The Michael Price Student Investment Fund

MPSIF

The Michael Price Student Investment Fund

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

Annual Report

31 August, 2009

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 $1.5 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 2009

President	Jessica Gerberi
Co-Portfolio Manager, Fixed Income Fund	Oliver Brassard
Co-Portfolio Manager, Fixed Income Fund	Steven Chuang
Co-Portfolio Manager, Growth Fund	Sobby Arora
Co-Portfolio Manager, Growth Fund	Benjamin LeBlanc
Co-Portfolio Manager, Small Cap Fund	Julia A. Heckman
Co-Portfolio Manager, Small Cap Fund	Charles Macon
Co-Portfolio Manager, Value Fund	Pakhi Eder
Co-Portfolio Manager, Value Fund	Stephan Reinhard
Faculty Advisor	Professor Richard Levich

Executive Committee – Spring 2009

President	Helvecio Borges Guimaraes
Co-Portfolio Manager, Fixed Income Fund	Nilesh Mandhare
Co-Portfolio Manager, Fixed Income Fund	Lester Lie
Co-Portfolio Manager, Growth Fund	Steve Katchur
Co-Portfolio Manager, Small Cap Fund	Aditi Chandrana
Co-Portfolio Manager, Small Cap Fund	Joseph Longobardi
Co-Portfolio Manager, Value Fund	Benjamin Canet
Co-Portfolio Manager, Value Fund	Joon Kim
Faculty Advisor	Professor Richard Levich

Internal Leadership – Fall 2009

Vice President, Educational Development	Roy Carp
Vice President, Alumni Relations	Tim Fisher
Vice President, Portfolio Analytics	David Handy
Vice President, Economic Strategy	John Brouillard
Vice President, Sector Strategy	Seamus Ryan, Kuan Wu
Vice President, Marketing	Richard Tseng
Vice President, Annual Report	Lenny Buzik

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
Ray Pullaro (Spring 2009), Managing Director, Blackstone Alternative Asset Management

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

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LETTER FROM THE FACULTY ADVISOR

It is my pleasure to introduce the annual report for the Michael Price Student Investment Fund for the year ending August 31, 2009.

This semester marks 10 years since a group of students met with the MPSIF Advisory Board to plan the operations of this unique student investment fund. The Fund's inaugural semester was an auspicious and memorable period for institutional investors. In late 1999, the stock market was near the top of the dot.com bubble. The Dow Jones (at roughly 11,000), S&P 500 (at 1,350) and Nasdaq (at 2,800) averages stood at levels which, after reaching further highs in early 2000, the markets would not see until 2006 or later. While the averages sank, MPSIF earned positive returns in its first two years of operation and has continued to stay ahead of its benchmarks.

The past year is another year that no one, and especially those in financial markets, will soon forget. While in March 2008, U.S. financial regulators treated Bear Stearns as "too big to fail," in September 2008, they allowed Lehman Brothers, a far larger financial complex, to declare bankruptcy. Coming only a week after Fannie Mae and Freddie Mac were placed in Federal conservatorship, the Lehman failure touched off a flight to cash and quality that pummeled asset prices, and sent volatility and credit spreads to unimagined levels. The Dow Jones Industrial Average dropped from 11,500 at the start of September 2008 to under 6,600 in early March 2009, before rallying to 9,496 on our August 31, 2009 year end. Being a market participant this year was like being adrift in a violent storm without a life vest. While their jobs as fund analysts were not at risk, our student managers experienced market pressures in very real and personal ways.

Over the fiscal year, MPSIF lost about 11.0% (after fees), a poor performance for an endowment fund that values capital preservation, but a return that exceeded our blended benchmark by about 125 basis points, and far better than many of the nation's premier university endowment funds. While achieving high financial returns is an important objective, the Fund can take pride in how our students have worked in this collaborative effort, faced daunting market conditions, held fiduciary responsibility over a sizeable fund, and learned and matured in the process. Still another source of pride is the nearly $827,000 in distributions MPSIF has made over its 10-year life to support students at the University of Oklahoma for their study at NYU Stern.

As we move into the new fiscal year, financial economists are debating whether the recovery will be V-shaped, W-shaped, L-shaped, or yet some other shape. Our objective will be unchanged, to take advantage of reasonable investment opportunities while safeguarding the funds that have been placed in our trust. I am confident that the students in the Michael Price Student Investment Fund are eager to meet that challenge and learn in the process.

Richard M. Levich

Professor of Finance

October 13, 2009

LETTER FROM THE PRESIDENT

This semester marks a very special milestone for the Michael Price Student Investment Fund. It was ten years ago, in the Fall of 1999, that Michael Price generously donated funds to NYU's Stern school for two primary reasons – to enable University of Oklahoma students to study for a summer semester at NYU, and to give current Stern students the opportunity to hone their investment management skills.

Since actual fund management commenced in March of 2000, 84 University of Oklahoma Price scholars and 444 NYU MBA students have had the great privilege and honor of participating in the MPSIF program. For that, on behalf of all MPSIF participants, past and present, from Oklahoma to New York City, I would like to extend our sincerest gratitude to Mr. Price for giving us such a valuable experience that has allowed us to extend our learning well beyond the classroom. I would also like to acknowledge our faculty advisor Professor Richard Levich, our Management Advisory Council members throughout the years, and the many investment professionals who visited the Michael Price classroom over the past decade to bestow upon us wisdom gleaned from their real-world experiences in the investment management profession.

During the course of the semester, the MPSIF students have been building upon past fund practices to be the best possible stewards of the fund's capital as we try to maximize fund performance. The public affairs team has been working with NYU's public affairs office to continue our successful track record of positive MPSIF media exposure by leveraging existing relationships with national media outlets. We committed to writing a MPSIF article in each edition of *Stern Opportunity* to share our investment insights with our fellow students. We implemented a portfolio analytics team that is tasked with providing greater transparency of the individual funds' risk profile and holdings characteristics to fund members. We re-vamped fund trading procedures to implement tighter controls around the trading and stop-loss processes. And finally, we continue to keep connected to the MPSIF alumni network through two events we are planning for the 2009-2010 school year.

Although this past year has been marked by a sudden and precipitous market downtown followed by an almost as unexpected rally, and where the economy, dollar, and commodities prices are headed is anyone's (educated) guess, something we know for sure is that change is indeed the only constant. In the midst of an uncertain world, our time spent in MPSIF may be the only opportunity we'll ever have to make an investment with such potential for unlimited upside. I have no doubt that the market environment we endured, the lessons we learned, and the relationships we nurtured through our collective experience in MPSIF will not only be a memorable highlight of our two years at Stern but will also pay huge dividends as we prepare for the next stage of our lives.

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Jessica Gerberi

MPSIF President

October 26, 2009

Review of Operations

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

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

- Revised the stock pitch feedback form to incorporate and encourage constructive feedback to presenter
- Transition current Merrill Lynch account to a better suited brokerage account
- Continue to invite legendary investors as guest speakers to stimulate learning process
- Enhance stop-loss policies and procedures
- Provide more frequent and timely sector and economic analysis to help drive stock allocations
- Enforce updates on stocks after earnings release
- Expand external and internal public relations

Some of the actions taken towards continuous improvement include:

We revised the stock pitch feedback form so that voting analysts can provide comments and brief explanations for their votes, risks to investment thesis that have not been addressed, and other feedback. Analysts have found that this feedback enhances the learning environment for the class.

Our goal is to transition the Merrill Lynch brokerage account to a more suitable brokerage account by the end of this year. Considerations include the fee structure associated with the accounts, the level and quality of research, and other benefits provided by the brokerage accounts.

We had the privilege of securing a number of speakers who are known as legendary investors on the Street. These events serve as great learning opportunities for students who are able to pose insightful questions to the speakers.

On September 27, we were privileged to have Ted Tabasso, Managing Director and Global Research Product Manager at Deutsche Bank, as a guest speaker. He spoke with us about some of his experiences and strategies in proposing and pitching investment ideas.

On October 27 we welcomed Andrew Vogelsten, of New Providence Asset Management, as a guest speaker. Prior to joining New Providence, Mr. Vogelstein worked for Bear Stearns & Co. and Bank of America. He is also a Stern Alum. On November 3, MPSIF hosted Randy Haase and Chris Long from the MPSIF Management Advisory Council.

This year, we scheduled economic and sector analysis presentations at the beginning of the semester so that the sub-funds are better able to leverage the views to generate stock ideas. Given that 2009 was an interesting year from an economic recovery perspective, sector and economic analysis were even more important this year than otherwise.

The portfolio managers within each fund have taken initiatives to ensure that the stock pitches are updated frequently, sometimes on a weekly basis, throughout the semester. This is to enable a better asset allocation process and to ensure that the investment thesis still holds ground, especially in the light of economic movements.

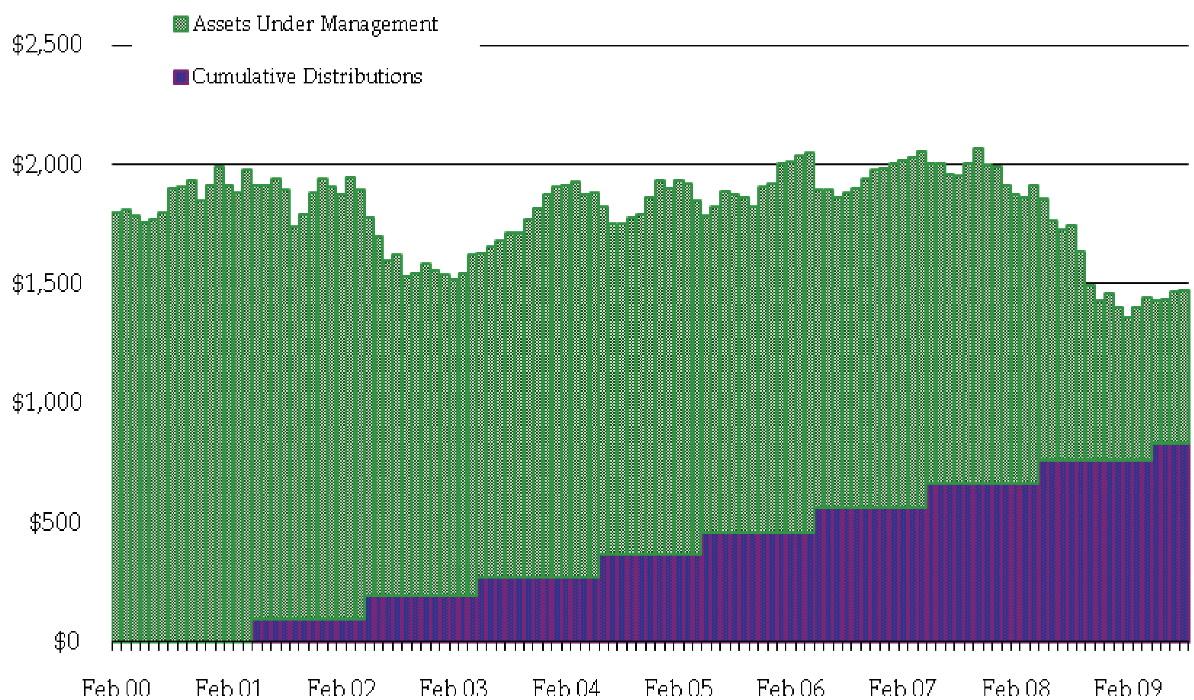
We continued our relationship with the *Stern Opportunity*. We continue our dedicated column called "Educated Investing," in which we feature stock pitches from our analysts. The column has been successful in increasing the fund's awareness among students.

MPSIF continued to engage the investment management industry and improve the overall experience of the fund. We look forward to discussing the current state of the fund and the fund's initiatives with the management advisory council.

Assets under Management & Cumulative Distributions

The Funds were initially endowed with $1.8 million as we began operations on March 1, 2000. As of our latest fiscal year end, our assets under management stand at $1.48 M having distributed almost $827,000 to the Michael Price School at the University of Oklahoma.

On an annualized basis since inception, the MPSIF funds have returned 1.01% net of management and administrative fees, allowing us to cover our annual 5% distribution requirement without reducing our asset base.

