the second quarter and currently remains in the portfolio.

Our second largest contributor was the iShares iBoxx Investment Grade Corporate Bond Fund (AGZ). The shorter duration relative to the benchmark and spread over similar duration treasuries makes this an attractive investment. Given the fund characteristics, we view it as a way to preserve capital and manage duration while picking up incremental yield. AGZ returned -1.77% over the prior six months and currently remains in the portfolio

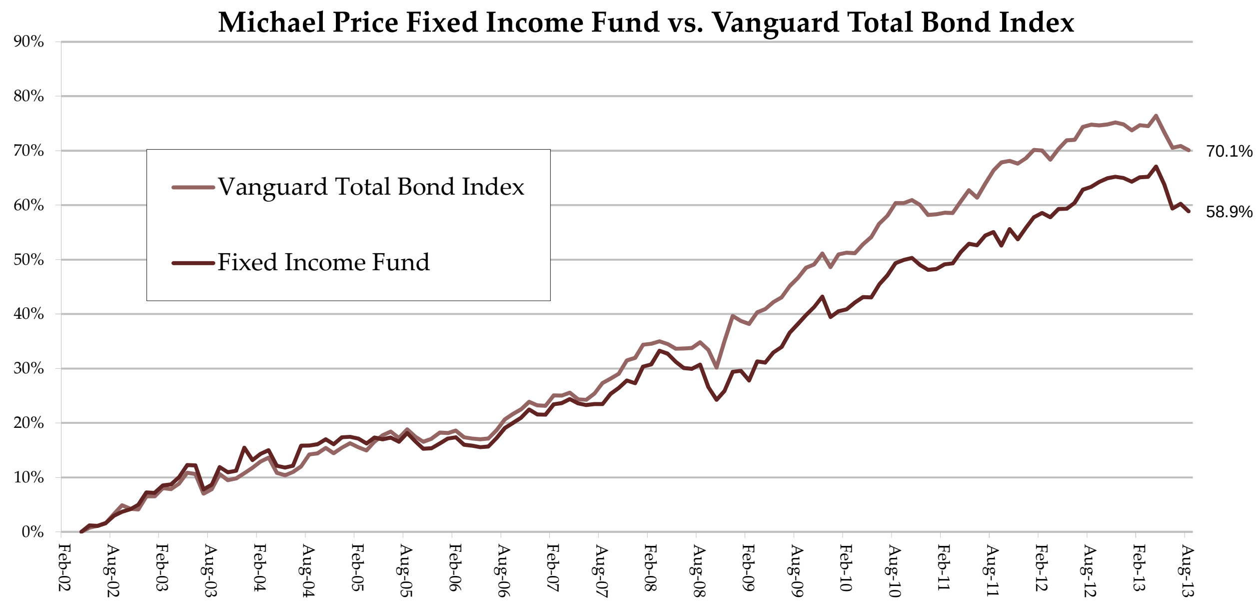
The largest detractors from performance were the PIMCO Emerging Markets Bond Fund (PEMPX) and the iShares Barclays TIP Bond Fund (TIP). In the second quarter, the Federal Reserve's comments on reducing monetary stimulus drove nominal yields higher. As a result, there was sharp sell-off in emerging market bonds and this led to a large relative underperformance. Furthermore, the increase in nominal yields coupled with weakened inflation expectations led to a spike in real yields. This punished TIPS more relative to treasuries and we were overweight TIPS and underweight treasuries. The Fund still views inflation as a long term threat given the unprecedented monetary policy undertaken by the Federal Reserve, and therefore, believes our allocation to TIPS is warranted.

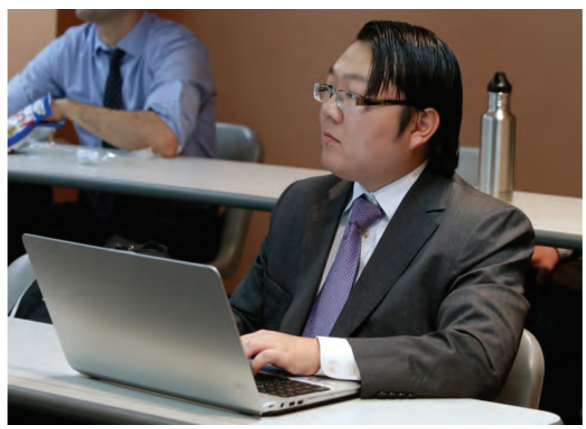
Six months ended August 31, 2013

Top Performers	**Return**
BKLN	-1.12%
AGZ	-1.77%
Bottom Performers	
PEMPX	-11.19%
TIP	-7.06%

Return *: measures the stock's return (excluding dividends) since the later of February 28, 2013 or the date of acquisition to the earlier of August 31, 2013 or the date of disposition.*

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


Michael Price Fixed Income Fund vs. Vanguard Total Bond Index
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Vanguard Total Bond Index
Fixed Income Fund
70.1%
58.9%
Feb-02
Aug-02
Feb-03
Aug-03
Feb-04
Aug-04
Feb-05
Aug-05
Feb-06
Aug-06
Feb-07
Aug-07
Feb-08
Aug-08
Feb-09
Aug-09
Feb-10
Aug-10
Feb-11
Aug-11
Feb-12
Aug-12
Feb-13
Aug-13



Asset Allocation

Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The largest positions are currently in Mortgage Backed Securities, Emerging Market Bonds and three- to seven-year Treasury Bonds. As we go forward, we intend to continue making investments consistent with our view that currently includes closely following our exposure to the MBS and emerging market sectors. Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach given the current fixed income environment.

