



The Michael Price Student Investment Fund

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

Semi - Annual Report

February, 2007

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

WHAT IS THE MICHAEL PRICE STUDENT INVESTMENT FUND?

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

WHAT IS UNIQUE ABOUT MPSIF?

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

WHAT IS THE PORTFOLIO COMPOSITION?

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

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

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



LEADERSHIP OF THE MICHAEL PRICE FUNDS

Executive Committee – Fall 2006

President	Jeremy Roethel, CFA
Portfolio Manager, Fixed Income Fund	Michael Flood
Co-Portfolio Manager, Growth Fund	Adam Lilling
Co-Portfolio Manager, Growth Fund	James Woods, CFA
Co-Portfolio Manager, Small Cap Fund	Mayur Manmohansingh, CFA, CPA
Co-Portfolio Manager, Small Cap Fund	Marc Regenbaum
Co-Portfolio Manager, Value Fund	Milin Rao, CFA
Co-Portfolio Manager, Value Fund	John Sheehy, CPA
Faculty Advisor	Professor Richard Levich

Executive Committee – Spring 2007

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

Internal Leadership – Fall 2006

Vice President, Newsletter	Stephen Poleskey
Vice President, Economics	Christopher Buck
Vice President, Educational Development	Michael Walter
Vice President, Portfolio Analytics	Jonathan Yao
Vice President, Alumni Relations	Heather Hou
Co-Vice Presidents, External Affairs	Robert Vong & Ban Young Min

Management Advisory Council

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

Board of Advisors

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

Resource Faculty

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

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LETTER FROM THE FACULTY ADVISOR

On behalf of the students who participate in the Michael Price Student Investment Fund, it is my pleasure to introduce the semi-annual report for the six-month period ending February 28, 2007.

U.S. equity markets continued their upward trajectory for essentially the entire period. However, a sharp sell-off in the Chinese market on February 27 (one day prior to our period end) provoked a nearly 4% drop in U.S. equities, the largest single one-day decline in several years. Despite this one-day event, over the 6-month period the Dow Jones Industrials and S&P 500 advanced by about 7.8% while the NASDAQ Composite gained 10.6%. By comparison, the three MPSIF equity funds (Growth, Small Cap and Value) produced returns of 6.6%, 10.4% and 7.5% respectively. Including our Fixed Income fund, MPSIF earned 7.26% overall vs. 8.45% for our blended benchmark. Although the fund underperformed, the 6-month return exceeds our mandated annual 5% distribution, so funds under management continue to grow.

On the academic side, our Management Advisory Council remains active, participating in our December annual report meeting in addition to classroom visits in February and March. The Advisory Council for fiscal year 2006-07 includes Nomi Ghez, Randall Haase, Christopher Long, and Ruchi Madan, all of whom are Stern alumni with significant experience in investment management. On the operational side, procedures that were designed last fall to calculate time-weighted returns compliant with CFA Institute standards have become part of our monthly routine. Wilshire Analytics software, which was introduced a year ago to measure performance attribution, is now being used to explore efficient portfolio allocation among each fund's "buy list" of securities.

To help foster awareness of MPSIF and promote networking, MPSIF hosted its second annual Student-Alumni Mixer earlier this month. About 20 MPSIF alumni (including three past Presidents) attended, joining other Stern alumni from the investment industry and current MPSIF students. Toward similar ends, Stern's Office of Career Development has worked more closely with MPSIF

to make employers aware of our investment record and the pool of student talent who eye a career in investment management.

MPSIF is a special Stern MBA course. It offers students an opportunity to put their knowledge of financial markets, security analysis and portfolio management into practice. Students learn by doing – gaining confidence from their successes, but also learning through mistakes that shine a light on the limitations of their analysis or a failure to capture unforeseen risks. MPSIF offers students a classroom laboratory for learning, but a lab that embodies much of the realism our graduates will find in the real world of asset management. It is a pleasure to work with students who meet these challenges.

Richard M. Levich
Professor of Finance
Deputy Chairman, Department of Finance
March 26, 2007



LETTER FROM THE PRESIDENT

Looking Ahead

The Michael Price Student Investment Fund has matured immensely since its beginnings in 1999. While the fund's main objective is to educate and provide students with a hands-on experience with managing investment funds, the leadership activities have been defined by the age of the fund. During its startup years the leadership focused more on administrative tasks and worked towards establishing the charter of the fund. In recent years the fund has moved towards implementing industry standard tools and performance measurement systems. I believe that through the years our greatest achievement, and a source of satisfaction, has been the success in transferring the lessons learnt from one class to the next. As we enter our eighth year of operation, the fund looks forward to taking the next step towards making MPSIF the preeminent student managed investment fund among business schools.

Over our short history, the financial landscape has changed dramatically. As a recent *Wall Street Journal* article noted, these changes are impacting even conventional mutual funds. "Institutional investors such as hedge funds have long used derivatives, which include options, futures, swaps and other, more exotic fare. But now these instruments are increasingly appearing in ordinary diversified stock and bond funds that often serve as core holdings for small investors." ("Mutual Funds Add Exotic Fare to the Mix," April 4, 2007, page D1)

As new instruments spread through the markets, it is important for MPSIF students to gain greater familiarity with these new instruments. While some instruments are definitely outside the scope of the MPSIF charter, some of the exchange traded instruments, like plain vanilla options, should be considered. These new instruments will not only enhance the educational aspect but could also potentially boost returns for MPSIF.

Student managed funds have come a long way in the past decade. Fund sizes range from a few thousand dollars to in excess of \$10 million. Some are endowments, some are contributions from the students themselves and some are even hedge funds

with outside investors. It is no surprise that the larger and more exotic funds garner the most attention in the student community. I strongly believe that MPSIF and the Stern School will benefit greatly from an infusion of new funds that could expand our mission and scope of operation.

The future of MPSIF is heavily dependent on the incoming class of students. To ensure that MPSIF attracts the best talent there is a definite need to partner with the admissions office and promote MPSIF among prospective students. To that end, MPSIF should explore starting an investment management scholarship.

As the current executive committee prepares for succession, we will further explore these ideas with the incoming leadership. We are confident that the incoming class will be more than capable of handling the new challenges faced by the fund and take the next step towards our common goals.

Finally I would like to extend our continued thanks and appreciation to Michael Price, without whom this opportunity would not be possible. I would also like to thank our Faculty Advisor Professor Richard Levich for his guidance throughout the year.

Veersen R. Ghatge
MPSIF President
April 8, 2007



THE MICHAEL PRICE STUDENT INVESTMENT FUND

Review of Operations

The Michael Price Student Investment Fund is divided into four autonomous sub-funds: the Fixed Income Fund, the Growth Fund, the Small Cap Fund and the Value Fund. The goal of each fund is to purchase securities with the maximum potential, with certain restrictions, under its respective investment universe. Towards that end each fund is free to determine the best way to identify those opportunities. Portfolio managers and analysts endeavor to improve the stock selection process by applying their own professional experience, learning from their peers, and building upon the knowledge base and previous fund participants.

From an overall portfolio perspective, the Executive Committee, which is comprised of the President, the Treasurer, the Portfolio Managers, and the Faculty Advisor, seeks to develop and enhance best practices across the Fund in order to position the overall portfolio for continued success. Some of the initiatives we undertook this semester for that purpose were

- Implemented quantitative stock screeners using CNBC's customizable screeners for each of the three equity funds.
 - The quantitative screeners help the analysts identify new ideas for stock pitches and also act as a reference for the current holdings during updates.
- Enhanced the economic outlook to provide trends in macroeconomic indicators and guidance in sector allocations.

The educational aspect forms the core of the activities of the MPSIF student body. To enhance the learning process, MPSIF continued its tradition of hosting professionals from the investment management industry to share their thoughts with the students.

- In February Randall Haase, Nomi Ghez and Christopher Long of our Management Advisory Committee visited MPSIF. Mr. Haase reviewed his style of stock selection and portfolio management in the growth arena. In a separate class, Dr. Ghez and Mr. Long discussed the shape of the US economy, the strength of emerging markets, and strategies and techniques for the current investment climate.
- On April 2, MPSIF hosted Kevin Bannon (Stern MBA 1983), Chief Investment Officer at Bank of New York Asset Management. Mr. Bannon shared his thoughts on the challenges facing the mutual fund industry, the growth of alternative investments and the opportunities available to the Stern MBA students.

In addition to the investing activities, MPSIF also acts as a conduit to the Stern investment management community at large. MPSIF held its second annual student – alumni mixer on March 7. The mixer was well attended by over 20 alumni and 30 current students.

We are confident that the educational and networking initiatives undertaken by the fund will continue to assist the students and help towards achieving our common goals.



Performance for the period ending February 28, 2007

Performance of the Michael Price Student Investment Fund

For the period ending February 28, 2007

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	7.26%	6.19%	24.88%	7.69%	42.39%	7.32%	57.41%	6.70%
Management Fees	-0.23%	-0.50%	-1.58%	-0.53%	-2.64%	-0.53%	-3.61%	-0.52%
Blended Benchmark	8.45%	10.05%	29.04%	8.87%	48.96%	8.30%	36.75%	4.57%
Relative - Gross of Fees	-1.18%	-3.86%	-4.16%	-1.18%	-6.57%	-0.97%	20.66%	2.12%
Relative - Net of Fees	-1.43%	-4.39%	-6.13%	-1.75%	-10.33%	-1.54%	14.98%	1.56%
Small Cap Fund	10.36%	7.62%	58.35%	16.56%	113.92%	16.43%	152.97%	14.18%
Management Fees	-0.26%	-0.57%	-1.91%	-0.64%	-3.24%	-0.66%	-4.08%	-0.59%
Russell 2000 Index	10.76%	9.87%	40.30%	11.95%	79.70%	12.44%	49.95%	5.96%
Relative - Gross of Fees	-0.40%	-2.25%	18.04%	4.61%	34.22%	3.99%	103.02%	8.22%
Relative - Net of Fees	-0.68%	-2.87%	15.02%	3.86%	27.30%	3.23%	92.71%	7.54%
Value Fund	7.54%	13.14%	22.76%	7.07%	33.89%	6.01%	71.55%	8.01%
Management Fees	-0.30%	-0.64%	-1.96%	-0.66%	-3.27%	-0.66%	-4.36%	-0.64%
Russell 1000 Value Index	9.82%	16.61%	46.24%	13.51%	67.99%	10.93%	88.37%	9.47%
Relative - Gross of Fees	-2.28%	-3.47%	-23.48%	-6.43%	-34.09%	-4.92%	-16.82%	-1.45%
Relative - Net of Fees	-2.61%	-4.19%	-25.88%	-7.14%	-38.48%	-5.62%	-24.30%	-2.14%
Growth Fund	6.55%	-2.71%	9.41%	3.04%	0.39%	0.08%	-14.24%	-2.17%
Management Fees	-0.18%	-0.39%	-1.31%	-0.44%	-2.45%	-0.50%	-3.47%	-0.50%
Russell 1000 Growth Index	9.54%	8.05%	19.61%	6.15%	22.07%	4.07%	-29.03%	-4.78%
Relative - Gross of Fees	-2.99%	-10.77%	-10.20%	-3.11%	-21.67%	-3.99%	14.78%	2.61%
Relative - Net of Fees	-3.18%	-11.14%	-11.63%	-3.56%	-24.13%	-4.49%	11.81%	2.12%
Fixed Income Fund	3.86%	5.60%	9.15%	2.96%	--	--	25.41%	4.71%
Management Fees	-0.17%	-0.39%	-1.09%	-0.36%	--	--	-1.54%	-0.32%
Vanguard Total Bond Fund	3.64%	5.45%	10.74%	3.46%	--	--	25.05%	4.73%
Relative - Gross of Fees	0.22%	0.15%	-1.59%	-0.50%	--	--	0.36%	-0.02%
Relative - Net of Fees	0.04%	-0.26%	-2.77%	-0.87%	--	--	-1.57%	-0.36%

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

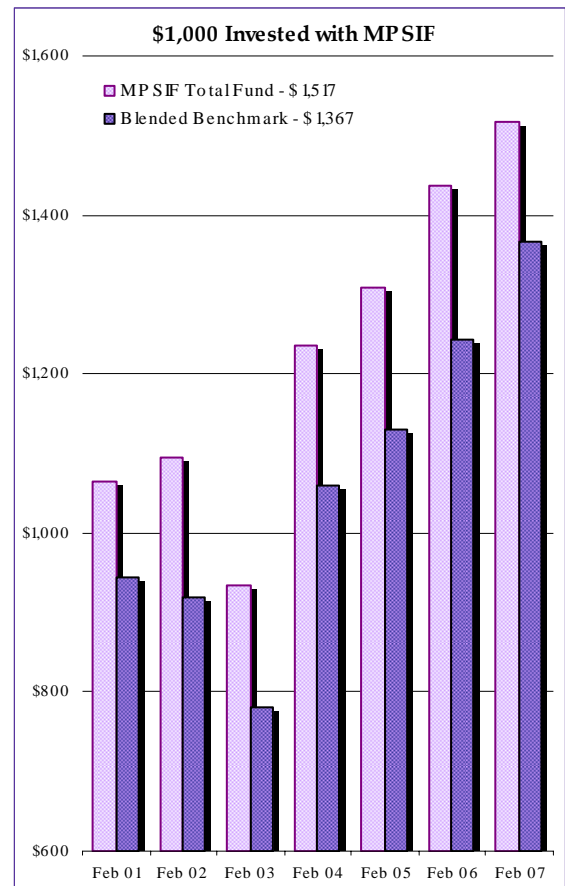
All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.