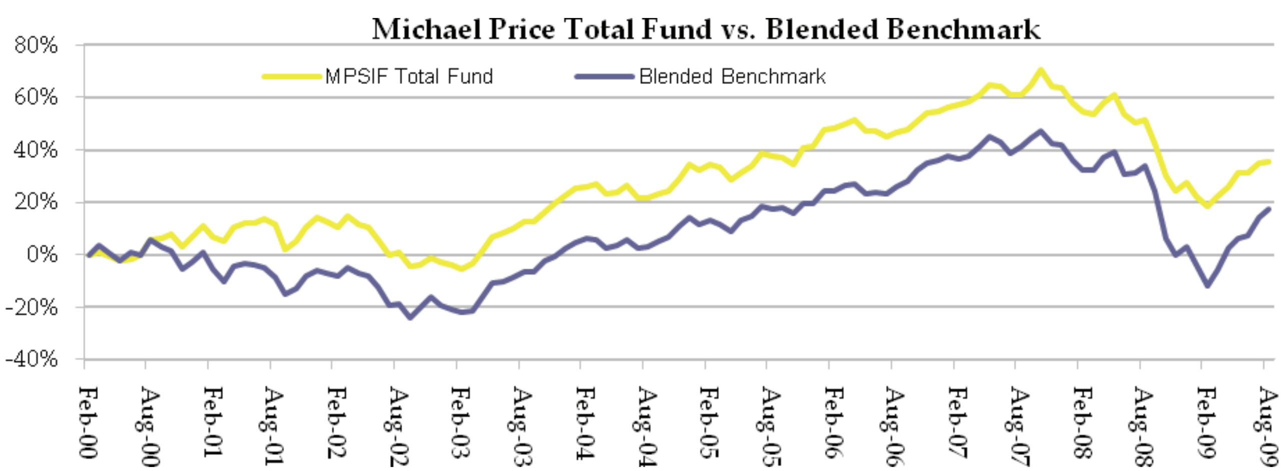


Performance of the Michael Price Student Investment Fund

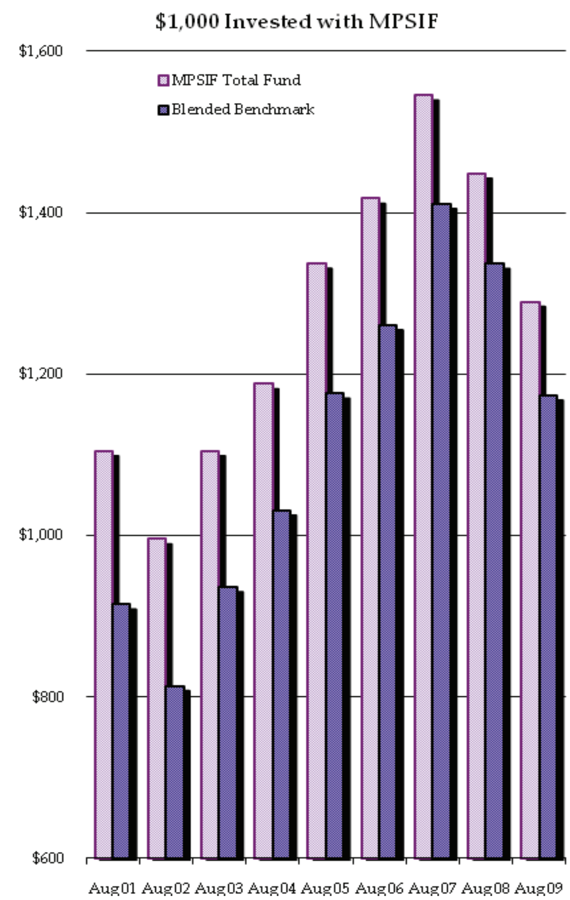
For the period ending August 31, 2009

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
The Price Fund	**14.58%**	**-10.51%**	**-7.56%**	**-2.58%**	**11.51%**	**2.20%**	**35.65%**	**3.26%**
Management Fees	-0.24%	-0.52%	-1.57%	-0.53%	-2.63%	-0.53%	-4.91%	-0.53%
Blended Benchmark	33.60%	-12.21%	-6.91%	-2.36%	13.81%	2.62%	17.38%	1.70%
Relative - Gross of Fees	-19.02%	1.69%	-0.64%	-0.23%	-2.30%	-0.42%	18.26%	1.56%
Relative - Net of Fees	-19.30%	1.23%	-2.10%	-0.74%	-5.23%	-0.96%	11.60%	1.01%
Small Cap Fund	**14.00%**	**-23.79%**	**-32.63%**	**-12.33%**	**-1.43%**	**-0.29%**	**54.83%**	**4.71%**
Management Fees	-0.28%	-0.54%	-1.63%	-0.55%	-2.93%	-0.59%	-5.40%	-0.58%
Russell 2000 Index	48.26%	-21.29%	-17.15%	-6.08%	11.53%	2.21%	12.15%	1.21%
Relative - Gross of Fees	-34.26%	-2.50%	-15.47%	-6.25%	-12.96%	-2.49%	42.67%	3.49%
Relative - Net of Fees	-34.58%	-2.91%	-16.57%	-6.73%	-15.85%	-3.08%	34.32%	2.88%
Value Fund	**20.02%**	**-12.72%**	**-0.10%**	**-0.03%**	**24.66%**	**4.51%**	**59.29%**	**5.02%**
Management Fees	-0.12%	-0.35%	-1.61%	-0.54%	-2.91%	-0.59%	-5.62%	-0.61%
Russell 1000 Value Index	44.21%	-20.27%	-23.21%	-8.43%	2.26%	0.45%	31.71%	2.94%
Relative - Gross of Fees	-24.19%	7.55%	23.11%	8.39%	22.41%	4.06%	27.58%	2.08%
Relative - Net of Fees	-24.33%	7.24%	21.50%	7.85%	18.78%	3.44%	18.63%	1.44%
Growth Fund	**14.64%**	**-14.31%**	**-12.35%**	**-4.30%**	**-2.97%**	**-0.60%**	**-29.46%**	**-3.61%**
Management Fees	-0.37%	-0.69%	-1.61%	-0.54%	-2.45%	-0.50%	-4.86%	-0.52%
Russell 1000 Growth Index	38.51%	-16.75%	-8.64%	-2.97%	6.22%	1.21%	-40.81%	-5.37%
Relative - Gross of Fees	-23.86%	2.44%	-3.71%	-1.33%	-9.19%	-1.81%	11.35%	1.76%
Relative - Net of Fees	-24.29%	1.85%	-5.12%	-1.85%	-11.57%	-2.31%	7.92%	1.26%
Fixed Income Fund	**10.85%**	**8.65%**	**20.62%**	**6.45%**	**24.90%**	**4.55%**	**45.57%**	**5.25%**
Management Fees	-0.26%	-0.50%	-1.40%	-0.47%	-2.16%	-2.16%	-2.75%	-0.38%
Vanguard Total Bond Fund	6.53%	8.73%	21.39%	6.67%	28.21%	8.64%	46.46%	5.34%
Relative - Gross of Fees	4.32%	-0.08%	-0.76%	-0.22%	-3.31%	-4.09%	-0.89%	-0.09%
Relative - Net of Fees	4.04%	-0.62%	-2.45%	-0.72%	-6.00%	-6.35%	-4.89%	-0.49%

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

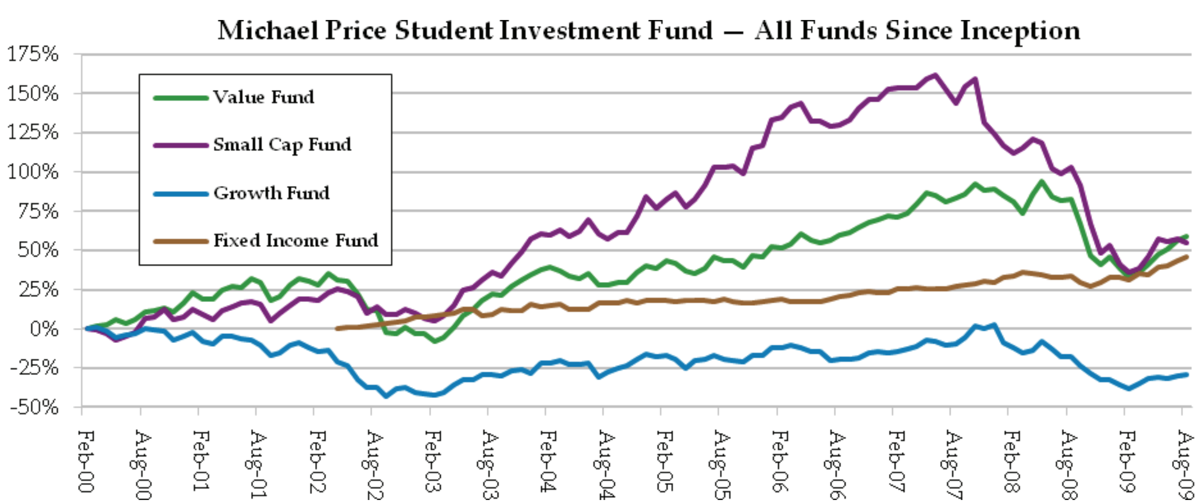


As of August 31, 2009, MPSIF had approximately 25.0% in cash holdings. Although this is not a suboptimal level in normal circumstances, the percentage of cash holdings decreased from last year reflecting improved confidence in the economic recovery and better disposition of funds into securities. During the summer, while most of the analysts pursued their internships, it was difficult to keep track of the performance and many of the fund's stock positions stopped out. Portfolio managers are currently working vigorously to identify buying opportunities, such as ETF's to invest the fund's cash position and own the market until new securities are pitched. As markets begin to show improvement, the higher than normal level of cash holdings, which had benefited the fund's performance during the down-cycle, will start being deployed into portfolio positions. We will continue to explore new opportunities to effectively invest the remaining cash and we are confident that we will continue to outperform and return to positive absolute returns.



The volatility in the equity markets, caused by deepening credit concerns and rising unemployment during the summer and fall of 2009, provided many challenges for the fund. However, throughout the first six months of this fiscal year, we generated returns in excess of some professionally managed funds. In the latter half of 2009, economic indicators started to show improvements and signaled economic recovery. Overall, the fund returned -10.51% over the past fiscal year, 1.69% in excess of the blended benchmark, which was down by 12.21%. The value fund was the top performer, returning -12.72%, beating benchmark by 7.55%. The growth fund returned -14.31%, 2.44% in excess of the benchmark whereas the fixed income and small-cap funds returned 8.65% and -23.79% respectively compared to their benchmarks of 8.73% and -21.29%.

Since inception, MPSIF has earned a cumulative return of 35.65%, outpacing the blended benchmark by 18.27%.



Benchmark Index Description

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

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

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

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

- Invests in U.S. Treasury, Investment-grade corporate, mortgage-backed, 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 and
- Provides moderate current income with high credit quality

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

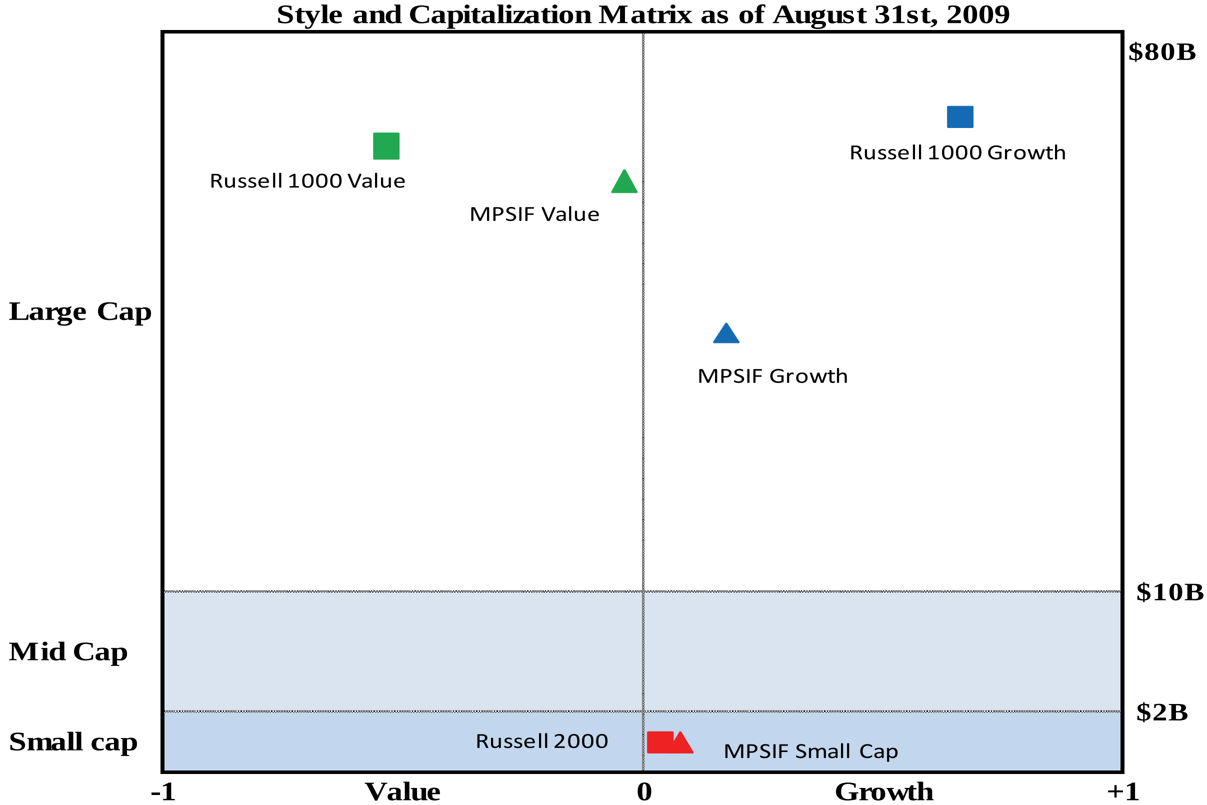
The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing approximately 10% of the total market capitalization of the Russell 3000 Index.

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

Valuation, Style and Capitalization

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

Style and Capitalization Matrix as of August 31st, 2009



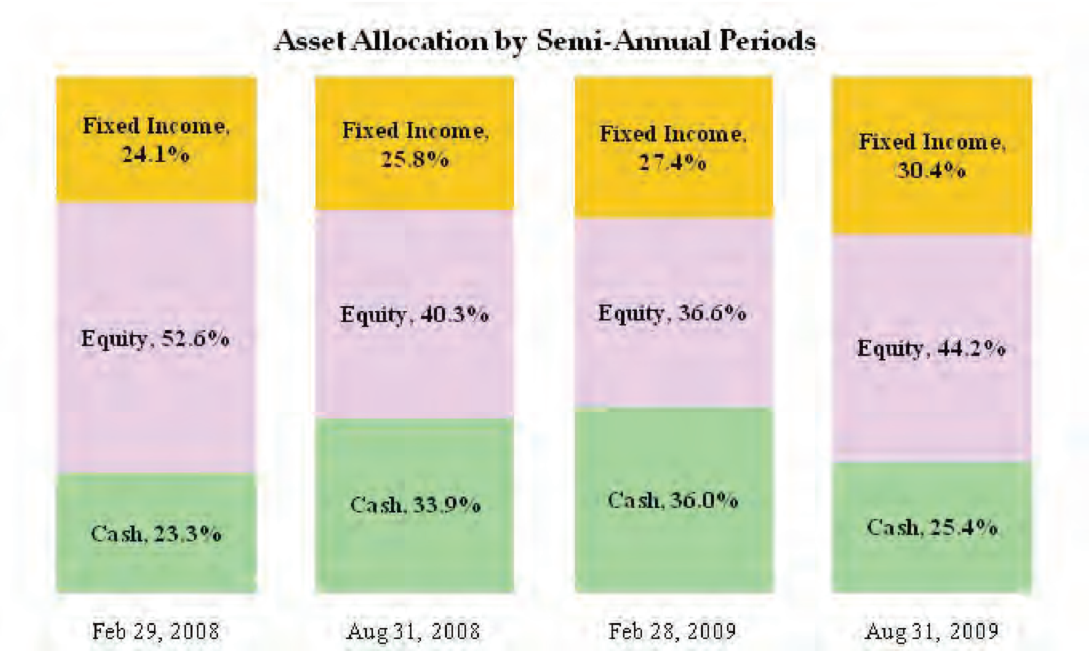
Source: Wilshire Analytics

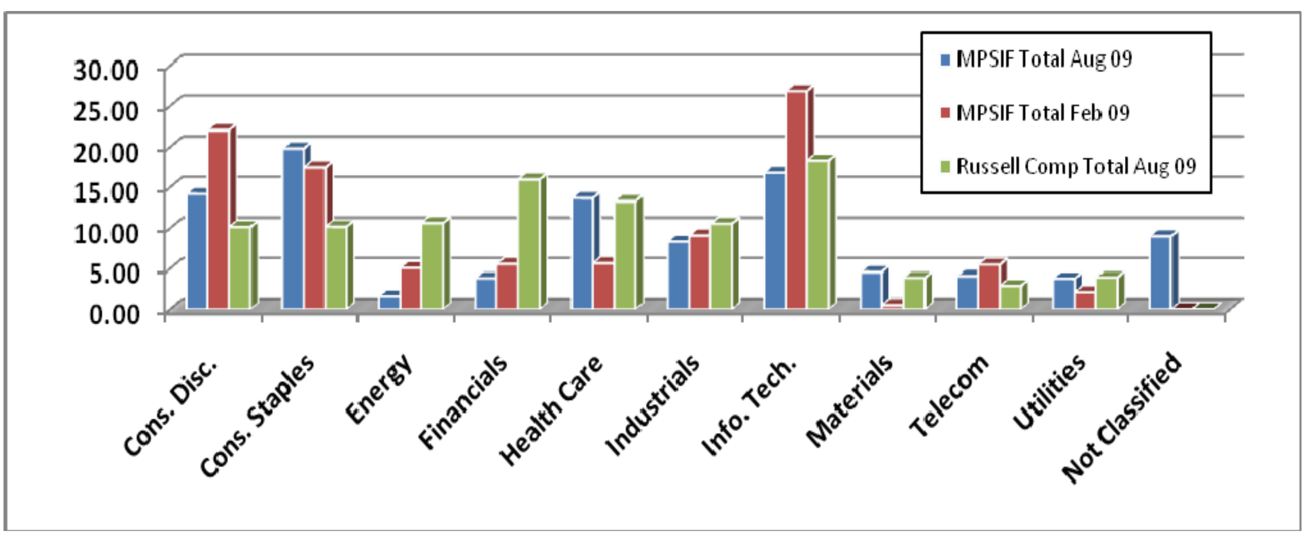
Equity Valuation Characteristics

	P/E	ROE	P/B	Div. Yield
MPSIF Growth	18.6	17.29%	2.62	1.29%
Russell 1000 Growth	17.6	45.92%	3.49	1.66%
Relative	*1.1x*	*0.4x*	*0.8x*	*0.8x*
MPSIF Value	16.3	27.15%	2.80	1.92%
Russell 1000 Value	15.2	15.45%	1.27	2.35%
Relative	*1.1x*	*1.8x*	*2.2x*	*0.8x*
MPSIF Small Cap	20.6	14.64%	1.66	0.94%
Russell 2000	16.5	20.52%	1.45	1.36%
Relative	*1.2x*	*0.7x*	*1.1x*	*0.7x*

Asset Allocation

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





Source: Wilshire Analytics

Fund Turnover

Portfolio Turnover for the twelve months ending August 31, 2009

	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	9,960	228,398	167,544	224,186
Total Sales	134,784	196,257	236,840	173,982
Minimum (Sales, Purchases)	9,960	196,257	167,544	173,982
Average Invested Assets	409,077	226,147	201,608	307,033
Turnover	2%	87%	83%	57%

Macroeconomic and Market Review

2009 had been one of the most volatile years for the equity markets. The S&P lost 38% of its value in 3 months from Jan 2009 to Mar 2009. It hit the bottom on March 9, 2009, for the year ending in Oct 2009, and then rallied back gaining 62% of its value. This improvement indicated significant improvements in the perception of market riskiness and in investor confidence. The Dow crossed the 10,000 mark for the first time in more than a year's time and almost all sectors performed well in Q3 2009.

Wall Street experienced a complete remodeling with little known about what the result will be. The Lehman bankruptcy, the government takedown of Fannie and Freddie and the Bank of America and Merrill Lynch merger has created a guessing game of who is next. Some certainty had been provided by the government's massive injection of capital, but this had left the market scared of what the government intervention meant to their private investment. Financials led the carnage, but ultimately it also acted as a precursor for the rest of the market.

