MPSIF

The Michael Price Student Investment Fund

Semi-Annual Report

February 28, 2006

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

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FALL 2005

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Co-Portfolio Manager - Value Fund	Michael J. Turgel, CPA
Faculty Advisor	Professor Richard Levich

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Faculty Advisor	Professor Richard Levich

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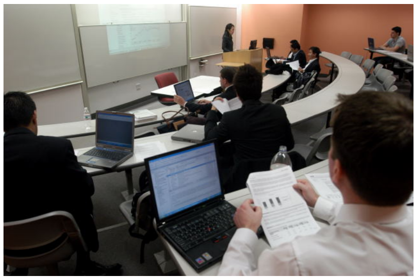
NYU STERN'S MICHAEL PRICE STUDENT INVESTMENT FUND: A FAMILY OF FUNDS MANAGED BY NYU STERN SCHOOL OF BUSINESS MBA STUDENTS

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

What is unique about the Fund?
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.

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.



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LETTER FROM THE FACULTY ADVISOR

On behalf of the students who participate in the Michael Price Student Investment Fund, I am delighted to introduce the Semi-Annual Report for the six-month period ending February 28, 2006.

Our collective efforts over the last semester allow me to highlight another set of fresh achievements and firsts for MPSIF. On the financial side, U.S. equity markets continued their steady upward trend. The most popular indices of U.S. equity performance, the Dow Jones Industrials, the S&P 500, and the NASDAQ Composite, advanced by roughly 5-6% over the six-month period. Compared to this rising tide, the three MPSIF equity funds (Growth, Small Cap and Value) achieved returns of 8.7%, 15.7% and 5.1%, respectively. Including our Fixed Income Fund, MPSIF earned 7.4% overall vs. 5.6% for our blended benchmark. This excess performance, coupled with three straight years of returns in excess of our mandated 5% distribution, has enabled MPSIF to grow its assets under management to $2.01 million, the highest total in our six-year history.

On the academic side, I am proud to announce the formation of a new Management Advisory Council to interact with the students. The Advisory Council for fiscal year 2005-06 includes Nomi Ghez, Randall Haase, Christopher Long, Ruchi Madan and Kevin Parker, all of whom are Stern alumni with significant experience in investment management. Members of the Advisory Council participated in our December annual report meeting, followed by classroom visits in February and March. The Advisory Council takes its participation seriously and has offered many useful suggestions regarding our stock selection and portfolio monitoring process.

On March 2nd, MPSIF hosted its first ever Student-Alumni Mixer. About 30 MPSIF alumni attended (including three past Presidents), joining 20 current students for an evening of reminiscing about the past (when MPSIF began and NASDAQ was at 4,800) and networking in the present. We hope to make this an annual event. In April, MPSIF will for the first time reach out to a larger audience of Stern alumni. We hope that this open alumni gathering will make the real-world investment management experience available to Stern students and the financial track record they have achieved more well known in our community.

In closing, I offer my thanks to the MPSIF students and advisors who have helped guide our Funds over the last semester and to our MPSIF alumni who established a sturdy foundation for us and continue to be supportive. Without them, the educational experience in MPSIF and the track record would not have been possible.

Sincerely,

Richard M. Levich
Professor of Finance
Deputy Chairman, Department of Finance
March 15, 2006

MESSAGE FROM THE PRESIDENT

We are pleased to present the Semi-Annual Report for fiscal 2006 to our Board of Advisors, Fund participants, and other interested parties. The Fund, which underperformed its blended benchmark by almost 140 bps for fiscal 2005, has started off strong in fiscal 2006, beating its blended benchmark by 177 bps. Small Cap's performance has continued to give the Fund an edge, with the Growth Fund also showing strong returns for the first six months of the fiscal year.

The Fund continues to attract talented and experienced Stern students, who are arguably responsible for the Fund's continued ability to beat its benchmark. As MPSIF analysts, students are entrusted to grow the Fund's assets to provide scholarship opportunities for students from the Michael F. Price College of Business at the University of Oklahoma to study at the Stern school. In doing so, MPSIF students gain the opportunity to obtain first hand investment management experience.

Ultimately, it is the students and Faculty advisor who are responsible for the learning component of MPSIF experience. Recently the fund has also gained valuable feedback from our Management Advisory Council. Given the number of MPSIF alumni who have begun to show interest in the Fund, we plan to seek out guidance from those alumni who are now part of the professional investment management community. A new Executive Committee position, Vice President of Training and Development, has been created to facilitate procedures and events focused on teaching investment management skills involving current students, Stern faculty, and alumni.

Having finished our sixth year of existence, the MPSIF students who have benefited from the experience would like to extend our continued thanks and appreciation to Michael Price, without whom this opportunity would not be possible. I would also like to thank our Faculty Advisor Professor Richard Levich for his guidance throughout the year.

Sincerely,

Debbie Jones, President

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. While the goal of each fund is to purchase under-valued securities within its respective investment universe, each fund is free to determine the best way to identify those opportunities. Portfolio managers and analysts endeavor to improve the stock selection process by applying their own professional experience, learning from their peers, and building upon the knowledge base and previous fund participants.

From an overall portfolio perspective, the Executive Committee, which is comprised of the President, the Treasurer, the Portfolio Managers, and the Faculty Advisor, seeks to develop and enhance best practices across the Fund in order to position the overall portfolio for continued success.

Over the past year the Executive Committee completed a number of initiatives and goals including:

- Recruited the guidance of five leading Stern alumni to serve year-long tenures on a newly formed Management Advisory Council, who attended our Fall meeting, classes in the Spring and will review this semi-annual report in late April;
- Held MPSIF's first Alumni/Student Reception on March 2, 2006 at the Torch Club for twenty alumni and thirty current MPSIF analysts to meet and network;
- Created a one page MPSIF overview that provides a quick and easy picture of the Fund and its performance record to increase awareness throughout the Stern Community;
- Secured an invitation by Admissions to present to incoming students an overview of MPSIF and sample stock pitches during Spring Preview, to be held in late April;
- Established an official process by which proxy voting is executed;
- For the first time since inception of the Fund, MPSIF's total assets under management grew to over $2 million;
- Developed a position on the Executive Board for a Vice President of Training and Development;
- Began implementation of Wilshire Analytic's software to help track performance, style and risk exposure

Initiatives that the Executive Committee is currently working to implement include:

- Continued training of Wilshire Analytics tools for all MPSIF analysts;
- Increasing awareness for MPSIF within the Stern community and to prospective students to gain exposure for the Fund and to attract the best candidates;
- Implementing consistent stop-loss and trading procedures for all funds;
- Organization of training sessions given by Stern Faculty and MPSIF alumni

We believe that the ongoing success of the Fund will depend not only on superior security selection, but also in adequate promotion of the course both within the Stern community and beyond in order to attract the most qualified students. We are confident that with careful planning and ongoing improvement, the Fund's success (both financially and within the curriculum) will continue into the future.

First Annual Alumni/Student Reception

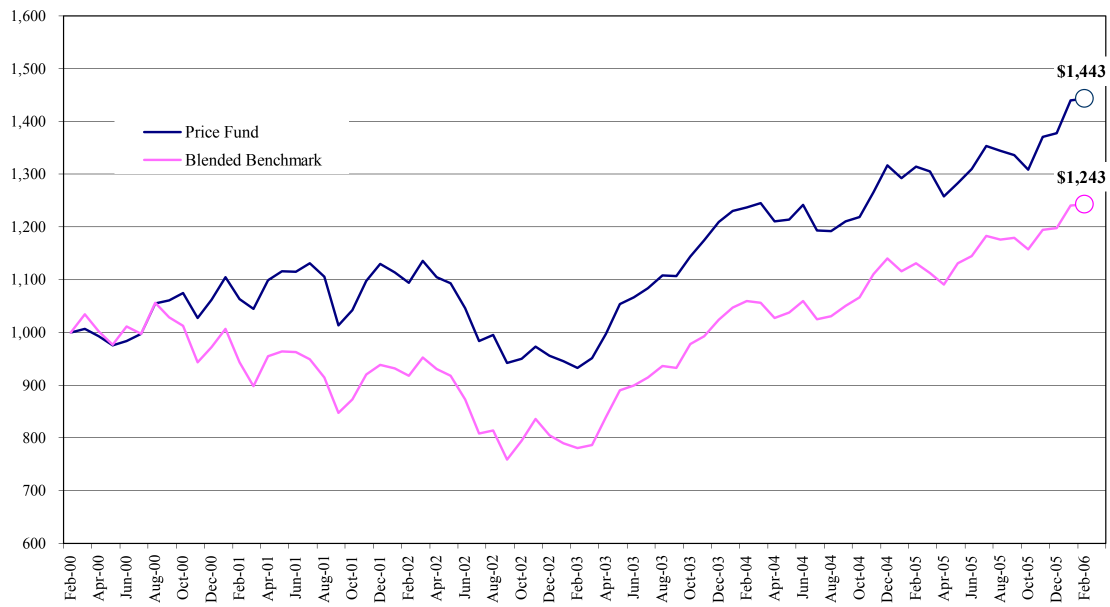
PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
The Price Fund	3/1/2000	7.40%	9.86%	6.30%	6.31%
Blended Benchmark		5.63%	*9.83%*	*5.67%*	*3.69%*
Fixed Income Fund	5/1/2002	-0.69%	0.16%	n/a	2.56%
Vanguard Total Bond Fund		-0.19%	*2.62%*	*7.65%*	*2.88%*
Growth Fund	3/1/2000	8.75%	6.05%	-1.44%	-2.63%
Russell 1000 Growth Index		5.10%	*9.47%*	*-0.94%*	*-6.77%*
Small Capitalization Fund	3/1/2000	15.70%	28.22%	15.82%	14.66%
Russell 2000 Index		*10.24%*	*16.59%*	*10.42%*	*5.32%*
Value Fund	3/1/2000	5.13%	5.11%	4.30%	6.51%
Russell 1000 Value Index		*7.33%*	*10.26%*	*6.73%*	*8.32%*

**annualized return*

The Fund beat its blended benchmark by 177 bps for the first sixth months of its fiscal year. This is due to strong performance by both the Growth Fund and the Small Cap Fund, which both significantly beat their respective benchmarks for the period. Both the Fixed Income Fund and the Value Fund continued to under-perform their respective benchmarks for the period.

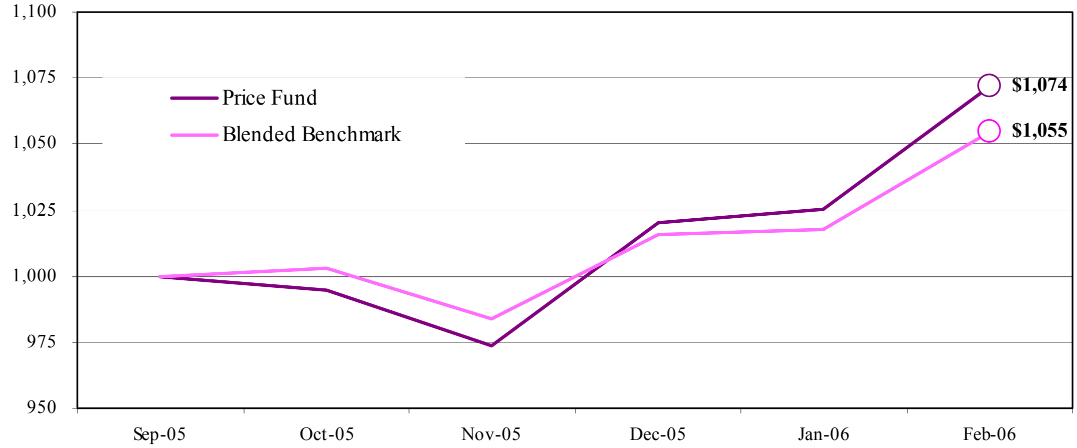
The Michael Price Student Investment Fund vs. Blended Benchmark
Performance of $1000 Investment since Inception (March 1, 2000)



Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution. The Blended Benchmark is equally comprised of the Russell 2000 Index, the Russell 1000 Growth Index, the Russell 1000 Value Index, and the Vanguard Total Bond Index Fund.

PERFORMANCE *as of February 28, 2006*

The Michael Price Student Investment Fund vs. Blended Benchmark
Performance of $1000 Investment since August 31, 2005



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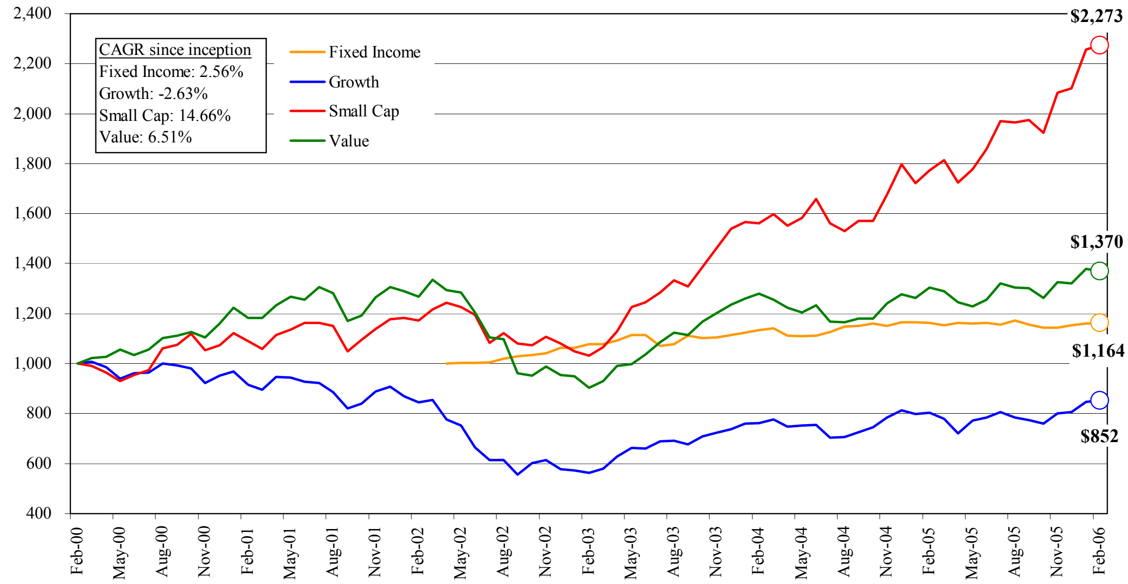


Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution.
The Fixed Income Fund was created on May 10, 2002 with transfers from each of the stock funds.