Michael Price Total Fund vs. Blended Benchmark

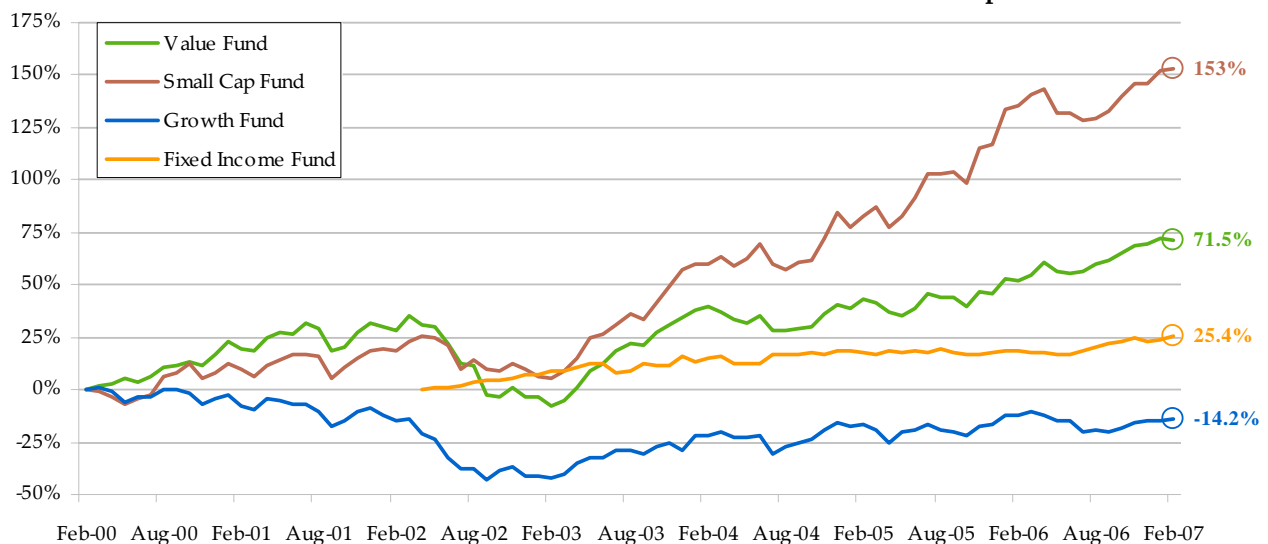


MPSIF continued to aggressively but prudently deploy the excess cash reserves it had accumulated over the past summer. MPSIF reduced its cash holdings by half from a peak of approximately 35% to 18% by the end of February. After the 5% mandatory distribution to the University of Oklahoma at the end of May, MPSIF will have approximately 13% in cash holdings. The Executive Committee believes that while this is not optimal, it is close to our target ratio. Even though the funds faced extreme pressure to deploy the funds, they maintained a strong sell discipline and continued to exit holdings as required. MPSIF will continue to explore new opportunities to effectively invest the remaining cash and we are confident that we will return to our winning ways.

The growth fund exhibited a remarkable turnaround over the past 6 months. While the growth fund is down by -2.71% for the year, it returned 6.55% over the past six months. We believe that it is a sign of future strong returns from the fund. The value fund performed reasonably well over the past 6 months, returning 7.54%, but missed the benchmark by 2.28%. The small cap fund continued to be the stellar performer with a return of 10.36% over the past 6 months, though it too missed the benchmark by a narrow margin of 0.40%. Overall the MPSIF returned a strong 7.26% over the past 6 months but missed the benchmark by 1.18%.



Michael Price Student Investment Fund — All Funds Since Inception



Benchmark Index Description

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

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

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

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing almost 9% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$664.9 million; the median market capitalization was approximately

\$539.5 million. The largest company in the index had an approximate market capitalization of \$1.8 billion.

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

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

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

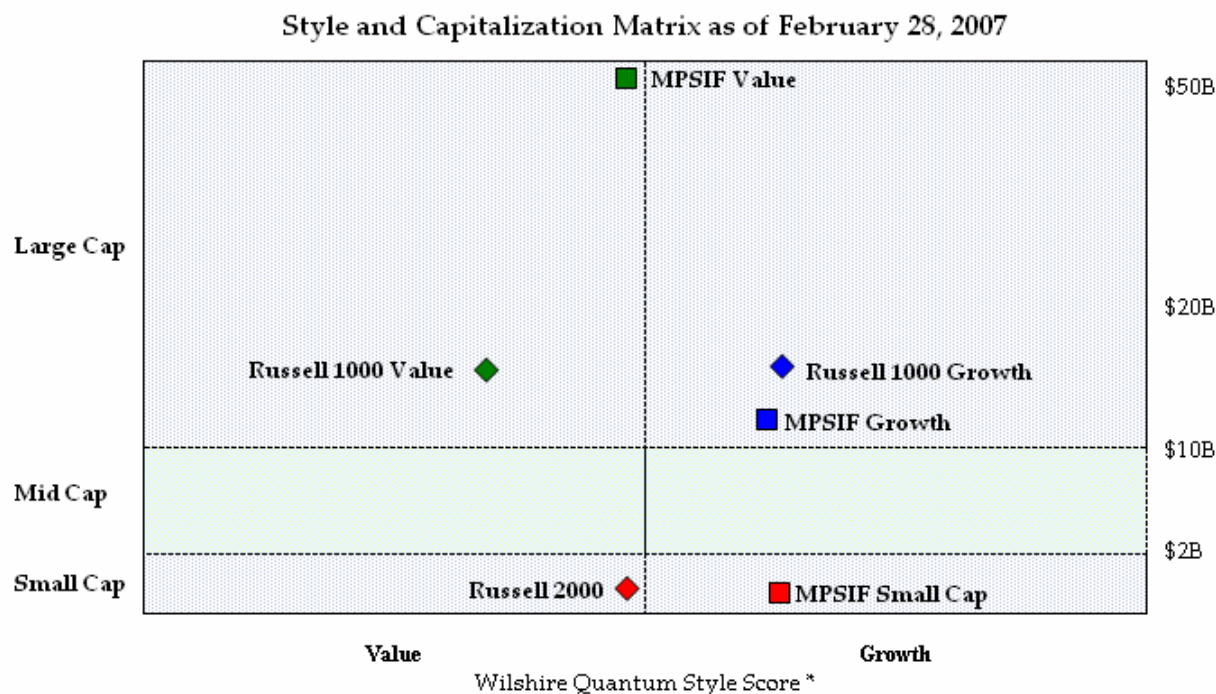
- Invests in U.S. Treasury, investment-grade corporate, mortgage-backed, and asset-backed securities
- Seeks to track the performance of the Lehman Brothers Aggregate Bond Index
- Broadly diversified exposure to investment-grade U.S. bond market
- Passively managed using index sampling
- Intermediate-duration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

We use the Vanguard Fund as a benchmark because Fixed Income is limited to investing in mutual funds or ETFs where fees apply.



Valuation, Style and Capitalization

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



Source: Wilshire Analytics

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

Equity Valuation Characteristics

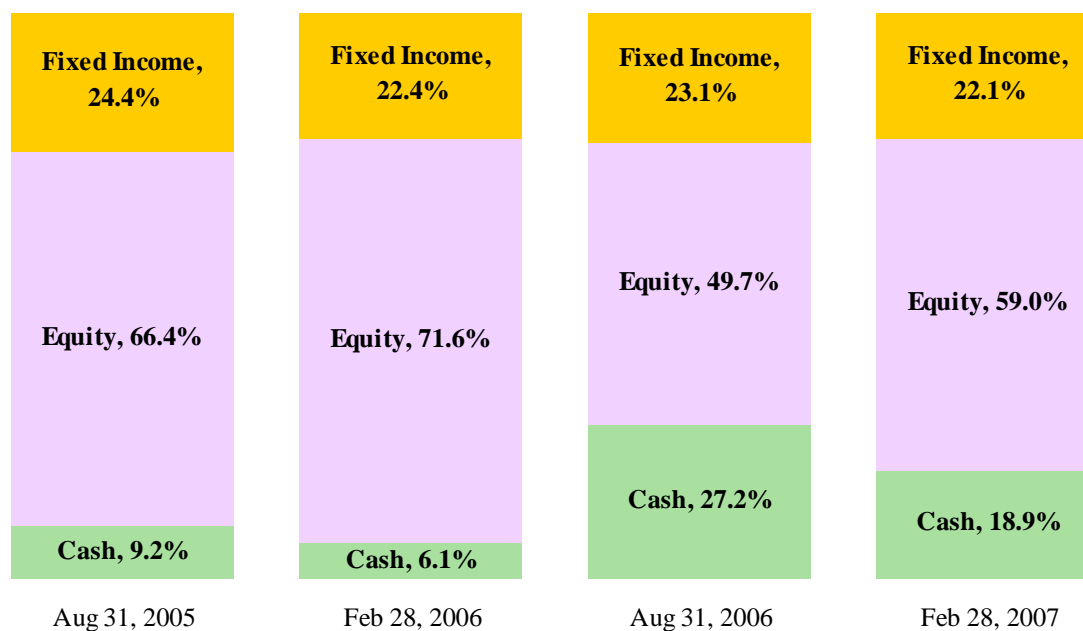
	P/E	ROE	P/BV	Div. Yield
MPSIF Growth	25.9	18.0%	4.0	0.5%
Russell 1000 Growth	20.6	25.0%	4.4	1.2%
<i>Relative</i>	<i>1.3x</i>	<i>0.7x</i>	<i>0.9x</i>	<i>0.4x</i>
MPSIF Value	15.3	20.8%	3.0	1.9%
Russell 1000 Value	14.1	18.8%	2.3	2.5%
<i>Relative</i>	<i>1.1x</i>	<i>1.1x</i>	<i>1.3x</i>	<i>0.8x</i>
MPSIF Small Cap	18.7	26.4%	3.5	0.4%
Russell 2000	19.8	14.0%	2.4	1.2%
<i>Relative</i>	<i>0.9x</i>	<i>1.9x</i>	<i>1.5x</i>	<i>0.3x</i>

Source: Wilshire Analytics

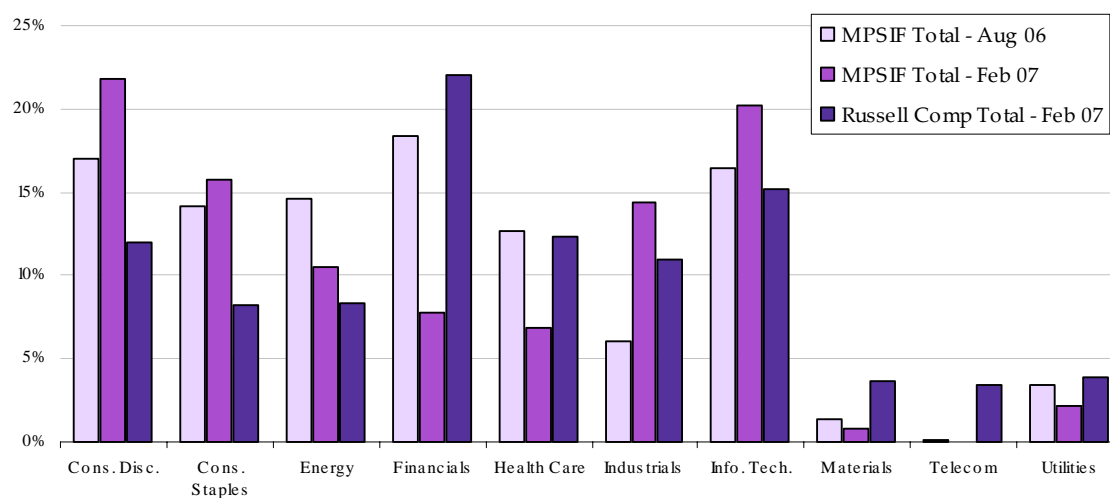
Asset Allocation

The following charts show our total asset allocation by asset class and our composite equity sector allocation. The Executive Committee does not utilize any top-down approach to set a target allocation, however each portfolio group evaluates recommendations made by our economic strategy team.

Asset Allocation by Semi-Annual Periods



MPSIF Total Fund - Equity Sector Allocation



Source: Wilshire Analytics

Fund Turnover

Portfolio Turnover for the Six Months Ending February 28, 2007

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	0	329,987	451,621	248,963
Total Sales	0	220,696	420,559	241,782
Minimum (Sales, Purchases)	0	220,696	420,559	241,782
Average Invested Assets	441,773	297,621	381,302	417,714
Turnover	0%	74%	110%	58%

Macroeconomic and Market Review

The twelve months ended February 28, 2007 was a solid year for the equity markets, despite a tough couple of weeks at the end of the period. The Dow led the major indices with a solid gain of 10.91%, closely followed by a 9.09% gain by the S&P 500 Index. The NASDAQ Composite Index was up 5.65%. All of the GICS sectors were up for the fiscal year. Top performers among the group included Materials and Utilities, with Healthcare and Technology lagging the group.

The market's choppy performance in late February 2007 was sparked by a number of adverse economic events. Most prominent was a single day 8.8% drop in the Shanghai Composite Index and a poor Q406 US GDP report that was revised down to 2.2% vs. 3.5% initially. These events, coupled with exceptional weakness in US new home construction, automotive, and sub prime lending sectors, lead us to believe that the Federal Reserve, in spite of inflation concerns, will keep the Federal Funds rate constant at 5.25% for the remainder of the year.

The 10-year Treasury yield peaked at 5.245 in late June 2006 and is currently just over 4.5%. The yield came down significantly in February 2007 due to a flight to quality as volatility spiked in international capital markets.

Oil prices continue to be volatile and are up roughly 22 percent since hitting a low below \$50 a barrel during January. U.S. motorists are paying on average \$2.50 a gallon for regular grade. The main reason for the drop was unusually warm weather in November and December. Recently, crude-oil

futures have gained as U.S. inventories have declined unexpectedly, and distillate and gasoline inventories continued their descent and are now below last year's levels.