A big theme has been the correlation of the credit markets and stock markets. Credit fears have victimized stocks, not only in the financial sector, but any company that looks to the market for funding. Fear has blown out CDS spreads to levels never seen. Ultimately, we have seen the credit markets drive the stock markets.

All the indicators that had pointed to increased uncertainty and deterioration of investor wealth in 2008 and beginning of 2009 started to turn positive by Q3 2009. Ben Bernanke's comments, in Sept 2009, that the "recession is likely over" significantly boosted market confidence and many investors started to come forward to invest in riskier and diverse asset classes. Same store sales and retail sales improved and so did the housing numbers boosting confidence in the economic recovery.

Although investors are turning optimistic about the economic recovery, many equity strategists and economists remain concerned about sustainable and continued economic growth. Unemployment and credit fears are seen to be the biggest hurdles in the way of smooth recovery. In many economists' viewpoints, increased employment is necessary to activate consumer spending which in turn is expected to activate growth in business revenues, thereby leading the credit lending process to pick up speed.

In the beginning of 2009, the deleveraging of balance sheets was felt hard by the market. Investors had fled the market and probably the most apparent impact was the redemption of institutional and private assets. However, with the renewed confidence in the market starting around Sept 2009, most money managers started to actively deploy their funds to participate in the upside resulting from market recovery. As investors became more confident, the previously unprecedented levels of VIX dropped to the 20's indicating reduced volatility in the markets.

Looking forward, there is a debate if this would be a "W" shaped or a "V" shaped recovery. While some strategists are concerned about inflation, others are concerned about prolonged low interest rates leading to bubbles in areas such as M&A. There are fears that credit has been maintained at very cheap levels for a very long period and hence there is a need for correction. Going forward we see great value in finding those companies that have been thrown out with the bathwater.

Sector Initiative

For a third semester in a row, MPSIF has constructed a sector strategy team. Consisting of 7 sector analysts, the group has strived to be a valuable asset to MPSIF. With a mission statement in place the group hopes to continue the success of last year and further increase its exposure and assistance to the investment making process. The main missions of the group are 1) to provide historical perspectives on sector and subsector strategy, 2) to act as a central resource and "industry expert" to MPSIF, and 3) to help generate investment ideas. The group presented for the first time in September 2008 and has been able to provide many great investment themes and potential investment opportunities. We believe that this group will continue to be a great asset to the MPSIF team and increase the support they provide in the investment making process.

THE GROWTH FUND

Message from the Portfolio Managers

For the year ended Aug 31, 2009, the Growth Fund ("the Fund") had an absolute return of -14.3%. While these results were extremely disappointing, we are mildly comforted by the fact that the Fund did outperform its benchmark, the Russell 1000 Growth Index, by 244 basis points. Still, the capital losses remain unacceptable and we are striving hard to position the fund to capture the early cycle recovery for the US and global economies.

Fiscal year 2009 proved to be an incredibly difficult time for investors and the Fund was not immune to the extreme market fluctuations. During the second and third quarters of 2009, the market continued its brisk move up from March lows. The severe panic phase of The Great Recession seems to have passed as the actions of global central banks have bolstered equity markets. S&P 500 companies are generally reporting sharply lower year-on-year revenues but at the same time showing dexterity with managing costs in this downturn.

Due to a conservative allocation and lack of exposure to financials, the Fund did not suffer quite as drastically as the market after the collapse of Lehman Brothers. However, the Fund continued to maintain a conservative stance and a large cash position that hurt the relative performance during the market upturn. Typically, the summer break is a hard time for active management as first-semester analysts are pursuing their summer internships. We collectively weighed the pros and cons of holding onto each individual position over the summer with respect to capital preservation and continuing to participate in the market's moves. At the beginning of summer break, the fund held 13% in cash along with 15% each in consumer staples and healthcare, typically conservative growth sectors. To maintain a barbell allocation with some aggressive growth, we purchased a half-sized position in IYG, a financial sector ETF, giving the Fund a 3% allocation to financials. The Fund also had 12% direct exposure to Chinese ADRs as we believed that China's broad stimulus was being effectively deployed and growth would return in emerging Asia prior to that in the developed world.

The Fund maintains a disciplined stop loss policy, with individual analysts setting the stop loss price for their respective stock pitches. This aggressive policy caused us to be stopped out of several positions early in the summer break as the market experienced high volatility. In the case of stocks such as Nike (NKE) and Apache Corp (APA), the Fund was stopped out at near the low point for each stock this summer and shares of both rallied for the remaining months. However, our policy aided the Fund in the case of MetroPCS (PCS) and we preserved capital avoiding a potential 40% loss. In light of the market volatility experienced in the past fiscal year, we still believe that the benefits of being disciplined with our policy far outweigh the costs.

During Fall Semester 2009, we are aiming to invest in sectors that we believe are primed for growth during the recovery. Our analysts in the Fund are looking very closely at energy, financials, materials, and healthcare. It is our belief that these sectors will add alpha to the portfolio as positive earnings surprises and analyst upgrades will drive outperformance relative to Russell 1000 Growth. We have also instituted a new 'lightning round' policy in order for the analysts to provide a constant news flow. This has allowed us to make more timely portfolio management decisions and to manage our holdings more effectively.

On behalf of the entire Growth Fund membership, we would like to thank Michael Price and the Board for this wonderful real-world learning opportunity.

Benjamin LeBlanc and Sobby Arora

Portfolio Managers, Growth Fund

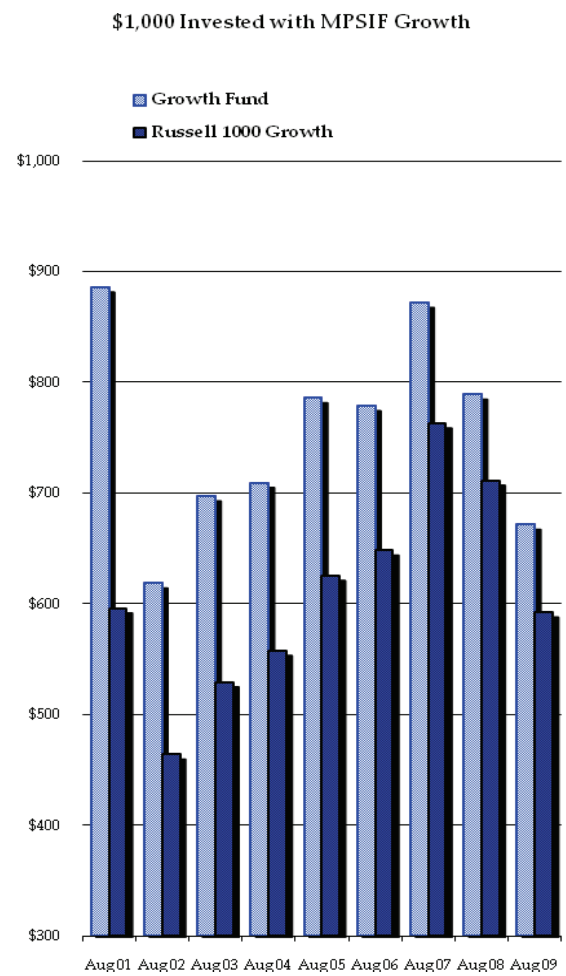
Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Growth Fund	**14.64%**	**-14.31%**	**-12.35%**	**-4.30%**	**-2.97%**	**-0.60%**	**-29.46%**	**-3.61%**
Management Fees	-0.37%	-0.69%	-1.61%	-0.54%	-2.45%	-0.50%	-4.86%	-0.52%
Russell 1000 Growth Index	38.51%	-16.75%	-8.64%	-2.97%	6.22%	1.21%	-40.81%	-5.37%
Relative - Gross of Fees	-23.86%	2.44%	-3.71%	-1.33%	-9.19%	-1.81%	11.35%	1.76%
Relative - Net of Fees	-24.29%	1.85%	-5.12%	-1.85%	-11.57%	-2.31%	7.92%	1.26%

** Inception from March 1, 2000*

Performance Overview

During the second half of fiscal year 2009, the Fund underperformed its benchmark, the Russell 1000 Growth Index. The Growth Fund returned 14.6% in last six months underperforming the benchmark by 23.9%. As has traditionally been the case, the Fund's holdings are based on fundamental analysis. The stock market of 2008 and early 2009 were not friendly to fundamental analysts.



On a longer-term view, the last decade has not been very positive for Growth Stocks. If we had invested $1,000 in Russell 1000 Growth in March 2000, since the inception, our net holding would have been only $592 by Aug. 2009. Although our Growth Fund has consistently outperformed the benchmark, the result of investing $1,000 since inception would have yielded us net holdings of only $671.

Top Sectors	**Return**	**Impact**
Financials	61.25%	-0.22%
Consumer Staples	14.88%	-2.01%
Top Contributors		
New Oriental Ed & Te	59.09%	1.64%
Itron Inc	57.13%	1.84%
Medco Health Solutions	46.05%	2.09%
Stock Selection		-25.69%
Allocation Effect		-6.59%

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

Stock-Picking

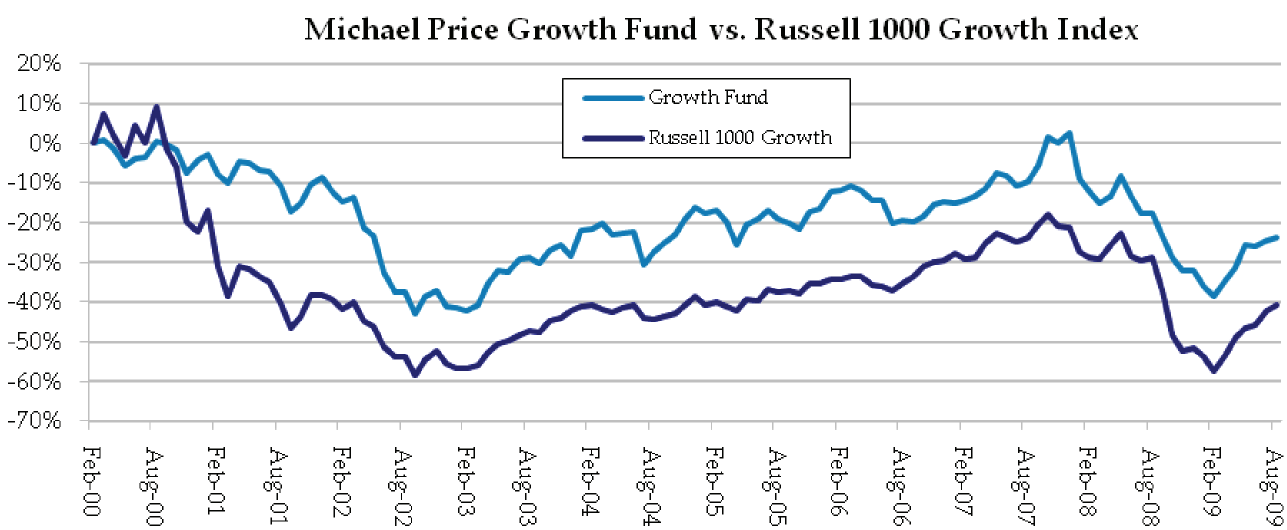
According to our Wilshire Analytics team, stock-selection had an impact of -25.7% towards then net underperformance by the Fund. Three stocks in particular deserve comment from a performance-contribution perspective from Aug. 2008 to Aug. 2009 for assisting this outperformance: Itron Inc., New Oriental Education and Tech Group and Research in Motion.

Itron (ITRI), a company that provides products and services to utilities for the energy and water markets worldwide gained 41.9% during the holding period and realized a gain of $5,992 for the Fund. Itron significantly outperformed other shares in the technology sector and was a significant contributor to the Fund's overall performance. New Oriental Education and Tech Group (EDU), a provider of private educational services in the People's Republic of China, gained 17.0% by selling a half-position after a holding period of about one month. EDU realized an absolute gain of $1,704 for the Fund. Our analyst continued to believe in the growth story and retained the other half position in the portfolio. Research in Motion (RMM), a company that designs, manufactures and markets wireless solutions for the mobile communications markets worldwide, including Blackberry Smart phones, gained 14.6% during our holding period and realized an absolute gain of $2,884 for the fund.

Not all of our holdings yielded such impressive returns, sometimes due to timing and our strict stop loss policy. For example, we were stopped out of Nike and Apache Inc. -- both at the low point during summer and then both stocks rallied during rest of the months.

Improving Fund Performance

During the second half of fiscal 2009, the Fund made the decision to retain cash from stop-loss sales rather than re-invest in an uncertain market. With markets in turmoil, we decided to take a measured approach toward reinvesting cash. As we write this report, we are finding attractive buying opportunities given the depressed prices in equities markets.



Asset Allocation

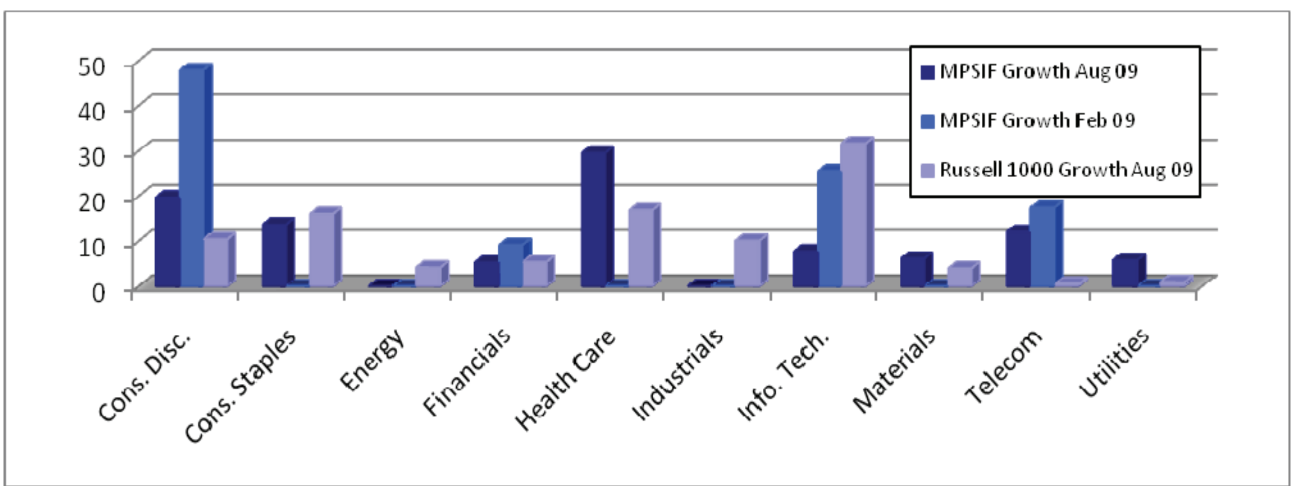
As the Fund focuses on bottom up stock-picking and fundamental analysis, asset allocation is a secondary priority. As such, not surprisingly, asset allocation was a drag on performance again in the second half of fiscal year 2009. According to our Wilshire Analytics team, asset allocation decisions reduced portfolio performance by -6.6%.

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

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

Given that analysts were unsure if the markets were on the way to solid and sustainable recovery in the past six months, the fund increased its exposure to the defensive sectors such as Consumer Staples, Healthcare and Utilities. Since we were relatively underexposed to the Materials sector, the fund increased its exposure to Materials, expecting increased commodity prices to lead to profitability. The Fund dramatically increased its holdings in the healthcare space (from 0.0% to 29.6%) by investing full positions in Medco Health Solutions, Inc. (MHS) and Teva Pharmaceuticals Ind. Ltd. (TEVA). The Fund further allocated assets (from 0.0% to 13.7%) in the Consumer Staples sector to companies with strong brand names such as Ralcorp Holdings, Inc (RAH) and The J.M. Smucker Company (SJM) to get downside protection while owning the market. In the Materials sector, the fund added positions in Ecolab Inc. (ECL)

Because the fund was overweight in the Consumer Discretionary sector, we decreased our exposure from 47.8% to 19.7% by exiting positions in Coinstar Inc. (CSTR) and Gamestop Corp. (GME). The fund was stopped out of Nike Inc. (NKE) and also reduced its positions in the Information Technology sector by exiting out of Mantech Intl Corp. (MANT) and Starent Network Corp. (STAR).