BENCHMARK INDEX DESCRPIPTION

The purpose of benchmarking is to track the Funds' performance relative to the index that most closely resembles the investment mandate of the Funds. While it is important to note that the Funds are measured against the market, it is also critical to remember that we have a competing goal of providing 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/fund our benchmark, we are also keenly focused on risk management in the construction of each sub-Fund.

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

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

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, representing almost 9% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately $664.9 million; the median market capitalization was approximately $539.5 million. The largest company in the index had an approximate market capitalization of $1.8 billion.

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

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

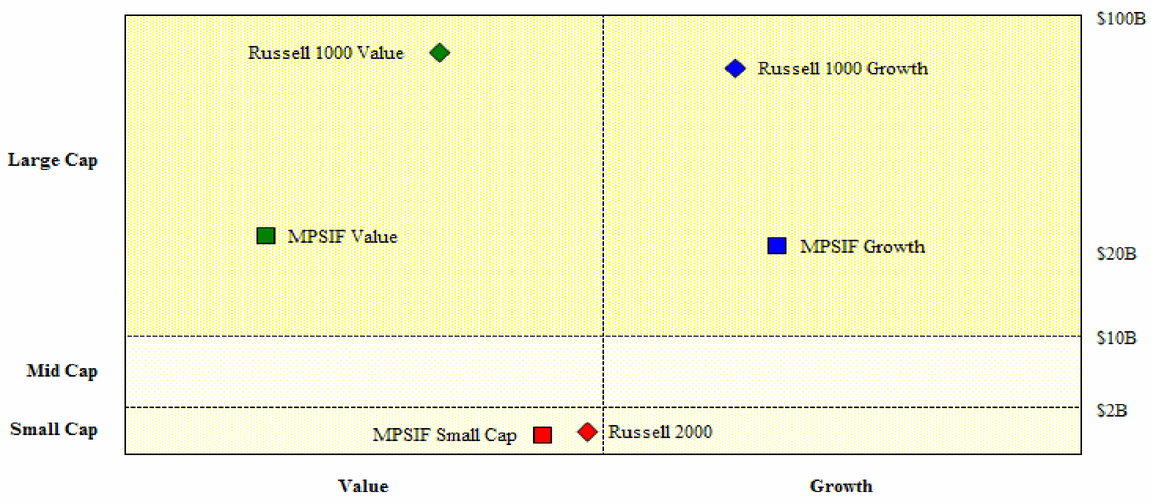
Vanguard Total Return Bond Index Fund measures the performance of fixed income securities. The benchmark has following characteristics:

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

STYLE AND CAPITALIZATION *as of February 28, 2006*

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.

The Michael Price Student Investment Fund vs. Fund Specific Benchmarks



*Source: Wilshire Analytics **
** The Quantum growth/value style score is created from a weighted average of a standardized book/price and forward looking earnings/price (standardized against the Dow Jones Wilshire U.S. 2500 Index, 75% book/price and 25% forward earnings/price).*

TURNOVER

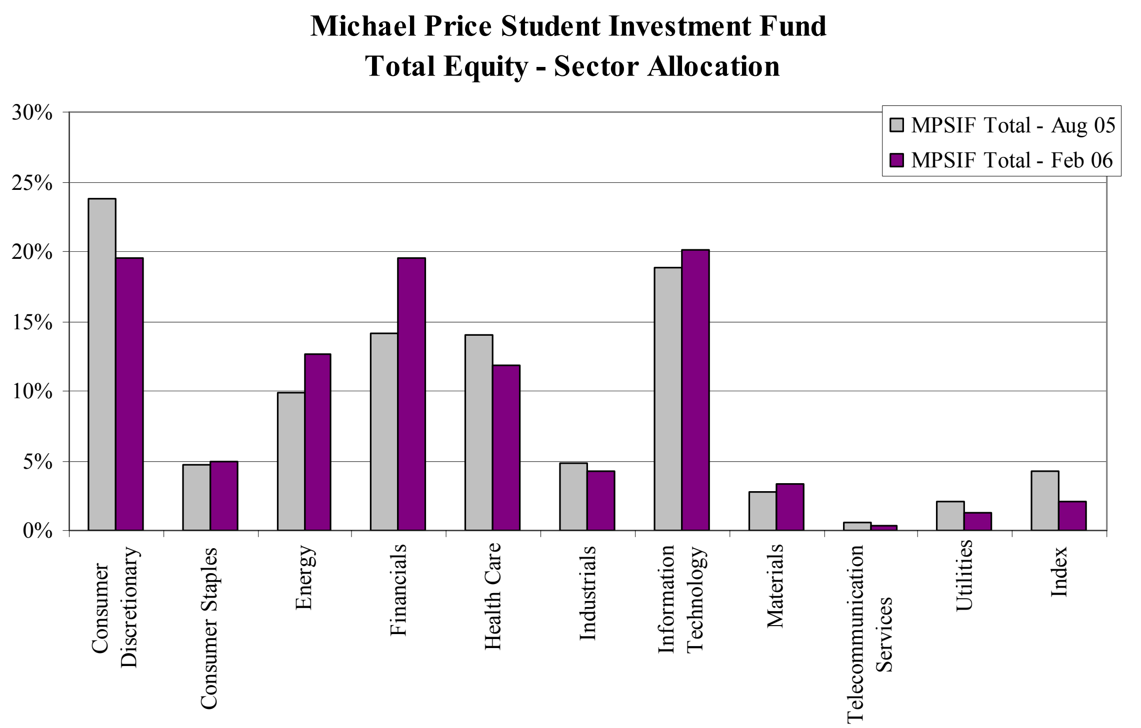
Portfolio Turnover for the Six Months Ending February 28, 2006

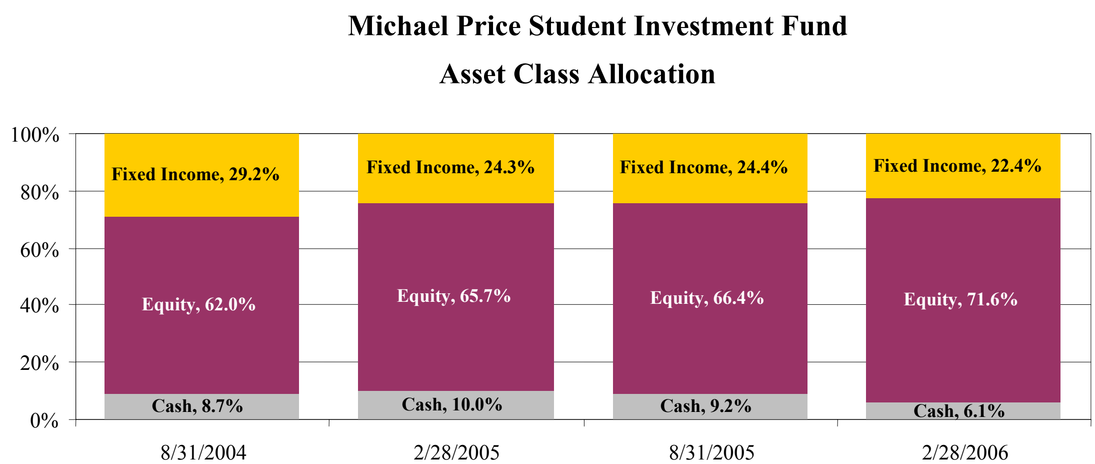
	Fixed Income Fund	Growth Fund	Small Cap Fund	Value Fund
Total Purchases	101,744	248,784	387,684	379,007
Total Sales	103,595	240,904	341,115	375,138
Minimum (Sales, Purchases)	101,744	240,904	341,115	375,138
Average Invested Assets	448,187	408,684	501,313	415,762
Turnover	23%	59%	68%	90%

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

ASSET ALLOCATION

The Funds' asset class allocation stayed fairly constant throughout the six months ended February 28, 2006. All three MPSIF equity funds have shown increases to their Financial sector allocation and decreases to their overall Consumer Discretionary holdings. This is due to both positive performance of previously held securities and an increase in stock purchases in those sectors. Changes in holdings are primarily due to a bottom-up approach, with the exception of the Value Fund, which recently mandated a top-down strategy for asset allocation.





MACROECONOMIC AND MARKET REVIEW

The performance of the equity markets was mostly favorable during the six months ended February 28, 2006. The S&P 500 Index gained 4.94% during this period. However, the Materials and Financial sectors had strong returns of 13.90% and 11.08%, respectively.

This performance took place against the backdrop of rising short-term interest rates and a favorable business and economic environment. The Federal Reserve raised its target Federal Funds rate for the 14th consecutive time, reaching 4.50% on January 31, 2006. In other Fed news, Ben Bernanke succeeded Alan Greenspan to become the 14th Chairman of the Federal Reserve.

The economy was strong during the period. GDP growth was 1.7% in the last quarter of 2005 and most analysts expect a growth rate of 4.5% in the first quarter of 2006. Corporate profits grew 16.4% in 2005, marking one of the longest expansions in record.

The Consumer Price Index (CPI), as reported through February 2006, was 3.6% (annualized). However the core rate of inflation (excluding food and energy) was only 2.1%. Energy price inflation stood at 20%, explaining the difference between the two indices. Crude oil prices remained above $60 per barrel at the end of February. The historically high price for crude oil is largely a function of growing global demand (most notably in emerging markets such as China), tight capacity and inclement weather in the summer months in several oil rich regions. High energy prices hindered sales of both commercial and consumer goods as fuel prices took a larger chunk out of discretionary budgets.

The 10-year Treasury note was under pressure during the period but its yield increased moderately. The yield started at 4.02% at the onset of the period and finished February at just 4.55%. Relatively low rates at the long end of the yield curve resulted in a flattening and slight inversion of the yield curve during the period.

FINANCIAL STATEMENTS

Michael Price Student Investment Fund Consolidated Financial Statement

	Six Months Ended 2/28/06	Twelve Months Ended 8/31/05
Investment Income		
Dividends - Fixed Income	9,010	21,930
Dividends – Growth	780	1,073
Dividends - Small Cap	2,018	3,478
Dividends – Value	3,071	7,402
Total Dividends	14,879	33,883
Interest - Fixed Income	93	168
Interest – Growth	687	1,207
Interest - Small Cap	650	591
Interest – Value	893	613
Total Interest	2,323	2,579
Investment Income - Fixed Income	9,103	22,098
Investment Income – Growth	1,467	2,280
Investment Income - Small Cap	2,668	4,069
Investment Income – Value	3,965	8,015
Total Investment Income	17,202	36,463
Expenses - Fixed Income	(977)	(1,658)
Expenses – Growth	(977)	(1,658)
Expenses - Small Cap	(1,707)	(3,500)
Expenses – Value	(1,525)	(3,110)
Total Expenses	(5,186)	(9,926)
Net Investment Income - Fixed Income	8,126	20,440
Net Investment Income - Growth	491	622
Net Investment Income - Small Cap	960	569
Net Investment Income – Value	2,440	4,905
Total Net Investment Income	12,017	26,536

Michael Price Student Investment Fund Consolidated Financial Statement, cont.

	Six Months Ended 2/28/06	Twelve Months Ended 8/31/05
Cash Flow from Operations		
Cash Balance, beginning of period - Fixed Income	4,163	5,873
Cash Balance, beginning of period - Growth	69,464	35,448
Cash Balance, beginning of period - Small Cap	47,310	79,773
Cash Balance, beginning of period - Value	50,622	31,767
Total Cash Balance, beginning of period	171,559	152,861
Total Net Investment Income	12,017	26,536
Annual 5% Distribution - Fixed Income	0	(23,880)
Annual 5% Distribution - Growth	0	(23,085)
Annual 5% Distribution – Small Cap	0	(24,640)
Annual 5% Distribution – Value	0	(24,250)
Total Annual 5% Distribution	0	(95,855)
Sales of Securities - Fixed Income	103,595	178,819
Sales of Securities - Growth	240,904	293,312
Sales of Securities - Small Cap	341,115	1,232,447
Sales of Securities - Value	375,138	696,071
Total Sales of Securities	1,060,752	2,400,650
Purchases of Securities - Fixed Income	(101,744)	(121,220)
Purchases of Securities - Growth	(248,784)	(440,569)
Purchases of Securities - Small Cap	(387,684)	(1,078,933)
Purchases of Securities - Value	(379,007)	(658,648)
Total Purchases of Securities	(1,117,219)	(2,299,370)
Net Other Adjustments - Fixed Income	(5,572)	(13,219)
Net Other Adjustments - Growth	0	(14)
Net Other Adjustments - Small Cap	0	(7)
Net Other Adjustments - Value	135	(23)
Total Net Other Adjustments *	(5,437)	(13,263)
Net Change in Cash - Fixed Income	4,405	(1,710)
Net Change in Cash - Growth	(7,389)	34,017
Net Change in Cash - Small Cap	(45,608)	(32,464)
Net Change in Cash - Value	(1,295)	18,855
Total Net Change in Cash	(49,887)	18,698
Cash Balance, end of period - Fixed Income	8,568	4,163
Cash Balance, end of period - Growth	62,076	69,464
Cash Balance, end of period - Small Cap	1,701	47,310
Cash Balance, end of period - Value	49,327	50,622
Total Cash Balance, end of period	121,673	171,559

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

MESSAGE FROM THE PORTFOLIO MANAGER

The Fixed Income Fund ("the Fund") navigated through a capricious half-year in the fixed income markets. The onset of the time period was met by the burly winds of Hurricane Katrina. Although the storm's catastrophic repercussions sent shockwaves through the financial markets, the U.S. economy continued to chug along as consumers kept the market afloat, even as the Federal Reserve continued to raise the Fed Funds rate to 4.50%.