For much of the year volatility levels were at all time lows, however they spiked in February. After the spike the CBOE VIX Index was trading at approximately 15. This value implies that the option market expects the annualized standard deviation of returns on the S&P500 to be approximately 15% over the course of one year. From 1928-2006, the annual standard deviation of the S&P500 index was approximately 20.0%, however, considering other time-frames, the standard deviation was 16.5% from 1966-2006, 18.4% from 1996-2006, and 5.4% from 2004-2006. Even after the mini-correction in equity markets in late February, the VIX is still well below the long-run historical average. Does all of this suggest that we are in a "new" world of low volatility? Perhaps, but we remain cautious.



THE GROWTH FUND

Message from the Portfolio Managers

The Growth Fund ("the Fund") exhibited disappointing performance through the six months ended February 28, 2007. The Fund returned 6.55% compared to 9.54% for the Russell 1000 Growth benchmark, underperforming the index by 2.99 percentage points over this time period.

The fund's rather disappointing performance was driven in part by our large cash position. The Fund worked diligently to reduce the large cash position it faced in August 2006 following a summer where a number of holdings had been automatically sold once they had hit their stop-loss limits. With a cash balance that neared 50% of the Fund's assets, the Analysts acted quickly to put the cash to use and add new positions to the Fund. Although our cash position has reduced significantly, a significant number of the positions were initiated towards the end of the year. Adverse market movement which was a result of year-end window dressing restrained performance. By the year end, the Fund had increased its stock holdings four-fold.

The Fund's stop-loss policy, instituted in mid-2006, has worked in the Fund's favor over the past six months to mitigate losses, especially in two of its most volatile stocks, Diversa Corp (DVSA) and NutriSystem (NTRI). The Fund continues to support its policy of setting stop-loss orders in order to protect against the relatively high volatility that its growth holdings have exhibited in the past.

As of February 2007, the Fund was weighted towards the consumer discretionary and industrials sectors. Over the past six months, the Fund's

analysts identified a number of undervalued opportunities in these sectors in particular. The Fund also worked to broaden its exposure to small and medium-capitalization stocks to complement its strong performers in the large-cap category.

The Fund operates as a bottom-up fund and does not have a desired asset allocation. The analysts focus on identifying new ideas and allocating cash to high performance growth stocks across different sectors that will outperform the market.

The Fund would like to thank Michael Price for his generous gift to the Stern School of Business. MPSIF has provided a unique and valuable opportunity to apply the tools learned in other classes and help prepare us for careers in investment management.

Kaimon Chung, CFA and Beth Boylan

Portfolio Managers, Growth Fund



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	6.55%	-2.71%	9.41%	3.04%	0.39%	0.08%	-14.24%	-2.17%
Management Fees	-0.18%	-0.39%	-1.31%	-0.44%	-2.45%	-0.50%	-3.47%	-0.50%
<i>Russell 1000 Growth Index</i>	<i>9.54%</i>	<i>8.05%</i>	<i>19.61%</i>	<i>6.15%</i>	<i>22.07%</i>	<i>4.07%</i>	<i>-29.03%</i>	<i>-4.78%</i>
Relative - Gross of Fees	-2.99%	-10.77%	-10.20%	-3.11%	-21.67%	-3.99%	14.78%	2.61%
Relative - Net of Fees	-3.18%	-11.14%	-11.63%	-3.56%	-24.13%	-4.49%	11.81%	2.12%

The fund's diligent stock picking process yielded results during the six months ended February 28, 2007. Noteworthy contributors to our portfolio gains include: Quiksilver (17%), PetSmart (10%), and Starwood Hotels (9.5%). Over this period, analysts identified and sold long-term holdings that no longer met the Fund's growth style, such as MGI Pharma (MOGN) and Host Hotels and Resorts (HST).

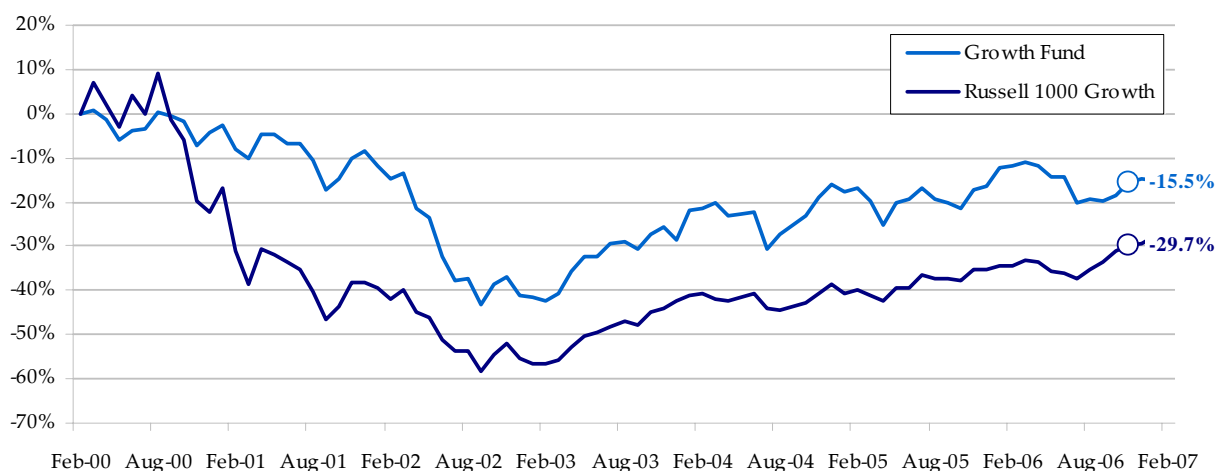
Over the past six-month period, the Fund also enjoyed double-digit returns from three stocks that, within weeks, reached price targets originally set by our analysts: Mastercard (35%), Hansen (30%), and Cognizant Technology (20%). Mastercard surprised the Street last November with its blowout third-quarter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

Some other successful additions to the Fund over the past six months included Penn National Gaming (PENN) and LCA-Vision (LCAV), both of which provided double-digit returns. PENN benefited from gaming-related legislation that supported its current operations and provided future growth opportunities. Within the Health Care sector, LCAV demonstrated a superior ability to grow its market share with its LasikPlus vision centers.

During these past six months, the Fund broadened its exposure internationally with the purchase of two non-US based stocks: Suntech Power (STP) and LAN Airlines (LFL). Suntech, a China-based alternative energy company, demonstrated its ability to provide solid returns (28.25% to date) despite the high volatility Chinese stocks exhibited during this period. The Venezuelan-based LAN Airlines also proved itself to be a profitable investment (24.78% to date), fairing well within the growing Latin American airline industry.

The Fund also had its share of disappointments with a few stocks that fell through their stop-loss limits: Diversa Corp (DVSA), NutriSystem (NTRI), and

Michael Price Growth Fund vs. Russell 1000 Growth Index



Starbucks (SBUX). On a positive note, the Fund is pleased to see how these stop-loss limits were able to significantly stem losses.

The Fund maintained a strict sell discipline based on target prices derived from both DCF and relative valuations set by the covering analyst. These targets were set at initial purchase and revised as necessary while the position remained in the portfolio. The Fund turned over most of the securities it held over the past year, as we took profits from successful investments and cut our losses on others. The Fund currently has about 25% of its assets in cash, which it will actively invest as its team of analysts work to find new opportunities.

<u>Top Sectors</u>	<u>Return</u>	<u>Impact</u>
Health Care	25.6%	1.5%
Consumer Staples	25.2%	1.9%

<u>Top Contributors</u>		
Lan Chile S A	40.1%	1.8%
Hansen Nat Corp	33.7%	1.6%
Mastercard Inc	30.5%	1.5%

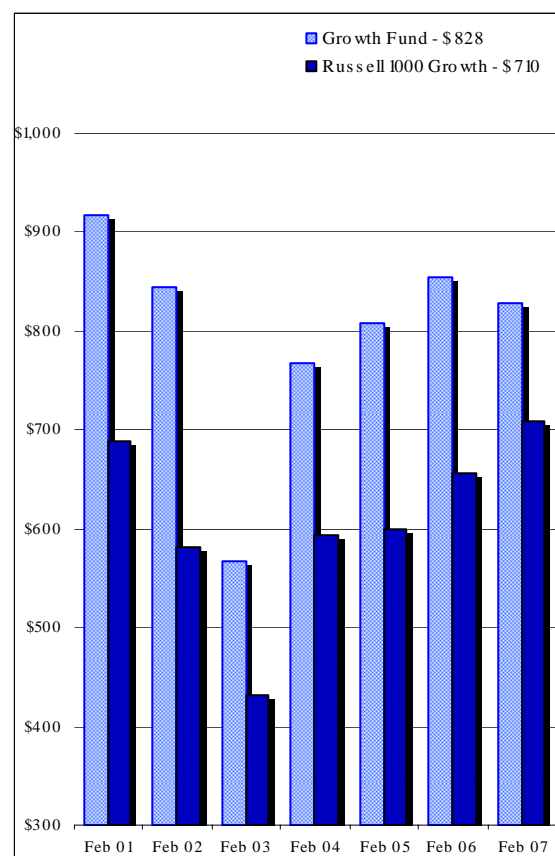
Stock Selection 1.1%

Allocation Effect -3.8%

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

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

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



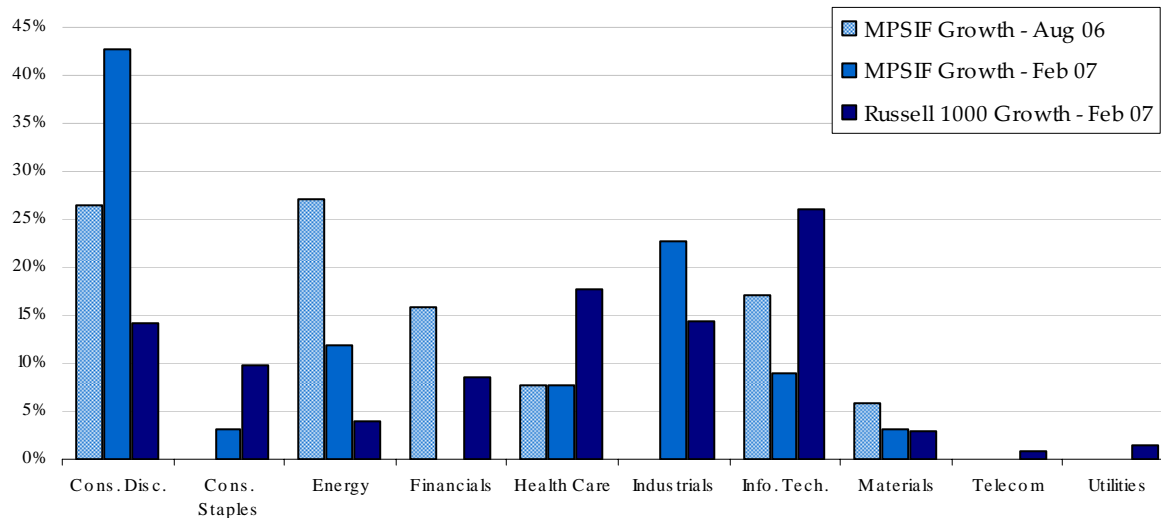
Asset Allocation

Cash holdings more than doubled in the past year primarily due to a series of sales late in February 2007 after analysts decided to lock in gains on a number of stocks.

Throughout the year, the Fund steadily reduced its exposure to Information Technology and Financials and chose instead to take advantage of opportunities

within the Consumer Discretionary and Industrials sectors. The most drastic reduction in sector weighting was in the Information Technology sector where the Fund decreased its holdings from 27.3% to 6.8%. The Fund's weighting in Consumer Discretionary showed the biggest increase, moving from 18.1% to 32.3%.

MPSIF Growth - Equity Sector Allocation



Holdings Profile

Growth Portfolio as of August 31, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Advance America Cash	AEA	Financials	1,600	15.54	24,864	13.3%
Barrick Gold Corporation	ABX	Materials	323	33.48	10,814	5.8%
First Data Corporation	FDC	IT	501	42.97	21,528	11.5%
Host Hotels & Resorts	HST	Consumer Discretionary	214	22.54	4,824	2.6%
Mgi Pharma Inc Com	MOGN	Healthcare	944	15.13	14,283	7.7%
Microsemi Corp	MSCC	IT	366	27.77	10,164	5.5%
Petsmart Inc	PETM	Consumer Discretionary	825	25.10	20,708	11.1%
Quiksilver Inc	ZQK	Consumer Discretionary	716	14.00	10,024	5.4%
Starwood Hotels & Resorts	HOT	Consumer Discretionary	350	53.26	18,641	10.0%
Transocean Inc	RIG	Energy	367	66.75	24,497	13.1%
Weatherford Intl Ltd	WFT	Energy	608	43.00	26,144	14.0%
Total Equities					186,490	45.1%
Total Cash					226,701	54.9%
Total Assets					413,191	

Growth Portfolio as of February 28, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Apple Inc.	AAPL	Information Technology	220	84.61	18,614	4.2%
Barrick Gold Corporation	ABX	Materials	323	29.87	9,648	2.2%
Ceradyne, Inc.	CRDN	Industrials	381	51.60	19,660	4.5%
Dick's Sporting Goods, Inc.	DKS	Consumer Discretionary	364	52.28	19,030	4.3%
Starwood Hotels & Resorts Worldwide, Inc	HOT	Consumer Discretionary	350	65.75	23,013	5.2%
LCA-Vision Inc.	LCAV	Health Care	570	43.60	24,852	5.7%
Lan Airlines S.A. (ADR)	LFL	Industrials	402	68.32	27,465	6.2%
Netflix, Inc.	NFLX	Consumer Discretionary	698	22.53	15,726	3.6%
NDS Group plc (ADR)	NNDS	Information Technology	207	48.78	10,097	2.3%
Penn National Gaming, Inc	PENN	Consumer Discretionary	526	46.63	24,527	5.6%
PetSmart, Inc.	PETM	Consumer Discretionary	825	30.31	25,006	5.7%
Transocean Inc.	RIG	Energy	367	76.62	28,120	6.4%
Sonic Corporation	SONC	Consumer Discretionary	870	21.67	18,853	4.3%
Suntech Power Holdings Co., Ltd.	STP	Industrials	697	36.25	25,266	5.7%
Whole Foods Market, Inc.	WFMI	Consumer Staples	205	47.77	9,793	2.2%
Weatherford International Ltd.	WFT	Energy	240	40.10	9,624	2.2%
Quiksilver, Inc.	ZQK	Consumer Discretionary	716	13.92	9,967	2.3%
Total Equities					319,260	75.2%
Total Cash					120,389	24.8%
Total Assets					439,649	100.0%

Investment Style and Strategy

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

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

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

Sell Discipline: In 2006 we added stop-loss orders to provide more self discipline. The stop-loss price is determined by the analyst related to the stock's volatility and downside risk.