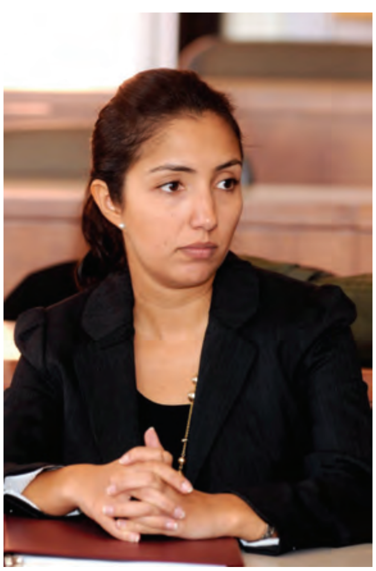
Holdings Profile

Growth Portfolio as of August 31st, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Amedisys Inc	AMED	Healthcare	302	$ 44.54	$13,451	**4.26%**
China Mobile (Hk)	CHL	Telecomm	450	$ 49.22	$22,149	**7.01%**
Cree Inc	CREE	INFT	385	$ 36.84	$14,183	**4.49%**
Ecolab Inc	ECL	Materials	266	$ 42.29	$11,249	**3.56%**
Mcdonalds Corp	MCD	Consumer Discretionary	362	$ 56.24	$20,359	**6.44%**
Medco Health Solutio	MHS	Healthcare	526	$ 55.22	$29,046	**9.19%**
New Oriental Ed & Te	EDU	Consumer Discretionary	223	$ 70.65	$15,755	**4.99%**
Questar Corp	STR	Utilities	315	$ 33.76	$10,634	**3.37%**
Ralcorp Hldgs Inc Ne	RAH	Consumer Staples	186	$ 62.73	$11,668	**3.69%**
Smucker J M Co	SJM	Consumer Staples	258	$ 52.27	$13,486	**4.27%**
Teva Pharmaceutical	TEVA	Healthcare	228	$ 51.50	$11,742	**3.72%**
Ishares Dj Finl Svcs	IYG	Financial	175	$ 54.98	$9,622	**3.05%**
Direct Equity Holdings					$173,722	**54.99%**
Total Equity Holdings					$183,344	**58.04%**
Cash as of August 31st, 2009					$132,575	**41.96%**
Total Assets					**$315,919**	**100.00%**

Growth Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Coinstar Inc	CSTR	Consumer Discretionary	375	$ 26.14	$9,803	**3.37%**
Mcdonalds Corp	MCD	Consumer Discretionary	362	$ 52.25	$18,915	**6.50%**
Nike Inc	NKE	Consumer Discretionary	450	$ 41.53	$18,689	**6.42%**
Gamestop Corp New	GME	Consumer Discretionary	230	$ 26.92	$6,192	**2.13%**
Intercontinentalexch	ICE	Financials	180	$ 56.77	$10,219	**3.51%**
Mantech Intl Corp	MANT	Information Technology	343	$ 52.17	$17,894	**6.15%**
Starent Networks Corp	STAR	Information Technology	680	$ 15.81	$10,751	**3.70%**
China Mobile (Hk)	CHL	Telecomm Services	450	$ 43.35	$19,508	**6.71%**
Direct Equity Holdings					$111,968	**38.49%**
Total Equity Holdings					$111,968	**38.49%**
Cash as of February 29, 2008					$178,967	**61.51%**
Total Assets					**$290,935**	**100.00%**



Investment Style and Strategy

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

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

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

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

- The 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

During the fiscal year ended August 31, 2009, the Value Fund ("the fund") faced one of the most tumultuous stock markets in history. The fund generated a negative return of 12.7% (gross of fees). Though we were dissatisfied by the overall performance, we were pleased that the fund significantly outperformed the Russell 1000 Value benchmark ("the benchmark"), generating an excess return of 7.6%. Since inception, the Fund has gained 59.3% (gross of fees), or 5.0% (gross of fees) on an annualized basis.

The fund began calendar year 2009 with a cash position of 41.5% and started investing in defensive names that were likely to outperform in a prolonged recession. This defensive positioning contributed to the fund's outperformance relative to the benchmark of 20.6% for the first half ending February 28, 2009. While this strategy enabled the fund to outperform during the financial crisis, the performance gap declined when the market began to recover in March 2009. Given the level of uncertainty surrounding the sustainability of the rally, the fund maintained its defensive stance through the end of the academic year, thus leaving considerable opportunities on the table. As such, the fund began to underperform the benchmark as we entered into the spring.

To address the relative underperformance, the fund decided to gain exposure to the financial sector through an ETF. Further, during the summer months, the fund adopted a hard stop-loss and price target policy in order to mitigate downside risk and lock in profits, respectively.

During the fiscal year, the fund earned $6,778 in dividends and interest income. The fund ended the period with $83,180 in cash representing 20.2% of the portfolio. Beginning in October 2009, the fund dramatically lowered its cash balance in order to increase exposure to the overall market by purchasing the benchmark and sector ETFs. More specifically, the fund purchased ETFs in four sectors believed to be well-positioned for outperformance and underweight relative to the benchmark – energy, financials, healthcare and materials. Our objective is to replace the ETFs with specific stocks as value opportunities are identified.

Looking ahead, we believe the stocks in our portfolio are well-positioned to benefit from an economic recovery, enabling the fund to close the performance gap relative to the benchmark. While it has become more challenging to find value plays in an environment where the market is up dramatically, fund analysts continue to generate new ideas and opportunities.

Pakhi Eder and Stephan Reinhard

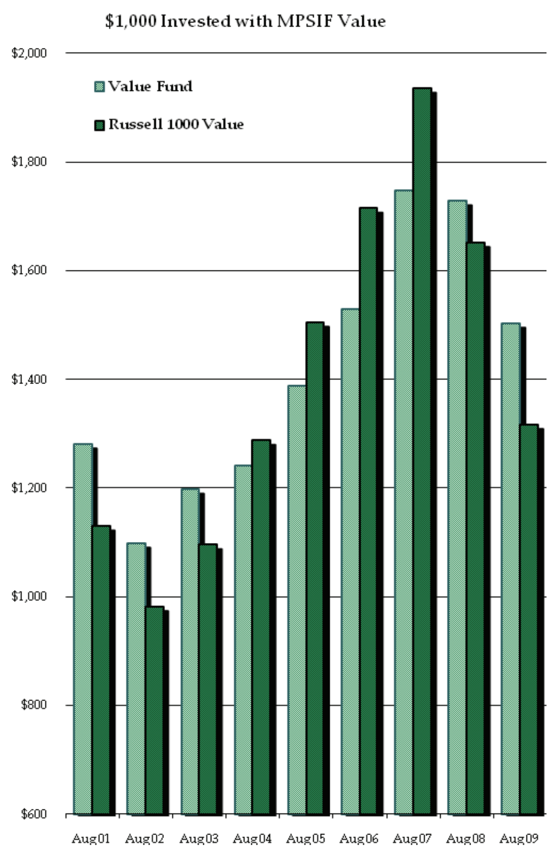
Portfolio Managers, Value Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Value Fund	**20.02%**	**-12.72%**	**-0.10%**	**-0.03%**	**24.66%**	**4.51%**	**59.29%**	**5.02%**
Management Fees	-0.12%	-0.35%	-1.61%	-0.54%	-2.91%	-0.59%	-5.62%	-0.61%
Russell 1000 Value Index	44.21%	-20.27%	-23.21%	-8.43%	2.26%	0.45%	31.71%	2.94%
Relative - Gross of Fees	-24.19%	7.55%	23.11%	8.39%	22.41%	4.06%	27.58%	2.08%
Relative - Net of Fees	-24.33%	7.24%	21.50%	7.85%	18.78%	3.44%	18.63%	1.44%

The sectors that played the most significant role in the 12-month performance were Consumer Staples, Consumer Discretionary, Technology, and Healthcare returning -8.4%, -20.4%, -24.3%, and -35.2%, respectively.

In Consumer Staples, the fund underperformed the benchmark with positions such as Johnson and Johnson (JNJ) and Pepsico (PEP), with losses that amounted to -15.7% and -14.6%, respectively. A few stocks that outperformed the benchmark were Molson Coors Brewing (TAP), General Mills (GIS), and Wal-Mart (WMT), with returns of 44.5%, 21.7%, and -1.3% respectively.



Consumer Discretionary performance was held down by the likes of McGraw Hill (MHP) and Kinetic (KCI), losing 38.8%, and 44.2%, respectively. We achieved gains in VF Corp (VFC), Avon (AVP), and Advanced Auto Parts (AAP) which returned 23%, 22.3%, and 5.4%, respectively.

Top Sectors	Return	Impact
Financials	23.71%	0.92%
Utilities	-1.08%	0.47%
Top Contributors		
CBS Corp (Viacom)	85.26%	0.49%
Massey Energy Corp (Fluor)	77.02%	0.21%
Stock Selection		-9.43%
Allocation Effect		3.09%

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

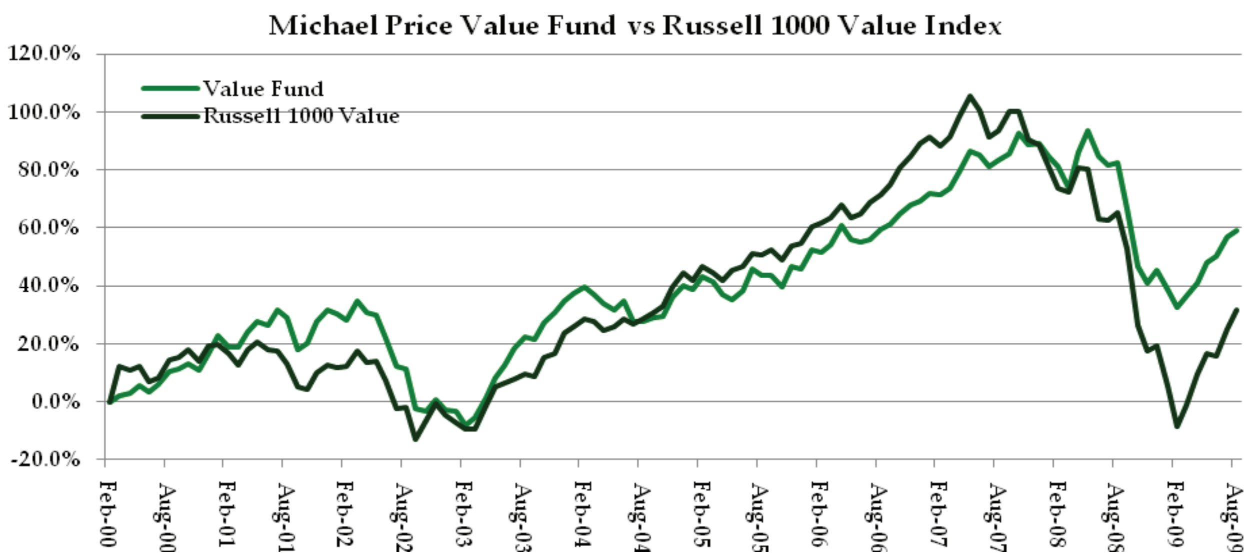
Losses in Technology were mainly driven by Dell Inc. (DELL), the fund's largest realized loss in the period. The position was exited at a loss of 54.7%, after a year and a half holding period. The fund also incurred a 27.8% loss in Corning Inc (GLW). The negative sector performance was partially offset by Fiserv (FISV), in which the fund captured gains of 49.7%. Further gains were driven by Cisco Systems (CSC) and Flowserve (FLS) with gains of 22.9% and 21.3%, respectively.

In Healthcare, the fund suffered a loss of 18.1% in the first half of the year after selling Medtronic (MED), and in Services, the fund sold a position in

Southwest Airlines (LUV), achieving a gain of 16.9%.

In Basic Materials, the fund liquidated positions in Cia Vale do Rio Doce (VALE) and Freeport-McMoRan (FCX) at significant losses of 56.4%, and 28.5%, respectively.

During the fiscal year, 36 of our 51 positions outperformed the benchmark. Given the volatile market, the fund enforced a stricter stop-loss policy and maintained a higher cash allocation.



Asset Allocation

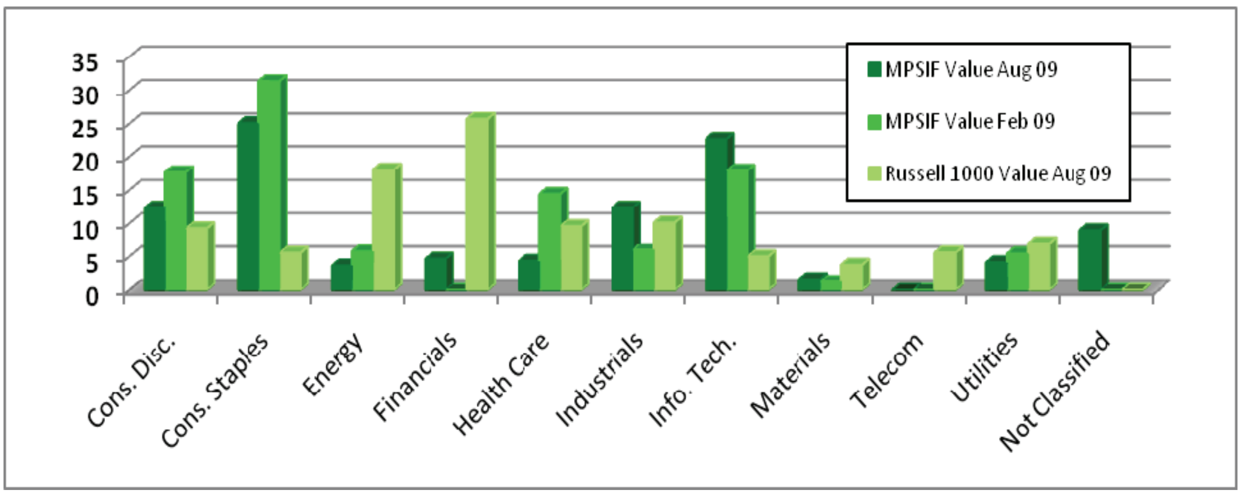
Value Fund analysts take a bottom-up approach to stock selection. While sector weightings relative to the Russell 1000 Value benchmark are discussed, we do not make active sector bets. Instead, all stocks are considered within the range of the fund's investment policy.

Over the past year, the fund significantly increased its exposure to Consumer Staples (from 20.3% to 25.1%) and Information Technology (from 11.9% to 22.6%). More specifically, the fund acquired positions in McDonalds (MCD), General Mills (GIS), Molson Coors Brewing Company (TAP), and Wal-Mart Stores (WMT) in order to take a more defensive stance during the financial crisis. In terms of the Information Technology sector, the fund added companies with strong brand names (such as Microsoft) and poised to benefit from a prolonged recession (such as Activision Blizzard).

The fund further decreased its exposure to the Consumer Discretionary sector from 15.4% to 12.4% by exiting out of positions in Advanced Auto Parts (AAP), Kohl's Corp (KSS) and Mattel Inc. (MAT).

The fund's position in Healthcare is now solely represented by Laboratory Corp of America Holdings (LH,), with 4.4% of the portfolio.

The fund decreased its exposure to the Materials sector (from 6.3% to 1.7%) by selling half of its position in Freeport-McMoRan (FCX) and liquidating its positions in Cia Vale do Rio Doce (VALE) and Talisman Energy (TLM).



