

# The Michael Price Student Investment Fund

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

*Annual Report  
February 28, 2015*







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

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**WHAT IS THE MICHAEL PRICE STUDENT INVESTMENT FUND?**

With over \$2.1 million currently under management, the Michael Price Student Investment Fund ("MPSIF" or "the Funds") is a family of funds managed directly by NYU Stern MBA students. The Funds, part of the overall NYU endowment, were established in 1999 through a generous gift from Michael Price, Managing Partner, MFP Investors, LLC and former Chairman of Franklin Mutual Series Funds.

**WHAT IS UNIQUE ABOUT MPSIF?**

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

**WHAT IS THE PORTFOLIO COMPOSITION?**

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

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

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

## The Michael Price Student Investment Fund

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### Executive Committee – Fall 2014

President	Sirisha Kurada
Co-Portfolio Managers, Fixed Income Fund	Crisann Shair and Dheeraj Chinthalapelly
Co-Portfolio Managers, Growth Fund	Kanika Jain and Scott Schachter
Co-Portfolio Managers, Small Cap Fund	Alejandra Galindo Cure and Perryne Desai
Co-Portfolio Managers, Value Fund	Jeremy Sipzner and Emily Wu
Faculty Advisor	Professor Anthony Marciano

### Executive Committee – Spring 2015

President	Sae Jin Kim
Co-Portfolio Managers, Fixed Income Fund	Crisann Shair and Dheeraj Chinthalapelly
Co-Portfolio Managers, Growth Fund	Kanika Jain and Scott Schachter
Co-Portfolio Managers, Small Cap Fund	Alejandra Galindo Cure and Perryne Desai
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Faculty Advisor	Professor Anthony Marciano

### Internal Leadership – Spring 2015

Vice President, Annual Report	Billy Duberstein
Vice President, Economic Strategy	Thomas Vincent
Fund Manager	Jennifer Zhou Fang

### Management Advisory Council

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

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

### Board of Advisors

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

### Resource Faculty

Aswath Damodaran, Professor of Finance, Stern School of Business  
Martin Gruber, Professor (Emeritus) of Finance, Stern School of Business  
Edward Kerschner, Adjunct Professor of Finance, Stern School of Business  
Fred Renwick, Professor (Emeritus) of Finance, Stern School of Business  
Matthew Richardson, Professor of Finance, Stern School of Business  
Bruce Tuckman, Clinical Professor of Finance, Stern School of Business

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## Letter from the Faculty Advisor

I am pleased to introduce the Annual Report for the Michael Price Student Investment Fund (MPSIF) for the fiscal year ending February 28, 2015. I have continued to perform the function of Faculty Advisor this year, since the previous Faculty Advisor, Professor Richard Levich, is on sabbatical. It appears that I will continue to be the Advisor next year to give a long-deserved break for Professor Levich, who has so admirably advised the students for about a decade.

It has been a challenging time for the fund given the financial environment and a number of transitions in the Fund – including myself as the new Faculty Advisor as well as the always complicated transition from term-to-term for the students. Additionally, we also have set in place another two-year stint for the members of our Management Advisory Council and incorporated some new systems and processes that are discussed below.

The greatest challenge for MPSIF, though, has been the environment for active investment, which has not been particularly positive for many investors. Some estimates have over 80% of active investors underperforming their benchmarks recently. This evidence has certainly contributed to the general trend against active investing in favor of passive investment vehicles such as ETFs (now over \$2 trillion), which continue to expand (about 20% last year). The students have found it trying to identify strong stocks given an apparently expensive market (historically high price-earnings multiples for instance) combined with long-standing low interest rates that shows signs of possible increases. Despite these challenges, we are optimistic about the role of active investing in general and MPSIF in particular. While the obstacles are higher now, active investing has a long past with a still large number of hedge funds, and we feel that putting in place proper processes and systems can overcome the challenges – and we have begun this over the last few months.