Holdings Profile

Fixed Income Portfolio as of August 31, 2013

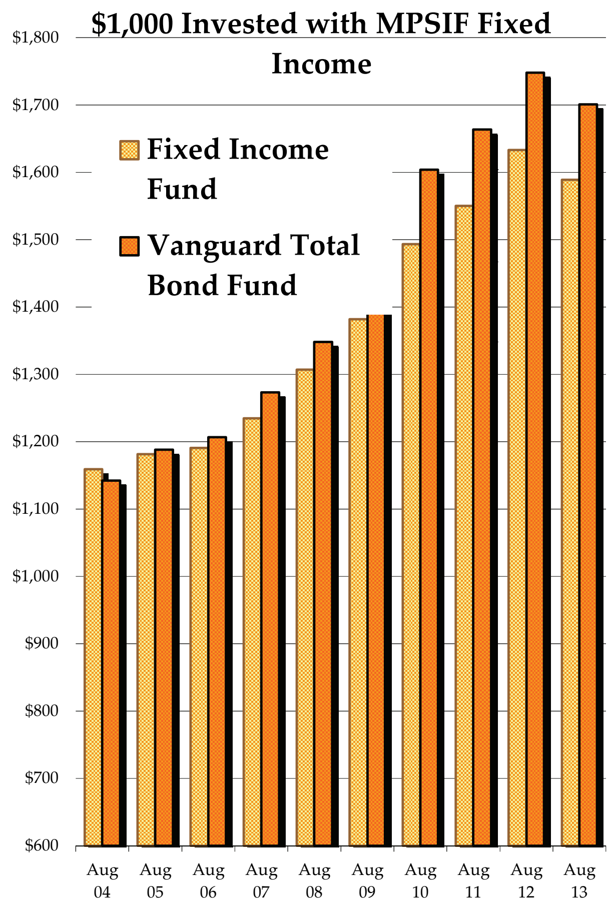
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage Opportunities Fund	PMZPX	MBS/ABS	10,394	$ 10.84	$112,669	**36.07%**
iShares Barclays 3 - 7 Tresaury Bond Fund	IEI	Treasuries	151	$ 119.96	$18,114	**5.80%**
iShares Barclays Agency Bond Fund	AGZ	Agency	138	$ 110.68	$15,273	**4.89%**
iShares Barclays TIP Bonds Protected Securities Fund	TIP	Treasuries	265	$ 110.74	$29,346	**9.39%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	515	$ 113.05	$58,221	**18.64%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	4,045	$ 10.95	$44,297	**14.18%**
PowerShares Senior Loan Portfolio	BKLN	Loan	592	$ 24.72	$14,634	**4.68%**
Total Securities					$292,554	**99.57%**
Cash as of August 31, 2013					$1,271	**0.43%**
Total Assets					**$293,824**	**100.00%**

Fixed Income Portfolio as of February 28, 2013

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Mortgage-Backed Securities P	PMRPX	MBS/ABS	8,047	$ 10.59	$85,216	**26.50%**
iShares Barclays 1- 3 Year Treasury Bond	SHY	Treasuries	515	$ 84.46	$43,497	**13.53%**
iShares Barclays 20+ Year Treasury Bond		Treasuries	128	$ 118.51	$15,169	**4.72%**
iShares Barclays 3 - 7 Tresaury Bond Fund	IEI	Treasuries	151	$ 123.42	$18,636	**5.80%**
iShares Barclays Agency Bond Fund	AGZ	Agency	138	$ 113.33	$15,639	**4.86%**
iShares Barclays TIP Bonds Protected Securities Fund	TIP	Treasuries	182	$ 121.01	$22,024	**6.85%**
iShares iBoxx $ High Yld Corp Bond	HYG	Corporate	283	$ 94.04	$26,613	**8.28%**
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	515	$ 120.33	$61,970	**19.27%**
PIMCO Emerging Markets Bond Cl P	PEMPX	Foreign	1,916	$ 12.33	$23,630	**7.35%**
Total Securities					$312,395	**97.14%**
Cash as of February 28, 2013					$9,186	**2.86%**
Total Assets					**$321,581**	**100.00%**

Investment Style & Strategy

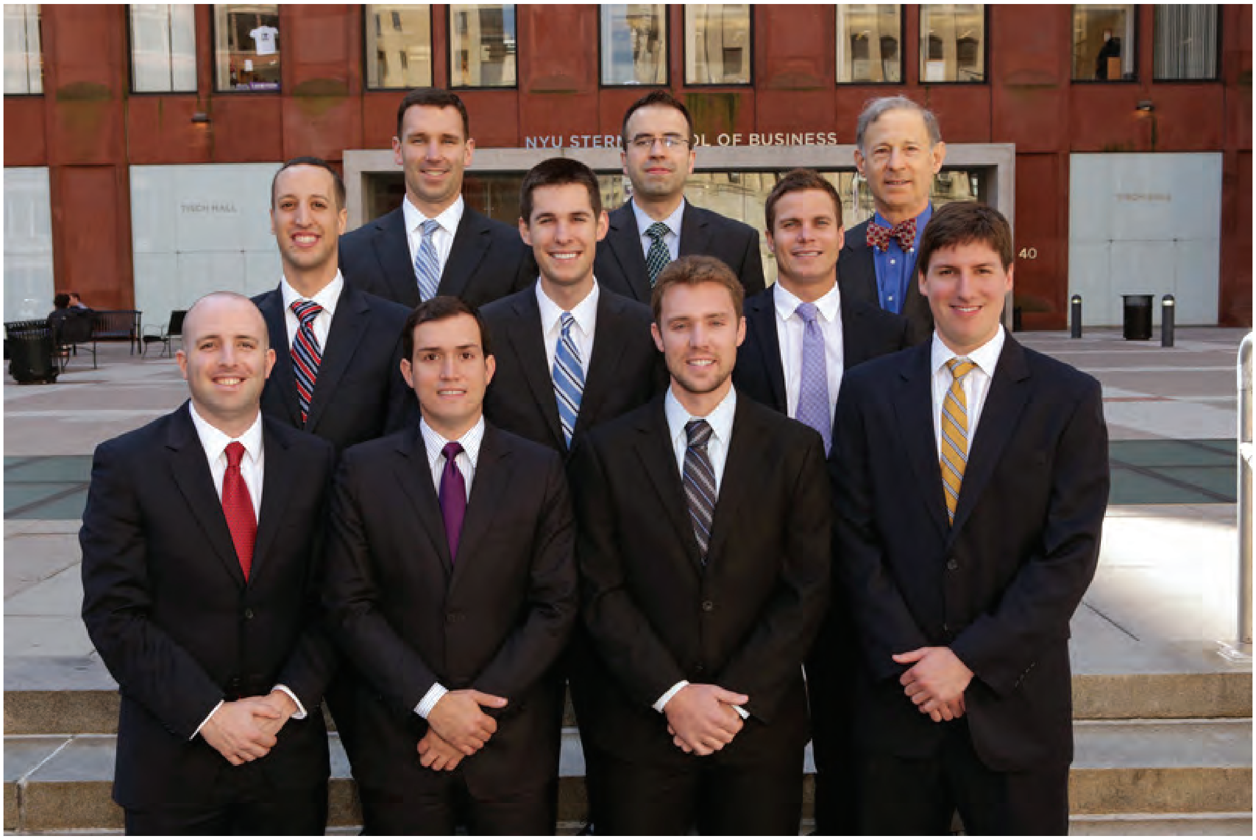
The Fund seeks to outperform its benchmark, the Vanguard Total Bond Fund (VBMFX). The Fund implements its views through a top-down allocation approach to the four main sub-sectors of the U.S. Fixed Income investment grade market, namely U.S. Treasuries, Corporate Bonds, Mortgage-Backed/Asset-Backed Securities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