Much of the attention on the Treasury markets was focused on the inversion of the yield curve. Despite rising commodity prices and global inflation concerns, long-term yields remain relatively low and have ultimately fallen below short-term yields. The yield curve, as measured by the spread between 2-year and 10-year yields, first inverted at the end of calendar year 2005. While an inverted yield curve usually proceeds an economic recession, most economists believe that the economy will continue to grow at a healthy clip, and point to aggressive Fed policy and low future inflation expectations as the cause of the inversion.

As we begin fiscal year 2006 we face many questions. Of utmost importance is how long will the Fed continue to raise rates, and when, if at all, we can expect an easing of rates as the Fed changes to a more accommodative policy. We also need remain wary of a shift in the reserve accumulation of Asian nations away from government debt, which may cause long-term treasury yields to rise, thereby hindering economic growth. Interest rates will also continue to play a major role in the mortgage market, as interest payments on adjustable rate mortgages become more expensive. Not only will this have a profound impact on the nation's economy, as it reduces the ability of many consumers to spend on discretionary items, but its also increases the likelihood that default rates on asset backed debt increase, marking a deterioration in the credit quality of various asset-backed and mortgage-backed securities.

Likewise, the credit markets also face ongoing challenges. After numerous downgrades in the auto sector in 2005, spreads initially widened, then stabilized and continue to remain tight from a historical perspective. Should the economy sputter or credit quality should erode, spreads run the risk of rising further. The Fund must remain vigilant in monitoring its credit exposure. Furthermore, as interest rate policy shifts to a level of neutrality and economic expansion slows, we expect to see an increase in default rates, which are coming off of previous historic lows in recent years. Finally, emerging market spreads remain at extremely low levels, as prudent fiscal policy has strengthened the credit profile of what were once considered to be volatile economies. As such, given current foreign sovereign debt holdings, the Fund is susceptible to a good deal of event risk, which can cause spreads to widen dramatically.

While the Fund continues to grow in terms of size and membership, we still face many challenges. The relatively small size of the Fund prohibited efficient execution at institutional pricing levels and the achievement of appropriate levels of diversification by investing in any particular bond issue. Therefore, the Fund continued to invest in mutual funds, in the form of open-ended funds, as well as exchange traded funds (ETFs). The primary goal of the Fund's investment team is to express specific views towards each sector, namely U.S. Treasuries, Corporates, MBS/ABS and Foreign, by shifting capital between the Fund's six holdings.

Looking forward, the Fund is anxiously awaiting changes in policy that will enable it to buy various individual bonds. The change will enable the Fund to express its views in the most accurate and cost efficient manner, and increase the learning experience of analysts as we continue to integrate the real world experience of running a fixed income fund into the classroom.

Although these changes afford analysts the opportunity to invest in individual securities that are best suited to meet investment objectives, maintaining adequate levels of due diligence and dynamic security valuation will become increasingly important in order for analysts to carry on successful management of the Fund's assets.

Sincerely

Marc Strauss, Portfolio Manager

PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
Fixed Income Fund	5/1/2002	-0.69%	0.16%	n/a	2.56%
Vanguard Total Bond Fund		-0.19%	*2.62%*	*7.65%*	2.88%

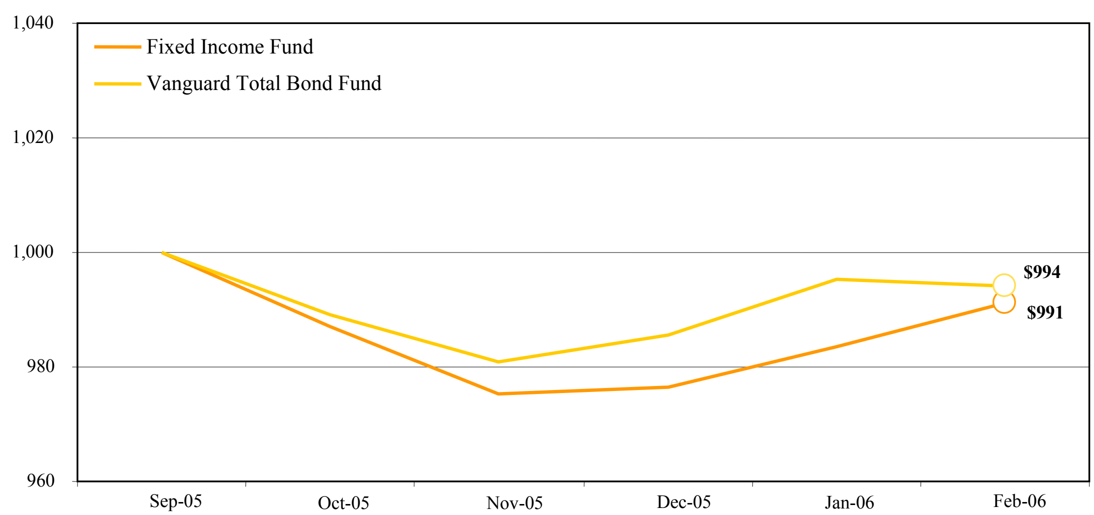
**annualized return*

For the six months ending February 28, 2006, the Fixed Income Fund had a negative net return of 69 bps, trailing its benchmark- the Vanguard Total Bond Fund- by 50 bps. However, after bottoming out in October, the fund enjoyed 4 straight months of positive returns. Thus far in 2006, the fund has returned 98 bps, 70 bps above the benchmark.

There are two key reasons for the Fund's underperformance. First, overexposure to the short end of the yield curve hurt performance as rates rose steadily throughout the year in accordance with Federal Reserve policy. Furthermore, our view that long term yields would rise resulted in the Fund's limited exposure to only the short end of the curve until recently, causing the Fund's duration to trail that of the benchmark. However, we believe our current allocation is appropriate, as an end to the Fed's tightening is on the horizon.

The Fund suffered due to an overexposure to short-term treasuries, and also failed to capitalize on strength in the MBS market. Throughout the year we maintained a view that the rising interest rate environment would cause the credit quality of mortgage holders to rapidly deteriorate, resulting in a downturn for the mortgage market. As a result, the fund remained underweight the sector, which contributed to the Fund's underperformance. Similarly, exposure to the volatile corporate credit market, while in line with the benchmark, hurt the Fund's performance, as the asset value of corporate holdings fell by 3.9%.

The Fixed Income Fund vs. The Vanguard Total Bond Fund
Performance of $1000 Investment since August 31, 2005

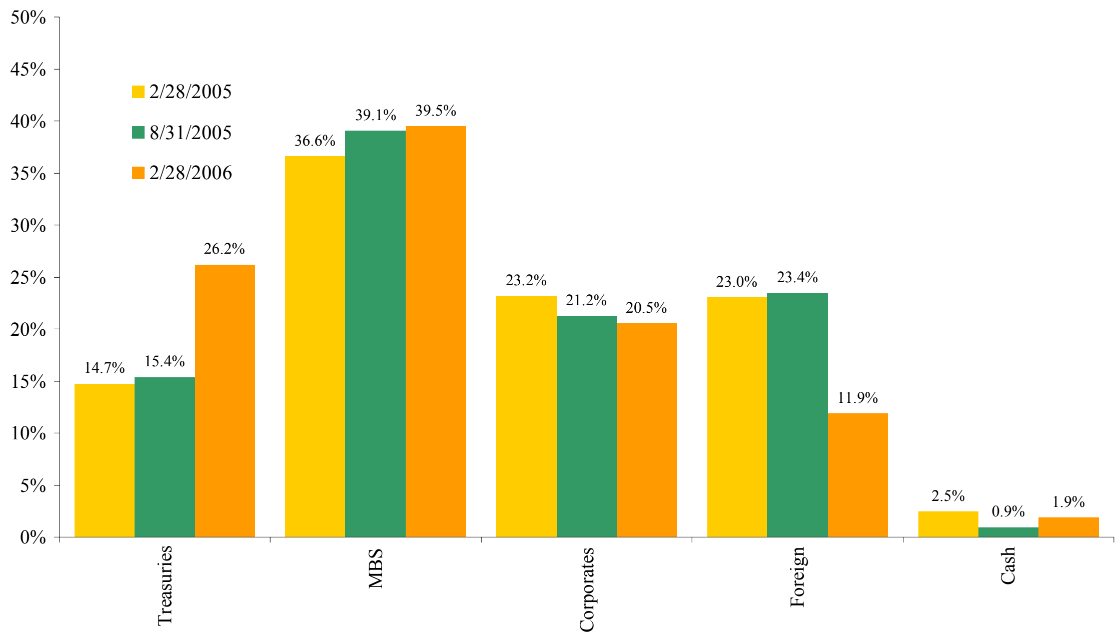


Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution.

ASSET ALLOCATION

Each of the mutual funds held serve as the investment vehicle for exposure to a particular sector. The Fund market-weights the MBS/agency and Corporate sector, under-weights Treasuries, and overweight Foreign. This is done through proportional investment in each of these retail funds. Asset allocation decisions are consistent with the view expressed in each sector's performance and outlook discussion in the following section. However, as expressed earlier, the actual allocation in each fixed income product may be different from intended sector percentages.

Sector Allocation of the Fixed Income Fund



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

FUND PROFILE

Fund Holdings as of August 31, 2005

Company	Ticker	Sector	Shares Held	Closing Price	Position Value
PIMCO Total Return Mortgage A	PMRAX	MBS	16,748	10.76	180,203
American Century International Bond Inv	BEGBX	Foreign	7,720	14.00	108,081
iShares GS $ InvesTop Corp Bond Fund	LQD	Corporates	875	111.96	97,965
iShares Lehman 1-3 Year Treasury Bond	SHY	Treasuries	875	81.10	70,963
Total Securities					457,212
Cash					4,204
Total Assets					**461,416**

Fund Holdings as of February 28, 2006

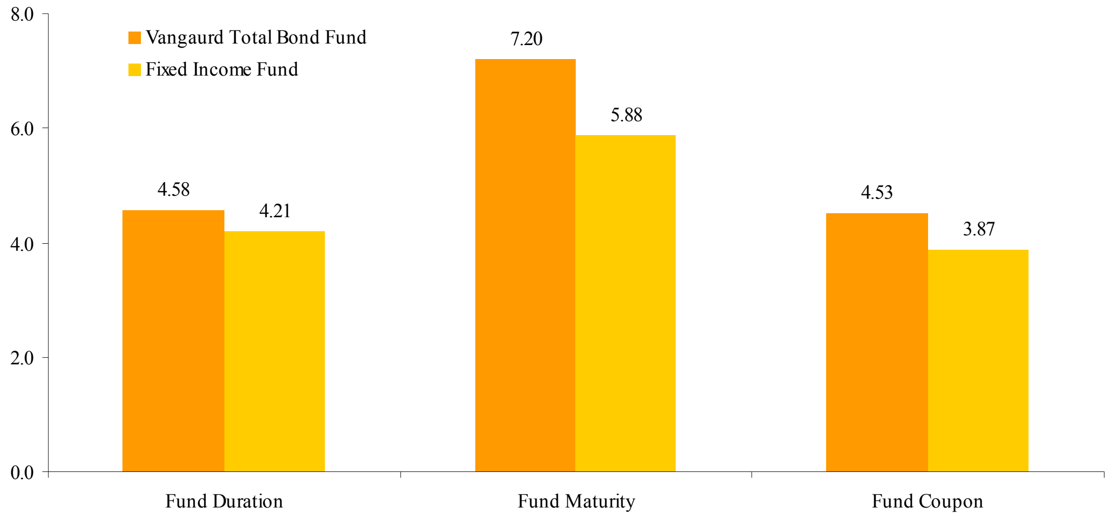
Company	Ticker	Sector	Shares Held	Closing Price	Position Value
PIMCO Total Return Mortgage A	PMRAX	MBS	17,073	10.60	180,974
iShares GS $ InvesTop Corp Bond Fund	LQD	Corporates	875	107.54	94,098
iShares Lehman 1-3 Year Treasury Bond	SHY	Treasuries	875	80.13	70,114
Templeton Global Bond Fund	TPINX	Foreign	5,124	10.62	54,417
iShares Lehman 20+ Year Treasury Bond	TLT	Treasuries	275	91.35	25,121
iShares Lehman 7-10Year Treasury Bond	IEF	Treasuries	300	82.97	24,891
Total Securities					449,614
Cash					8,608
Total Assets					**458,222**

INVESTMENT STYLE AND STRATEGY

The Fixed Income Fund seeks to outperform its benchmark, the Vanguard Total Return 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 – U.S. Treasuries, Corporate bonds and Mortgages, as well as foreign investment grade bonds. Due to its tax-exempt status, the Fund does not invest in Municipal bonds. Also the Fund does not engage in shorting, derivatives trading, or other esoteric investment strategies. Currently, the Fund does not buy individual securities. Instead, the Fund invests in other publicly traded funds to implement its sector allocation.

The Vanguard Fund is used as a benchmark, as opposed to the Lehman Brothers Aggregate Bond Index, because the Fixed Income Fund cannot take positions in specific bond issues (due to limited dollar resources and the need to maintain a diversified fixed income portfolio). We instead make sector allocation decisions and invest through established mutual fund vehicles. In reviewing our performance, which is adversely impacted by mutual fund management fees, we thus benchmark to an index whose performance is also adversely impacted by mutual fund management fees. We felt it more appropriate to benchmark to the bond mutual fund with the least tracking error to the Lehman Aggregate Bond Index, and thus chose the Vanguard Fund.

Fixed Income Fund vs. Vanguard Total Bond Fund
as of February 28, 2006



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

SECTOR REVIEW AND OUTLOOK

US Treasuries: During the six months ending February 28, 2006, the yield curve remained flat and strong demand from domestic and foreign investors for the newly reintroduced 30-year bond in February did nothing to change matters. Because the economy is back on track, the Federal Reserve, reacting to some inflation fears, may raise rates twice more before pausing. Although the calendar year started with softness in the Treasury market, we are bullish on Treasuries and recommend overweighting the index with longer duration positions through ETFs such as IEF and TLT.