We will actively reduce our exposure to a specific stock when our investment thesis no longer sees room for upside. Some of the factors that would change our investment thesis are:

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

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



THE VALUE FUND

Message from the Portfolio Managers

For the six-month period ending February 28, 2007, the Value Fund ("the Fund") gained 7.54% (gross of fees) on an absolute basis, yet underperformed our benchmark Russell 1000 Value Index by 228 bps. While we are somewhat content with our performance on an absolute basis, we are clearly disappointed by our underperformance compared to the benchmark.

The Fund has maintained a cash position that has hovered in the 20% range since the 2006 summer recess, a period during which the Fund is generally less actively managed. While we have debated the use of exchange traded funds to equitize the Fund's cash holdings, we have made the decision not to pursue this strategy. Instead, we decided to reinvest approximately \$40,000 of our cash holding in several stocks that were deemed to have a "strong potential" by the analysts that cover them. This brought our cash position to around ten percent of the Fund; new pitches will further reduce this balance. If our cash balance drops so much that we cannot fully fund new purchases, we will rebalance the portfolio, selling portions of these larger positions to generate the needed cash.

Furthermore, the Fund has divested many names that would fit better as a holding in the Growth Fund or Small Cap Fund and that were no longer considered value plays, so today we resemble a much more "classic" long-only value fund. We are

encouraged by the progress made in adding names which we feel are truly undervalued securities offering opportunities for capital appreciation, while selling names that do not fit this definition. Our goals for the remainder of this fiscal year, ending August 31, 2007, will now focus on outperforming the benchmark index, continuing our strong absolute returns, and preserving the gains we have made. This will be achieved through adding well-analyzed names to the Fund and exercising an unbiased sell discipline to limit losses and lock in unrealized gains.

Of note, over the six-month period the Fund earned \$5,724.41 in income from \$3,640.77 in cash dividends and \$2,083.64 in interest income from our cash holdings. The Fund's cash balance ended the six month period at \$47,855.31. Since inception, the Value Fund has gained 71.55% (gross of fees), or 8.02% (gross of fees) on an annualized basis.

Andrew MacNamara & Michael Walter
Portfolio Managers, Value Fund



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	7.54%	13.14%	22.76%	7.07%	33.89%	6.01%	71.55%	8.01%
Management Fees	-0.30%	-0.64%	-1.96%	-0.66%	-3.27%	-0.66%	-4.36%	-0.64%
<i>Russell 1000 Value Index</i>	9.82%	16.61%	46.24%	13.51%	67.99%	10.93%	88.37%	9.47%
Relative - Gross of Fees	-2.28%	-3.47%	-23.48%	-6.43%	-34.09%	-4.92%	-16.82%	-1.45%
Relative - Net of Fees	-2.61%	-4.19%	-25.88%	-7.14%	-38.48%	-5.62%	-24.30%	-2.14%

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

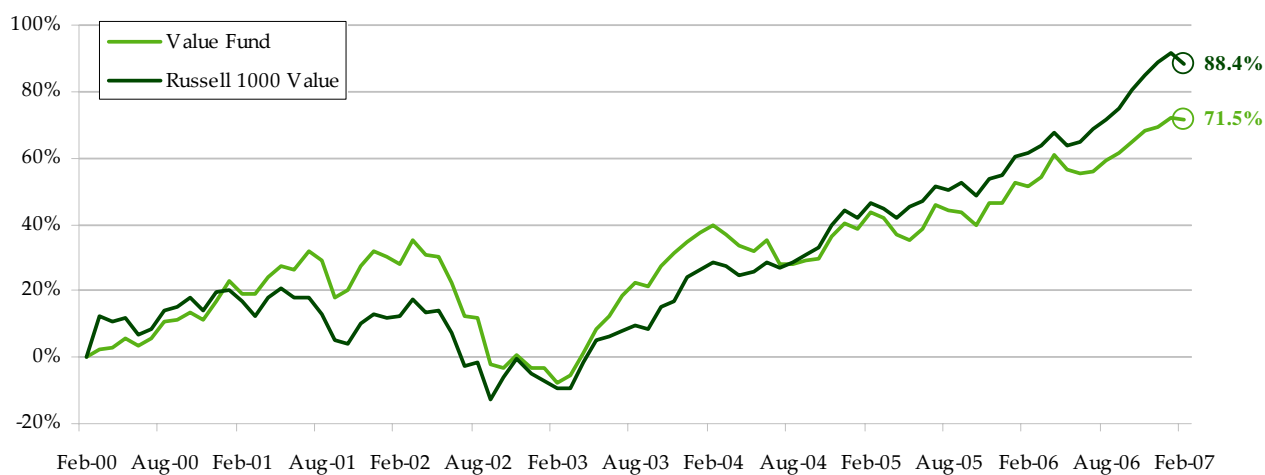
During the period of 9/1/06 – 2/28/07, four of our six top performing stock selections – Freescale, McDonald's, Sempra Energy, and Seagate Technology – were positions that we had held prior

to 9/1/06. We purchased FPL on 10/18/06 and sold it on 2/5/07, after a capital appreciation of 26%. We purchased Sotheby's on 11/29; it has already appreciated over 20%. Altria Group, our longest held position, held a steady price over the period. Likewise, Bank of America, our second longest held stock, was down slightly (less than 2%). We expect both Altria and Bank of America to rebound over the next six months.

Best and Worst Value Fund Holdings (For the Fiscal Year Ending February 28, 2007):

BEST	RETURN	WORST	RETURN
Freescale Semiconductor	25.99%	Sanderson Farms Inc.	(13.31%)
McDonald's Corporation	24.72%	Cimarex Energy Co.	(12.17%)
FPL Group, Inc.	23.28%	Pfizer Inc.	(7.62%)
Sempra Energy	22.15%	CVS Corporation	(6.12%)
Seagate Technology	21.89%	Boston Scientific Co.	(5.33%)
Sotheby's Holdings Inc.	20.41%	Halliburton Co.	(4.89%)

Michael Price Value Fund vs. Russell 1000 Value Index



Other top performers included Unumprovident Corp., Allied Irish Banks, Illinois Tool Works,

Trinity Industries, and Duke Energy Corp. Each of

these selections returned more than nine percent while held in the Fund.

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

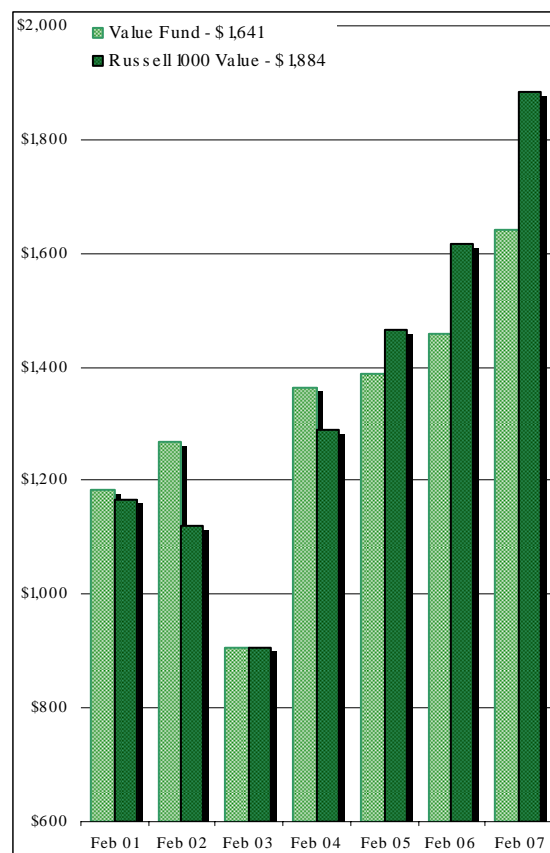
<u>Top Contributors</u>		
Freescall Semi.	26.0%	1.2%
McDonalds Corp.	24.7%	0.7%
FPL Group Inc.	23.3%	0.8%

Stock Selection	1.0%
Allocation Effect	-3.3%

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

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

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



Asset Allocation

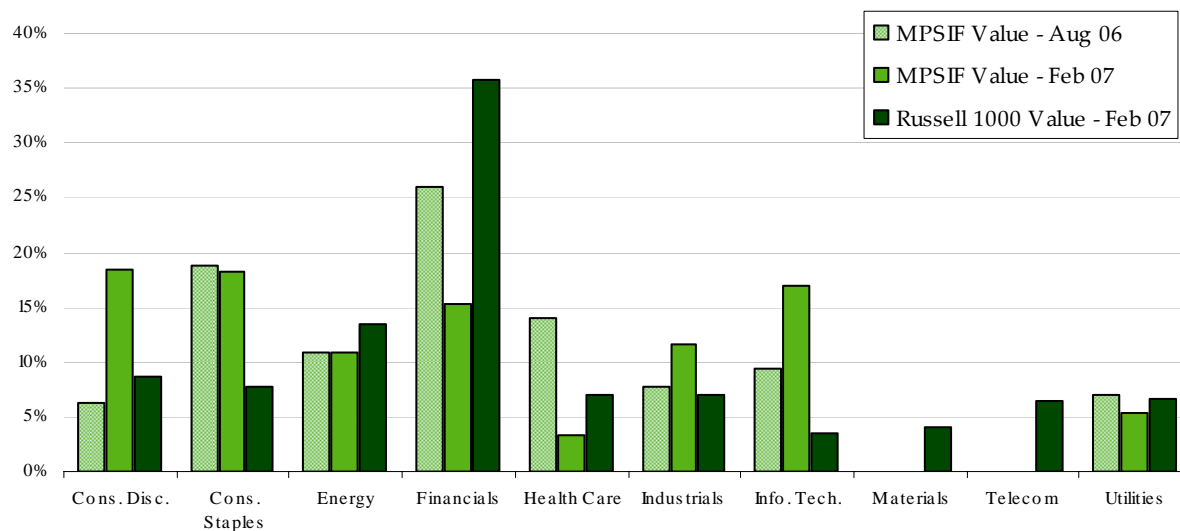
Value Fund analysts take a bottom-up approach to stock selection. While we discuss sector weightings relative to the Russell 1000 Value benchmark, we do not make active sector bets. Instead, we look at all stocks within the range of our investment policy constraints and hold a portfolio of those stocks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

That being said, we are significantly underweight relative to the Russell 1000 Value Index in the Financials sector. While over 35% of the benchmark

index is comprised of financial companies, we do not feel that there are enough financial stocks that offer a value opportunity to warrant such a sector exposure; thus, we held only 15.3% of our portfolio in Financials as of February 28, 2007.

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

MPSIF Value - Equity Sector Allocation



Holdings Profile

Value Portfolio as of August 31, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
3M Company	MMM	Industrials	193	71.70	13,838	3.7%
Altria Group	MO	Consumer Staples	335	83.53	27,983	7.4%
Apache Corporation	APA	Energy	228	65.28	14,884	4.0%
Bank of America Corporation	BAC	Financials	550	51.47	28,309	7.5%
Cimarex Energy Co.	XEC	Energy	498	38.30	19,073	5.1%
CVS Corporation	CVS	Consumer Discretionary	481	33.55	16,138	4.3%
Freescall Semiconductor Inc	FSL	Information Technology	740	30.70	22,718	6.0%
General Mills, Inc.	GIS	Consumer Staples	308	54.23	16,703	4.4%
Halliburton Company	HAL	Energy	408	32.62	13,309	3.5%
Illinois Tool Works Inc.	ITW	Industrials	454	43.90	19,931	5.3%
Johnson & Johnson	JNJ	Health Care	270	64.66	17,458	4.6%
McDonalds Corp.	MCD	Consumer Discretionary	408	35.90	14,647	3.9%
Pfizer Inc.	PFE	Health Care	632	27.56	17,418	4.6%
Quiksilver, Inc.	ZQK	Consumer Discretionary	929	14.00	13,006	3.5%
Radian Group Inc.	RDN	Financials	267	59.88	15,988	4.2%
Sanderson Farms, Inc.	SAFM	Consumer Staples	685	31.26	21,413	5.7%
Seagate Technology	STX	Information Technology	834	22.25	18,557	4.9%
Sempra Energy	SRE	Utilities	337	49.72	16,756	4.4%
St. Paul Travelers Companies	STA	Financials	375	43.90	16,463	4.4%
UnumProvident Corporation	UNM	Financials	820	18.95	15,539	4.1%
Zimmer Holdings, Inc.	ZMH	Health Care	243	68.00	16,524	4.4%
Total Equities					376,652	78.7%
Total Cash					102,026	21.3%
Total Assets					478,678	100.0%