Holdings Profile

Value Portfolio as of August 31st, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Accenture Plc	ACN	Not Classified	430	$ 33.84	$14,551	**2.93%**
Activision Blizzard Inc	ATVI	Information Technology	1205	$ 11.61	$13,990	**2.82%**
Cisco Sys Inc	CSCO	Information Technology	738	$ 21.60	$15,941	**3.21%**
Digital Riv Inc	DRIV	Information Technology	359	$ 35.32	$12,680	**2.56%**
Expeditors Intl Wash	EXPD	Industrials	383	$ 32.66	$12,509	**2.52%**
Exxon Mobil Corp	XOM	Energy	177	$ 69.15	$12,240	**2.47%**
Flowserve Corp	FLS	Industrials	173	$ 86.25	$14,921	**3.01%**
Fpl Group Inc	FPL	Utilities	243	$ 56.18	$13,652	**2.75%**
Freeport-Mcmoran Cop	FCX	Materials	87	$ 62.98	$5,479	**1.10%**
General Mls Inc	GIS	Consumer Staples	228	$ 59.73	$13,618	**2.75%**
Intuit	INTU	Information Technology	600	$ 27.77	$16,662	**3.36%**
Laboratory Corp Amer	LH	Healthcare	206	$ 69.79	$14,377	**2.90%**
Mcdonalds Corp	MCD	Consumer Discretionary	220	$ 56.24	$12,373	**2.50%**
Microsoft Corp	MSFT	Information Technology	615	$ 24.65	$15,160	**3.06%**
Molson Coors Brewing	TAP	Consumer Staples	336	$ 47.38	$15,920	**3.21%**
Northrop Corp	NOC	Industrials	274	$ 48.81	$13,374	**2.70%**
Pepsico Inc	PEP	Consumer Staples	271	$ 56.67	$15,358	**3.10%**
Philip Morris Intl Inc	PM	Consumer Staples	554	$ 45.71	$25,323	**5.11%**
Southwest Airlines Co	LUV	Not Classified	1799	$ 8.42	$15,154	**3.06%**
Toyota Motor Co	TM	Consumer Discretionary	163	$ 85.19	$13,886	**2.80%**
V F Corp	VFC	Consumer Discretionary	209	$ 69.56	$14,538	**2.93%**
Wal Mart Stores Inc	WMT	Consumer Staples	248	$ 50.87	$12,616	**2.54%**
Ishares Dj Finl Svcs	IYG	Financials	280	$ 54.98	$15,394	**3.10%**
Direct Equity Holdings					$314,322	**76.13%**
Total Equity Holdings					$329,716	**79.85%**
Cash as of August 31st, 2009					$83,180	**20.15%**
Total Assets					**$412,896**	**100.00%**

Value Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Advanced Auto Parts	AAP	Consumer Discretionary	390	$ 38.25	$14,918	**4.12%**
Avon Products	AVP	Consumer Discretionary	593	$ 17.59	$10,431	**2.88%**
Charles River Laboratories	CRL	Industrials	457	$ 24.80	$11,334	**3.13%**
Cisco Systems	CSCO	Technology	738	$ 14.57	$10,753	**2.97%**
Colgate Palmolive	CL	Consumer Staples	201	$ 60.18	$12,096	**3.34%**
CVS Caremark Corp	CVS	Consumer Staples	427	$ 25.74	$10,991	**3.04%**
Exelon Corporation	EXC	Utilities	241	$ 47.22	$11,380	**3.15%**
Exxon Mobil Corp	XOM	Energy	177	$ 67.90	$12,018	**3.32%**
Fiserv Inc	FISV	Technology	393	$ 32.62	$12,820	**3.54%**
Freeport-Mcmoran Cop	FCX	Materials	87	$ 30.42	$2,647	**0.73%**
Intuit	INTU	Information Technology	600	$ 22.79	$13,674	**3.78%**
Johnson and Johnson	JNJ	Consumer Staples	222	$ 50.00	$11,100	**3.07%**
Kinetic Concepts Inc	KCI	Healthcare	335	$ 21.78	$7,296	**2.02%**
McDonalds Corp	MCD	Consumer Staples	220	$ 52.25	$11,495	**3.18%**
Medtronic Inc	MDT	Healthcare	391	$ 29.59	$11,570	**3.20%**
Pepsico Inc	PEP	Consumer Staples	271	$ 48.14	$13,046	**3.61%**
Philip Morris Intl Inc	PM	Consumer Staples	554	$ 33.47	$18,542	**5.13%**
Raytheon	RTN	Conglomerates	132	$ 39.97	$5,276	**1.46%**
Toyota Motor Co	TM	Consumer Discretionary	163	$ 63.14	$10,292	**2.85%**
Direct Equity Holdings					$211,677	**58.52%**
Total Equity Holdings					$211,677	**58.52%**
Cash as of February 29, 2009					$150,055	**41.48%**
Total Assets					**$361,732**	**100.00%**

Investment Style and Strategy

Fund Objective: The Fund seeks to outperform its benchmark on a total return basis by investing in securities that provide superior returns on a risk/return basis through capital appreciation and dividends.

Benchmark: Russell 1000 Value Index

Fund Strategy: The Value Fund utilizes a bottom-up fundamental approach. Our analysts go through a rigorous screening process to select deep value positions. The team pursues this strategy by investing primarily in large capitalization companies with consistent year over year earnings that are trading at a discount relative to their peer group. We estimate the value of our securities primarily through an intrinsic value methodology.

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

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

The Small Cap Fund

Message from the Portfolio Managers

Summer recess is a time of transition for the MPSIF Small Cap Fund, as seasoned analysts graduate and those remaining manage the rigors of a summer internship while also continuing to cover positions. Given that five of our fifteen then total stocks under coverage had appreciated over 20% by May, one of our first tasks as portfolio managers was to implement strict stop-losses to preserve gains amidst volatile market conditions. As a result of this conservatism, 80% of the portfolio was liquidated during the summer months—and we began the fall semester with only nine stocks under coverage, lighter than the fund's historical average.

Our significant cash balance resulted in benchmark underperformance, and the fund was cumulatively down 34.3% relative to the Russell 2000 over the last 6 months of the fiscal year. However, we viewed our cash position as a rather prudent "cleansing" opportunity and entered September with the following goals in mind: 1) encourage more transparency and information flow throughout the semester; 2) implement sector-coverage analysts to better diversify across sectors and rebalance away from consumer staples; 3) liquidate stocks with market caps inconsistent with our small cap mandate; and 4) implement a standard 15% stop-loss across all positions at entry (or update) market price to preserve gains.

Throughout September, the group reassessed its holdings via analyst updates and thesis re-evaluations. Despite our substantial cash balance, the fund continued to sell names that, as a group, we felt had already achieved sizable returns or offered less than compelling fundamentals. Our updates resulted in the liquidation of five additional positions, as we chose to remain selective regardless of our cash balance.

As a result, October has been characterized by an aggressive pitch and sector update schedule, which we expect will continue for the remainder of the semester. Due to the thorough analysis and creativity of our small cap analysts, the fund has recently invested in a number of compelling ideas we believe strike a favorable balance between strong fundamentals and attractive valuations.

Presently, MPSIF Small Cap holds eight stocks across five sectors. Our best performer remains AgFeed (FEED), which has appreciated 65.69% since last April. Other top performers include Chemed and International Flavors and Fragrances, which have resulted in 25%+ returns to date. Latest additions to the portfolio include Life Partners (LPHI), which provides purchasing services for life settlements; National Retail Properties (NNN), a real-estate investment trust focused on consumer-centric leases; and VitaCost (VITC), an online vitamin retailer that recently went public.

We have also furthered our ETF exposure, increasing our position in the Russell 2000 benchmark, as well as buying the iShares Barclays 1-3 Year Treasury Bond Fund in order to increase the yield on our cash position.

Overall, re-directing the growth of the MPSIF small-cap portfolio through unprecedented market conditions remains a venerable yet exciting challenge for both of us. We continue to believe future investment opportunities exist throughout the remainder of the semester, and look forward to putting our new ideas to work.

Charles Macon and Julie Heckman

Portfolio Managers, Small Cap Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Small Cap Fund	**14.00%**	**-23.79%**	**-32.63%**	**-12.33%**	**-1.43%**	**-0.29%**	**54.83%**	**4.71%**
Management Fees	-0.28%	-0.54%	-1.63%	-0.55%	-2.93%	-0.59%	-5.40%	-0.58%
Russell 2000 Index	48.26%	-21.29%	-17.15%	-6.08%	11.53%	2.21%	12.15%	1.21%
Relative - Gross of Fees	-34.26%	-2.50%	-15.47%	-6.25%	-12.96%	-2.49%	42.67%	3.49%
Relative - Net of Fees	-34.58%	-2.91%	-16.57%	-6.73%	-15.85%	-3.08%	34.32%	2.88%

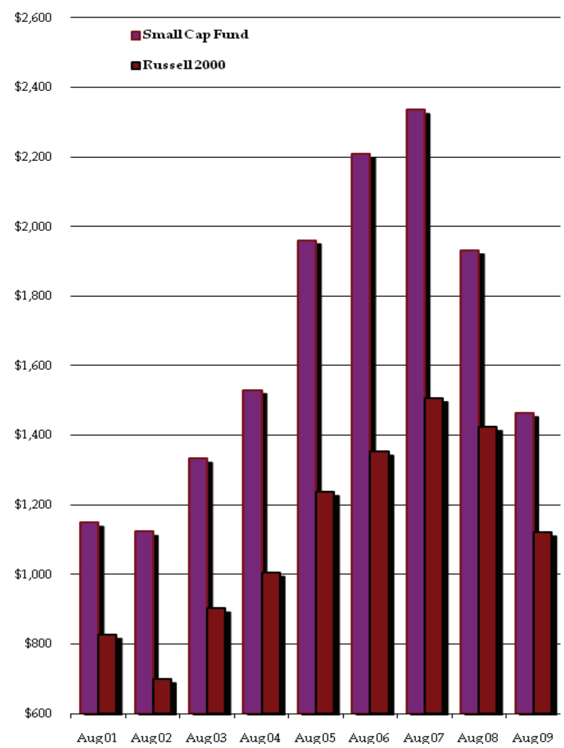
During fiscal year 2009, Small Cap had a disappointing performance with returns of -23.8%. Over the most recent 6-month period beginning March 1, 2009 and ending August 31, 2009, the fund earned -34.3% underperforming its Russell 2000 benchmark. In terms of stock holdings, the Fund's decisions were based on bottom-up strategy that focused on finding innovative firms with stable balance sheets, strong management teams, and compelling growth prospects.

Top Sectors	**Return**	**Impact**
Technology	22.92%	3.87%
Energy	6.06%	2.08%
Top Contributors		
Agfeed Industries Inc.	57.01%	3.55%
Chemed Corp	17.29%	0.70%
Stock Selection		-6.04%
Allocation Effect		-1.99%

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

The sectors that contributed most to the twelve-month performance were Technology and Energy. These sectors returned 22.9% and 6.1% respectively. The best performing stock in the portfolio over the 12-month period was AgFeed Industries, Inc. (FEED), the largest commercial hog producer and premix feed company in China. Given rising

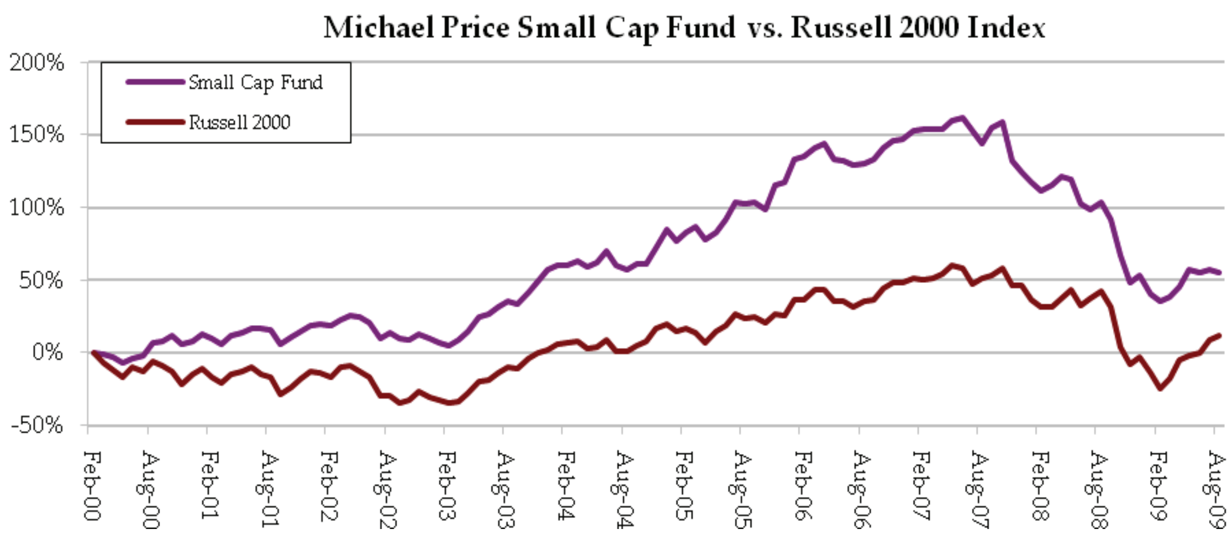
$1,000 Invested with MPSIF Small Cap

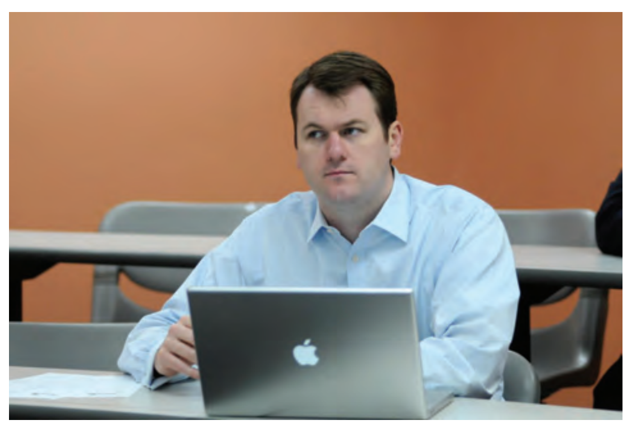


middle-class standards of living in China and the fact that pork comprises about 65% of annual meat consumption in the country, the fund realized an impressive gain of 87.3% on half of the position in June and an unrealized gain of 57.0% as of August 31 on the remaining position. Epiq Systems Inc. (EPIQ), which provides information technology solutions for the legal profession, was another excellent performer, with a return of 44.1% during the period—largely on expectations that the credit crisis would result in revenue growth increases, given the increase in Chapter 11 filings. Other top performers included International Speedway Corp.

(ISCA), Autodesk Inc. (ADSK), Alliance Resource Partners (ARLP), and World Wrestling Entertainment (WWE) which gained 39.2%, 30.2%, 21.1% and 19.6% respectively, during the period.

The implementation of conservative stop-loss policies had a significant effect on Small Cap's holdings over the course of the summer, as nine positions were automatically sold. These positions include: GeoEye Inc. (GEOY), Cynosure Inc. (CYNO), China Nepstar Chain Drugstore (NPD), Chattem Inc. (CHTT), Hexcel Corporation (HXL), MasTec Inc. (MTZ), Somanetics Corporation (SMTS), Alliance Resource Partners, L.P. (ARLP), and Waste Services Inc. (WSII). While many of these positions were sold at a loss, the fund realized a 44.3% gain on the sale of its position in Hexcel Corporation (HXL). By the end of summer, the fund was left with a significant cash position that it continues to put to work throughout the semester.

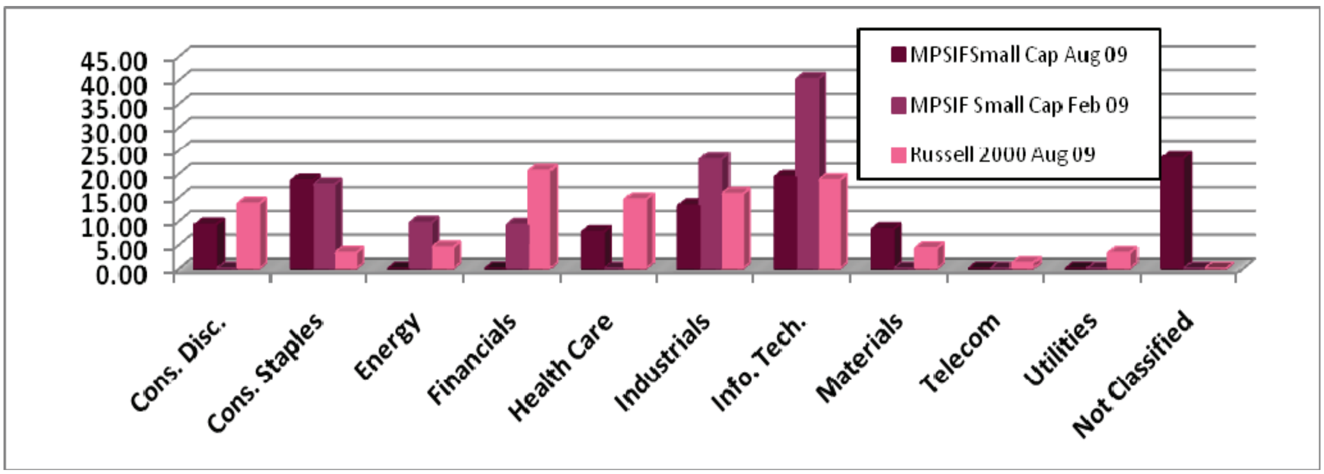


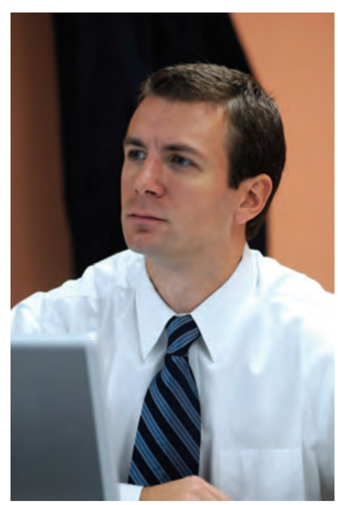


ASSET ALLOCATION

While the Fund primarily employs a bottom-up approach to analyzing potential investments, optimal sector allocations are taken into consideration for any additions to the portfolio. In addition, the Fund's use of price targets and lack of bias towards either growth or value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund seeks to be fully invested as opportunities avail themselves but due to the committee structure, the extent of equity participation may vary significantly, especially during the winter and summer school recess when liquidations may occur because of stop-losses without the benefit of having new stock pitches to take the original position's place. This situation was the case during the summer of 2009. The Fund's small number of holdings means that diversification is difficult to maintain across sectors and within the sector. For the current period, the Fund has an over-exposure to consumer staples, materials, and non-classified but is underweight consumer discretionary, energy, financials, health care, industrials, telecom, and utilities.