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

Fund Management

The Executive Committee



Front Row: Michael Burley, Paolo Di Marco, Darryl Pinkus, Connor Lynagh
Middle Row: Justin Montminy, Cage Brewer, Daryn Katzen
Back Row: Andrew Ralph, Adam Moore, Richard Levich

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

Justin Montminy – ***President***
Justin Montminy has a B.S. in Business from the University of Illinois at Urbana - Champaign. Prior to Stern, Justin worked as an Associate in Citadel LLC's Treasury and Portfolio Financing group. Justin interned at Barclays last summer as an Associate in their Equity Research department.

Connor Lynagh – ***Co-Portfolio Manager, Growth Fund***
Connor Lynagh received a B.S. in Economics from the George Washington University. Prior to attending Stern, Connor worked as a Research Analyst at Economists Incorporated, where he provided economic and financial

analysis related to the merger review process and various forms of corporate litigation. After business school, Connor will be working in Equity Research at Morgan Stanley.

Darryl Pinkus – *Co-Portfolio Manager, Growth Fund*
Darryl Pinkus received a BS in Accounting from Pepperdine University in 2007. Prior to attending Stern, Darryl was a portfolio associate in the portfolio management group at PIMCO. Darryl worked on the Short-Term trading desk, where he managed risks and generated/implemented trade ideas for short-term strategy accounts. After business school, Darryl will be joining BMO Capital in its Sales and Trading rotational program.

Adam Moore, CFA – *Co-Portfolio Manager, Value Fund*
Adam Moore has a B.S. in Management with a Finance Concentration from Boston College. Adam began his career at Gabelli Investment Management Company and most recently worked as an Associate at Credit Suisse.

Andrew Ralph – *Co-Portfolio Manager, Value Fund*
Andrew Ralph has a B.A. in Economics from Yale University. Prior to Stern, Andrew worked as an investment officer at J.Bush & Co. in New Haven, CT. Over the summer he worked as an Analyst for Arundel Capital, a long/short hedge fund based in New York.

Cage Brewer - *Co-Portfolio Manager, Small Cap Fund*
Cage Brewer is a graduate of Duke University and a second-year MBA candidate at NYU. Prior to matriculating at Stern, he worked for three years in Marketing & Analysis at Capital One. This past summer, Cage interned as an Equity Research Associate at American Century Investments, where he supported the Emerging Markets and International Growth teams.

Michael Burley, CFA - *Co-Portfolio Manager, Small Cap Fund*
Michael Burley holds a B.S. in Corporate Finance and Accounting from Bentley University. Prior to attending Stern, Michael spent four years as an Equity Analyst at Century Capital Management. This past summer Michael worked as an Equity Research Analyst Intern at Fidelity Investments, where he covered US Financial Exchanges. Michael currently works part-time as an Equity Research Analyst Intern at Kane Street Capital Management.

Paolo Di Marco - *Co-Portfolio Manager, Fixed Income Fund*
Paolo Di Marco holds a B.A in Economics from Pontificia Universidad Javeriana, Colombia. Prior to attending Stern, Paolo worked for five years for the Foreign Reserves Department of the Central Bank of Colombia. This past summer Paolo worked as an Equity Research Analyst at Culmen Capital, where he covered global tire manufacturers.

Daryn Katzen, CFA- *Co-Portfolio Manager, Fixed Income Fund*
Daryn Katzen has a Bachelor of Science in Financial Mathematics and Statistics and a Bachelor of Arts in Business Economics from the University of California at Santa Barbara. Prior to attending Stern, Daryn was a Senior Investment Consulting Associate at Wurts and Associates, a macroeconomic institutional investment consulting firm.

The Growth Fund

Front Row: Benjamin Miller, Connor Lynagh, Jeff Goldstein
Second Row: Darryl Pinkus, Jonathan Baluzy, Matthew Mitchell, Ruchin Jain
Third Row: Dan Walker, Judah Sokel
Not Pictured: Victoria Liu

Jonathan Baluzy graduated from Syracuse University and is a licensed CPA. Prior to Stern, Jonathan worked as an auditor for Grant Thornton LLP, performing services for large commercial and financial services companies in and around the tristate area. This past summer he worked for Mars & Company, a strategy consulting firm, where he will be returning full-time after graduation.