Mortgage-Backed Securities (MBS): With mortgage rates forecasted to rise to as much as 6.40% by the fourth quarter of 2006, slower growth in the housing market is expected. Higher rates will slow prepayments and curb home price appreciation, creating potential credit challenges ahead. AAA MBS spreads may widen by June and we may take a slightly underweight position with respect to the index**.**

Corporate Bonds: Against all expectations, corporate spreads have continued to tighten as investors seek out higher yields. Strong demand has also enabled managers to become increasingly shareholder friendly, returning cash through buybacks and dividends. S&P believes investment grade spreads should be about 140 bps and high yield spreads should be about 415 bps, indicating that investors may not be adequately compensated for risk. In terms of business fundamentals, competition from China and India has challenged many U.S. companies and industries.

Foreign**:** The dollar has continued to strengthen against the Euro and Yen as foreign funds poured into the U.S. on the strength of Fed rate increases and a widening spread between respective interest rates. While the Fed raised interest rates eight times in 2005 alone (to 4.25%), the European Central Bank raised rates once in December (to 2.25%). Meanwhile, Japan kept rates at zero. For 2006, we are somewhat bearish on the dollar. If the Fed stops tightening rates while the ECB and BOJ start tightening, the interest rate differentials could turn against the US. A shrinking interest rate differential coupled with an ever growing current account deficit could spell trouble for the dollar. Nevertheless, we may seek to bring our overweight position in the foreign sector closer to the benchmark.

MESSAGE FROM THE CO-PORTFOLIO MANAGERS

The Growth Fund ("the Fund") exhibited solid performance through the six months ended February 28, 2006. The Fund returned 8.75% compared to 5.10% for the Russell 1000 Growth benchmark, outperforming the index by 365 bps over this time period.

The time period began in the wake of Hurricanes Katrina and Rita and amid concerns about their after-effects on GDP growth, inflation, and the Federal Reserve's interest rate policy. Oil was trading near $70/barrel, and economists expected energy costs to seep into core CPI. These events factored into the Fund's decision to overweight energy and reduce exposure to consumer discretionary names in the mid to late part of 2005.

The Growth Fund continues to be weighted towards the energy, healthcare and technology sectors. Several of the Fund's energy and healthcare companies outperformed the benchmark as many of these growth story plays became fully realized. In line with the Fund's investment philosophy, profits from these stocks continue to be taken as companies become fully valued. The investment style of favoring mid to large-capitalization stocks worked for the portfolio at the end of calendar year 2005 as mid to large-capitalization stocks outperformed small-cap stocks.

Regardless of the fluctuations in the equity markets, the Fund steadfastly maintains its investment philosophy of pursuing growth opportunities that are characterized in the following ways: companies which are pioneering a new product or service that will see dramatic future demand, altering pre-established norms in a static industry and gaining significant market share or companies which are applying their business model to new regions or leading in an industry that is experiencing high levels of growth.

Finally, the Fund would like to thank Michael Price for his generous gift to the Stern School of Business. MPSIF has provided invaluable hands-on experience to students who are eager to apply theory from more traditional classes as they prepare for successful careers in investment management.

Sincerely,

Nelson Shim and Rafael Tejada, Co-Portfolio Managers

PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
Growth Fund	3/1/2000	8.75%	6.05%	-1.44%	-2.63%
Russell 1000 Growth Index		5.10%	*9.47%*	*-0.94%*	*-6.77%*

**annualized return*

The Fund outperformed the Russell 1000 Growth Index by 365 basis points for the six months ending February 28, 2006, posting an absolute return of 8.75% (versus 5.10% for the Index).

Contributing to the Fund's positive performance were significant gains from Deckers Outdoor Corporation (+51%), RightNow Technologies, Inc. (+39%), Telik (34%), Weatherford International Ltd. (+34%) and GFI Group Inc. (+33%). Deckers Outdoor Corporation steadily increased revenue by increasing sales of its popular Ugg Brand and beat earnings estimates by 7% and 42% in September and December of 2005, respectively. The strong management team at Rightnow Technologies has leveraged its superior On-Demand CRM business model in tandem with the nimbleness characteristic of a smaller player to take advantage of the "CRM Vacuum" created by Oracle's acquisition of Siebel. This resulted in the company beating its earnings estimates by 75% and 12% in September and December 2005, respectively. Telik's strong performance is mainly due to strong biotech tape across the board in the latter part of the year, as well as the increased expectations associated with Telik's three ASSIST clinical trial results for ovarian and non small-cell lung cancer that are to be announced within the next few months. Weatherford International's price appreciated due to the continued demand for oil and oil services. Lastly, through strong management, GFI Group continued their momentum by posting respectful earnings and strong forecasts.

The Fund's successful investments, included Varian Medical Systems (+178%), Amgen (+38%), IRIS International (+25%) and Onyx Pharmaceuticals (+25%), where returns were calculated from purchase date to sale date. These position were sold once the companies reached their price targets and analysts concluded that continued growth prospects were diminished.

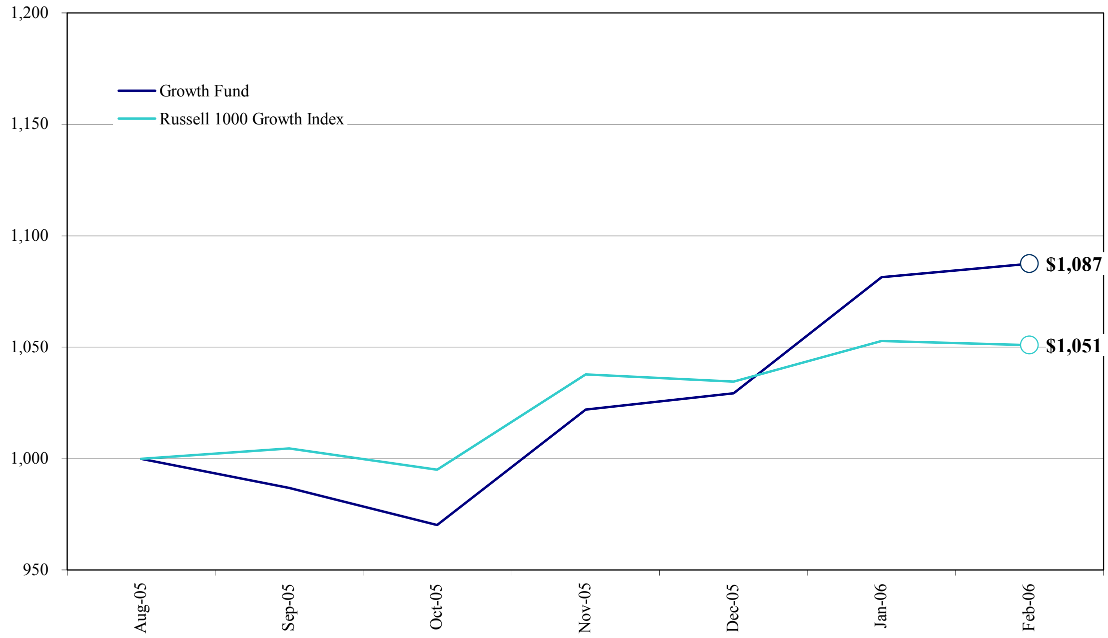
The Growth Fund also had its share of disappointments. These include XM Satellite Radio Holdings (-37%), Tempur-Pedic International (-27%), NGAS Resources (21%), and Dell (-18%). XM Satellite Radio had a disagreement of management as one director left over differences in future strategy. XM Satellite Radio has not generated positive cash flow yet and some feel that the company should take strides to attain that goal sooner than later. Shares of Tempur-Pedic plummeted in mid-September 2005 after the company issued updated guidance for the third quarter and full year 2005 indicating lower than previously expected net sales and earnings per share. Despite the success of most energy based companies, NGAS Resources missed earnings by 75% and 40% in September and December 2005, respectively, mainly due to a failure to increase its revenues. Dell Inc. had better than expected 4Q earnings, but its guidance indicated slower revenue growth than expected. In addition, Dell lost a portion of a significant contract with Phillips.

The Fund cut its losses on Martek Biosciences Group (-51%), FARO Technologies (-39%), and Corinthian Colleges (-24%) as analysts reevaluated the companies' growth prospects and decided to free up those funds to allocate elsewhere.

PERFORMANCE *as of February 28, 2006*

The Fund maintains a strict sell discipline based on target prices derived from both DCF and relative valuations that are set by the covering analyst. These targets are set at initial purchase and revised as necessary while the position is held. The Fund turned over 48% of the portfolio during the six months ended February 28, 2006, as profits were taken from successful investments and losses were cut on those less successful. At the half-year end, the Fund had over $62,075 in cash, which will be actively invested as the team of analysts work diligently to find new opportunities.

The Growth Fund vs. The Russell 1000 Growth Index
Performance of $1000 Investment since August 31, 2005



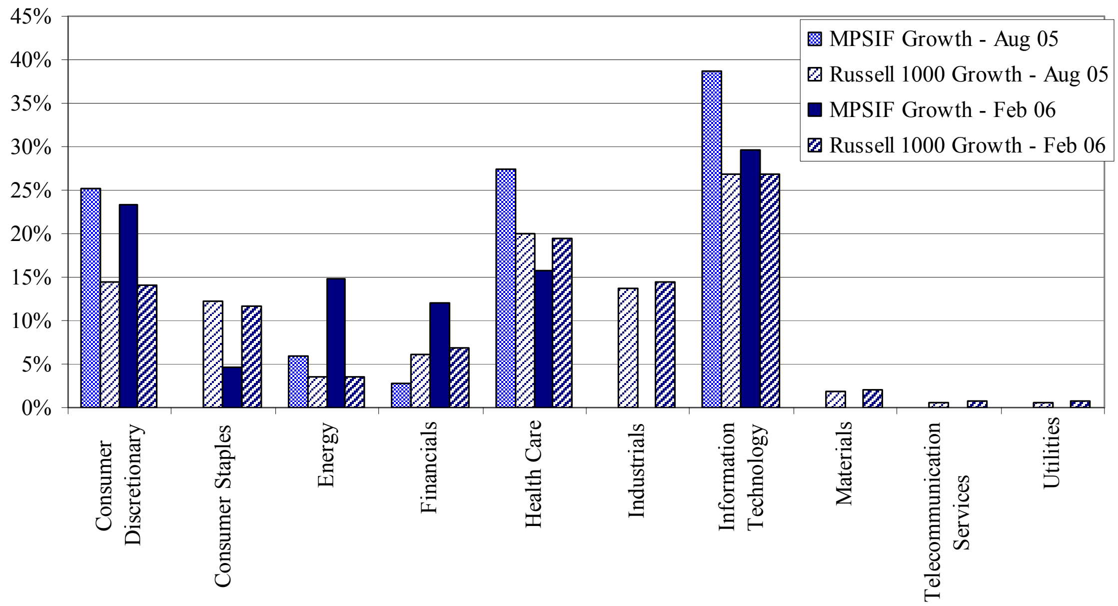
Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution.

ASSET ALLOCATION

Exposure to Energy stocks increased from 6% to 15% over the past sixth months, taking advantage of soaring oil prices. The Fund owes much of its gains over the period to this sector bet, which outperformed the benchmark. The Growth fund continues to overweight the Consumer Discretionary sector in order to profit from growing consumption in the American economy. As such, sector allocation contributed to the success of the Fund. In addition, Information Technology remained a strong presence. The Growth Fund continues to shy away from the Industrials sector and has begun to increase its Financial sector holdings.

Cash holdings increased to 13% as the Fund realized gains, cut losses on some of its holdings and sold shares in the Russell 1000 Index (via iShares).

The Growth Fund - Sector Allocation



FUND PROFILE

Fund Holdings as of August 31, 2005

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Amgen, Inc.	AMGN	Health Care	325	79.90	25,967.50	7.01%
Activision, Inc.	ATVI	Information Technology	642	22.35	14,348.70	3.87%
BYD CO LTD H SHS	BYDDF	Industrials	3,355	1.78	5,978.61	1.61%
Corinthian Colleges, Inc.	COCO	Consumer Discretionary	1,241	12.68	15,735.88	4.25%
Cisco Systems, Inc.	CSCO	Information Technology	1,157	17.62	20,386.34	5.50%
Cytyc Corporation	CYTC	Health Care	465	24.95	11,601.75	3.13%
Deckers Outdoor Corporation	DECK	Consumer Discretionary	287	23.30	6,687.10	1.81%
Dell Inc.	DELL	Information Technology	565	35.60	20,114.00	5.43%
FARO Technologies, Inc.	FARO	Information Technology	769	20.66	15,887.54	4.29%
First Data Corporation	FDC	Information Technology	501	41.55	20,816.55	5.62%
Harley-Davidson, Inc.	HDI	Consumer Discretionary	330	49.26	16,255.80	4.39%
Starwood Hotels & Resorts Worldwide, Inc	HOT	Consumer Discretionary	350	58.30	20,405.00	5.51%
Jabil Circuit, Inc.	JBL	Information Technology	749	29.44	22,050.56	5.95%
MBNA Corporation	KRB	Financials	399	25.20	10,054.80	2.71%
Martek Biosciences Corp.	MATK	Health Care	346	51.00	17,646.00	4.76%
Medtronic, Inc.	MDT	Health Care	383	57.00	21,831.00	5.89%
Transocean Inc.	RIG	Utilities	367	59.04	21,667.68	5.85%
RightNow Technologies	RNOW	Information Technology	1,680	11.53	19,370.40	5.23%
SINA Corporation	SINA	Information Technology	285	28.75	8,193.75	2.21%
Tempur-Pedic International Inc.	TPX	Consumer Discretionary	1,050	16.07	16,873.50	4.55%
Varian Medical Systems, Inc.	VAR	Health Care	567	39.82	22,577.94	6.09%
XM Satellite Radio Holdings Inc.	XMSR	Information Technology	454	35.25	16,003.50	4.32%
Total Equities					370,453.90	84.21%
Cash					69,464.13	15.79%
Total Assets					**439,918.03**	**100.00%**