Below is the asset allocation as of February and August 2009. Please note that the Fund does not maintain mandatory guidelines regarding asset allocation among sectors.





HOLDINGS PROFILE

Small Cap Portfolio as of August 31st, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Agfeed Industries In	FEED	Consumer Staples	3350	$ 5.04	$16,884	**7.63%**
Autodesk Inc	ADSK	Information Technology	500	$ 23.43	$11,715	**5.29%**
Chemed Corp New	CHE	Healthcare	266	$ 43.54	$11,582	**5.23%**
Epiq Sys Inc	EPIQ	Information Technology	1150	$ 14.99	$17,239	**7.79%**
Fti Consulting Inc	FCN	Industrials	210	$ 43.54	$9,143	**4.13%**
International Flav&F	IFF	Materials	290	$ 35.62	$10,330	**4.67%**
International Speedw	ISCA	Consumer Discretionary	500	$ 27.81	$13,905	**6.28%**
Mccormick & Co Inc	MKC	Consumer Staples	335	$ 32.57	$10,911	**4.93%**
Rexam Plc	REXM.Y	Materials	95	$ 22.19	$2,108	**0.95%**
Waste Services Inc D	WSII	Industrials	2450	$ 4.39	$10,755	**4.86%**
Ishares Russell 2000	IWM	Not Classified	610	$ 57.20	$34,892	**15.77%**
Direct Equity Holdings					$114,572	**37.17%**
Total Equity Holdings					$149,464	**48.48%**
Cash as of August 31st, 2009					$158,806	**51.52%**
Total Assets					**$308,270**	**100.00%**

Small Cap Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Alliance Resource LP	ARLP	Energy	875	$ 26.47	$23,161	**8.61%**
Autodesk Inc	ADSK	Information Technology	500	$ 12.69	$6,345	**2.36%**
Chattem Inc	CHTT	Consumer Staples	140	$ 63.43	$8,880	**3.30%**
China Nepstar Chain Drugstore	NPD	Healthcare	1600	$ 3.64	$5,824	**2.17%**
Energy Conversion Devices	ENER	Technology	400	$ 21.93	$8,772	**3.26%**
EPIQ Sys Inc	EPIQ	Information Technology	1400	$ 16.87	$23,618	**8.78%**
Hexcel Corp New	HXL	Industrials	897	$ 6.21	$5,570	**2.07%**
Hughes Communications	HUGH	Telecommunications	1230	$ 10.46	$12,866	**4.79%**
ICF Int Inc	ICFI	Services	524	$ 23.99	$12,571	**4.68%**
Interactive Brokers Group	IBKR	Financial Services	1070	$ 14.05	$15,034	**5.59%**
McCormick & Co Inc	MKC	Consumer Staples	335	$ 31.35	$10,502	**3.91%**
Sohu.com Inc	SOHU	Information Technology	460	$ 49.40	$22,724	**8.45%**
Waste Services Inc	WSII	Industrials	2450	$ 4.35	$10,658	**3.96%**
Direct Equity Holdings					$166,525	**61.93%**
Total Equity Holdings					$166,525	**61.93%**
Cash as of February 27, 2009					$102,347	**38.07%**
Total Assets					**$268,872**	**100.00%**

INVESTMENT STYLE AND STRATEGY

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

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

Strategy. The Small Cap Fund targets a relatively concentrated portfolio comprised of 20 to 25 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. Throughout the semester, Fund analysts provide both updates on existing positions and pitches for new investments. With regard to existing allocations, each semester the analyst assigned to a particular stock provides updates to the Small Cap Fund throughout the course of the semester. At that time, the entire Fund votes on the analyst's recommended course of action. Options include selling all or half of the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. New pitches are also presented to the Fund throughout the semester. During new investment deliberations, the Fund analyzes investment highlights and weighs them against any potential macro or company-specific risks. Furthermore, the analyst and the Fund review the expected timing of the investment as well as all upside price targets and downside stop-losses. When considering a new position, the Fund may vote for a full (approximately $20,000), half, or zero allocation or wait and watch the position until there is a more attractive entry point. Additionally, while there are neither specific sector guidelines nor sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings on an absolute basis and relative to the benchmark.

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

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

THE FIXED INCOME FUND

Message from the Portfolio Manager

This past fiscal year for the Michael Price Student Investment Fund was divided into two six month periods of polar opposite market conditions. On September 1, 2008, weeks before the failure of Lehman Brothers brought the global financial system to the brink of collapse, the Ten-year Treasury was yielding 3.74% and the default spread on FINRA-Bloomberg Investment Grade Bond Index was around 250 basis points. At the end of 2008, an extreme flight to safety had pushed the Ten-year yield to around 2.1%, and Investment Grade spreads rose to over 600 bps. At the midpoint of the fiscal year spreads had improved to around 350 bps and the Ten-year had crept back up to 3%.

However, while the September 2008 through February 2009 period brought immense pain to many fixed income investors, the March through August period provided tremendous returns for the riskier bonds that had been so beaten down during the financial crisis. The iBoxx Investment Grade Index rose 11.9% while the iBoxx High Yield Index surged 22.4%, compared with respective losses of -6.8% and -27.2% in the prior six month period.

The MPSIF Fixed Income Fund sought to preserve capital in the first half of the year by cutting positions in corporate bonds and adding to Treasuries. Unfortunately, losses in the first few months of the crisis led to an underperformance of the benchmark of -0.08% in the first half of the year. Fortunately, by gradually adding back into riskier assets in the March to May period, and overweighting foreign debt due to our negative outlook for the US$, the fund was able to beat its benchmark by 4.3% in the second half of the fiscal year.

Looking ahead, we will be closely monitoring the statements and actions of the Federal Reserve and other major central banks, looking for signals about how they will exit from quantitative easing. Currently, the futures market and Bloomberg Consensus forecast is predicting the first Federal Reserve rate hike in April or June. We think that presumption is overly optimistic given that inflation should still be muted and unemployment will remain around double-digit levels. Thus, we are moving into the longer end of the yield curve from our current short duration position in Treasuries. Despite the U.S. Treasury Department issuance of record sums of debt, we feel that weak inflationary pressures, soft underlying macro fundamentals, and the cycle of banks using the liquidity in the system to buy Treasuries rather than lend money will prevent an appreciable rise in longer maturity Treasuries in the medium term.

Our broader macro view is that although GDP posted solid gains the second half of 2009 after deep contractions in the first half, most of the growth was due to fiscal and monetary stimulus and slower inventory liquidations. We feel that the U.S. consumer, the driver of nearly 70% of GDP, will continue to be hampered by job insecurity, still weak housing markets, and tighter credit standards. Therefore, we are not as optimistic as the 2.4% 2010 GDP growth the Bloomberg Consensus is forecasting.

Despite our cautious stance on the economic recovery, we have decided to move from an underweight in corporate bonds to a neutral weight. Even in a soft recovery corporations should be able to generate cash flows and shore up balance sheets. We are considering exiting our small position in high yield securities as we are concerned about how quickly spreads have narrowed given the still-high default risk in the segment. We remain neutral on Mortgages as the Fed is extending its window to purchase these securities and Congress is considering an extension of the home buyer's tax credit.

We maintain a strong overweight on foreign developed markets as apart from Australia, rates are not expected to go higher until late in 2010. When we see a shift from U.S. dollar weakness to dollar recovery, we will likely trim this position. We will keep our small position in Emerging Market bonds as these economies will be the drivers of global growth in 2010.

Regarding fund structure, we are 9 active members with sector specific coverage responsibilities. We have recently assigned specific coverage on the currency markets given that around 20% of the portfolio holdings are in foreign bonds. In addition, we are now stressing research on investment vehicles for the fund. We will look to replace mutual funds with ETFs if there is a viable (liquid) substitute, in order to reduce fee payments

Oliver Brassard and Steven Chuang

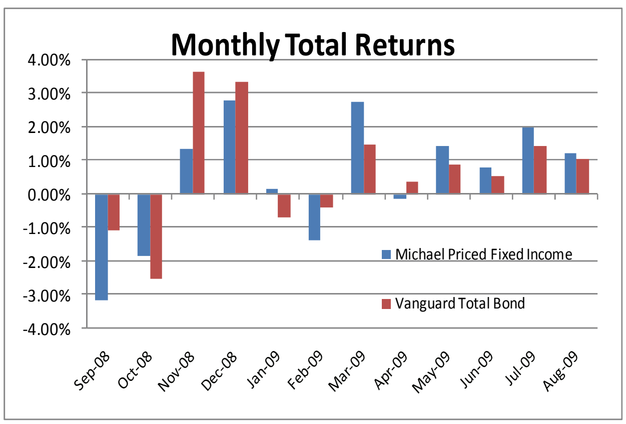
Portfolio Managers, Fixed Income Fund

Discussion of Performance

	6 Month	1 Year	3 Year		5 Year		Inception	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
Fixed Income Fund	**10.85%**	**8.65%**	**20.62%**	**6.45%**	**24.90%**	**4.55%**	**45.57%**	**5.25%**
Management Fees	-0.26%	-0.50%	-1.40%	-0.47%	-2.16%	-2.16%	-2.75%	-0.38%
Vanguard Total Bond Fund	6.53%	8.73%	21.39%	6.67%	28.21%	8.64%	46.46%	5.34%
Relative - Gross of Fees	4.32%	-0.08%	-0.76%	-0.22%	-3.31%	-4.09%	-0.89%	-0.09%
Relative - Net of Fees	4.04%	-0.62%	-2.45%	-0.72%	-6.00%	-6.35%	-4.89%	-0.49%

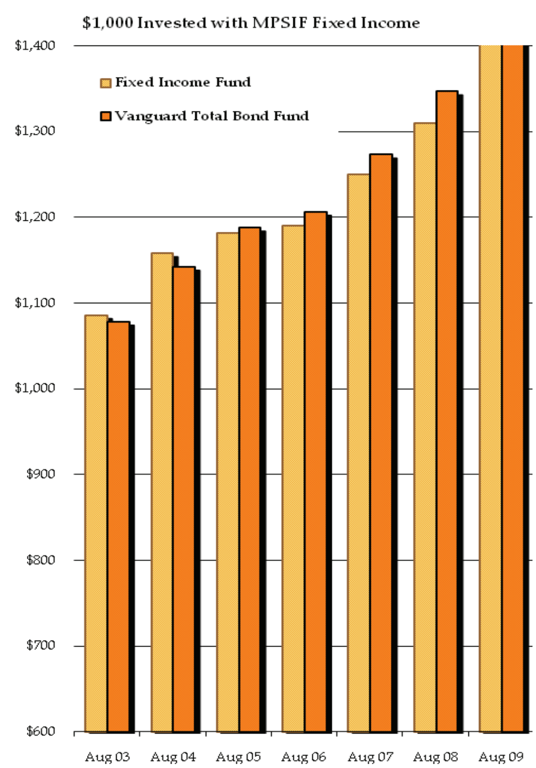
** Inception from May 20, 2002*

Over the past 6 and 12 months, the Fund has earned 10.85% and 8.65% returns, respectively. These numbers indicate a strong recovery in the prior six months after a -1.98% loss in the first half of the year. In the first six months of the fiscal year, the Fund fell 4.04% short of the benchmark Vanguard Total Bond Fund. However, the most recent six month period the fund outpaced its benchmark by 4.32%. For the full 12 months timeframe, the fund return was 0.08% below the benchmark.

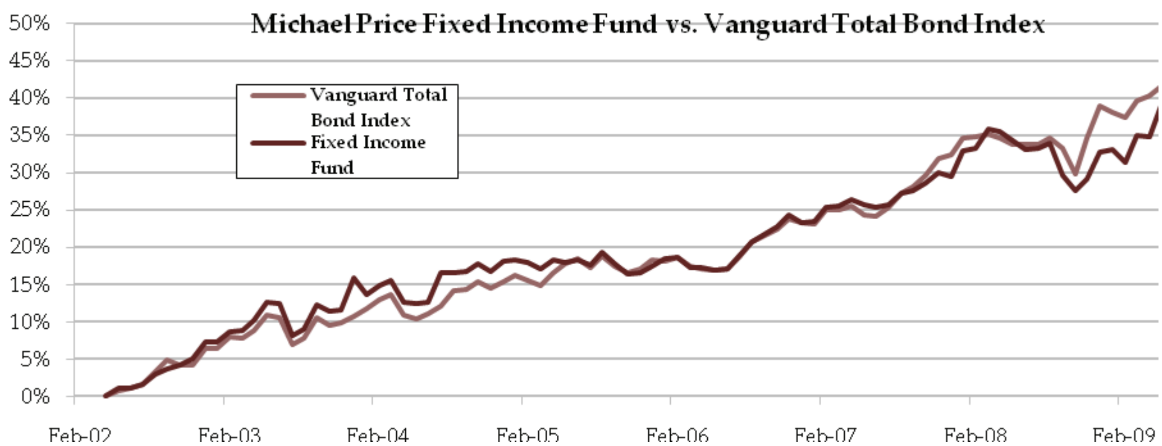


As shown above, most of our fiscal year underperformance can be attributed to a sizeable excess loss of over 200bps in September 2008 and a 230bps smaller gain in November 2008. Going into the September the fund had a neutral weight 20% position in the LQD Investment Grade Corporate Bond ETF. The sharp turmoil in credit markets caused steep losses in this position which was liquidated at the end of the month. The fund also sold half of its holdings in the PIMCO Emerging Market Bond Fund at a sizeable loss. While these sales mitigated losses in October, a temporary rally in November in riskier bonds caused the fund to underperform noticeably in that month.

In late February, the fund members gathered to assess the portfolio. During these discussions the fixed income team decided that the worst of the credit crisis appeared to be past and it might be appropriate to gradually add to riskier positions. In March, the fund purchased a small $10,000 position in the Investment Grade Bond (LQD) ETF. In April, with equity and credit markets showing clearer signs of stability, the fund added another $10,000 of the LQD ETF and purchased $10,000 of the High Yield Bond ETF, HYG. In addition, with 10-Year Treasury Yields still under 3%, we decided to trim our overweight in Treasuries.



The fund members met again in May, shortly after we were selected PMs, to position the fund for the summer break. At that point we added another $20,000 to the LQD position. We also moved our Treasury weightings towards the short duration (1-3 year) SHY ETF. Finally, we decided to switch our foreign developed market exposure from the Templeton Global Bond Fund to the SPDR Barclays Capital International Treasury Bond ETF in order to cut down on fees.



Asset Allocation

The Fund employs primarily a top-down investment approach. We begin with our views of the overall economy, which then feeds into our opinions of which sectors offer the best risk-adjusted return possibilities. This top-down approach stems mainly from our inability to invest in individual fixed income securities. Instead, we express our investment opinions through exchange-traded funds, mutual funds, and other exchange traded equity-like securities.

Currently, the fund is overweight international developed markets, emerging markets, and high yield, while underweight investment grade corporate and mortgage-backed securities. We are market weight Treasury Securities. Our effective duration of 4 years is lower than the benchmark duration of 4.3 years.

When investing in a fund, we pay close attention to the fees paid, as well as the holdings in order to make sure our view on the markets is reflected in the fund's asset allocation. The weighted average management fee of our funds is 0.50%.