Jeff Goldstein received a BSBA in Finance and International Business from Washington University in St. Louis. Prior to Stern, Jeff was a fixed income trader at Oppenheimer & Co, where he worked with products such as municipal bonds, commercial paper, and auction rate securities. Over the summer, Jeff worked as an equity analyst at Moore Capital Management.

Ruchin Jain received a Bachelors and Masters in Chemical Engineering from Indian Institute of Technology Delhi in 2008. Prior to NYU Stern, Ruchin was an Associate with the Institutional Client Group at Deutsche Bank in India. Prior to Deutsche Bank, has worked as an Analyst at McKinsey & Co, and has interned with MVision Private Equity Advisers.

Victoria Liu has a B.S. in Statistics and Business Administration-Finance from Carnegie Mellon University. Prior to Stern, Victoria worked as a Leveraged Finance Analyst and Associate at BNP Paribas in New York and in Hong Kong. Victoria spent her summer internship at Partnership Growth Capital in San Francisco.

Connor Lynagh received a B.S. in Economics from the George Washington University. Prior to attending Stern, Connor worked as a Research Analyst at Economists Incorporated, where he provided economic and financial analysis related to the merger review process and various forms of corporate litigation. After business school, Connor will be working in Equity Research at Morgan Stanley.

Benjamin Miller received a BBA in Finance and Political Science from Emory University in 2009. Prior to Stern, Ben worked at Citigroup as an analyst in credit risk management covering large cap consumer and retail companies. Prior to Citigroup, Ben was a middle market credit analyst at Bank of America Merrill Lynch.

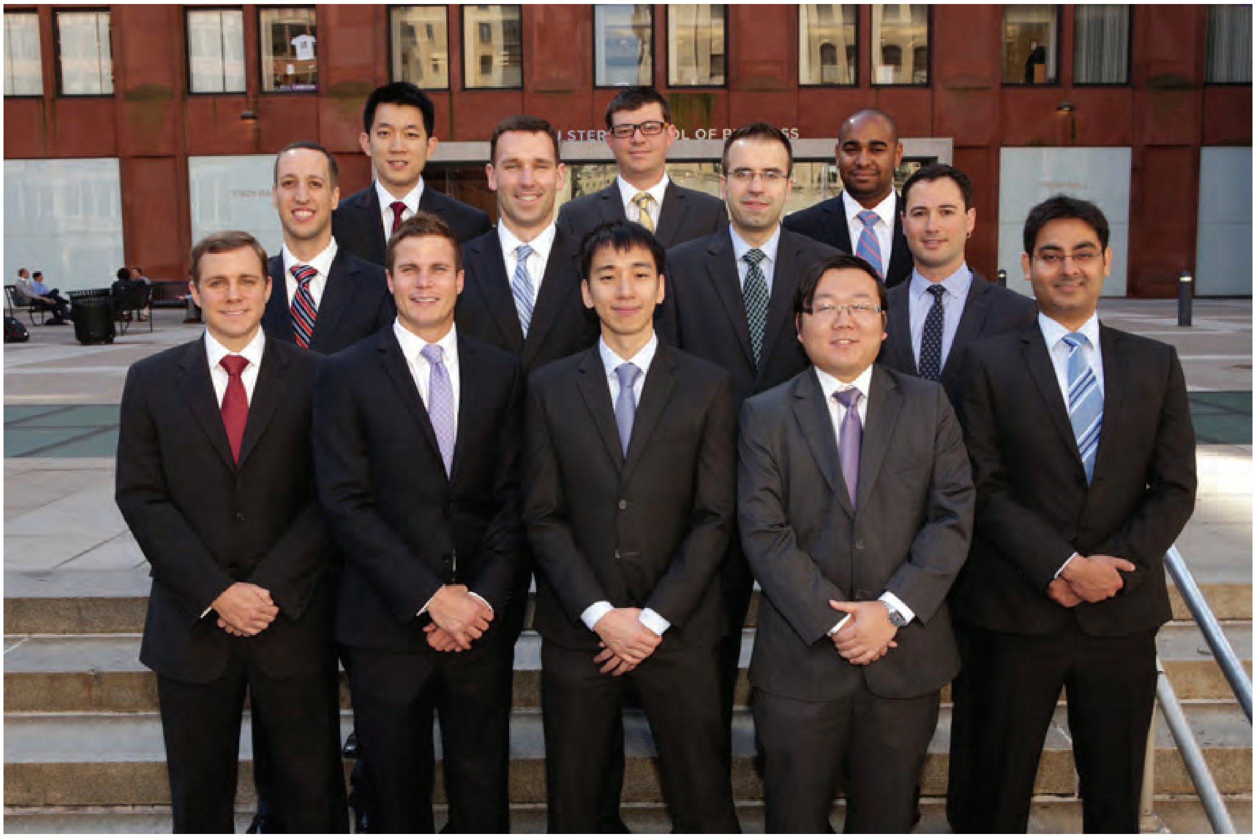
Matthew Mitchell studied economics at Temple University and graduated in 2007 with a Bachelor of Business Administration. Prior to Stern, Matthew enlisted in the United States Marine Corps infantry and served tours of duty in both Iraq and Afghanistan. While at Stern, Matthew is specializing in Finance and Accounting.

Darryl Pinkus received a BS in Accounting from Pepperdine University in 2007. Prior to attending Stern, Darryl was a portfolio associate in the portfolio management group at PIMCO. After business school, Darryl will be joining BMO Capital in its Sales and Trading rotational program.