Fund Holdings as of February 28, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Amgen, Inc.	AMGN	Health Care	120	75.48	9,057.60	2.18%
Advance America, Cash Advance Centers	AEA	Financials	1,600	13.91	22,256.00	4.65%
Benchmark Electronics, Inc.	BHE	Information Technology	654	35.22	23,033.88	4.81%
BYD CO LTD H SHS	BYDDF	Industrials	3,355	2.00	6,724.09	1.41%
Cisco Systems, Inc.	CSCO	Information Technology	1,157	20.24	23,417.68	4.90%
Deckers Outdoor Corporation	DECK	Consumer Discretionary	287	33.90	9,729.30	2.03%
Dell Inc.	DELL	Information Technology	565	29.00	16,385.00	3.42%
ITT Educational Services	ESI	Consumer Discretionary	317	62.00	19,654.00	4.11%
First Data Corporation	FDC	Information Technology	501	45.13	22,610.13	4.73%
GFI Group Inc.	GFIG	Financials	448	60.06	26,906.88	5.62%
Starwood Hotels & Resorts Worldwide, Inc	HOT	Consumer Discretionary	350	63.50	22,225.00	4.65%
MGi Pharma, Inc.	MOGN	Health Care	944	17.63	16,642.72	3.48%
Medicis Pharmaceutical Corporation	MRX	Health Care	330	28.44	9,385.20	1.96%
Maxim Integrated Products Inc.	MXIM	Information Technology	558	39.09	21,812.22	4.56%
NGAS Resources, Inc.	NGAS	Energy	765	9.15	6,999.75	1.46%
PETsMART, Inc.	PETM	Consumer Discretionary	825	25.96	21,417.00	4.48%
Transocean Inc.	RIG	Energy	367	74.18	27,224.06	5.69%
RightNow Technologies	RNOW	Information Technology	840	16.49	13,851.60	2.90%
Telik, Inc.	TELK	Health Care	1,312	22.12	29,021.44	6.07%
Tempur-Pedic International Inc.	TPX	Consumer Discretionary	1,050	11.80	12,390.00	2.59%
XM Satellite Radio Holdings Inc.	XMSR	Information Technology	454	22.09	10,028.86	2.10%
Walgreen Company	WAG	Consumer Staples	431	44.86	19,334.66	4.04%
Weatherford International LTD.	WFT	Energy	608	43.12	26,216.96	5.48%
Total Equities					416,324.03	87.0%
Total Cash					62,075.13	13.0%
Total Assets					**478,399.16**	

INVESTMENT STYLE AND STRATEGY

The goal of the Growth Fund is to identify and take advantage of opportunities that represent significant growth opportunities. These growth opportunities may be a function of a unique business model or occupying a strong competitive position in a rapidly growing industry. We believe that a company that has these characteristics can achieve abnormally high (over 15% over the next five years) earnings growth and in turn stock price appreciation. The goal of the Fund is to identify these opportunities and capitalize on them. However, we also firmly believe in not overpaying for these growth prospects. These growth opportunities can be uncovered by finding companies that are pioneering a new product or service that will see dramatic future demand. We also try to find companies that may be altering pre-established norms in a static industry and are gaining significant market share. Additionally, these companies could be applying their business model to new regions. Companies could simply be a leader in an industry that is experiencing high levels of growth. Our goal is to identify these opportunities and to determine which of these opportunities are attractively priced.

The ***objective*** is to achieve returns above those of the Russell 1000 Growth Index and to achieve an absolute return in accordance with our positioning as a portion of a university endowment.

Investment Process: a Growth Fund analyst begins the investment process by asking a qualitative question, "What is the catalyst for growth?" Once the analyst defines this universe, a quantitative analysis will be applied. The analyst begins with balance sheet analysis, revenue and earnings trends. The analyst will examine relative valuations and then finally performs a fundamental analysis of the company. Analysts in the Growth Fund take a holistic approach to investing. We examine a company’s strategy, competition, management, industry and marketing to fully understand its catalysts for growth. After the analyst finishes his/her assessment, he/she presents the stock to the class. The class analyzes the data and the cash flow model and debates the merits of the stock. After this rigorous process, the group decides whether to purchase the stock.

Sell Discipline: We will consider reducing our exposure to a specific stock when:

- 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 the Fund's analysts.
- The company publishes negative earnings announcements that affect the company’s long-term outlook.
- Unfavorable changes in management.
- Changes in the Fund’s overall economic outlook dictate a re-weighting of sector allocations.

Why Growth Stocks?

- Growth companies, by definition, are the fastest growing companies in the economy. Management believes that earnings growth is the principal factor determining common stock prices over time.
- Thus, we believe investing in the fastest growing companies that are not currently overpriced should lead to realization of potentially superior long term investment returns.
- The fastest growing companies also tend to be the most adaptable and dynamic companies within the economy. We believe these qualities should also lead to potentially superior returns for investors over the long term. Growth investing has especially outperformed other strategies when the overall growth rate of the market is positive.

MESSAGE FROM THE CO-PORTFOLIO MANAGERS

Over the six month period ending February 28, 2006, the Small Cap Fund ("the Fund") outperformed its benchmark index, the Russell 2000 index. The Fund achieved a total return of 15.7%, against a benchmarked total return of 10.24% over the same six month period. With the exception of January, the Fund outperformed the benchmark by 92 bps each month during this period, on average. The Fund has outperformed the Russell 2000 by 934 bps annually, since inception.

Consumer and financials holdings contributed to the Fund's performance. The Small Cap team identified a number of companies that provided 25-percent-plus upside during the period, including Ruby Tuesday (RI), National Financial Partners (NFP), Life Time Fitness (LTM) and New Century Financial Corp (NEW).

Performance detractors were the Fund's healthcare holdings – MGI Pharma (MOGN) and Amedysis Incorporated (AMED) declined 35% and 18% respectively during the period. After a small recovery for both stocks, positions in those securities were liquidated, as further upward momentum was not expected.

The portfolio performed strongly over the six-month period, with consistently good and stable returns (except in October 2005, when it exhibited a return of -2.58% vis-à-vis Russell 2000's return of -3.17%). We would like to mention here that the average monthly return for the Fund during this period was 2.54% with a standard deviation of 3.94%, which compares favorably with Russell 2000's average monthly return of 1.62% and standard deviation of 4.02%. The Fund's portfolio underperformed the benchmark only in one month, January 2006, when return was 7.37% versus Russell 2000's return of 8.91%.

Small Cap Fund continues to focus upon stock selection and identifying small-cap companies with strong fundamental prospects that are being ignored by the market. Despite the usual Cassandras speaking against the Small Cap these days, the Fund believes that the small-cap market will continue to provide investment opportunities in 2006 and is optimistic about its analysts' abilities to ferret out real "value" and "growth" stories consistently.

Sincerely,

Lei Mu and Shivanker Saxena, Co-Portfolio Managers

PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
Small Capitalization Fund	3/1/2000	15.70%	28.22%	15.82%	14.66%
Russell 2000 Index		*10.24%*	*16.59%*	*10.42%*	*5.32%*

**annualized return*

The Small Cap Fund's performance can primarily be attributed to stock selection. In particular there are two attributes that describe the stocks in the portfolio. Most stocks are cheap relative to their peers and cheap on a discounted cash flow basis. Second, most holdings tend to have a short-term catalyst that will drive the price higher.

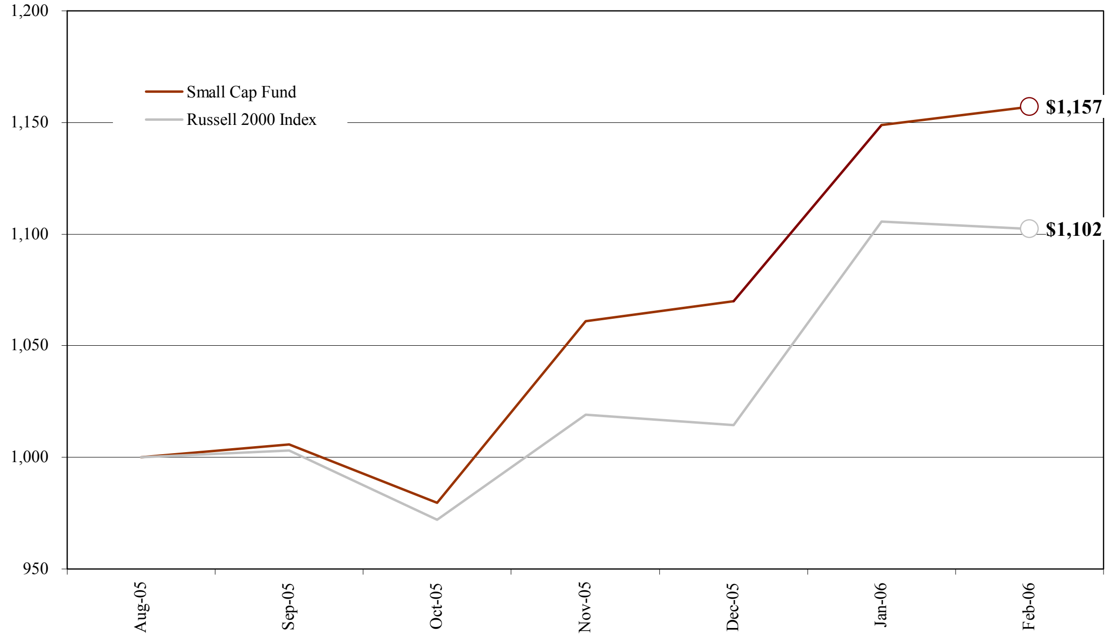
The strongest contribution during the semi-annual period came from Diodes Incorporated (DIOD), with a realized gain of 60% in four months. DIOD is a discrete semiconductor component maker that has completed a successful transition from a pure-play distributor to a vertically integrated developer and manufacturer. Increasing R&D expenses and high investment efficiency that DIODS has demonstrated are convincing growth drivers that are taking share away from competitors. In addition, MIPS Technologies, Inc. (MIPS), another semiconductor company, gained 45% within five months after the security was purchased in October 2005. The Fund's analysts felt investors were distracted by negative earning calls; however, the company's fundamentals – industry transition to System-on-a-Chip design process, booming shipment of digital audio/video devices, and the company's cutting edge product offerings - remained attractive.

The Small Cap Fund's discipline of selling securities that have reached their price targets or where the underlying investment thesis has changed has contributed to the Fund's turnover rate of 68%. Several securities were bought and sold during the six months ended February 28, 2006. A notable example is the above-mentioned MIPS, which was purchased in October and reduced to half of its position in January for a remarkable 52.6% gain. Another position turned over quickly was Furniture Brands International, which was purchased in October and sold in January for a gain of 30.5%. Lastly, New Century Financial which was purchased in October and reduced to half its position in December for a 20.0% gain. These positions with short holding periods were all profitable. Overall, the high turnover has contributed positively to the Fund's performance by allowing the Fund to capture short-term gains driven by catalysts and to exploit the market's overreaction to good or bad news.

The Small Cap Fund outperformed its benchmark Russell 2000 Index by 5.46% during the six months ended February 28, 2006. The Fund achieved a total return of 15.70% over the six-month period. The Russell 2000, its benchmark index, had a total return of 10.24% over the same timeframe.

PERFORMANCE *as of February 28, 2006*

The Small Cap Fund vs. The Russell 2000 Index
Performance of $1000 Investment since August 31, 2005



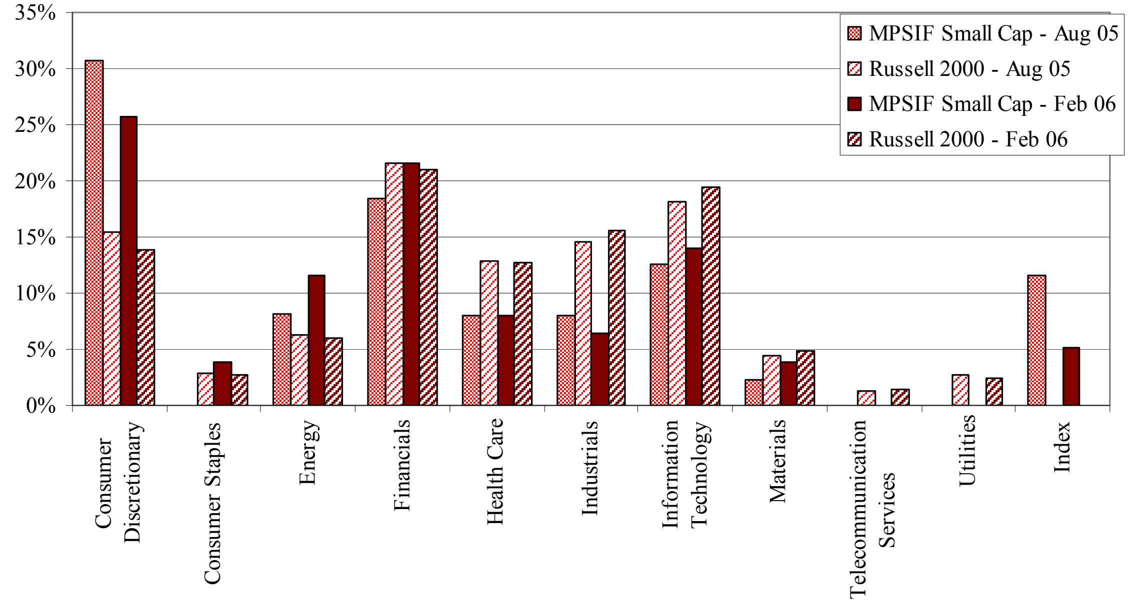
Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution.

ASSET ALLOCATION

Due to the Fund's bottom up approach to analyzing potential investments and to its committee structure, asset allocation can vary significantly. Also, the Fund's use of price targets and bias toward value contributes to turnover, which in turn leads to significant changes in sector allocation. The Fund's small number of holdings means that diversification is difficult to maintain across sectors and within the sector. During the six months ending February 28, 2006, we added stocks in the Consumer Staples and the Materials sectors, which consisted of a restaurant chain, a natural gas and crude oil production firm, and a supplier of heavy building materials. In addition, the increased allocation in the Information Technology sector was due to the stellar performance from the two stocks (MIPS and DIOD) in the sector.