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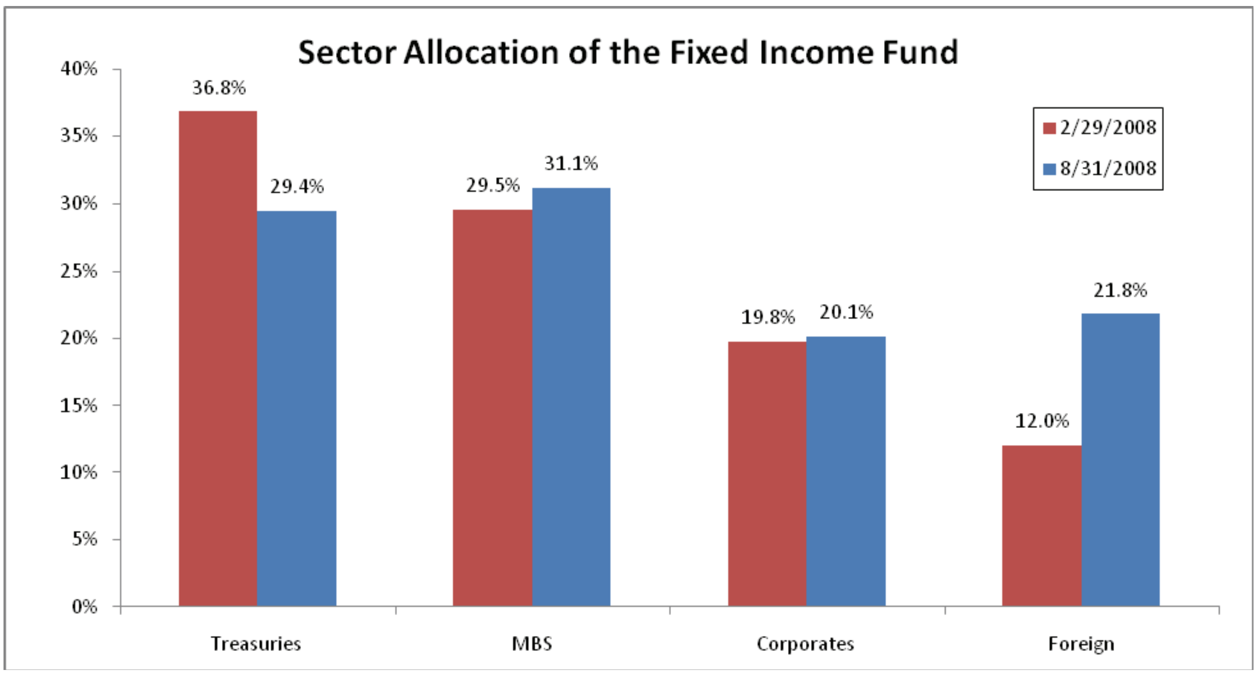

Holdings Profile

Fixed Income Portfolio as of August 31, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	14,018	$ 10.74	$150,553	**34.10%**
SPDR Barclays Capital Intl Tresy Bd ETF	BWX	Foreign	1,130	$ 56.80	$64,184	**14.54%**
iShares Lehman 1- 3 Year Treasury Bond	SHY	Treasuries	888	$ 83.92	$74,521	**16.88%**
iShares Lehman 3 - 7 Year Treasury Bond	IEI	Treasuries	164	$ 111.90	$18,352	**4.16%**
iShares Lehman 7 - 10 Year Treasury Bond	IEF	Treasuries	198	$ 91.60	$18,137	**4.11%**
iShares Trust Barclays Treasury Inflation Bond	TIP	Treasuries	363	$ 101.76	$36,939	**8.37%**
iShares GS $ Invest Grade Corp Bond Fund	LQD	Corporate	418	$ 105.33	$44,028	**9.97%**
PIMCO Emerging Markets Bond Cl A	PAEMX	Foreign	2,168	$ 9.85	$21,355	**4.84%**
iShares iBoxx $ High Yid Corp Bond	HYG	Corporate	136	$ 82.32	$11,196	**2.54%**
Total Securities					$439,264	**99.48%**
Cash as of August 31, 2008					$2,300	**0.52%**
Total Assets					**$441,564**	**100.00%**

Fixed Income Portfolio as of February 28, 2009

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
PIMCO Total Return Mortgage A	PMRAX	MBS/ABS	13,597	10.11	137,466	**32.01%**
Templeton Global Bond Fund	TPINX	Foreign	5,092	10.47	53,313	**12.41%**
iShares Barclay 1 - 3 Year Treasury Bond	SHY	Treasuries	400	84.03	33,612	**7.83%**
iShares Barclays 3 - 7 Year Treasury Bond	IEI	Treasuries	368	113.1	41,621	**9.69%**
iShares Barclays 7 - 10 Year Treasury Bond	IEF	Treasuries	445	93.74	41,714	**9.71%**
Pimco Emerging Markets	PAEMX	Foreign	2,097	8.2	17,195	**4.00%**
iShares Trust Barclays Treasury Inflation Bond	TIP	Treasuries	484	97.02	46,958	**10.93%**
Total Securities					371,879	**86.59%**
Cash as of February 27, 2009					57,604	**13.41%**
Total Assets					**429,483**	**100.00%**

Investment Style & Strategy

The Fund seeks to outperform its benchmark, the Vanguard Total Bond Fund (VBMFX). The Fund implements its views through a top-down allocation approach to the three main sub-sectors of the US Fixed Income investment grade market, namely – US Treasuries, Corporate bonds, Mortgage-backed/Asset-backed securities and Foreign investment grade bonds (Emerging Markets and Developed Markets). Due to its tax-exempt status, the fund does not invest in any Municipal bonds. Also, the Fund does not engage in shorting, derivatives trading, or other non-linear investment strategies. Currently, the Fund does not buy individual securities, due to the limited size of our trades and market spreads associated with buying individual securities. Instead the Fund invests in other publicly traded funds to implement its sector allocation. However, given the current market opportunities, we are working on a strategy to incorporate individual securities which provide superior returns with limited risk.

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

Sector Review & Outlook

US Treasuries: The extreme fear and turmoil in financial markets drove Treasury yields to record low levels. The Ten-year yield bottomed at around 2.1% and began trending higher in early 2009 as fear in the market eased. In April, with 10-Yr Yields below 3%, the PMs trimmed our position in Treasuries to take profits and defend against a further steepening of the yield curve.

During the summer, the fund was overweight the short duration, 1-3 year Treasury ETF, SHY. This move paid off as yields climbed sharply during May and June, nearing 4%. However, since peaking in June, yields have drifted lower.

Looking forward, we think that ten-year Treasury yields will move in a relatively tight range. While H2 2009 GDP appears to be growing at a healthy clip, most of the growth will be due to special factors such as the fiscal stimulus, "Cash for Clunkers", and slower inventory liquidation. Consumer spending, making up 70% of GDP is expected to remain soft. This points to growth disappointment in H1 2010, which will support Treasuries. Other supports for Treasuries are high unemployment, weak inflation, and banks using excess liquidity to buy Treasuries. On the other hand, current yields are low by historical standards and may face some pressure from strong stock market performance, the market looking ahead to eventual rate hikes, and record debt supply. Taken together these factors indicate range-bound yields. This thesis has led us to return to the longer end of the yield curve in our allocation

In the inflation linked market, we remain relatively neutral on the current implied inflation rates on TIP bonds. Currently, markets are implying around 0.5% inflation in the three-year timeframe and around 1.2% in the five-year timeframe, which we find to be reasonable. Because of this, we allocate TIPS in line with short-term treasuries (given the low TIP fund duration). In addition, we like the diversification effects of having some inflation protection in the portfolio.

Corporate Bonds: Corporate bonds have seen a great rally since the end of 2008. Option adjusted credit spreads in Barclays Capital Investment Grade U.S. Corporate Index declined approximately 400bp from their peak in October 2008 and high yield spreads in the Merrill Lynch High Yield Constrained index declined by approximately 1250bp. The spreads have tightened due to unprecedented global fiscal and monetary policy support, stabilization in the financial system, improvement in economy and investor demand for securities with higher yields than in cash. Since February 2009, Money Market Funds fund flows have been negative. A large part of these flows moved into investment grade and high yield corporate bonds. Credit fundamentals improved and the number of credit rating downgrades has declined in recent months. Many companies are in a process of de-leveraging and are expected to reduce their debt levels by about 15-20% over the medium-term.

Even following this great rally, corporate bonds look attractive. They continue to offer a significant yield advantage relative to cash. As economic recovery continues, risk aversion will likely continue to decrease. Supply may push spreads wider as lower interest rates and significantly tighter credit spreads may encourage companies to issue more bonds. However as of October 12, 2009, U.S. corporate bond issuance hit US$1 trillion, which is enough to refinance near-term debt outstanding. For the recovery to be sustainable, investors need to see an increase in revenues, especially for companies with fixed amounts of debt.

Mortgage-Backed/Asset-Backed Securities: With the government extending the purchase plan for MBS/ABS instruments we believe upside potential remains. In the last 12 months we have seen the nationalization of Agency securities as well as quantitative easing aimed at supporting mortgages and pushing down mortgage rates. Further, one of the primary risks to MBS investing, prepayment risks, are muted as homeowners are not buying new homes, not refinancing, and don't seem to have the free cash to pay closing costs or refinance fees.

Going forward we believe tougher lending standards and lower housing prices will both contribute to an increase in mortgage spending but of higher credit quality.

Foreign Investment Grade: As the credit crisis eases, there are signs of stability in the foreign developed markets. Long-term government rates and corporate spreads have acted in similar fashion to that of the U.S. long-term rates. In particular, we forecast foreign rates to remain stable in the near-term as governments try to get closer to a steady state. Inflation in the EU is expected to be flat in the near-term, but slowly work up to the long-term goal of 2% over the next 12 to 18 months. Corporate spreads have tightened as expected, but similar to the U.S., may have pulled back too far due to the underlying risk that still exists.

We are confident that interest rates will remain at low levels in the near-term as governments are wary about upsetting the fragility of the current system. Although the UK, Germany, and France have all recently revised their GDP estimates for 2010, we believe that the recovery will be a slow one. In line with our view on U.S. Treasuries, we believe that longer duration investments are appealing due to the unlikely chance of rate increases in the short-term. We continue to overweight the Barclays International Treasury Bond ETF (BWX) and are content with our current position.

Emerging Market Bonds: Emerging markets have performed very well as yields increased and many investors moved back into riskier assets in the first half of 2009. Government initiatives restored stability to the financial markets and many emerging market economies such as Brazil, China, and Indonesia have stabilized. As risk appetite has returned along with improved market sentiment, we expect that the emerging markets will provide significant future investment opportunities.

We continue to overweight the PIMCO Emerging Market Bond Fund (PEMPX), which gives us exposure to the higher quality, growing emerging market countries. Most of positions in the Fund are in safe credit standing and are in fact investment grade rated. As of September 30, PEMPX had returned 27.5% in 2009 YTD, outperforming the JP Morgan EMBI Global Index by 1.2%. Given this favorable risk vs. return profile and our belief that emerging economies will grow faster than those of developed countries going forward, we are considering adding to our position in this fund.

Fund Management

The Executive Committee

Back Row: Oliver Brassard, Ben LeBlanc, Steven Chuang, Julia A. Heckman, Professor Levich
Front Row: Jessica Gerberi, Charles Macon, Pakhi Eder, Stephen Reinhard

Professor Richard Levich – *Faculty Advisor*

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

Jessica Gerberi – ***President***

Jessica will be completing her MBA at NYU Stern in 2010, specializing in Accounting and Economics. A native Chicagoan, Jessica earned her BA from Northwestern University and has prior work experience at Oppenheimer Funds and Goldman Sachs Asset Management.

Sobby Arora, CFA – Co Po*rtfolio Manager, Growth Fund*
Prior to NYU, Sobby was an Analyst and Portfolio Manager at Strategic Investment Advisors, Inc., a boutique long-only investment management firm. Sobby spent his summer at Credit Suisse Equity Research in the Beverages Group. He holds a B.A. in Computer Science from Colgate University.

Ben LeBlanc – Co *Portfolio Manager, Growth Fund*
Benjamin LeBlanc has B.A. degrees in Economics and Political Science from Louisiana State University. Prior to attending Stern, he spent 6 years in Equity Finance for Citi Capital Markets in New York City and London. Upon graduation, Ben will be joining Goldman Sachs as an Associate in Private Wealth Management.

Pakhi Eder, CFA – Co *Portfolio Manager, Value Fund*

Pakhi Eder was a Vice President in JPMorgan's equity research department prior to attending Stern. She graduated magna cum laude from Union College, majoring in Economics and Political Science.

Stephan Reinhard – Co *Portfolio Manager, Value Fund*

Stephan has a Diploma in International Business from the University of Bamberg, Germany. Prior to Stern, he worked for UBS as Portfolio Manager in Luxembourg. Over the summer, Stephan worked at the Investment Banking Division of Citigroup in their Industrial coverage group.

Julia A. Heckman – ***Co Portfolio Manager, Small Cap Fund***

Julie is a co-PM of the MPSIF Small Cap Fund. Prior to Stern, she spent three years in sell-side research at a boutique investment bank. She spent the summer at UBS and will be joining the firm's Investment Research department full-time after graduation.

Charles Macon – Co *Portfolio Manager, Small Cap Fund*

Charles has a Bachelor of Arts degree with a concentration in Architecture from Colgate University. He worked as a Real Estate Analyst for T.A. Associates Realty before coming to Stern.

Oliver Brassard – ***Co Portfolio Manager, Fixed Income Fund***

Oliver Brassard has a BA in Mathematical Economics from Colgate University. Prior to Stern, he was an economist in an investment advisory group at Prudential International Investments. He spent the summer as an Investment Analyst at American Century Investments.

Steven Chuang, CFA – ***Co Portfolio Manager, Fixed Income Fund***

Steven graduated in 2004 from Princeton University with a degree in Electrical Engineering. Prior to Stern, he was working as a Municipal Bond Analyst at Susquehanna International Group.

The Growth Fund

Back Row: Adam Rainey, Ben LeBlanc, Lenny Buzik
Second Row: Eric Pan, Felipe Coelho, Kinjal Bhatt, Sobby Arora, Richard Tseng
Front Row: Roger Zhang, Kuan-Jei Wu, Elena Grinvald, Marcela Giraldo, Oscar Saunders
Not pictured: Aashiv Shah

Sobby Arora, CFA

Prior to NYU, Sobby was an Analyst and Portfolio Manager at Strategic Investment Advisors, Inc., a boutique long-only investment management firm. Sobby spent his summer at Credit Suisse Equity Research in the Beverages Group. He holds a B.A. in Computer Science from Colgate University.

Ben LeBlanc

Benjamin LeBlanc has B.A. degrees in Economics and Political Science from Louisiana State University. Prior to attending Stern, he spent 6 years in Equity Finance for Citi Capital Markets in New York City and London. Upon graduation, Ben will be joining Goldman Sachs as an Associate in Private Wealth Management.

Lenny Buzik

Lenny Buzik has a B.A. in Economics from New York University. Prior to Stern, he was an Equity Trader and Head Trainer at Nexis Capital LLC followed by a Project Manager at Consumer Testing Laboratories, Inc. He spent his summer as an Equity Research Summer Associate at Credit Suisse and will return to the company as a Full-time Associate.

Marcela Giraldo

Marcela Giraldo has a BA in Economics from Universidad de los Andes in Bogota, Colombia and a Certificate in Finance from the same school. Prior to Stern, she was an Equity Research Analyst at Corredores Asociados, a local brokerage company. She spent her summer as an Equity Research Associate at Credit Suisse and will return to the firm upon graduation.

Elena Grinvald

Elena Grinvald has a Bachelor of Art in Computer Science from New York University. Prior to Stern, she was an Associate at Morgan Stanley in the Fixed Income Technology department. She spent her summer as a Credit Research Associate Intern at Barclays Capital.

Richard Tseng, CFA

Richard Tseng has a B.A. in Economics from Cornell University. Prior to Stern, Richard was an Assistant Vice President at Credit Suisse where he focused on capital allocation and analyzing Tier 1 capital ratios. This past summer, he interned at Morgan Joseph & Co. in the firm's Equity Research Group.

Kuan-Jei Wu

Kuan Wu has a Bachelor of Science in Biology from the Massachusetts Institute of Technology. Prior to Stern, he was a Strategy Consultant at The Chartis Group. He spent his summer as an intern at SAC Capital.