Value Portfolio as of February 28, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
3M Company	MMM	Industrials	193	74.08	14,297	3.0%
AFLAC Incorporated	AFL	Financials	465	47.24	21,967	4.6%
Allied Irish Banks, plc. (ADR)	AIB	Financials	295	59.73	17,620	3.6%
ALTRIA GROUP	MO	Consumer Staples	394	84.28	33,206	7.0%
Apache Corporation	APA	Energy	228	68.46	15,609	3.3%
Applied Materials, Inc.	AMAT	Information Technology	1,138	18.57	21,133	4.4%
Bank of America Corporation	BAC	Financials	648	50.83	32,938	6.9%
ConocoPhillips	COP	Energy	260	65.32	16,983	3.6%
Corning Incorporated	GLW	Telecom & Cable	1,021	21.00	21,441	4.4%
CVS Corporation	CVS	Consumer Discretionary	481	31.42	15,113	3.2%
Duke Energy Corporation	DUK	Utilities	762	19.68	14,996	3.2%
General Mills, Inc.	GIS	Consumer Staples	308	56.32	17,347	3.7%
Halliburton Company	HAL	Energy	408	30.92	12,615	2.7%
Illinois Tool Works Inc.	ITW	Industrials	454	51.64	23,445	4.9%
Jos. A. Bank Clothiers, Inc.	JOSB	Consumer Discretionary	545	30.82	16,797	3.5%
McDonald's Corporation	MCD	Consumer Discretionary	408	43.69	17,826	3.8%
Pfizer Inc.	PFE	Health Care	632	24.96	15,775	3.4%
Quiksilver, Inc.	ZQK	Consumer Discretionary	929	13.92	12,932	2.7%
Seagate Technology	STX	Information Technology	834	26.90	22,435	4.4%
Sempra Energy	SRE	Utilities	169	60.05	10,148	2.1%
Sotheby's	BID	Consumer Discretionary	530	36.30	19,239	4.4%
Spectra Energy Corp	SE	Materials	255	25.73	6,561	1.4%
The Western Union Co.	WU	Financials	730	21.67	15,819	3.3%
Thor Industries, Inc.	THO	Consumer Discretionary	484	41.84	20,251	4.2%
Trinity Industries, Inc.	TRN	Industrials	420	41.85	17,577	3.7%
Wal-Mart Stores, Inc.	WMT	Consumer Discretionary	433	48.31	20,918	4.4%
Total Equities					474,987	90.8%
Total Cash					47,855	9.2%
Total Assets					522,842	100.0%

Investment Style and Strategy

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

Benchmark: Russell 1000 Value Index

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

returns in order to fulfill our distribution requirements and monitors our performance against the Russell 1000 Value index.

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

Number of Holdings: 25-30 positions, approximately 3.3% of assets under management per new position

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



THE SMALL CAP FUND

Message From the Portfolio Managers

Despite our continued skillful idea generation and investment discipline, the Small Cap Fund (“the Fund”) underperformed the benchmark in the first 6 months of this fiscal year by 40 basis points. Through February 28, the Fund returned 10.36% compared to the 10.76% by the benchmark Russell 2000, and far exceeded the required capital appreciation to maintain the 5% dividend. The Fund fell short of its goal primarily through its large cash position as a result of the fund exiting several positions that had reached its investment potential or where the investment thesis had changed.

Seventeen investments contributed to the Funds positive performance with four investments each achieving absolute returns exceeding 30% for the first six months of this fiscal year. These investments were Aeropostale Incorporated, Blockbuster, MIPS Technologies and Seaboard Corporation. Open Solutions and Yankee Candle achieved absolute returns exceeding 25% as both were acquired by private equity within seven days of each other in late October. Yankee Candle was pitched on the thesis that it would be a likely buyout target, which was realized 37 days later. Thirteen investments had negative returns for the year and, in 6 of these investments, our losses were cut short by their stop-losses.

During the past 6 months, the Fund sold part or all of 11 positions; half came through stop-loss orders and three of these occurred within the first 10 days of 2007. At that time the Russell 2000 declined nearly 2% in 1-day. The majority of the other sales represent the Fund’s discipline in recognizing when a stock reached its intrinsic value or rewards no longer justify the risk. Putting the capital to work, the Fund invested in 15 new positions, half were sold or reduced during the past six months. The best performer of these purchases has been Seaboard, which has appreciated nearly 50%.

To the benefit of the Fund, the large market sell-off on February 27, 2007 was mitigated due to our large cash position. Our focus for the rest of the year remains the same as it was 6 months ago, namely, reducing the Fund’s cash holdings. Through our investment discipline and continual search for firms with strong fundamentals, the Fund aims to close the gap with our benchmark and return to economic value creation.

Ronny Eisemann & Helena Leung
Portfolio Managers, Small Cap Fund



Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Capitalization Fund	10.36%	7.62%	58.35%	16.56%	113.92%	16.43%	152.97%	14.18%
Management Fees	-0.26%	-0.57%	-1.91%	-0.64%	-3.24%	-0.66%	-4.08%	-0.59%
<i>Russell 2000 Index</i>	10.76%	9.87%	40.30%	11.95%	79.70%	12.44%	49.95%	5.96%
Relative - Gross of Fees	-0.40%	-2.25%	18.04%	4.61%	34.22%	3.99%	103.02%	8.22%
Relative - Net of Fees	-0.68%	-2.87%	15.02%	3.86%	27.30%	3.23%	92.71%	7.54%

The Small Cap Fund's performance can be attributed primarily to rigorous stock selection. In particular, most stocks selected by the Fund are cheap relative to their peers or cheap based on a fundamental discounted cash flow analysis.

Among our top performers, some reached their price target and after re-evaluating the position, the Fund decided to realize the gains as the risk exceeded the upside potential. One such stock was Seaboard Corp. Pitched last October and sold in March, we realized a gain of 71%. This diversified international agribusiness company successfully entered into the processing side of the pork business, which provided higher margins. Together with increasing hog prices, Seaboard provided significant returns to the Fund. Similarly, the Fund held USANA Health Science, a nutritional and personal care provider. Since its pitch last April USANA had a strong run providing us with a realized gain of 27%. We also liquidated Yankee Candle, which we purchased last September. Yankee Candle was bought by a private equity firm and we sold our full position with a realized gain of 28%. We also continue to hold some of our top performers. MIPS Technologies Inc., a processor chip designer, has generated an approximately 60% unrealized gain since purchase. We hold a full position and expect a further 10% upside. Blockbuster, pitched last April, has been an interesting story. After successfully launching the Total Access program and reaching a milestone of 2 million online subscribers, the stock has rallied. But due to its volatility, we liquidated half of our position for a 25% gain after a 9-month holding period. The Fund still holds a half position and is positive of its growth potential.

There were some decliners during the period. We liquidated Carter's, a baby clothing company and

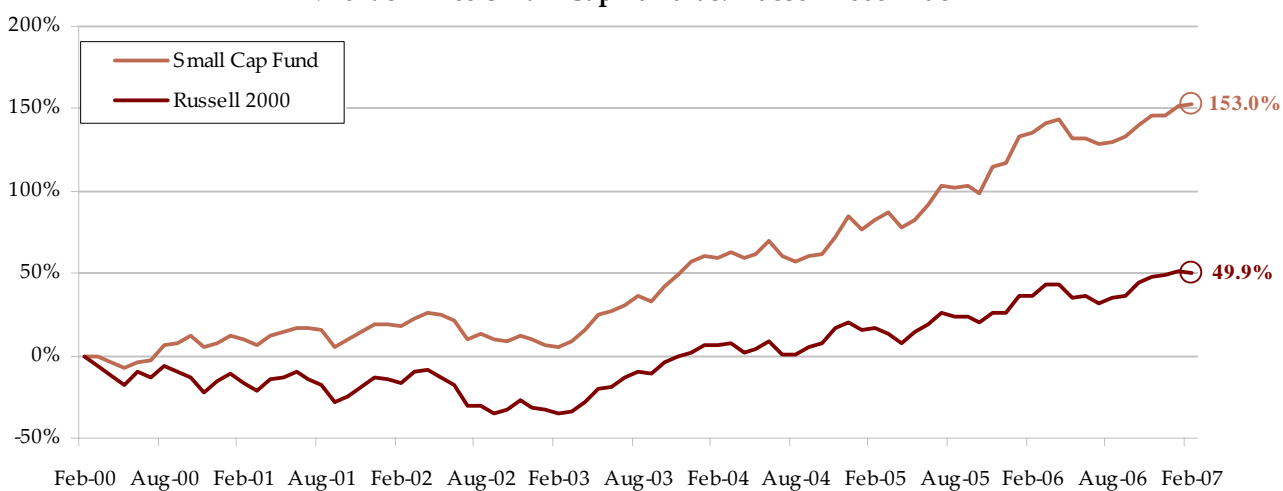
Bebe Stores with an approximate loss of 26%. Both companies hit their stop-loss price due to a negative earnings outlook. We also liquidated International Securities Exchanges with a loss of 17%. While we believe these stop-losses may have prevented further losses, a healthy debate on the effectiveness and application of the stop-losses within the Fund continues. Some stocks, which were hit hard by a negative outlook, rebounded a few days later. Generally, if the overall market fell, we tried to revise down our stop-loss prices to prevent general market movements from liquidating our positions.

Turnover recorded 109% over last six month. But this decreased from 188% for the six months ending August 31, 2006. The Fund's bottoms-up approach resulted in investments in a variety of industries from consumer staples, informational technologies, healthcare providers and industrials. There was, though, a notable bias toward consumer staples and informational technologies during the last six month.

The Small Cap Fund achieved a 10.36% over the six-month period and 7.62% over the twelve-month period. The Fund asset grew by \$54,124 over the last six months.



Michael Price Small Cap Fund vs. Russell 2000 Index



Top Sectors	Return	Impact
Consumer Staples	34.3%	2.3%
Information Technolog	31.4%	2.7%

Top Contributors

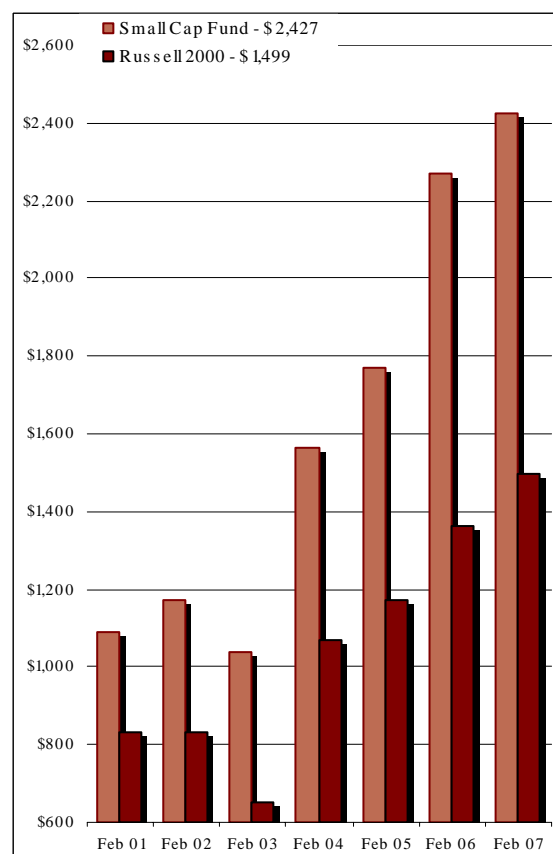
Seaboard Corp	67.9%	2.5%
Blockbuster Inc	66.4%	1.9%
Mips Technologies In	33.9%	0.8%

Stock Selection	4.3%
Allocation Effect	-3.9%

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

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

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



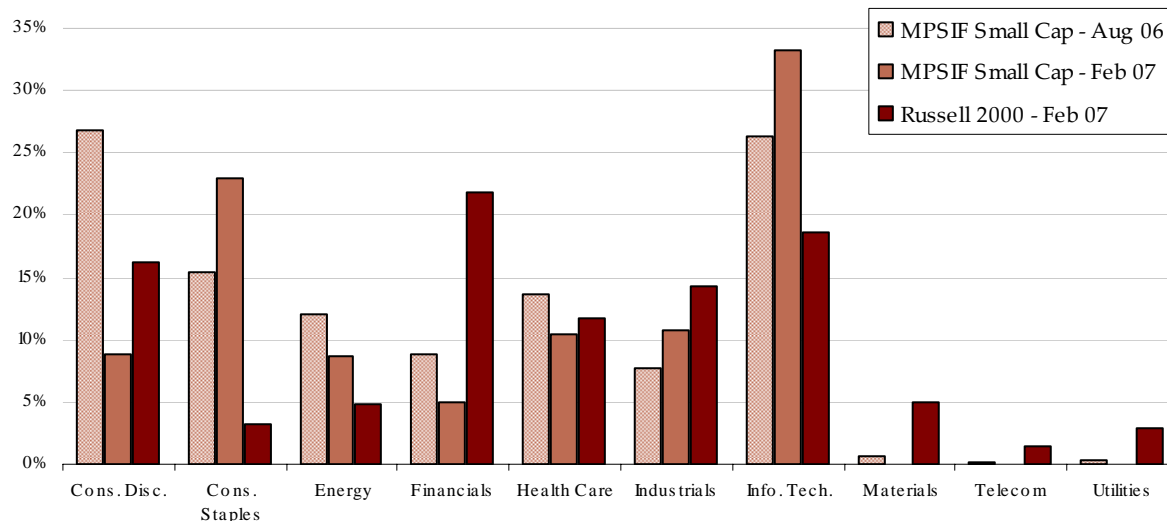
Asset Allocation

The Fund employs a bottom-up approach to analyzing potential investments and therefore does not target an optimal sector allocation. Also, the Fund's use of price targets and bias towards value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund seeks to maintain a minimum cash balance but due to the committee structure the extent of equity participation may vary significantly – especially during the winter months when liquidations may occur because of stop-loss sales but new stock pitches do not occur. The Fund's small number of

holdings means that diversification is difficult to maintain across sectors and within the sector. During the FY 06, the Fund had over-exposure to the consumer discretionary sector, so the Fund tried to minimize increasing exposure in this sector.

Below is our asset allocation at the end of FY 06 and the mid-point of FY 07. Please note that the Fund does not maintain specific guidelines regarding asset allocation among sectors.