Below is asset allocation at the ending of FY06, and the mid-point of FY06. Please note that the Fund does not maintain specific guidelines regarding asset allocation among sectors.

The Small Cap Fund - Sector Allocation



FUND PROFILE

Fund Holdings as of August 31, 2005

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
ADVO, Inc.	AD	Consumer Discretionary	780	32.74	25,537	5.6%
Assured Guaranty Ltd.	AGO	Financials	1,200	22.40	26,880	5.9%
Amedisys, Inc.	AMED	Health Care	330	39.12	12,910	2.8%
Comstock Resources, Inc.	CRK	Energy	700	29.10	20,370	4.4%
Capital Sources Inc	CSE	Financials	870	19.80	17,226	3.8%
EGL, Inc.	EAGL	Industrials	865	25.09	21,703	4.7%
Globecomm Systems, Inc.	GCOM	Information Technology	2,205	6.43	14,178	3.1%
Kenneth Cole Productions	KCP	Consumer Discretionary	690	28.65	19,769	4.3%
Life Time Fitness, Inc.	LTM	Consumer Discretionary	1,162	33.50	38,927	8.5%
LKQ Corporation	LKQX	Industrials	1,250	31.28	39,100	8.5%
MGi Pharma, Inc.	MOGN	Health Care	877	26.96	23,644	5.2%
National Financial Partners Corp.	NFP	Financials	512	43.90	22,477	4.9%
Open Solutions Inc.	OPEN	Information Technology	1,285	22.58	29,015	6.3%
PHH Corporation	PHH	Financials	500	30.24	15,120	3.3%
ProCentury Corporation	PROS	Financials	1,800	10.00	18,000	3.9%
Radware Ltd.	RDWR	Information Technology	900	16.34	14,706	3.2%
RARE Hospitality International, Inc.	RARE	Consumer Discretionary	650	26.74	17,381	3.8%
Gibraltar Industries, Inc.	ROCK	Industrials	500	21.42	10,710	2.3%
Tsakos Energy Navigation Ltd.	TNP	Energy	440	38.78	17,063	3.7%
iShares Russell 2000 Index	IWM	Index	800	66.53	53,224	11.6%
Total Equities					457,940	90.6%
Total Cash					47,310	9.4%
Total Assets					**505,250**	**100.0%**

Fund Holdings as of February 28, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Assured Guaranty Ltd.	AGO	Financials	1,200	26.40	31,680	5.4%
Amedisys, Inc.	AMED	Health Care	330	32.18	10,619	1.8%
Aeropostale, Inc.	ARO	Consumer Discretionary	825	28.69	23,669	4.1%
American Science & Engineering, Inc.	ASEI	Information Technology	300	76.09	22,827	3.9%
American Axle & Mfg	AXL	Industrials	1,170	16.22	18,977	3.3%
Bill Barrett Corp.	BBG	Materials	500	33.12	16,560	2.8%
Seacor Holdings, Inc.	CKH	Energy	280	72.97	20,432	3.5%
Comstock Resources, Inc.	CRK	Energy	700	28.10	19,670	3.4%
Diodes, Inc.	DIOD	Information Technology	840	37.78	31,735	5.4%
Life Time Fitness, Inc.	LTM	Consumer Discretionary	1,162	41.96	48,758	8.4%
MIPS Technologies, Inc.	MIPS	Information Technology	1,750	8.40	14,700	2.5%
MGi Pharma, Inc.	MOGN	Health Care	877	17.63	15,462	2.7%
New Century Financial Corp. (REIT)	NEW	Financials	320	38.75	12,400	2.1%
National Financial Partners Corp.	NFP	Financials	512	58.85	30,131	5.2%
Open Solutions Inc.	OPEN	Information Technology	1,285	27.15	34,888	6.0%
P&F Industries, Inc.	PFIN	Industrials	800	12.85	10,280	1.8%
PHH Corporation	PHH	Financials	500	28.59	14,295	2.5%
ProCentury Corporation	PROS	Financials	1,800	12.34	22,212	3.8%
RARE Hospitality International, Inc.	RARE	Consumer Discretionary	650	32.00	20,800	3.6%
Ruby Tuesday, Inc.	RI	Consumer Staples	950	28.55	27,123	4.7%
Rural / Metro Corp.	RURL	Health Care	2,350	8.62	20,257	3.5%
Tsakos Energy Navigation Ltd.	TNP	Energy	300	35.95	10,785	1.9%
Texas Industries, Inc.	TXI	Materials	375	60.66	22,748	3.9%
WD-40 Company	WDFC	Industrials	740	30.53	22,592	3.9%
iShares Russell 2000 Index	IWM	Index	410	72.58	29,758	5.1%
Vanguard Small-Cap Viper	VB	Index	460	64.21	29,537	5.1%
Total Equities					582,893	99.7%
Total Cash					1,701	0.3%
Total Assets					**584,595**	**100.0%**

INVESTMENT STYLE AND STRATEGY

The objective of the Small Cap Fund is to achieve a total return in excess of the Russell 2000 Index through both capital appreciation and dividends. As an endowment fund, a longer-term goal is to ensure positive returns in excess of the mandated yearly five percent distribution rate plus the annual rate of inflation.

The Fund will be invested exclusively in Unites States traded equities, primarily with market capitalizations of less than $2 billion or the equivalent of the largest stock in the Russell 2000 Index. While the Fund does not have an explicit bias toward "growth" or "value" investing, the substantial use of discounted cash flow analysis as a valuation tool may bias our portfolio slightly toward a price-to-earnings ratio lower than that of the Russell benchmark.

The Small Cap Fund is intended to be a concentrated portfolio of 20 to 25 positions, with a standard position size of $20,000. Security selection is driven by bottom-up fundamental research in conjunction with the team's overall sector and economic views. While the Fund is not bound to strict sector guidelines, it is the aim of the Portfolio Managers to be continually aware of the portfolio's sector weights versus those of the benchmark; the Fund may elect to overweight or underweight specific sectors as appropriate.

Historically, the Fund is less actively managed during the winter break (January 2006), as most analysts are away from the desk. To offset the risk inherent in passive management, the Portfolio Managers completed a thorough review of the Fund's holdings in December 2005 and scaled back on investments that displayed large amounts of volatility. As the session has progressed, the Portfolio Managers, in consultation with the coverage analysts, have made the decision to institute stop loss orders and sell recommendations for number of stocks that have either consistently declined in value or have achieved or exceeded the recommended target price. The excess cash has been placed into two exchange traded funds, IWM (Russell 2000 iShares) and VB (Vanguard Small Cap VIPERs), in an effort to better position the portfolio. The sale of a number of both short-term and long-term holdings left the portfolio with a position of 10.4% in cash, Russell 2000 iShares and Vanguard Small Cap VIPERS, as of February 28, 2006. We have been aggressively identifying new investment opportunities to reduce this cash position.

MESSAGE FROM THE CO-PORTFOLIO MANAGERS

For the six months ended February 28, 2006, the Value Fund ("the Fund") returned 5.13% versus 7.33% for the benchmark Russell 1000 Value Index. The 2.19% underperformance was primarily due to cash drag and a couple of blowups. U.S. stocks showed robust returns. However, the story is one of two distinct phases - the fourth quarter of 2005 showed limited returns across the market, while the first quarter of 2006 performed more strongly. The growth was also not consistent across all stocks. Small caps outperformed large caps particularly in the later half of this period. The Russell 1000 Value Index outpaced its growth counterpart by 103 bps in this period while the Russell 2000 Value Index outpaced our larger cap fund benchmark by nearly 700 bps! The average P/E ratio across the U.S. equity markets is currently about 17.8x (Russell 1000 Value at 15x). This is well below the frothy figures of the late 1990s, but still not cheap by historical averages. Thus the broader market remains vulnerable to an economic downturn.

In the Spring semester the Fund implemented a change in strategy. A commitment was made to increase the investment discipline of the Fund. The Fund moved to a top down portfolio allocation strategy from the previous bottom up stock picking approach. Once attractive sectors are identified, stocks are then screened so the Fund can reach targeted sector allocations. A heavy priority is given to stocks within the Russell Value 1000 index, and the Fund aims to avoid smaller stocks (less than $1Billion market cap). The Fund is also moving to a target portfolio of around 30 stocks from the current 15-20 positions. The greater number of stocks will reduce the effects of blowups as well as enable our sector allocation strategy to reach targeted allocations. The Fund incorporated ETFs in its strategy to reduce cash drag. The ETFs will be replaced when new opportunities are identified. A further operational enhancement was implemented in the last six months, with a strict policy of stop loss levels for all holdings. The Fund was hit by the poor performance of a number of holdings (most recently Boston Communication and Sanderson Farms), and a forced sale at the floor price would have insulated us from much of these losses. At this time, the Fund is aiming to be overweight Consumer Staples, Energy, Healthcare and Information Technology, and to be underweight Financials and Utilities.

While the Fund has been hurt by a small number of poor investments, we feel that the additional discipline added to the investment policies of the Fund will allow us to meet our three strategic goals: returning solid absolute returns, outperforming the Russell 1000 Value Index, and being a true Value-based large cap investment fund.

Finally, we would like to thank the enthusiastic and skillful student members of our Team.

Sincerely,

Chao Mui and Ben Macdonald, Co-Portfolio Managers

PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
Value Fund	3/1/2000	5.13%	5.11%	4.30%	6.51%
Russell 1000 Value Index		*7.33%*	*10.26%*	*6.73%*	*8.32%*

**annualized return*

For the six months ending February 28, 2006, the Value Fund returned 5.13%, gaining $23,889 in total assets. The Value Fund underperformed the Russell 1000 Value Index by 2.19% for the first half of FY 2006, most noticeably in September (-1.60%).

The Fund's best performer and the largest contributor to the overall performance for the period was Seagate Technology (STX). Purchased on November 2, STX appreciated almost 79% and is now the single largest stock position in the Fund. Freescale Semiconductor continued its strong performance through February, gaining an additional 12.6% return.

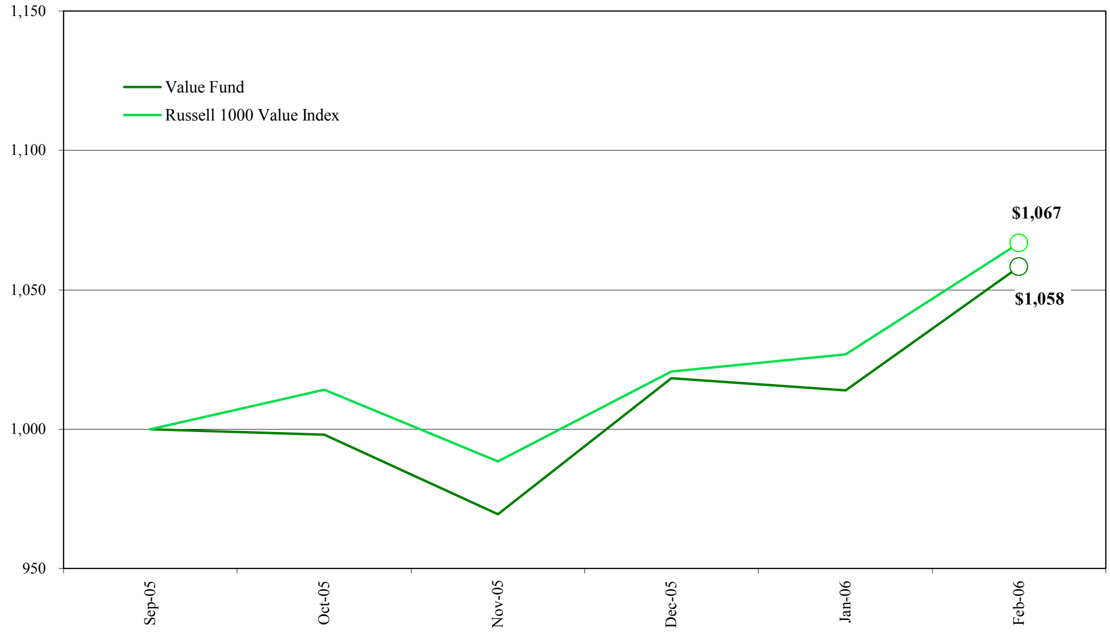
Sanderson Farms, Inc. (SAFM) has hurt performance steadily since the Fund took a position on October 13, 2005. Through February 28, SAFM is down approximately 36% and remains our largest unrealized loss. Positions suffering major losses in the previous year failed to yield positive returns. Helen of Troy Ltd (HELE) and Boston Communications Group, Inc. (BCGI) continued to stumble depreciating about 12% and 10%, respectively. Lear Corporation (LEA) fell an additional 22% before the Fund sold out of its position.

In Energy sector, Pogo Producing Company (PPP) gave back most gains earned in the previous year, depreciating almost 11% in the first half of FY 2006. The Fund chose to eliminate holdings in both Petrokazakhstan Inc. (PKZ) and PG&E Corp (PCG). The remainder of the PKZ position was sold after flat performance in two weeks in FY 2006, while PCG was sold following a 4% loss in the period. Two new holdings in the sector, Apache Corporation (APA) and Cimarex Energy Co. (XEC) had offsetting performance of +3.8% and -2.7%, respectively.

The Value Fund's performance throughout the year is detailed in the following chart and tables.