Judah Sokel, CPA graduated summa cum laude from Touro College in 2008 with a BS in Accounting. Prior to attending Stern, Judah worked as an equity research analyst at Palladium Capital Advisors. Judah spent the summer working in Equity Research at J.P. Morgan and will be returning there upon graduation.

Dan Walker graduated from the University of North Carolina at Chapel Hill in 2008 with a Bachelor of Science in Business Administration and a Masters of Accounting. Prior to Stern, Dan worked as an Assurance Associate at PricewaterhouseCoopers and as an Investor Relations Senior at The Carlyle Group. Dan spent his summer with the UBS Investment Bank in the Private Funds Group.

The Value Fund



Front Row: Louis Pavia, Daryn Katzen, James Yuan, Javier Gondo, Ankit Gupta
Middle Row: Justin Montminy, Andrew Ralph, Adam Moore, Matt Weber
Back Row: Jerry Lui, Taylor Price, Dean Hamilton

Adam Moore, CFA has a B.S. in Management with a Finance Concentration from Boston College. Adam began his career at Gabelli Investment Management Company and most recently worked as an Associate at Credit Suisse.

Andrew Ralph has a B.A. in Economics from Yale University. Prior to Stern, Andrew worked as an investment officer at J.Bush & Co. in New Haven, CT. Over the summer he worked as an Analyst for Arundel Capital, a long/short hedge fund based in New York.

Dean Hamilton, CFA received a B.S. in Finance from Hampton University. Prior to attending Stern, Dean spent four years at Vanguard in their Investment Counseling and Research group.

Daryn Katzen, CFA has a Bachelor of Science in Financial Mathematics and Statistics and a Bachelor of Arts in Business Economics from the University of California at Santa Barbara. Prior to attending Stern, Daryn was a Senior Investment Consulting Associate at Wurts and Associates, a macroeconomic institutional investment consulting firm.

James Yuan has a B.A. in Finance from Washington University in Saint Louis. Prior to Stern, James worked as an investment banking analyst at Pharus Advisors. James spent his summer at the investment banking division of Wells Fargo in their Sponsors group.

Javier Gondo graduated from Universidad del Pacifico (Lima, Peru) with a Bachelor's degree in Economics. Prior to Stern, Javier worked at Faro Capital SAFI and Compass Group SAFI in the Peruvian Private Equity Fund as a Senior Investment Professional. Over the summer Javier completed his summer internship at Post Capital Partners, a private investment firm based in NYC.

Justin Montminy has a B.S. in Business from the University of Illinois at Urbana - Champaign. Prior to Stern, Justin worked as an Associate in Citadel LLC's Treasury and Portfolio Financing group. Justin interned at Barclays last summer as an Associate in their Equity Research department.

Taylor Price is a graduate of Pomona College, where he double majored in Mathematics and Classics. Prior to Stern he evaluated investment opportunities and executed transactions for a private equity fund in Shanghai, and interned at the Overseas Private Investment Corporation during the summer of 2013.

Jerry Liu graduated from New York University Leonard N. Stern School of Business in 2007 with a B.S. in Finance and Actuarial Science. Prior to returning to Stern for an MBA, he worked in the Retirement, Risk and Finance practice at Mercer. This past summer, he had an internship at Barclays in the Consumer Retail group within the Investment Banking Division, where he will be returning upon graduation.

Louis Pavia, CFA holds an undergraduate degree in Economics and Finance from Virginia Tech. Prior to Stern, Louis worked for four years as an alternative investment analyst at Honeywell Capital Management, the $15 billion pension fund of Honeywell International. While at Stern, he has held internships at a value-oriented family office and JPMorgan Equity Research.

Matt Weber graduated from Penn State University with a major in finance and a minor in economics. Prior to NYU Stern, Matt worked for over five years in various roles within performance measurement at Cambridge Associates, a global investment consulting and research firm. Matt has also interned at Mangrove Partners, a Long/Short Value Oriented hedge fund, and at Caveat Emptor Capital Management, a Family Office.

Ankit Gupta has a B.E. in Chemical Engineering from Panjab University, India. Prior to Stern, he worked for Deutsche Bank as Product Manager (Mortgages) and Asset Liability Manager (Treasury) for India and China. Over the summer, he worked for Deutsche Bank in London in 'Sales and Trading'. He is the 'Aswath Damodaran Faculty Scholar' at Stern.

The Small Cap Fund

Front Row: Michael Burley, Amit Gutt, Christine Song, Ramsy Safadi
Middle Row: Jie (Jay) Ji, Paolo Di Marco, Jason Thompson, Cage Brewer
Back Row: John Dorost, Andrew Mietling, Trent Trujillo

Cage Brewer is a graduate of Duke University and a second-year MBA candidate at NYU. Prior to matriculating at Stern, he worked for three years in Marketing & Analysis at Capital One. This past summer, Cage interned as an Equity Research Associate at American Century Investments, where he supported the Emerging Markets and International Growth teams.

Michael Burley, CFA holds a B.S. in Corporate Finance and Accounting from Bentley University. Prior to attending Stern, Michael spent four years as an Equity Analyst at Century Capital Management. This past summer Michael worked as an Equity Research Analyst Intern at Fidelity Investments, where he covered US Financial Exchanges. Michael currently works part-time as an Equity Research Analyst Intern at Kane Street Capital Management.

Amit Gutt holds a B.S. in Financial Economics from University of Maryland Baltimore County and an M.A. in Applied Economics from Johns Hopkins University. Prior to attending Stern, Amit worked as an Analyst at Rydex Investments and a Statistician for the United States Department of Commerce. This past summer, Amit worked at KAUST Investment Management Company where he worked on the endowments emerging market equity allocation.

Andrew Mietling, CPA holds a B.S. and a Master's in Accounting from the University of Florida. Prior to attending Stern, Andrew spent four years at Bennett Thrasher, where he worked in financial reporting and assurance. He spent the past summer working in the Equity Research department at Barclays where he will return after graduating from Stern.