MPSIF Small Cap - Equity Sector Allocation



Holdings Profile

Small Cap Portfolio as of August 31, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Asta Funding, Inc.	ASFI	Credit Services	590	36.79	19,500	6.2%
Alliance Resource Partners, L.P.	ARLP	Coal Mining	535	37.30	19,629	6.3%
Aeropostale, Inc.	ARO	Retail	825	24.23	20,955	6.7%
Blackboard, Inc.	BBBB	Enterprise Software	650	29.79	17,323	5.5%
Blockbuster Inc.	BBI	Video Retailer	4,500	4.49	17,955	5.7%
Berry Petroleum Company	BRY	Oil & Gas Exploration	520	38.41	16,240	5.2%
Century Casinos, Inc.	CNTY	Resorts & Casinos	1,950	10.23	19,988	6.4%
EarthLink, Inc.	ELNK	Internet Service Provider	1,070	9.32	7,865	2.5%
Five Star Quality Care, Inc.	FVE	Home Health Care	2,000	10.14	20,500	6.6%
MIPS Technologies, Inc.	MIPS	Semiconductors	1,750	5.82	12,180	3.9%
Open Solutions Inc.	OPEN	Software	1,285	23.95	37,959	12.1%
RARE Hospitality International, Inc.	RARE	Restaurant Chains	650	30.56	18,616	6.0%
Rural/Metro Corporation	RURL	Services	2,350	8.50	17,602	5.6%
USANA Health Sciences, Inc.	USNA	Nutritional and personal care	476	42.18	21,306	6.8%
WD-40 Company	WDFC	Specialty Chemicals	740	27.09	25,715	8.2%
World Air Holdings, Inc.	WLDA	Airline	2,200	8.60	19,382	6.2%
Total Equities					312,712	57.9%
Total Cash					227,349	42.1%
Total Assets					540,061	100.0%

Small Cap Portfolio as of February 28, 2007

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
American Dairy, Inc.	ADY	Dairy Products	1,078	18.80	21,657	5.5%
Asta Funding, Inc.	ASFI	Credit Services	590	36.79	19,517	5.0%
Alliance Resource Partners, L.P.	ARLP	Coal Mining	535	37.30	18,565	4.7%
Blackboard Inc.	BBBB	Enterprise Software	650	29.79	21,684	5.5%
Blockbuster Inc.	BBI	Video Retailer	2,250	4.49	14,940	3.8%
Berry Petroleum Company	BRY	Oil & Gas Exploration	520	38.41	15,746	4.0%
Century Casinos, Inc.	CNTY	Resorts & Casinos	1,950	10.23	19,851	5.1%
Daktronics, Inc.	DAKT	Electronic Equipment Manufacturing	373	26.84	9,948	2.5%
Five Star Quality Care, Inc.	FVE	Home Health Care	2,000	10.14	22,800	5.8%
Itron, Inc.	ITRI	Scientific and Technical Instruments	326	61.37	21,066	5.4%
The Knot, Inc.	KNOT	Life Stage Media & Services	430	23.44	10,165	2.6%
MIPS Technologies, Inc.	MIPS	Semiconductors	1,750	5.82	16,310	4.2%
New Dragon Asia Corp.	NWD	Processed & Packaged Food Products	5,154	1.95	8,401	2.1%
Quality Systems, Inc.	QSII	Healthcare Information Services	250	40.09	10,233	2.6%
Rural/Metro Corporation	RURL	Services	2,350	8.50	17,790	4.5%
Seaboard Corporation	SEB	Meat Products	15	1,297.00	32,250	8.2%
Trimble Navigation Limited	TRMB	Scientific & Technical Instruments	800	24.92	21,168	5.4%
USANA Health Sciences, Inc.	USNA	Nutritional and personal care	476	42.18	27,641	7.0%
Washington Group International, Inc.	WGII	Technical Services	348	57.82	20,400	5.2%
World Air Holdings, Inc.	WLDA	Airline	2,200	8.60	22,330	5.7%
WNS (Holdings) Limited (ADR)	WNS	Data Services	618	32.47	19,881	5.1%
Total Equities					392,342	66.1%
Total Cash					201,614	33.9%
Total Assets					593,956	100.0%

Investment Style and Strategy

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

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

Strategy. The Small Cap Fund targets a relatively concentrated portfolio comprised of twenty to twenty-five investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. Throughout the semester, Fund analysts will provide both updates on existing positions and pitches for new investments. With regard to existing allocations, each semester the analyst assigned to the stock provides an update to the Small Cap Fund. At that time, the entire Fund re-votes on the analyst's recommended course of action. Options include selling all or half of the position, holding the position, or accumulating more of the position, subject to portfolio size limits. New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment highlights and weighs them against any potential macro or company-specific risks. Furthermore, the analyst and the Fund review the expected timing of the investment as well as all upside price targets and downside stop-losses. When implementing a stop-loss order, the Fund tries to differentiate between firm specific negative events and a general market downturn. When considering a new position, the Fund may vote for a full (approximately \$20,000), half, or zero allocation or

wait and watch the stock until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor any sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

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

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



THE FIXED INCOME FUND

Message from the Portfolio Manager

The Fixed Income Fund (“the Fund”) sailed through a low volatility environment in the fixed income markets during the last half-year. Market conditions followed from tighter yield spreads across the non-Treasury sectors and the overall movement of interest rates. The Fed left the federal funds target rate unchanged at 5.25% for the fifth consecutive meeting after raising rates seventeen straight times between June 2004 and June 2006.

Much of the attention on the Treasury markets was focused on the inversion of the yield curve. The yield curve inverted between the two-year and ten-year points, and by the end of 2006, two-year and 30-year Treasuries had identical yields. This usually raises a red flag signaling a slowing economy or a recession, however, this time around, the yield curve is expected to be flatter soon: inflation is likely to be under control and more stable while real economic growth is moderating to more sustainable levels.

The residential housing market continues to be under pressure. Price declines in some markets and a material slow down in new residential construction are major concerns for investors as the weakness in the housing sector could spill over to other sectors of the economy. The recent meltdown of the sub-prime mortgage lending sector made things worse. The bond market overall has moved higher partly helped by pessimism about the economy, geopolitical concerns and volatility in the world’s equity markets.

Housing showed some signs of stabilization, but high inventory level in the sub-prime mortgage market recently added a risk to the sector’s recovery. However, the job market continues to be moderately

strong, offsetting other weaknesses in the market. The Fed rates are expected to be left alone, but investors began to speculate that the Fed may cut rates later this year to boost growth.

While the Fund continues to grow in terms of size and membership, we still face many challenges. The relatively small size of the Fund prohibits efficient execution at institutional pricing levels and the achievement of appropriate levels of diversification by investing in single bond issues. Therefore, the Fund continues to invest in mutual funds, in the form of open-ended funds, as well as exchange traded funds (ETFs). So, unlike other strategies within MPSIF, the investment team takes a top-down approach towards each specific sector.

The Fund continues to wait for the anticipated changes in MPSIF policy that will enable it to purchase individual bonds as opposed to more passively investing in ETFs and mutual funds. With this change, the Fund will be in a position to invest its capital with greater efficiency and provide the members of the investment team a more rewarding and focused learning experience in the fixed income sector.

J. Michelle Hahn and Suresh Ramayanam
Portfolio Managers, Fixed Income Fund

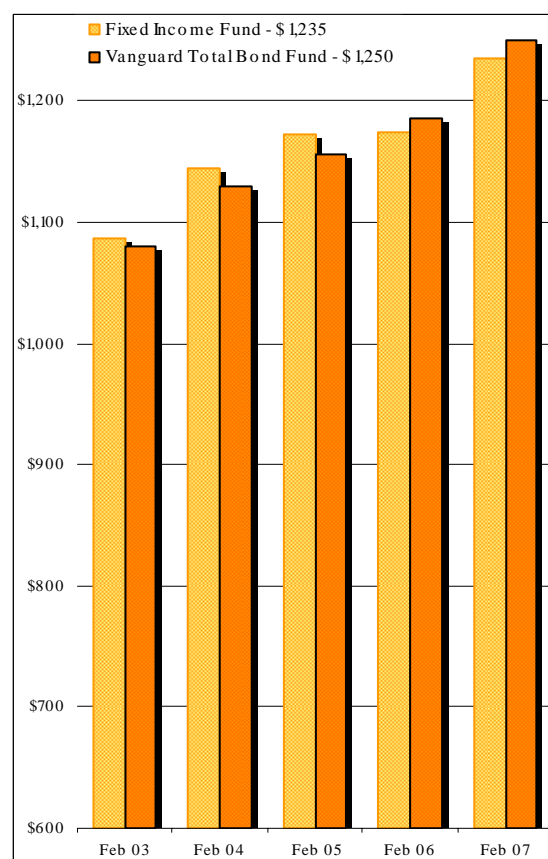


Discussion of Performance

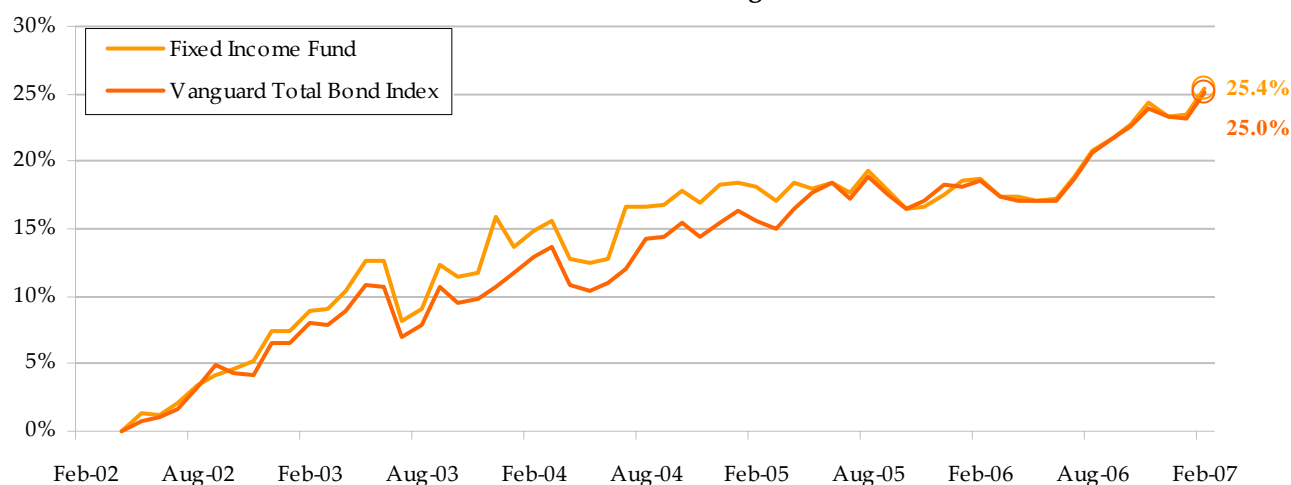
	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	3.86%	5.60%	9.15%	2.96%	--	--	25.41%	4.71%
Management Fees	-0.17%	-0.39%	-1.09%	-0.36%	--	--	-1.54%	-0.32%
<i>Vanguard Total Bond Fund</i>	3.64%	5.45%	10.74%	3.46%	--	--	25.05%	4.73%
Relative - Gross of Fees	0.22%	0.15%	-1.59%	-0.50%	--	--	0.36%	-0.02%
Relative - Net of Fees	0.04%	-0.26%	-2.77%	-0.87%	--	--	-1.57%	-0.36%

For the six months ending February 28, 2007, the Fixed Income Fund had a positive return of 3.86%, leading its benchmark – the Vanguard Total Bond Fund – by 22 bps. During this period, the Fund performed consistently due to overexposure to the long end of the yield curve as fed target rates remained steady per Fed Policy. The domestic bond fund as well as the global bond fund performed well during this period. While the bond markets were turbulent in late December and January due to increasing energy prices and inflationary concerns from rising commodity prices, February was the strongest month as the Fund outperformed the benchmark by nearly 16 basis points. The developments in the sub-prime mortgage loan segments made investors seek shelter in the higher quality government backed securities.

We feel that inflationary concerns remain due to volatile energy prices. Achieving a soft landing for the housing sector is taking precedent over inflation fears and near term Fed policy will reflect this.



Michael Price Fixed Income Fund vs. Vanguard Total Bond Index



Asset Allocation

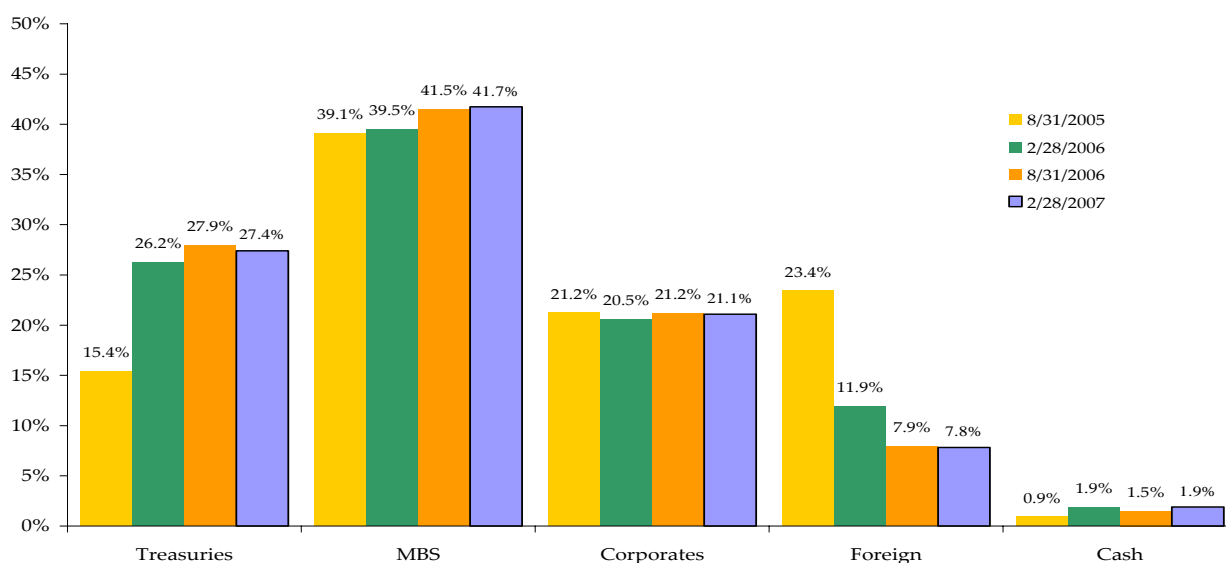
Each of the bond mutual funds in our portfolio is selected to serve as the investment vehicle for exposure to a particular sector. The Fund is presently under-weight the MBS sector, over-weight the Foreign and Corporate sectors and under-weight Treasuries. Not all our current asset allocation decisions are consistent with our sector outlooks as discussed in the following section. As we go forward, we intend to make investments consistent with our current view.