PERFORMANCE *as of February 28, 2006*

The Value Fund vs. the Russell 1000 Value Index
Performance of $1000 Investment since August 31, 2005

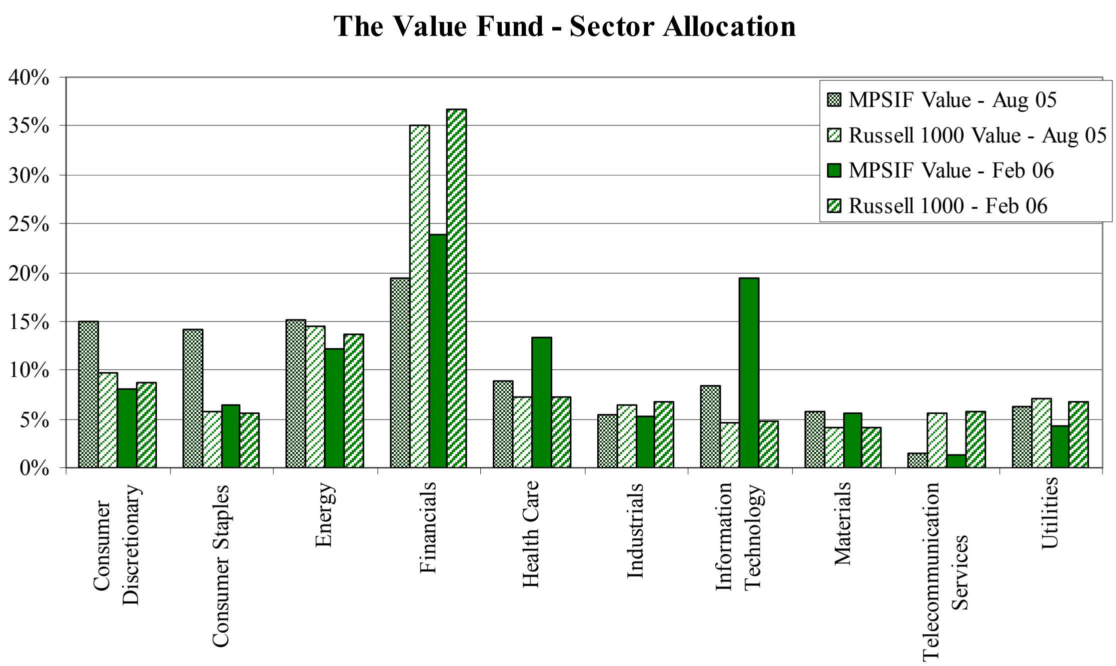


Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution.

ASSET ALLOCATION

In the first half of FY 2006, the Value Fund made a commitment to a top down strategy for sector weightings. As a result, the Fund chose to make investments in three sector indices in an attempt to move the Fund in-line with targets. Purchases of ETF's for the Financials, Healthcare and Utilities sectors were made until individual positions were selected by the Fund.

The sale of both Alderwoods Group Inc. (AWGI) and Del Monte Foods Co. (DLM) and the reduction of the Fund's position in MO significantly decreased the allocation to consumer staples by 14%. The increased allocation in the Information Technology sector came from both additions and appreciation. The purchases of STX and Take-Two Interactive Software Inc. (TTWO) offset reduction to the sector after the sale of Amphenol Corp. (APH). Additionally, appreciation following the purchase of STX further raised the allocation. In the energy sector, the Fund sold the entire positions in PKZ and PCG and half the position in PPP, while adding smaller allocations to APA and XEC.



FUND PROFILE

Fund Holdings as of August 31, 2005

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Alderwood Group Inc Com	AWGI	Consumer Staples	2,080	16.09	33,467	8.1%
Altria Group Inc	MO	Consumer Staples	495	70.70	34,997	8.4%
Amphenol Corp Cl A New	APH	Information Technology	400	42.41	16,964	4.1%
Bank Of America Corp	BAC	Consumer Discretionary	550	43.03	23,667	5.7%
Boston Comm Group Inc	BCGI	Information Technology	3,450	1.88	6,486	1.6%
Boston Scientific	BSX	Health Care	420	26.88	11,290	2.7%
Del Monte Foods Co	DLM	Consumer Staples	2,200	10.81	23,782	5.7%
Engelhard Corp	EC	Materials	830	28.45	23,614	5.7%
Freescale Semiconductor	FSL	Information Technology	740	23.88	17,671	4.3%
Goldman Sachs Group Inc	GS	Financials	250	111.18	27,795	6.7%
Hartford Finl Svcs Group	HIG	Financials	400	73.05	29,220	7.0%
Helen Of Troy	HELE	Consumer Discretionary	460	22.76	10,470	2.5%
Illinois Tool Works Inc	ITW	Industrials	270	84.28	22,756	5.5%
Lear Corporation	LEA	Consumer Discretionary	480	37.70	18,096	4.4%
Maverick Tube Corp	MVK	Materials	420	31.85	13,377	3.2%
Merck&Co Inc	MRK	Health Care	900	28.23	25,407	6.1%
Petrokazakhstan Inc	PKZ	Energy	320	54.30	17,376	4.2%
Pg&E Corp	PCG	Energy	700	37.52	26,264	6.3%
Pogo Producing Co	PPP	Energy	570	56.00	31,920	7.7%
Total Equities					414,617	89.1%
Total Cash					50,622	10.9%
Total Assets					**465,239**	**100.0%**

Fund Holdings as of February 28, 2006

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Equity
Altria Group Inc	MO	Consumer Staples	175	71.90	12,583	2.9%
Apache Corp	APA	Energy	228	66.92	15,258	3.5%
Bank Of America Corp	BAC	Consumer Discretionary	550	45.85	25,218	5.7%
Boston Comm Group Inc	BCGI	Information Technology	3,450	1.68	5,796	1.3%
Boston Scientific	BSX	Health Care	420	24.42	10,256	2.3%
Cimarex Energy Co	XEC	Energy	571	42.66	24,359	5.5%
Dow Chemical Co	DOW	Materials	580	43.03	24,957	5.7%
Freescale Semiconductor	FSL	Information Technology	740	26.89	19,899	4.5%
Helen Of Troy	HELE	Consumer Discretionary	460	20.01	9,205	2.1%
Illinois Tool Works Inc	ITW	Industrials	270	85.84	23,177	5.3%
iShares Dow Jones US Financial (ETF)	IYF	Financials	497	104.60	51,986	11.8%
iShares Dow Jones US Healthcare (ETF)	IYH	Health Care	747	64.56	48,226	11.0%
iShares Dow Jones US Utilities (ETF)	IDU	Utilities	240	79.12	18,989	4.3%
Pogo Producing Co	PPP	Energy	285	49.86	14,210	3.2%
Radian Group Inc	RDN	Financials	492	56.75	27,921	6.3%
Russell Corporation	RML	Consumer Discretionary	1,847	14.28	26,375	6.0%
Sanderson Farms	SAFM	Consumer Staples	685	23.32	15,974	3.6%
Seagate Technology	STX	Information Technology	1,682	26.57	44,691	10.2%
Take Two Inter Software	TTWO	Information Technology	1,330	15.58	20,721	4.7%
Total Equities					439,800	89.9%
Total Cash					49,327	10.1%
Total Assets					**489,128**	**100.0%**

INVESTMENT STYLE AND STRATEGY

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

Benchmark: Russell 1000 Value Index

Fund Strategy: The Value Fund utilizes a top down approach. The Value Team will evaluate the sector allocation twice per year. In the beginning of each semester the Value Team will determine the sector allocation based on macroeconomic factors. Within each sector, Value analysts will go through a vigorous screening process to select deep value positions. The Team will pursue this strategy by investing primarily in mid to large capitalization companies with consistent year over year earnings that are trading at a discount relative to their peer group. The metrics that will be closely monitored include, but are not limited to: price-earnings, PEG, price to book, DCF, dividend yields, and various free-cash-flow ratios. There is, however, no specific country or region quota. The Fund seeks to outperform its benchmark, the Russell 1000 Value, without significantly deviating from the index's risk profile.

What is Value? Value stocks are stocks that tend to be out of favor. A value stock is one that is under priced by the market for reasons that have nothing to do with the business itself. They are undervalued relative to their comparables on multiple metrics such as PE, PEG, PB, PS, etc. Stocks that are undervalued on metrics compared to the index may not be Value stocks because sectors trade differently. Historical trading multiples is a good indicator of whether the sector is in favor or not.

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

Cash: The goal of the Fund is to be fully invested. However, the Value team may target an allocation to cash in the beginning of the semester. Excess cash may be invested in iShares ETFs in sectors that are underweight our target.

The current policy maximum on cash is 10% of assets under management.

FIXED INCOME FUND

Back row (left to right): Gabe Jacobson, Marc Strauss, Michael Flood, Mayur Manmohansingh, Brijesh Gulati
Front row (left to right): Marc Regenbaum Stuart Tomanek, Norman Leiu

GROWTH FUND

Back row (left to right): Michael Flood, Leonard Rodman, Steven Byers, Jeremy Roethel
Middle row (left to right): Marc Strauss, Adam Lilling, Nelson Shim, James Woods
Front Row (left to right): Steven Espinoza, Vera Lee, Rafael Tejada, Swaroopa Reddy, Brian Russo
Not pictured: Jose Garcia, Cheng-Che (Arthur) Hsu

SMALL CAP FUND

Back row (left to right): Brooke Borner, Brijesh Gulati, Bob Coble,
Middle row (left to right): Steven Fu, Lei Mu, Norman Lieu, King C. Wong, Mayur N. Manmohansingh
Front Row (left to right): Marc Regenbaum, Yeon Hee Oh, Maggie Arvedlund, Shivanker Saxena
Not pictured: Pavel Tomashevsky, David J. Hoberman

VALUE FUND

Back row (left to right): Karan Bhatia, Chao Mui, Jennifer Clarke, David C. Cohn
Middle row (left to right): Gabe Jacobson, Ryan Hay, Milin Rao, Gregory Lee, Benjamin Macdonald
Front Row (left to right): Amy Ha, Stuart Tomanek, John Sheehy
Not pictured: Brent Pasternack, Heng Chen

ANALYST BIOGRAPHIES

Maggie Arvedlund
Prior to Stern, Maggie worked in the high net worth and private equity research groups for four years at Offit Hall Capital Management LLC, an investment advisory firm based in San Francisco. She spent the last two years researching leveraged buyout, venture capital, distressed, mezzanine, venture debt and hard assets strategies on behalf of client portfolios and fund of funds investment vehicles. Maggie is a first-year MBA candidate and holds a BS with honors in Economics from Vanderbilt University.

Brooke Borner
Before attending Stern, Brooke worked for five years at the Citigroup Private Bank in New York, providing private wealth management services to high net worth clients. Prior to Citigroup, Brooke was an exploration geophysicist with the Hunt Oil Company in Dallas. Brooke earned a B.A. with High Honors in Geophysics from Dartmouth College and is a Certified Trust & Financial Advisor.

Steve Byers
Steve worked as a biotechnology analyst for Smith Barney's Institutional Investor Group over the summer in New York City. Prior to Stern, he worked as a research associate at UBS Investment Bank, covering large-cap and small-cap pharmaceutical companies and then proceeded to take time off to pursue outside endeavors. Steve graduated from Duke University in 2000 with a B.S. in Biology, and a specialization in both Genetics and Biochemistry.

Jennifer Clarke
Jennifer is a first-year student pursuing specializations in Finance and Accounting. Prior coming to Stern, she spent four years working in Operations of the Investor Relations team at a large hedge fund in Greenwich, CT and plans to return to the hedge fund industry in a different capacity upon graduation. She received a B.A. and Departmental Honors in Economics from SUNY Geneseo in 2001.

David C. Cohn
David is a first year student specializing in Financial Instruments and Markets and Marketing. This summer, he will be interning with Lehman Brothers in the Investment Management Division. Prior to attending Stern, David worked for JPMorgan Private Bank in San Francisco determining and analyzing asset allocations for high net worth clients. Previously, he was a client management analyst for Offit Hall Capital Management. David received an A.B. in Economics from Princeton University.

Steven Espinosa
Prior to enrolling in the MBA program at Stern, Steven spent the past three years working at Merrill Lynch Private Client Group where he managed private client relationships and advised them on strategies to build and protect their financial assets. Previously, Steven had worked as an analyst at JPMorgan Private Bank where he analyzed client portfolios to optimize asset allocation mixes and evaluated the viability of strategic investment recommendations. Steven plans to pursue a career in asset management upon graduation. He will intern with Lehman Brothers in their Neuberger Berman division this summer. Steven earned a BS degree in Business Administration from the Haas School of Business at the University of California, Berkeley.

Michael G. Flood
Michael is a new analyst in the Growth and Fixed Income Funds. He is a first year student currently specializing in Quantitative Finance and Accounting. Prior to Stern, Michael worked for four years as a Research Associate at Greenwich Associates covering Commercial and Middle Market Banking. In 2000, he graduated with a BA from Brown University with a degree in Mathematical Economics.

Steven Fu
Prior to Stern, Steven was a Senior Research Associate at Driehaus Capital Management in Chicago. He interned as a Summer Associate with the Investment Management Division of Lehman Brothers, where he rotated through the Alternative Investment Management group and Neuberger Berman Equity Research. He received his BA in Economics from the University of Chicago and is a CFA Level III Candidate

Amy Ha, CFA
Prior to attending Stern, Amy worked in the Pension Consulting Division of Wilshire Associates, Inc., as a supervisor of investment performance. This past summer, she worked at Citigroup in the Corporate Banking division where she covered the technology and healthcare sectors. Amy received her B.A. in Economics from University of California, Los Angeles.

David Hoberman
Prior to Stern, David was a Senior Loan Analyst with a leading mortgage company. This past summer he worked in Equity Research at a hedge fund. David holds a Bachelor of Science in Finance from the Rutgers University.

Ryan H. Hay
Prior to attending Stern, Ryan was a junior portfolio manager and equity analyst at LibertyView Capital Management, a Division of Neuberger Berman. There he focused on Risk Arbitrage and Special Situation equity Long / Short investing. Ryan will be spending this summer at Lehman Brothers in their Sales & Trading division. He received his B.S. from Rutgers, The State University of New Jersey in 2001.

Cheng-Che (Arthur) Hsu
Prior to Stern, Arthur spent four years as a product and project manager in Ericsson, a leading telecommunication equipment vendor. This past summer he worked as a research associate for Smith Barney, Citigroup. Arthur holds a Master of Science in Electrical Engineering from National Taiwan University, and is currently a CFA Level III candidate.