Christine Song, CFA holds a B.A. in Economics from Georgetown University. Prior to attending Stern, Christine spent six years in the Alternative Investments Group at Morgan Stanley. This summer Christine worked as a Portfolio Management Intern at PIMCO rotating through the municipal bond, investment grade credit and mortgage desks.

Jason Thompson is a graduate of Washington University in St Louis, where he earned his B.S. in Mechanical Engineering. Prior to attending Stern, Jason worked as a management consultant for five years at Accenture. He spent this past summer working as an Investment Banking Summer Associate in the Financial Institutions Group at Macquarie Capital. After Stern, Jason will join Barclays in their Investment Banking Department.

Jie (Jay) Ji, CFA holds a B.A. in Economics and a B.S in Applied Mathematics from Peking University. Prior to attending Stern, Jay worked for Ernst & Young as well as an affiliate of Moody's Investor Service in China and a due diligence firm specializing in fraud identification. While at Stern, Jay worked for Clear Harbor Asset Management as an Equity Research intern and spent the past summer at CICC US Asset Management investing in hedge funds.

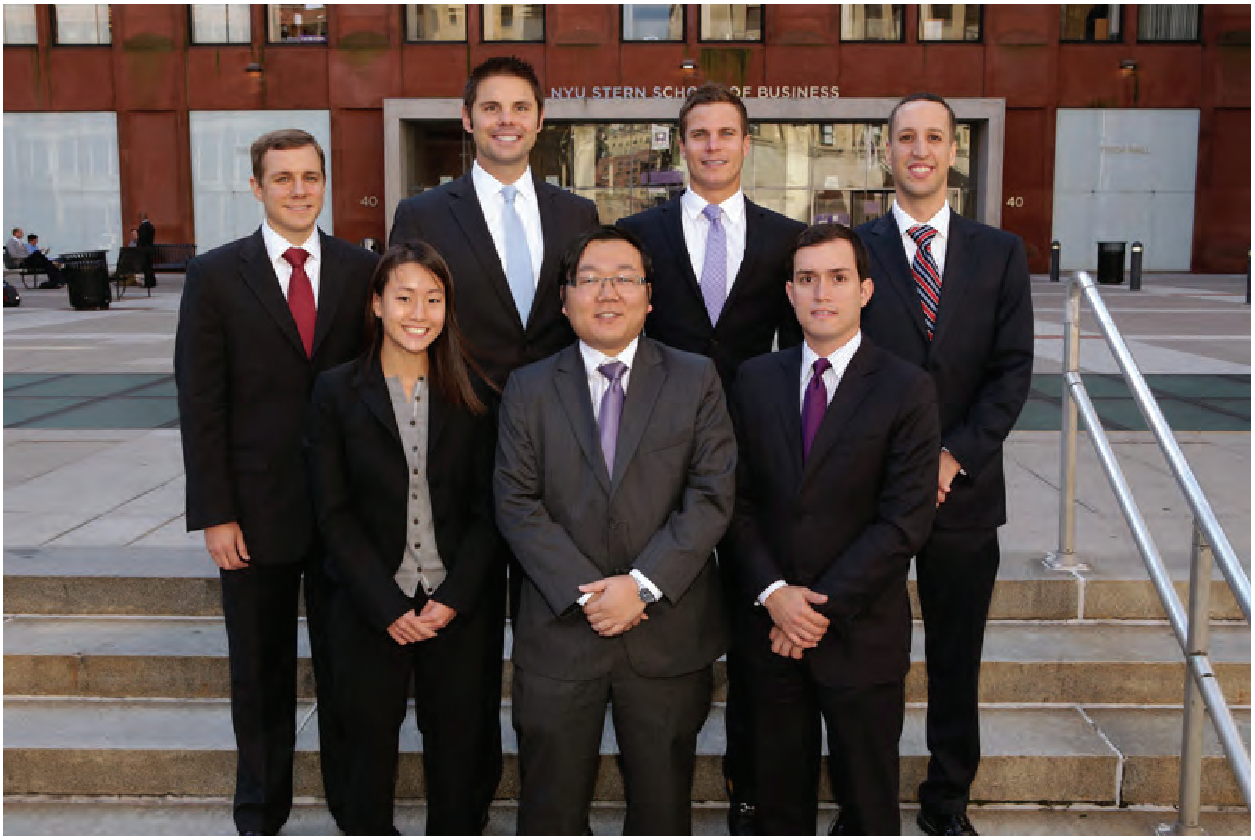
John Dorost earned his B.S. in Engineering Management from the United States Military Academy. Prior to Stern, John spent six years in the Army as a Signal Officer where he served both in the US and in Iraq. John will join Credit Suisse after graduation where he will be working in the Global Industrials Group within the Investment Banking Department.

Paolo Di Marco holds a B.A in Economics from Pontificia Universidad Javeriana, Colombia. Prior to attending Stern, Paolo worked for five years for the Foreign Reserves Department of the Central Bank of Colombia. This past summer Paolo worked as an Equity Research Analyst at Culmen Capital, where he covered global tire manufacturers.

Ramsy Safadi, CFA holds a B.S. in Computer Engineering from the University of Texas at Austin. Prior to Stern, Ramsy spent six years at Bank of America developing electronic trading and risk management strategies for government bond and derivatives in New York and Tokyo. This past summer, Ramsy worked for Developing World Markets, targeting investments in inclusive finance in emerging and frontier markets.

Trent Trujillo holds a B.S. in Business Administration with a concentration in Finance from the University of Denver. Prior to attending Stern, Trent spent seven years at Mount Yale Capital Group where he managed the company's alternative investment platform. He spent the summer working in the Equity Research department at UBS and will return to UBS after graduating from Stern.