Fixed Income Fund vs. Vanguard Total Bond Fund as of February 28, 2007



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

Sector Allocation of the Fixed Income Fund



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

Holdings Profile

Fixed Income Portfolio as of August 31, 2006

Company	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Portfolio
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	17,439	10.57	184,330	41.7%
Templeton Global Bond Fund	TPINX	Foreign	3,209	10.78	34,593	7.8%
iShares Lehman 1-3 Year Treasury Bond	SHY	Treasuries	575	80.25	46,144	10.4%
iShares Lehman 7-10 Year Treasury Bond	IEF	Treasuries	550	82.46	45,353	10.3%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	335	88.08	29,507	6.7%
iShares GS \$ Invest Grade Corp Bond Fund	LQD	Corporate	875	106.38	93,083	21.1%
Total Securities					433,009	98.1%
Cash					8,608	1.9%
Total Assets					441,617	

Fixed Income Portfolio as of February 28, 2007

Company	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Portfolio
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	17,838	10.71	191,045	41.7%
Templeton Global Bond Fund	TPINX	Foreign	3,319	10.99	36,476	8.0%
iShares Lehman 1-3 Year Treasury Bond	SHY	Treasuries	575	80.37	46,213	10.1%
iShares Lehman 7-10 Year Treasury Bond	IEF	Treasuries	550	83.40	45,870	10.0%
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	355	90.15	32,003	7.0%
iShares GS \$ Invest Grade Corp Bond Fund	LQD	Corporate	875	108.45	94,894	20.7%
Total Securities					446,501	97.4%
Cash					11,882	2.6%
Total Assets					458,383	100.0%



Investment Style & Strategy

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

Due to Fund's inability to take positions in specific bond issues (limited dollar resources, the need to

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



Sector Review & Outlook

US Treasuries: During the last six months, the yield curve has been inverted and historically, this has been regarded as a leading indicator of a slowing economy and possibly a recession. But this time, this inversion could be explained by the glut in global savings and the huge inflow of funds from emerging markets into the US treasury market. With the economy slowing and the recent weakness in the housing sector, the Federal Reserve is expected to cut rates by mid year. This would result in the lowering of the yields on both the long and short ends of the yield curve. So, we recommend the bullet portfolio, where the maturities are concentrated on the mid term, through ETFs such as IEI and inverse funds such as RYJUX.

Mortgage-Backed/Asset-Backed Securities: As we expect the Fed Funds rate to be range bound, interest rate volatility should remain subdued, with low risk of prepayment. Moreover, the high-quality yield of MBS securities and the lower supply of these securities augur well for the outlook for MBS. In addition, the demand for US MBS among foreign investors continues to be strong. However, recent developments in the sub-prime sector may further depress the housing market and these worries could have negative fallout on MBS securities with exposure to sub-prime mortgages. As the two GSEs significantly reduced their exposure to the sub-prime loans, we expect the risk to be minimal for the agency backed securities. We feel these trends will continue in the future and will consider taking a overweight position in this sector with respect to the index.

Corporate Bonds: Credit-compression of risk premiums is especially apparent in corporate bonds as investors have crowded into this asset class in recent years in search of higher yields. This demand for yield resulted in lower quality issues outperforming the higher quality issues. The recent rise in LBO's serves to increase the role of debt capitalization, and if coupled with weakness in the economy could result in widening spreads. In addition, managers in recent times have become more shareholder friendly, returning cash through buybacks and dividends. Thus we recommend a

slightly underweight position in Corporates with respect to the index.

Foreign Investment Grade: The looming geopolitical issues in the Middle East and other parts of Asia could cause inflationary pressures in the short term. But with economic growth slowing down worldwide, we expect inflation to remain under control. Lowering Fed Funds rates will eventually result in the dollar weakening. This creates opportunities to take positions in Euro, Yen and other emerging market currency denominated bonds. While we overweight these securities, we will be wary of the volatility that we witnessed, in some of the emerging markets.



FUND MANAGEMENT

The Executive Committee



*Front row: Suresh Ramayanam, Michelle Hahn, Anna Melnikova, Helena Leung
Middle row: Kaimon Chung, Beth Boylan, Michael Walter, Veersen R. Ghatge
Back row: Prof. Levich, Ronny Eisemann, Andrew MacNamara*

Richard M. 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 serves as editor of the Journal of International Financial Management and Accounting. Professor Levich has been a visiting faculty member at many distinguished universities in the United States and abroad. He has published more than fifty articles and is the author or editor of fifteen books on various topics dealing with international finance. In 1997, Professor Levich received a CDC Award for Excellence in Applied Portfolio Theory from the Caisse Des Dépôts Group, France. Professor Levich received his Ph.D. from the University of Chicago.

Veersen R. Ghatge – President

During the summer, Veersen worked in the Healthcare Investment Banking group at Wachovia Securities and will be returning to Wachovia after graduation. Prior to joining Stern, Veersen was a technology manager at Bank of America where he developed solutions for the fixed income trading floor. He started his career at a software startup and enjoyed the roller coaster ride while it lasted. He holds a MS in Computer Science from SUNY Binghamton and Bachelors in Computer Engineering from University of Pune, India.

Anna Melnikova – Treasurer

Prior to attending Stern, Anna worked as an Audit and Assurance Manager for Ernst & Young LLP, specializing in energy, chemicals and utilities companies in Moscow, Houston and New York. Anna received her B.A. in Finance from The Finance Academy of the Russian Government (Moscow, Russia). Anna is a certified public accountant in New Hampshire State Board of Accountancy. She is a Level II CFA Candidate.

Beth Boylan – Portfolio Manager, Growth Fund

Last summer, Beth interned in the Capital Markets division at Lehman Brothers. Prior to enrolling at Stern, Beth spent a year at both Deutsche Bank and Goldman Sachs as a Project Manager responsible for a variety of technology-improvement initiatives. Before that, she spent four years working as an Information Technology Consultant at PricewaterhouseCoopers and IBM. She earned a BA degree in Political Science from Columbia University.

Kaimon Chung – Portfolio Manager, Growth Fund

Prior to attending the Leonard N. Stern Business School, Kaimon worked as a senior trader at Morgan Stanley trading futures and forwards on commodities, financials, and currencies. Kaimon is a second year MBA candidate at Stern specializing in Quantitative Finance and Corporate Finance. He also holds a BS in Business Administration from SUNY Buffalo and is a CFA Charterholder.

Michael Walter – Portfolio Manager, Value Fund

Michael worked as a Finance Intern at American Express over the summer in New York City, assessing the profitability of distribution partnerships and performing sensitivity analyses within their co-brand model. He will return to American Express after graduation as part of their Finance Rotational Program. Prior to Stern, he worked as a product analyst within the Consultant Relations division of State Street Global Advisors (SSgA). Michael graduated from the University of Notre Dame in 1999 with a BA in American Studies and a concentration in Public Service.

Andy MacNamara – Portfolio Manager, Value Fund

Andy spent the summer valuing investment funds, operational companies, and intellectual property at a financial advisory services firm in New York. He is a provisional Glucksman Fellow and a Stern Scholar, and is enrolled in Level II of the CFA program. Prior to Stern, he worked at an accounting firm as an information technology associate and operations manager. He graduated cum laude from the University at Albany with a BS in Computer Science.

Helena Leung – Portfolio Manager, Small Cap Fund

Helena is a second year student specializing in Finance. Prior to Stern, Helena worked for JPMorgan as an analyst in the Media and Telecom Investment Banking group for two and a half years and as an analyst in the Private Bank in the Financial Markets coverage group for one and a half years. She will be returning to JPMorgan upon graduation as an associate in Fixed Income Sales and Trading. Helena graduated from the University of Michigan in 2001 with a BA in Economics.

Ronny Eisemann – Portfolio Manager, Small Cap Fund

Before attending Stern, Ronny worked for three years in research and development at United Technologies Fuel Cell division. Over the summer he worked at JP Morgan in equity research, covering the auto sector and will be returned to JPMorgan after graduation. He received his BS with Higher Distinction in Chemical Engineering from the University of Virginia in 2002.

J. Michelle Hahn – *Portfolio Manager, Fixed Income Fund*

Prior to Stern, Michelle worked in TV financial news as an assistant producer at CNN financial network and reported live market news from NYSE and NASDAQ for Munhwa Broadcasting Corp. This past summer she worked in public finance researching municipal bonds. Michelle holds a Bachelors degree in Economics and International Relations from University of Pennsylvania.

Suresh Ramayanam – *Portfolio Manager, Fixed Income Fund*

Suresh is an analyst in the Growth and the Fixed Income funds. He is a full time student specializing in Finance and Accounting. He worked as an IT consultant prior to coming to Stern and worked for a private equity firm over the summer. He is also a research assistant with Prof. Altman at NYU Salomon Center for Research in High Yield and Distressed bonds. He is currently a CFA Level II candidate.

The Growth Fund



Front Row: Kaimon Chung, Suresh Ramayanam, Anna Melnikova, Lucy Wei Ye, Nicole Phipps.

Middle Row: Aaron Trent, Caroline Chin, Louis Kay, Christopher Buck, Kwame Aryeh

Back Row: Guilherme De Souza, Beth Boylan, Eric Chu, Ryan Fiftal

Kwame Aryeh

Kwame spent his summer at Banc of America Securities where he will return upon graduation. Prior to attending Stern, Kwame worked as an Associate in Citigroup's Equity Research Division covering the Restaurant, Natural Resources, and Beverage Industries. He graduated from Morehouse College in 2000 with a Bachelor of Arts in Economics.

Christopher Buck

Over the summer, Chris worked as a credit research analyst on the Latin American Corporate Credit and US Credit Strategy desks at Barclays Capital, where he will return upon graduation. Before enrolling at Stern, Chris worked for The RAND Corporation where he focused on international terrorism and domestic health policy research. He received his undergraduate degree in International Studies from Colby College.

Caroline Chin

Prior to Stern, Caroline was a Senior Analyst in the Listing Qualifications Group at the American Stock Exchange. This past summer, she interned as a Summer Associate with the Investment Banking Division at Stanford Group. Caroline received her BS in Finance from the Undergraduate College at Stern. She will be joining Houlihan Lokey Howard & Zukin's Financial Institutions Group upon graduation this year.

Eric (Zhaoyang) Chu

Eric is a first-year MBA student and a new analyst for the MPSIF Growth Fund. Prior to entering Stern, he worked as a project manager/senior engineer at McCormick Taylor Inc., an engineering consulting firm in the transportation industry. Eric received his MS from Case Western Reserve University in Cleveland, Ohio and a BS from Tsinghua University in Beijing, China.

Guilherme De Souza

Prior to Stern, Guilherme worked as Co-Head of New Ventures at Grupo Solaris in Brazil, where he was responsible for identifying and analyzing new business opportunities. In this role, he planned and executed the approach strategy, deal structure and timeline, which led to the creation of a SPE for production and distribution of engineering components. He started his career at Grupo Solaris as a Civil Engineering Analyst. He holds a BS in Civil Engineering from Unicenp, Brazil.

Louis Kay

Louis is a first-year MBA candidate and is an analyst for the MPSIF Growth Fund. Prior to entering Stern, Louis worked as a Senior Officer in the Economic Development Board of Singapore where he covered Indian and Korean companies in the Asia Pacific Group. Louis graduated from the University of Illinois at Urbana-Champaign with a BS in Chemical Engineering.

Nicole Phipps

Nicole is currently a Senior Analyst in Fixed Income Product Control at RBC Capital Markets. Prior to attending Stern, she worked as a Senior Capital Markets Analyst, valuing all financial instruments held in the company's portfolio. Nicole received her BS in International Finance from American University. She is currently a CFA Level I candidate.

Ryan Fiftal

Prior to attending Stern, Ryan worked as an Associate at Mercer Management Consulting, where he worked on new business design, operations improvement, and marketing analysis for a variety of Fortune 500 companies. He graduated from Yale University with a BA in Physics and Philosophy.

Aaron Trent

Aaron is a second-year MBA student and an analyst for the Growth Fund. He studied business at Cornell, where he also participated in the Naval Reserve Officers Training Corps (NROTC) Program. As a Navy Supply Corps officer, Aaron managed budgets and contracts in Washington, DC, for nuclear-powered ships. Aaron has accepted an offer from Bank of America in Debt Research.

Roberto Nunez

Prior to Stern, Roberto worked as a fixed income investment strategist at Citigroup Asset Management in Mexico City. This past summer, he interned as a Summer Associate with the Investment Banking Division at Citigroup New York. Upon graduation, he will join Barclays Capital to work as a derivatives trader in the emerging markets desk. Roberto is a second year MBA candidate and was designated as a Stern Scholar. Roberto holds a BS in Applied Math from Universidad Anahuac in Mexico.