Gabe Jacobson
Prior to Stern, Gabe was an associate in the corporate department at Latham & Watkins LLP in New York. Gabe's legal practice focused on the representation of issuers and underwriters in connection with primary securities offerings. Gabe holds a B.S. in Industrial and Labor Relations from Cornell University and a J.D. for New York University's School of Law.

Debbie Jones
Debbie spent her summer working at Deutsche Bank in Equity Research covering the Telecom industry and the Gaming, Lodging and Leisure sector. Prior to Stern, she researched investment funds offered through insurance products for a financial services company in Los Angeles. She holds a B.A. in Economics and Psychology from Claremont McKenna College.

Gregory Lee
Prior to Stern, Greg worked as an equity research associate for Raymond James & Associates covering companies in the technology sector. Greg is currently employed on a part-time basis as an equity analyst covering the consumer goods sector at Legg Mason. Greg graduated *cum laude* from the University of Pennsylvania in 2002 with a B.A. in Economics and is a CFA Level III candidate.

Vera S. Lee
Prior to Stern, Vera was an equity research associate at BNP Paribas Securities Korea, where she covered Telecom and Technology industries. She spent the past summer working in the portfolio management group and risk management group at GE Capital - Energy Financial Services. Vera holds a B.B.A degree from Ewha Womans University in Seoul, Korea.

Adam S. Lilling
Prior to Stern, Adam worked in Relationship Banking at ABN AMRO and in Global Credit at Bear Stearns. This summer he will be working at UBS in Equity Research. Adam graduated in 2002 from the University of Michigan Business School with a Bachelors of Business Administration in Finance and is a candidate for Level III of the CFA Program.

Ben Macdonald
Over the summer, Ben worked in Standard & Poor's Structured Finance Ratings Division, with most of his time spent analyzing Asset-Backed Securities in the rental fleet, student loan and dealer floor plan areas. His previous career was in IT consulting, where he worked as a software developer and technical architect in projects across Australia and the U.S. Ben has undergraduate degrees in Science and Electrical Engineering from Sydney University.

Mayur Manmohansingh, CFA, CPA
Mayur worked for four years as a financial audit consultant with Ernst & Young LLP specializing in audits of investment companies. He has worked in the Stamford, New York City and Cayman Island offices of Ernst & Young LLP. Prior to this, he was an investment analyst at Royal Bank Trust Company of Trinidad and Tobago. Mayur graduated from McGill University with a Bachelor’s of Commerce with concentrations in Accounting and Finance. He is a member of both the New York Society of Security Analysts and the American Institute of Certified Public Accountants.

Lei Mu
Lei spent his summer interning at Mohr, Davidow Ventures (MDV) and Mayfield at California Bay Area. Prior to Stern, he was an associate with E-Millennium L.P., a private equity investment arm of Deutsche Bank, where he evaluated and screened hundreds of business plans per annum. Before his private equity tenure, Lei was working at The Boston Consulting Group (BCG) as an associate, where he was involved in founding and operating the BCG’s high-tech investment fund in Shanghai. He received his Dual Bachelor of Science degrees in Mechanical Engineering and Electrical Engineering from Tsinghua University at Beijing, China.

Chao Mui
Chao spent his summer with Banc of America Securities (BAS) in the Corporate & Investment Banking Division focusing on Financial Institutions, Healthcare and Media Telecom. Chao will join BAS after graduation in the Financial Institutions Group. Prior to Stern, Chao was a Senior Business Analyst at American Express Financial Advisors (now Ameriprise) in the Asset Management Group and a Financial Advisor at Morgan Stanley. Chao received his B.S.B. in Finance and Management Information Systems from the University of Minnesota and is a CFA Level III Candidate.

Yeon Hee Oh
Prior to attending Stern, Yeon Hee worked in the Investment Banking Division of JPMorgan Chase and the Corporate Banking Division of RBS Greenwich Capital. Yeon Hee received B.A. in Economics from Barnard College.

Brent Pasternack
Brent spent the past summer working with Edward Altman and the NYU Salomon Center as a research assistant, focusing on the high yield market and distressed debt. Brent is currently working part-time as a research analyst for the Haberman Value Fund, a long-short hedge fund in Manhattan. Prior to Stern, Brent worked for five years at UBS Wealth Management. Brent received his B.B.A. from the Goizueta Business School at Emory University, and is currently a CFA Level II candidate.

Milin Rao, CFA
Prior to Stern, Milin had five years of business development and project management experience at Capital IQ, Inc. (a division of Standard & Poors,) a leading financial data and analytics provider. Milin holds a BS in Economics (with Departmental Honors) from The State University of New York at Stony Brook and he is a CFA Charterholder.

Swaroopa Reddy
Prior to Stern, Swaroopa worked at Ernst & Young within the Technology and Security Risk Group. She managed client relationships while providing consulting and advisory services to clients within the financial services sector. Swaroopa holds a Bachelors degree in Economics and Politics from Brandeis University. Additionally, she holds a Masters from the London School of Economics in Management of Information Systems focusing on Security & Privacy Risk.

Marc Regenbaum
Prior to attending Stern, Marc was a research associate covering the Retail and Consumer Products sectors at Helios Partners Fund Management, a long/short equity hedge fund based in New York. Prior to Helios, Marc served as an associate at Tower Capital, a hedge fund of funds, and for three years as a financial analyst in the Retail Investment Banking group at Credit Suisse First Boston. Marc graduated Magna Cum Laude from Duke University in 2000 with a Bachelor of Arts in Economics.

Jeremy Roethel, CFA
During the forthcoming summer, Jeremy will be working for Merrill Lynch's Global Markets group in London. Before attending Stern, he was a Senior Equity Systems Analyst for DuPont Capital Management, focusing on products and development for International Equities. Jeremy received an Honors B.S. in Finance and a B.S. in Economics from the University of Delaware, is a CFA Charterholder, and is a member of the New York Society of Securities Analysts.

Marco Ruiz
Marco currently works as Senior Portfolio Analyst at the International Reserves Department of the Central Bank of Colombia. He is part of the investment team that designs and implements foreign exchange, fixed income and money market strategies for a $6 billion portfolio. He holds a bachelor's degree in Economics from the University of the Andes and passed the CFA Level II examination.

Brian Russo
Mr. Russo spent the summer working at Brocair Partners, a boutique investment bank focused on Healthcare. He previously worked for the leading health insurance IT services firm, Hewitt Associates, where he led a team of software analysts in the implementation of health management systems for Liberty Mutual Insurance, United Technologies, and other Fortune 500 companies. Previous to this he earned a patent as an engineer with Pitney Bowes, and before that redesigned operations for Pratt & Whitney. Mr. Russo holds a bachelor's degree in Mechanical Engineering from the University of Connecticut.

Shivanker Saxena
Prior to Stern, Mr. Shivanker was Relationship Manager in Corporate Credit with ICICI Bank, India’s largest private sector bank. He has also worked with ICICI Limited in Project Finance and with PricewaterhouseCoopers in Audit and Business Advisory Group in India. This past summer, he worked in Credit Research at Fore Research & Management, a credit/convertible arbitrage hedge fund in New York. Shivanker is a Chartered Accountant (equivalent to US CPA) and holds a Bachelor of Commerce (Honors) from the University of Delhi in India.

John Sheehy, CPA
Prior to attending Stern, John worked as an Audit and Assurance Manager for Deloitte & Touche LLP, specializing in consumer products and manufacturing companies. John received his B.A. in Economics and Accounting from The College of the Holy Cross in Worcester, Massachusetts. John is a certified public accountant in both the Commonwealth of Massachusetts and the State of New Jersey. John will be working as a Summer Associate in Equity Research at Morgan Stanley.

Nelson Shim
Nelson spent the summer working as a credit analyst at the Bank of New York. Prior to Stern he was a capital markets analyst with E-loan and an investment banking analyst with SG Cowen Securities. Nelson received a B.A. in Economics from Stanford University. He has passed the CFA Level III exam and is currently awaiting the award of his CFA charter.

Marc Strauss
Marc Strauss is a second year student specializing in Quantitative Finance and Financial Instruments and Markets. Following graduation, he will be joining Barclays Capital as a Fixed Income Sales Associate. Prior to business school, Marc spent four years as an analyst for Deutsche Bank in their Debt Capital Markets group, where he focused on both investment grade and high yield credits. Marc earned a B.S. in both Finance and Accounting from Lehigh University in 2000.

Rafael Tejada
Prior to joining the Growth Fund, Rafael worked at Cornell University Medical College as a research associate in oncology/hematology. He spent the summer of 2005 at Lehman Brothers working as a desk analyst/trader for the healthcare cash-trading desk. Rafael received his B.S. in Biology from Georgetown University in 2001.

Stuart Tomanek
Prior to joining the Value and Fixed Income funds, Stuart worked at JP Morgan Securities in New York as a business manager for the fixed income sales force. He sent the summer of 2005 as an associate with Lehman Brothers in New York where he will be returning to the Capital Markets Sales and Trading division. Stuart earned a B.A. in Economics from Bucknell University in 1998, and is currently a CFA Level II candidate.

Paul Tomashevsky
Prior to Stern, Paul worked as an Underwriter for The CIT Group in its assed based lending division, working on secured lines of credit to mostly middle market clients. This past summer, Paul has worked for Bear Sterns and Co. as an investment banking associate. Paul will also be joining Bear full time upon his graduation. He has a Bachelors degree in Finance from Pace University.

King Wong
King currently works as an associate at The Dellacorte Group, a middle market private equity investment firm in addition to his second role as an equity research associate at Leerink Swann & Company, a healthcare boutique investment bank, covering the medical devices and specialty pharmaceuticals sectors. Prior to Stern, King was a management consultant at PricewaterhouseCoopers' Management Consulting Services (now IBM Business Consulting Services) in the Supply Chain Operations and Strategy practice. King received a B.S. in Industrial Engineering (summa cum laude) and a B.A. in Psychology (summa cum laude) from State University of New York at Buffalo.

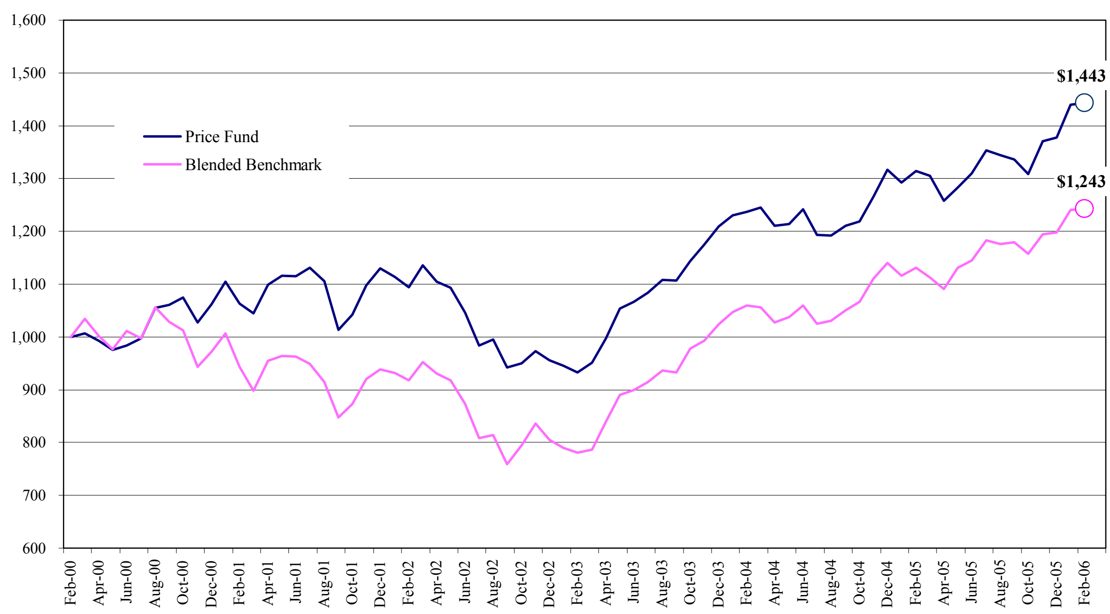
James Woods, CFA
Prior to Stern, Jim spent four years in financial reporting and analysis at CIGNA Corporation in Philadelphia. This followed two years at The Vanguard Group, where he spent time in the Operations and Compliance departments. Jim earned a B.S. in Finance from Bentley College in 1999. He is a CFA charterholder and member of the New York Society of Security Analysts.

PERFORMANCE *as of February 28, 2006*

	Inception Date	6 Month	1 Year	5 Year*	Since Inception*
The Price Fund	3/1/2000	7.40%	9.86%	6.30%	6.31%
Blended Benchmark		5.63%	*9.83%*	*5.67%*	*3.69%*
Fixed Income Fund	5/1/2002	-0.69%	0.16%	n/a	2.56%
Vanguard Total Bond Fund		-0.19%	*2.62%*	*7.65%*	*2.88%*
Growth Fund	3/1/2000	8.75%	6.05%	-1.44%	-2.63%
Russell 1000 Growth Index		5.10%	*9.47%*	*-0.94%*	*-6.77%*
Small Capitalization Fund	3/1/2000	15.70%	28.22%	15.82%	14.66%
Russell 2000 Index		*10.24%*	*16.59%*	*10.42%*	*5.32%*
Value Fund	3/1/2000	5.13%	5.11%	4.30%	6.51%
Russell 1000 Value Index		*7.33%*	*10.26%*	*6.73%*	*8.32%*

** annualized return*

The Michael Price Student Investment Fund vs. Blended Benchmark
Performance of $1000 Investment since Inception (March 1, 2000)



Monthly returns are time-weighted and thus exclude effects of the Fund's annual 5% distribution. The Blended Benchmark is equally comprised of the Russell 2000 Index, the Russell 1000 Growth Index, the Russell 1000 Value Index, and the Vanguard Total Bond Index Fund.

MPSIF

The Michael Price Student Investment Fund

The Funds

Fixed Income
Growth
Small Cap
Value