The Fixed Income Fund



Front Row: Christine Song, Javier Gondo, Paolo Di Marco
Back Row: Louis Pavia, John Dorost, Daryn Katzen, Justin Montminy

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 2/28/11	Fiscal Year Ending 8/31/11	Six Months Ending 2/29/12	Fiscal Year Ending 8/31/12	Six Months Ending 2/29/13	Fiscal Year Ending 8/31/13
Investment Income						
Dividends - Fixed Income	8,310	14,380	6,533	10,681	6,073	10,657
Dividends - Growth	928	1,862	1,164	3,477	4,522	8,691
Dividends - Small Cap	2,141	4,646	4,522	7,677	5,047	7,844
Dividends - Value	4,550	10,150	4,192	9,369	6,726	4,751
Total Dividends	15,929	31,038	16,411	31,203	22,368	31,943
Interest - Fixed Income	48	67	1	1	0	0
Interest - Growth	61	146	60	60	0	0
Interest - Small Cap	185	217	7	7	0	0
Interest - Value	21	35	12	12	0	0
Total Interest	314	464	79	79	0	0
Investment Income - Fixed Income	8,359	14,447	6,533	10,682	6,073	10,657
Investment Income - Growth	988	2,008	1,224	3,537	4,522	8,691
Investment Income - Small Cap	2,326	4,863	4,529	7,683	5,047	7,844
Investment Income - Value	4,571	10,185	4,204	9,380	6,726	4,751
Total Investment Income	16,243	31,502	16,490	31,282	22,368	31,943
Expenses - Fixed Income	(1,094)	(2,424)	(494)	(463)	(30)	(122)
Expenses - Growth	(1,094)	(2,424)	(504)	(1,109)	(669)	(580)
Expenses - Small Cap	(1,038)	(2,657)	(784)	(993)	(522)	(1,257)
Expenses - Value	(1,402)	(2,996)	(701)	(671)	(604)	(123)
Total Expenses	(4,629)	(10,502)	(2,484)	(3,236)	(1,825)	(2,082)
Net Investment Income - Fixed Income	7,264	12,022	6,040	10,218	6,042	10,534
Net Investment Income - Growth	(106)	(417)	720	2,428	3,853	8,112
Net Investment Income - Small Cap	1,288	2,205	3,744	6,690	4,525	6,587
Net Investment Income - Value	3,169	7,189	3,503	8,709	6,123	4,628
Total Net Investment Income	11,614	21,001	14,006	28,046	20,543	29,861
Cash Flow from Operations						
Cash Balance, beginning of period - Fixed Income	30,997	30,997	4,242	4,242	3,102	3,102
Cash Balance, beginning of period - Growth	167,532	167,532	341,686	341,686	1,607	1,607
Cash Balance, beginning of period - Small Cap	179,764	179,764	25,729	25,729	78,113	78,113
Cash Balance, beginning of period - Value	19,735	19,735	74,739	74,739	25,714	7,185
Total Cash Balance, beginning of period	398,028	398,028	446,395	446,395	108,537	90,008
Annual 5% Distribution - Fixed Income	0	(15,500)	9,171	(6,829)	3,684	(12,416)
Annual 5% Distribution - Growth	0	(23,700)	14,023	(10,677)	5,687	(18,313)
Annual 5% Distribution - Small Cap	0	(26,500)	15,680	(10,920)	6,124	(19,476)
Annual 5% Distribution - Value	0	(22,400)	13,254	(9,546)	5,250	(25,500)
Total Annual 5% Distribution	0	(88,100)	52,127	(37,973)	20,745	(75,705)

Michael Price Student Investment Fund
Consolidated Financial Statement (cont.)

	Six Months Ending 2/28/11	Fiscal Year Ending 8/31/11	Six Months Ending 2/29/12	Fiscal Year Ending 8/31/12	Six Months Ending 2/29/13	Fiscal Year Ending 8/31/13
Cash Flow from Operations (cont.)						
Sales of Securities - Fixed Income	0	14,153	77,065	104,600	15,939	216,228
Sales of Securities - Growth	434,332	999,179	289,329	653,769	191,991	634,837
Sales of Securities - Small Cap	87,402	431,919	326,180	635,732	385,480	704,834
Sales of Securities - Value	489,269	994,376	260,587	564,973	372,197	361,921
Total Sales of Securities	1,011,004	2,439,627	953,161	1,959,074	965,606	1,917,819
Purchases of Securities - Fixed Income	0	(31,093)	(80,682)	(106,311)	(16,012)	(210,196)
Purchases of Securities - Growth	(570,870)	(800,858)	(645,112)	(985,944)	(197,041)	(601,833)
Purchases of Securities - Small Cap	(118,696)	(561,650)	(361,000)	(577,478)	(371,481)	(768,584)
Purchases of Securities - Value	(510,144)	(923,972)	(330,911)	(636,632)	(407,292)	(339,843)
Total Purchases of Securities	(1,199,710)	(2,317,573)	(1,417,705)	(2,306,365)	(991,826)	(1,920,457)
Net Other Adjustments - Fixed Income	(4,592)	(6,338)	(1,440)	(2,818)	(3,600)	(6,104)
Net Other Adjustments - Growth	(16)	(51)	346	346	36	63
Net Other Adjustments - Small Cap	0	(10)	(1,639)	(1,639)	731	731
Net Other Adjustments - Value	0	(189)	23,472	23,472	5,193	0
Total Net Other Adjustments *	(4,607)	(6,587)	20,738	19,360	2,360	(5,310)
Net Change in Cash - Fixed Income	2,672	(26,756)	10,153	(1,139)	6,053	(1,954)
Net Change in Cash - Growth	(136,659)	174,154	(340,694)	(340,078)	4,526	22,865
Net Change in Cash - Small Cap	(30,006)	(154,035)	(17,035)	52,384	25,378	(75,908)
Net Change in Cash - Value	(17,706)	55,004	(30,095)	(49,025)	(18,529)	1,205
Total Net Change in Cash	(181,699)	48,367	(377,672)	(337,858)	17,429	(53,792)
Cash Balance, end of period - Fixed Income	33,670	4,242	14,395	3,102	9,155	1,148
Cash Balance, end of period - Growth	30,872	341,686	991	1,607	6,133	24,472
Cash Balance, end of period - Small Cap	149,758	25,729	8,694	78,113	103,491	2,205
Cash Balance, end of period - Value	2,029	74,739	44,644	25,714	7,185	8,391
Total Cash Balance, end of period	216,329	446,395	68,723	108,537	125,965	36,215