Lucy Wei Ye

Prior to attending Stern, Lucy worked as a Business Performance Analyst for ExxonMobil and as an Audit Supervisor for PricewaterhouseCoopers in Shanghai. Lucy received her B.A. in Finance from Shanghai International Studies University. Lucy is a certified public accountant in China. She is a Level I CFA Candidate.

The Value Fund

*Front row, left to right: Michael Walter, Steve Poleskey, Michelle Hahn, Neely Piolet, Veersen Ghatge
Back row, left to right: Daniel Parker, Jeremy Feffer, Andrew Eimer, Marc Albanese, Ryan Hart, Liyuan (Steven) Tao, Andrew MacNamara*

Tony Chang

Prior to attending Stern, Tony worked as a senior analyst at Analysis Group, Inc., an economic, financial, and strategy consultancy. This past summer, he worked at Merrill Lynch in the Equity Research division where he covered the Korean market. Tony received his BA in Economics from Cornell University.

Marc Albanese

Marc is a first-year student specializing in Finance, Accounting, and Strategy. This summer, Marc will be interning in the Equity Research Department at UBS. Prior to Stern, Marc worked in systems engineering, program management, and business development at Adaptive Optics Associates. Marc graduated with a BS in Biomedical Engineering from Boston University in 1999, and a MS in Electrical Engineering from Boston University in 2003.

Guy Balan

Guy Balan is currently a second-year MBA candidate who will be joining Lehman Brothers upon graduation. He spent his summer at Lehman in the Healthcare Investment Banking Division. Prior to Stern, he worked as a consultant at FactSet Research Systems, supporting investment management clients in the New York and Connecticut area. Before joining FactSet, he worked at Value Line as a Mutual Fund Analyst. Guy graduated from the University of Massachusetts at Amherst in 1995 with a BS in Biochemistry and Molecular Biology, and subsequently spent two years doing research in the Cell Biology department at New York Hospital. In addition, he received a MA in Statistics from Columbia University in 2003.

Andrew Eimer

Andrew is a first-year student specializing in Financial Instruments and Markets and Accounting. This summer, he will be interning with Lehman Brothers in the Investment Management Division. Prior to attending Stern, Andrew worked for three years at J.P. Morgan Securities Inc. in their Syndicated & Leveraged Finance department on the origination side. Andrew received an AB in Economics from Duke University.

Jeremy Feffer

Prior to Stern, Jeremy worked as an Equity Research Associate at Banc of America Securities, covering Healthcare Facilities and Healthcare REITs for a senior analyst ranked #3 by Institutional Investor in 2004-2006. Jeremy earned a Diploma in Economics from the London School of Economics in 2001 and a BA in Economics and Political Science from the University of Chicago in 2000.

Ryan Hart

Ryan is a first-year MBA at Stern. During the upcoming summer, Ryan will work in the Portfolio Management group at Pacific Investment Management Company (PIMCO). Prior to Stern, Ryan was a Senior Associate in the Product Management at PIMCO where he oversaw all activity related to PIMCO's global and non-US Dollar fixed income products. He holds a bachelor's degree in Business and Economics from the University of California at Santa Barbara.

Daniel Parker

Daniel is a first-year MBA at Stern. Prior to attending Stern, Daniel worked as both a junior and senior analyst in the Bear, Stearns & Co. Latin America Equity Research Group, covering such industries as the media, telecommunication, consumer and retail sectors. Daniel graduated from the Columbia University in 1997 with a BA in economics.

Neely Piolet

This summer, Neely will be joining the Equity Research division at Lehman Brothers. Prior to joining Stern, Neely was a Team Leader at SAP where she managed a team of Quality Assurance engineers. She started her career at a software startup that provided solutions for telecom companies. She holds a B.Sc. in Computer Science and Business Administration from Hebrew University in Israel. Neely served in the Israeli Defense Forces as a Sergeant of Communications.

Stephen Polesky

Steve is a second-year student specializing in Finance and Strategy. Over the summer, Steve worked as a management consultant with McKinsey & Co. serving a diversified financial services provider. Prior to Stern, Steve was a commissioned naval officer serving on a fast attack, nuclear powered submarine based in Pearl Harbor, Hawaii. Steve graduated magna cum laude from Penn State University with a BS in mechanical engineering.

Liyuan (Steven) Tao, CFA

Steven is a first-year MBA student. Prior to Stern, he worked for HSBC Shanghai Branch as a Vice President in its Commercial Banking division. Steven will spend his summer internship at Deutsche Bank working in Global Markets Asia based in Hong Kong. He graduated in 2002 from Shanghai International Studies University, China, with a Bachelor of Business Administration. Steven is a CFA charterholder.

The Small Cap Fund

*Front Row: Sachin Khattar, Heather Hou, Helena Leung, Robert Vong
Middle Row: Zachary Shannon, Mayank Mohan, Jonathan Yao, Changho Cho
Back Row: Jeffrey Agne, Ryan Nash, Stefan Karlsson, Kwang Roh, Young Min Ban, Ronny Eisemann*

Jeffrey R. Agne

Prior to attending Stern, Jeff was an equity research analyst at Banc of America Securities. There he focused on covering equities in several healthcare industries, including large-cap pharmaceuticals and diagnostic and research supplies. Prior to joining Banc of America, Jeff worked as an equity analyst for Schwab Soundview Capital Markets and as a consultant for FactSet Research Systems. He received his BS in Business Administration from the University of Vermont in 2001.

Changho Cho

Prior to Stern, Changho was an engineer and strategist at Samsung Electronics. There he researched industry and innovation trends in the high-tech industry, analyzed cost and return aspects of projects, and prioritized the research portfolio of the company. While building and managing his personal investment portfolio, he became passionate about researching companies in the stock market. He holds a BS and a MS in Electrical Engineering from Seoul National University.

Robert Vong

Robert worked as an equity analyst at a New York hedge fund covering event-driven and tactical strategies over the summer. Prior coming to Stern, he was a telecommunications technology specialist. Robert holds a Bachelor of Engineering with honors from the Royal Melbourne Institute of Technology, Australia.

Heather Hou, CPA

Heather worked for four years as a financial tax consultant with Ernst & Young LLP New York Office specializing in private equity funds and hedge funds strategic tax issues. Heather received a BA degree in International Business and Finance from Beijing Foreign Studies University and also holds a MS degree with CPA designation from Pace University. Heather is a certified public accountant in the State of New York and also a CFA level II candidate. She is a member of the American Institute of Certified Public Accountants. She accepted an offer to join BNP Paribas New York Office in the Fixed Income Sales Group after graduation.

Stefan Karlsson

Before attending Stern, Stefan worked as an operations analyst at Paulson & Co., a \$6B hedge fund specializing in merger and event arbitrage, where he focused on building out the firm's infrastructure and managing operational risk. Prior to this, he worked as a commercial credit analyst at Valley National Bank. Stefan is a CFA Level 3 candidate and received his AB in Business Economics from Brown University in 2002.

Sachin Khattar, CFA

Prior to Stern, Sachin worked as a Special Handling Credit Analyst for the CIT Group in Los Angeles in their Commercial Finance group analyzing high risk special situations for commercial credit. Currently, Sachin works part time at Restoration Capital, LLC, a distressed debt hedge fund, and will be spending his summer working in the Financial Restructuring Group of Houlihan, Lokey, Howard and Zukin. He received his BBA in Finance at the University of Southern California.

Ryan M. Nash, CFA, CPA

Prior to attending Stern, Ryan worked as a senior associate in the finance department of Drake Management, a \$6 billion hedge fund in New York. There he focused on analyzing, reviewing and valuing the firms' investments on a monthly basis. Prior to Drake, Ryan worked in the financial services practices at Ernst & Young and Arthur Andersen, focusing on audits of hedge funds. He holds a BS in Accounting from Lehigh University. Ryan is a Certified Public Accountant and holds the Chartered Financial Analyst designation.

Kwang Hyun Roh

Prior to Stern, Kwang worked as a project manager in the marketing and sales division of SK Telecom, South Korea's #1 wireless operator. Last summer, he interned as a Summer Associate with the Special Situations Research group of Nomura Securities International. After graduation, Kwang will be joining Sumitomo Mitsui Bank in NYC as a credit analyst. Kwang holds a BA in Mass Communication and Journalism from Korea University in Seoul, Korea.

Zachary Shannon

Prior to attending Stern, Zach worked for Gradient Analytics, an independent research firm focused on forensic accounting and quality of earnings research. Zach joined Gradient after graduating with honors from Arizona State University, where he received degrees in finance and economics and a minor in Spanish. He is currently a candidate in the CFA program.

Jonathan Blankenheim, CFA

Jonathan will be working this summer for Standard & Poor's in their corporate ratings division. Prior to attending Stern, he worked for AIM Investments. He holds a BBA in Marketing from the University of Texas and a CFA Charter.

Jonathan (Jianjia) Yao

Jonathan interned in Fixed Income Department at BNP Paribas in New York City over the summer and will return to BNP's structuring desk after graduation. Prior to Stern, he worked as a Product Manager for Siemens Mobile Networks and was awarded Siemens ICM Country Innovation Award. Jonathan is pursuing specializations in Finance, Quantitative Finance, and Accounting, Taxation and Business Law. He received his Bachelor of Telecommunication Engineering from Hehai University in China, and is currently a CFA Level II candidate.

Young Min Ban

Young Min Ban is a JD/MBA candidate graduating in May 2007. Prior to graduate school, he worked as a data warehouse consultant at PWC and Citigroup. During the JD portion of his joint program, he interned at the law firm of Kim & Chang in Seoul, Korea and Cadwalader in New York, NY. During the MBA portion of the program, he interned at Compass Partners and Concordia Advisors.

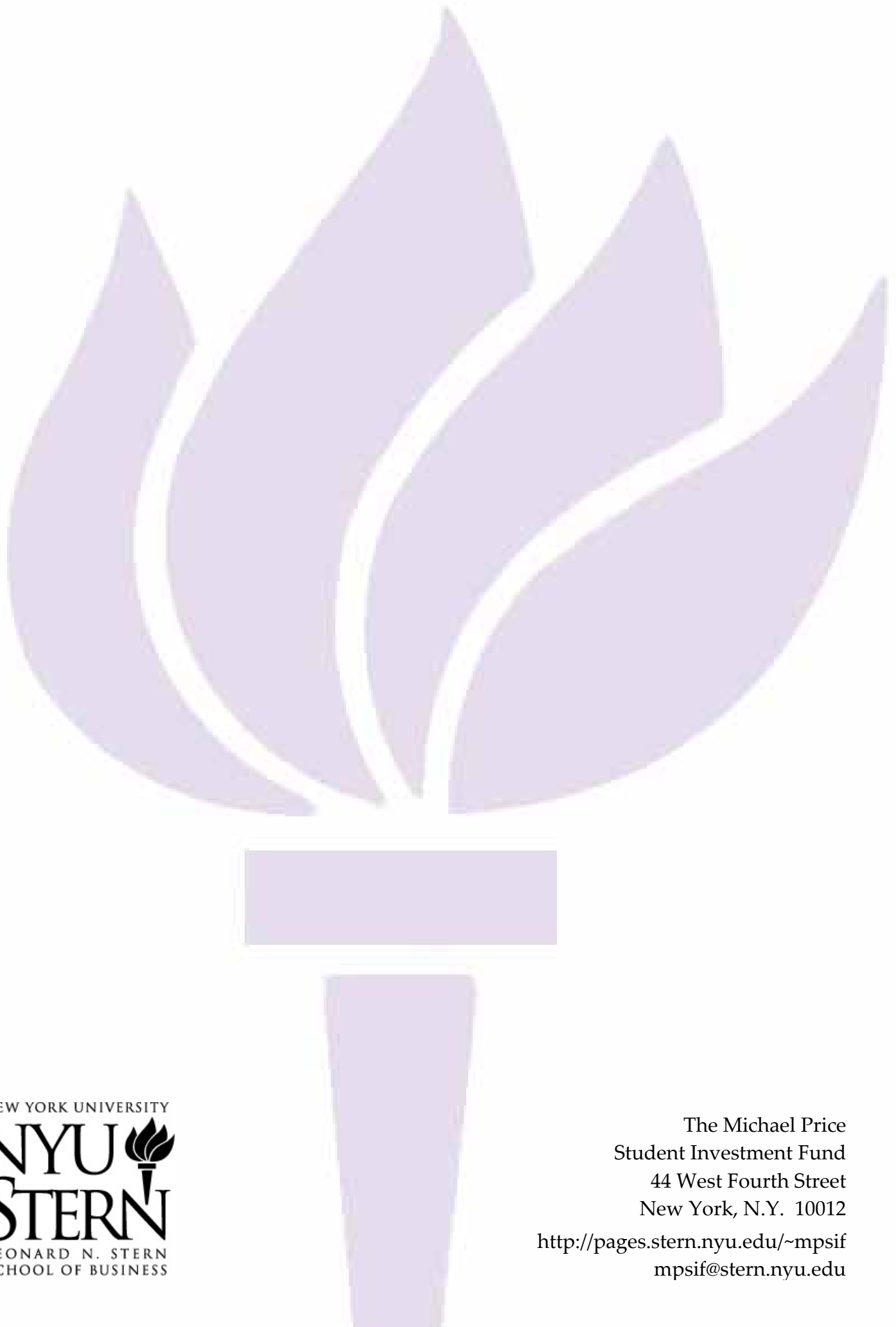
Mayank Mohan

Mayank spent the past summer in Sales and Trading at Merrill Lynch and currently works there part-time. He will take on a trading role on their Equity Derivatives desk after graduation. Prior to Stern, Mayank completed a 5 year stint at Intel in India as Operations Manager. The realization that it is actually finance that drives business led him to the MBA at Stern

The Fixed Income Fund



*Back Row: Kwang Roh, Christopher Buck, Kaimon Chung
Front Row: Suresh Ramayanam, Louis Kay, Michelle Hahn*



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