Roger (Liang) Zhang, CFA

Roger interned as a Summer Associate at Goldman Sachs Global Investment Research group in Beijing. Prior to Stern, he was a Senior Auditor at Ernst & Young and then a Senior Verifier at Ashland Partners. Roger has a bachelor degree from SHUFE.

Kinjal Bhatt

Kinjal has a B.S. in Finance from Rutgers University. Prior to Stern, Kinjal worked as a Financial Analyst in Pharmaceutical Contracting Dept. at Medco Health Solutions, Inc. She spent the past summer as an Equity Research Summer Associate in the Large-Cap Pharma Group at UBS.

Felipe Coelho

Felipe interned as a Summer Associate at Credit Suisse in London at the Mergers & Acquisitions Group and in Brazil at Bain & Company. Prior to Stern, he worked in Brazil as Project Manager at Unibanco and Business Analyst at McKinsey and Accenture. Felipe holds M.Sc. and B.A. in Industrial Engineering from Politecnico di Torino (Italy).

Eric Pan

Eric Pan has a BSE in Electrical and Computer Engineering and Computer Science and a Minor in Economics from Duke University. As a part-time student, he is currently an Associate at JP Morgan. He was a Vice-President at Bear Stearns prior to that.

Adam Rainey

Prior to Stern, Adam was a Senior Associate with Kormendi Gardner Partners, a boutique investment banking and private equity firm. During the summer, Adam interned as a Summer Associate in the Investment Banking Division of Jefferies & Company, Inc. in New York. He holds a B.B.A. in Finance from James Madison University.

Oscar Saunders

Oscar Saunders holds a Bachelor of Arts in Economics and French from Pomona College. Prior to Stern, he spent several years in management consulting in the energy industry. He is pursuing his JD/MBA at NYU and will work at the law firm of Paul, Hastings, Janofsky & Walker LLP upon graduation.

Aashiv Shah

Aashiv Shah has a B.Sc degree in Electrical Engineering from University of Illinois at Urbana-Champaign. Prior to attending Stern, he spent 3 years in consulting at Accenture and Huron Consulting Group. He spent his summer as an equity research associate at Shannonside Capital.

The Value Fund

Back Row: Fabio Noronha, Robert Cohen, Matthew Lipton, Daniel Busch
Middle Row: Brendan Hurley, Cameron Schubert, Kristin Heitmann, Roy Carp, Oliver Brassard
Front Row: Alex Kurinets, Stephan Reinhard, Pakhi Eder, Sharif Farag, Tim Fisher
Not pictured: Robert Sands

Oliver Brassard

Oliver Brassard has a BA in Mathematical Economics from Colgate University. Prior to Stern, he was an economist in an investment advisory group at Prudential International Investments. He spent the summer as an Investment Analyst at American Century Investments.

Daniel Busch

Daniel Busch has a Bachelor of Science in Applied Economics and Management from Cornell University. While at Stern, Daniel works part-time as an equity research analyst intern at Telsey Advisory Group.

Roy Carp

Roy Carp has a B.A. in Business, Accounting an Economics from Tel Aviv University. Prior to Stern, he was a Project Manager at BDO Consulting Group in Israel. He spent his summer in the Investment Banking Group at Rothschild.

Robert Cohen

Robert Cohen has a Bachelors of Arts in Economics from Cornell University. Prior to Stern, he was an equity research analyst at Merrill Lynch covering the gaming, lodging and leisure sectors. He spent his summer as a Leveraged Finance Associate at Citi.

Pakhi Eder, CFA

Pakhi Eder has a BA in Economics and Political Science from Union College. Prior to Stern, she was a Vice President at JPMorgan. She spent her summer as a Sales Associate at Barclays Wealth.

Sharif Farag

Sharif Farag has a Master of Science in Chemistry from University College London. Prior to Stern, he was an Investment Analyst at The Atlantic Philanthropies. He spent his summer as an Associate at BNP Paribas in their Structured Finance group. After graduation he will return to BNP Paribas full-time as an Associate.

Tim Fisher

Tim Fisher has a Bachelors of Science in English and a concentration in Computer Science from the United States Military Academy at West Point. Prior to Stern, he was a Captain in the US Army. He spent his summer as a Research Associate covering Natural Gas Pipeline and Storage partnerships at UBS. After graduation he will return to UBS as an associate in Equity Research.

Kristin Heitmann

Kristin Heitmann has an undergraduate degree from Brown University in political science and a Master's degree from the University of California - Berkeley in political science. Prior to Stern, she worked at Viacom in Corporate Communications.

Brendan Hurley

Brendan Hurley has a BA in Economics from Skidmore College. Prior to Stern, he was an Assistant Portfolio manager at hedge fund Wexford Capital LLC. He spent his summer on the emerging markets proprietary trading desk at JP Morgan.

Alex Kurinets

Alex Kurinets has a Masters in Statistics from Columbia University. He is a Sr. Research Analyst in the Risk Management/Asset Allocation group at Oppenheimer Funds.

Matthew Lipton

Matthew Lipton has a Bachelor of Science in finance and information systems from the Stern School of Business at NYU. Prior to Stern, he a Senior Consultant at Deloitte working with energy transacting companies. Matthew is a CFA Level 2 Candidate.

Fabio Noronha

Fabio Noronha has a B.S. in Civil Engineering from Unicamp and a M.S. in Mathematical Modeling in Finance from USP. Prior to Stern, he was as a Senior Analyst for the Capital Markets Area at Banco Itau. He spent his summer as an Investment Banker at Scott Macon and as Fixed Income Research Analyst at ING Groep.

Stephan Reinhard

Stephan Reinhard has a Diploma in International Business from the University of Bamberg, Germany. Prior to Stern, he worked for UBS as Portfolio Manager in Luxembourg. Over the summer, Stephan worked at the Investment Banking Division of Citigroup in their Industrial coverage group.

Robert Sands

Robert Sands has a B.S. in Accounting from Bucknell University and is a CPA. Prior to Stern, he worked in public accounting with Deloitte & Touche and in finance with Bank of America.

Cameron Schubert, CFA

Cameron Schubert has a degree in Finance and Business from University of Notre Dame. Prior to Stern, he worked as an institutional portfolio manager and fixed income trader.

The Small Cap Fund

Back Row: Chris Hoon Cho, David Handy, Matthew Lynam
Middle Row: Seamus Ryan, Alan Fleming, Julie Heckman, Paul Elkouss, Christopher Weng, Jessica Gerberi, Steven Chuang,
Front Row: Charles Macon, Hemant Sharma, Itay Banayan, Helen Hung, John Brouillard
Not pictured: Ankush Gupta

Itay Banayan

Prior to Stern, Itay worked for a leading Real Estate Investment Banking firm in Israel as a senior analyst. During the summer of 2009 he joined the Real Estate Investment Banking group at Citi as a Summer Associate. Itay holds a B.A. in Business Administration and Economics from the Hebrew University in Jerusalem, graduated Magna Cum Laude.

John Brouillard, CFA

John Brouillard is a graduate of Colgate University where he received a Bachelor of Arts in Economics.

Chris Hoon Cho

Chris Cho has an A.B. in Business Economics and Mathematics from Brown University. Prior to Stern, he was an investment banking associate at Susquehanna Financial Group. He spent his summer as a Research Associate at Barrington Capital Group.

Steven Chuang, CFA

Steven Chuang has a BSE in Electrical Engineering from Princeton University. Prior to Stern, he was a Municipal Bond Analyst at Susquehanna International Group, LLP. He spent his summer as an Investment Associate at Bank of New York Mellon Asset Management in the Cash Investment Strategies Group.

Paul Elkouss

Paul holds a B.S. in Biochemical Engineering, and an M.S. and a Ph.D. in Mechanical Engineering. Paul has been working in financial modeling for the past five years, most recently at CIFG Assurance.

Alan Fleming

Alan Fleming has a B.S. in Finance from The Pennsylvania State University. Prior to Stern, he was a Senior Associate in the Dispute, Analysis, and Investigations Practice at PricewaterhouseCoopers. He spent his summer as an Associate in the Equity Research Group at Barclays Capital and will return to the firm upon graduation.

Jessica Gerberi

Jessica will be completing her MBA at NYU Stern in 2010, specializing in Accounting and Economics. A native Chicagoan, Jessica earned her BA from Northwestern University and has prior work experience at Oppenheimer Funds and Goldman Sachs Asset Management.

Ankush Gupta

Ankush holds a B.E. in Electrical Engineering from PEC, India. Prior to attending Stern, Ankush spent 4 years working as a Consultant in Infosys Technologies Ltd and most recently did his Summer Internship in Investment Banking at East Wind Advisors focused on Media & Technology sectors.

David Handy, CFA

Over the summer David worked for the Troubled Asset Relief Program at the US Treasury. Prior to attending Stern, David worked as a senior portfolio analyst for the Global Strategic Asset Allocation group at Citigroup Global Wealth Management. David holds a B.A. in Mathematics and Economics from Kenyon College.

Julie Heckman

Prior to Stern, she spent three years in sell-side research at a boutique investment bank. She spent the summer at UBS and will be joining the firm's Investment Research department full-time after graduation.

Helen Hung

Helen has a B.A. in Land Economics and a Master's degree in City and Regional Planning from the University of Pennsylvania. She worked as a Vice President in the corporate real estate department at Merrill Lynch. She spent her summer at Fox-Pitt Kelton in Equity Research.

Matthew Lynam

Matthew holds a B.S. in Finance with a minor in Economics from the University of Delaware. Prior to attending Stern, Matthew spent three years at ACE Insurance Limited working in Credit Risk and recently interned at Morgan Joseph & Co as an Associate in Equity Research.

Charles Macon

Charles has a Bachelor of Arts degree with a concentration in Architecture from Colgate University. He worked as a Real Estate Analyst for T.A. Associates Realty before coming to Stern.

Seamus Ryan

Seamus Ryan has a degree in Environmental Science and Economics from Harvard University. Prior to Stern, he was an Investor Behavior Analyst at Financial Engines. He spent his summer as an Associate at Standard and Poor's.

Hemant Sharma

Hemant holds a B.Tech. in Mechanical Engineering from IIT Delhi. Prior to Stern, Hemant spent two years at Barclays Capital, Mumbai in the investment banking team.

Christopher Weng

Chris graduated from Brandeis University in 2002 with a Bachelor of Arts degree in Economics and a minor in Art History. Prior to Stern, he worked for three years in the investment consulting industry advising ultra high-net worth individuals.

The Fixed Income Fund

Back Row: Oliver Brassard, Steven Chuang, Daniel Busch
Front Row: Elena Grinvald, Paul Elkouss, Cameron Schubert, Richard Tseng
Not pictured: Robert Sands, Aashiv Shah

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

FINANCIAL STATEMENTS

Michael Price Student Investment Fund
Consolidated Financial Statement

	Fiscal Year Ending 8/31/08	Six Months Ending 2/28/09	Fiscal Year Ending 8/31/09
Investment Income			
Dividends - Fixed Income	20,983	12,492	21,577
Dividends - Growth	2,474	838	2,102
Dividends - Small Cap	5,131	3,882	6,330
Dividends - Value	9,226	3,039	5,873
Total Dividends	37,814	20,251	35,882
Interest - Fixed Income	102	232	274
Interest - Growth	1,921	812	913
Interest - Small Cap	3,226	502	625
Interest - Value	3,044	792	904
Total Interest	8,293	2,338	2,716
Investment Income - Fixed Income	21,085	12,725	21,851
Investment Income - Growth	4,395	1,650	3,015
Investment Income - Small Cap	8,358	4,384	6,954
Investment Income - Value	12,269	3,831	6,778
Total Investment Income	46,106	22,589	38,598
Expenses - Fixed Income	(2,784)	(1,043)	(2,161)
Expenses - Growth	(2,784)	(1,043)	(2,161)
Expenses - Small Cap	(2,677)	(913)	(1,766)
Expenses - Value	(3,258)	(1,016)	(2,033)
Total Expenses	(11,504)	(4,014)	(8,120)
Net Investment Income - Fixed Income	18,301	11,682	19,690
Net Investment Income - Growth	1,611	607	855
Net Investment Income - Small Cap	5,680	3,472	5,189
Net Investment Income - Value	9,011	2,815	4,744
Total Net Investment Income	34,603	18,575	30,478

Cash Flow from Operations			
Cash Balance, beginning of period - Fixed Income	3,429	(10,920)	(10,920)
Cash Balance, beginning of period - Growth	132,325	242,042	242,042
Cash Balance, beginning of period - Small Cap	68,954	190,479	190,479
Cash Balance, beginning of period - Value	49,922	169,768	169,768
Total Cash Balance, beginning of period	254,629	591,368	591,368
Annual 5% Distribution - Fixed Income	(23,754)	0	(23,057)
Annual 5% Distribution - Growth	(21,089)	0	(15,000)
Annual 5% Distribution - Small Cap	(23,442)	0	(14,552)
Annual 5% Distribution - Value	(25,063)	0	(18,600)
Total Annual 5% Distribution	(93,348)	0	(71,209)
Cash Flow from Operations (cont.)			
Sales of Securities - Fixed Income	138,061	111,876	246,661
Sales of Securities - Growth	714,285	335,433	531,690
Sales of Securities - Small Cap	990,417	201,024	437,864
Sales of Securities - Value	484,773	129,449	303,430
Total Sales of Securities	2,327,536	777,782	1,519,644
Purchases of Securities - Fixed Income	(137,143)	(45,068)	(215,911)
Purchases of Securities - Growth	(595,791)	(399,084)	(627,482)
Purchases of Securities - Small Cap	(851,131)	(292,628)	(460,171)
Purchases of Securities - Value	(348,825)	(151,932)	(376,118)
Total Purchases of Securities	(1,932,890)	(888,711)	(1,679,683)
Net Other Adjustments - Fixed Income	(9,813)	(9,967)	(14,577)
Net Other Adjustments - Growth	10,701	(30)	(85)
Net Other Adjustments - Small Cap	0	0	(2)
Net Other Adjustments - Value	(50)	(45)	(45)
Total Net Other Adjustments *	838	(10,041)	(14,708)
Net Change in Cash - Fixed Income	(14,349)	68,524	12,806
Net Change in Cash - Growth	109,717	(63,075)	(110,023)
Net Change in Cash - Small Cap	121,525	(88,132)	(31,673)
Net Change in Cash - Value	119,846	(19,713)	(86,588)
Total Net Change in Cash	336,739	(102,395)	(215,478)
Cash Balance, end of period - Fixed Income	(10,920)	57,604	1,885
Cash Balance, end of period - Growth	242,042	178,967	132,019
Cash Balance, end of period - Small Cap	190,479	102,347	158,806
Cash Balance, end of period - Value	169,768	150,055	83,180
Total Cash Balance, end of period	591,368	488,973	375,890

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

Growth Fund Financial Statements

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

* Taxes owed on foreign securities' dividends.

Value Fund Financial Statements

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

* Taxes owed on foreign securities' dividends.

Small Cap Fund Financial Statements

	Twelve Months Ended 8/31/06	Six Months Ended 2/28/07	Twelve Months Ended 8/31/07	Six Months Ended 2/29/08	Twelve Months Ended 8/31/08	Six Months Ended 2/28/09	Twelve Months Ended 8/31/09
Investment Income							
Dividends	3,758	1,484	2,620	1,747	5,131	3,882	6,330
Interest	3,326	4,133	5,725	2,508	3,226	502	625
Total Investment Income	7,083	5,617	8,345	4,255	8,358	4,384	6,954
Expenses	(3,509)	(1,450)	(3,196)	(1,510)	(2,677)	(913)	(1,766)
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472	5,189
Cash Flow from Operations							
Cash Balance, beginning of period	47,310	227,349	227,349	68,954	68,954	190,479	190,479
Net Investment Income	3,575	4,168	5,149	2,744	5,680	3,472	5,189
Annual 5% Distribution	(29,985)	0	(29,730)	0	(23,442)	0	(14,552)
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	0	0
Sales of Securities	1,345,398	411,635	685,099	599,080	990,417	201,024	437,864
Purchases of Securities	(1,138,948)	(430,368)	(818,927)	(422,615)	(851,131)	(292,628)	(460,171)
Net Other Adjustments *	0	0	14	0	0	0	(2)
Net Change in Cash	180,039	(14,565)	(158,395)	179,209	121,525	(88,132)	(31,673)
Cash Balance, end of period	227,349	212,784	68,954	248,163	190,479	102,347	158,806

Fixed Income Fund Financial Statements

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

* Reinvestment of dividends on bond funds.

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