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

Growth Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13
Investment Income						
Dividends	928	1,862	1,164	3,477	4,522	8,691
Interest	61	146	60	60	0	0
Total Investment Income	988	2,008	1,224	3,537	4,522	8,691
Expenses	(1,094)	(2,424)	(504)	(1,109)	(669)	(580)
Net Investment Income	(106)	(417)	720	2,428	3,853	8,112
Cash Flow from Operations						
Cash Balance, beginning of period	167,532	167,532	341,686	341,686	1,607	1,607
Net Investment Income	(106)	(417)	720	2,428	3,853	8,112
Annual 5% Distribution	0	(23,700)	14,023	(10,677)	5,687	(18,313)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	434,332	999,179	289,329	653,769	191,991	634,837
Purchases of Securities	(570,870)	(800,858)	(645,112)	(985,944)	(197,041)	(601,833)
Net Other Adjustments *	(16)	(51)	346	346	36	63
Net Change in Cash	(136,659)	174,154	(340,694)	(340,078)	4,526	22,865
Cash Balance, end of period	30,872	341,686	991	1,607	6,133	24,472

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Six Months Ended 8/31/13
Investment Income						
Dividends	4,550	10,150	4,192	9,369	6,726	4,751
Interest	21	35	12	12	0	0
Total Investment Income	4,571	10,185	4,204	9,380	6,726	4,751
Expenses	(1,402)	(2,996)	(701)	(671) x	(604)	(123)
Net Investment Income	3,169	7,189	3,503	8,709	6,123	4,628
Cash Flow from Operations						
Cash Balance, beginning of period	19,735	19,735	74,739	74,739	25,714	7,185
Net Investment Income	3,169	7,189	3,503	8,709	6,123	4,628
Annual 5% Distribution	0	(22,400)	13,254	(9,546)	5,250	(25,500)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	489,269	994,376	260,587	564,973 x	372,197	361,921
Purchases of Securities	(510,144)	(923,972)	(330,911)	(636,632) x	(407,292)	(339,843)
Net Other Adjustments *	0	(189)	23,472	23,472	5,193	0
Net Change in Cash	(17,706)	55,004	(30,095)	(49,025)	(18,529)	1,205
Cash Balance, end of period	2,029	74,739	44,644	25,714	7,185	8,391

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/28/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13
Investment Income						
Dividends	2,141	4,646	4,522	7,677	5,047	7,844
Interest	185	217	7	7	0	0
Total Investment Income	2,326	4,863	4,529	7,683	5,047	7,844
Expenses	(1,038)	(2,657)	(784)	(993)	(522)	(1,257)
Net Investment Income	1,288	2,205	3,744	6,690	4,525	6,587
Cash Flow from Operations						
Cash Balance, beginning of period	179,764	179,764	25,729	25,729	78,113	78,113
Net Investment Income	1,288	2,205	3,744	6,690	4,525	6,587
Annual 5% Distribution	0	(26,500)	15,680	(10,920)	6,124	(19,476)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	87,402	431,919	326,180	635,732	385,480	704,834
Purchases of Securities	(118,696)	(561,650)	(361,000)	(577,478)	(371,481)	(768,584)
Net Other Adjustments *	0	(10)	(1,639)	(1,639)	731	731
Net Change in Cash	(30,006)	(154,035)	(17,035)	52,384	25,378	(75,908)
Cash Balance, end of period	149,758	25,729	8,694	78,113	103,491	2,205

* Taxes owed on foreign securities' dividends.

Fixed Income Fund Financial Statements

	Six Months Ended 2/28/11	Twelve Months Ended 8/31/11	Six Months Ended 2/29/12	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13
Investment Income						
Dividends	8,310	14,380	6,533	10,681	6,073	10,657
Interest	48	67	1	1	0	0
Total Investment Income	8,359	14,447	6,533	10,682	6,073	10,657
Expenses	(1,094)	(2,424)	(494)	(463)	(30)	(122)
Net Investment Income	7,264	12,022	6,040	10,218	6,042	10,534
Cash Flow from Operations						
Cash Balance, beginning of period	30,997	30,997	4,242	4,242	3,102	3,102
Net Investment Income	7,264	12,022	6,040	10,218	6,042	10,534
Annual 5% Distribution	0	(15,500)	9,171	(6,829)	3,684	(12,416)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0
Sales of Securities	0	14,153	77,065	104,600	15,939	216,228
Purchases of Securities	0	(31,093)	(80,682)	(106,311)	(16,012)	(210,196)
Net Other Adjustments *	(4,592)	(6,338)	(1,440)	(2,818)	(3,600)	(6,104)
Net Change in Cash	2,672	(26,756)	10,153	(1,139)	6,053	(1,954)
Cash Balance, end of period	33,670	4,242	14,395	3,102	9,155	1,148

* Reinvestment of dividends on bond funds.

NEW YORK UNIVERSITY
NYU STERN
LEONARD N. STERN SCHOOL OF BUSINESS

THE MICHAEL PRICE
STUDENT INVESTMENT FUND
44 WEST FOURTH STREET
NEW YORK, N.Y. 10012
http://pages.stern.nyu.edu/~mpsif
mpsif@stern.nyu.edu