After our last MAC meeting in December, we were counseled to improve our analytics and processes so the funds could be better managed and risks better identified. We have put forth some new initiatives to address these issues. On the analytics front, we have installed Barra Portfolio Manager to both help with risk management as well as performance measurement. This was made much easier given a current student, Perryne Desai, was an employee of Barra and was able to get the system up and running and train us. This system and other processes regarding analytics and risk management is now managed by a new group, which we call Fund Management and is headed by Jennifer Fang, who is the only MPSIF student completely dedicated to a role without any responsibilities regarding stock selection. There is a new section in this Annual Report where she explains some of the results. We believe we can use this system to not only identify factor and sector allocations for the Portfolio Managers, but also to decompose performance so we can determine where the processes need to improve. For instance, determining that stock selection was a significant weak element pushed us further to institute pitching ideas such as spending more time on pre-screening pitches.

Another initiative that we have undertaken is to develop asset allocation and other strategies that we believe are befitting the nature of this fund. The Asset Allocation team met with Cynthia Nascimento of the NYU Investment Committee for suggestions, and this meeting was invaluable. We continued to discuss the issue that arose from the last MAC meeting regarding defining a clear objective for the Fund. There are three elements to the fund that make defining the goal complicated. First, the group has been set up to earn strong returns relative to various benchmarks (from Russell and Vanguard). Second, MPSIF manages a small portion of the actual endowment and is required to pay out a 5% dividend. Third, the fund is run by MBA students. Unfortunately, these three elements typically drive three different goals. Taken together it appears that the fund should be managed so as to:

(1) perform well relative to its stated benchmark; (2) with limited downside risk to protect the endowment and guarantee the 5% dividend; and (3) over about a two year span (the length of an MBA education and hopefully enough time for a thesis to be realized). We believe a well-defined mission and the nature of the course will help us determine proper allocation strategies going forward – strategies that attempt to capture tailwinds and avoid headwinds.

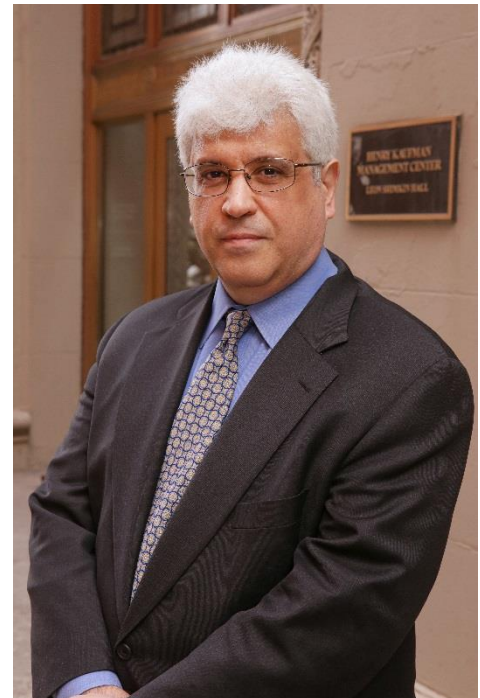
Let's now examine the figures for MPSIF last period. The fund earned 2.25% the last six months in total return compared to a weighted benchmark return of 5.07% -- for a total underperformance relative to the benchmark of -2.82%. This was almost entirely driven by the poor relative performance of the Growth fund which underperformed its benchmark by 10.09% since August. In the Growth section of this Report, the Portfolio Managers describe some of the changes that they put in place to address the issues they confronted and have now outperformed their benchmark since this term has begun. However, we learned an unfortunate mathematical reality: once your fund starts underperforming, it turns out that in an up-market, outperforming a benchmark that you have been underperforming against can continue to worsen your relative underperformance figures. As of fiscal yearend, Assets Under Management total over \$2.106 million, but we are getting ready to pay the 15<sup>th</sup> annual 5% distribution (\$104,300) to support the students of the University of Oklahoma to allow them to take classes at Stern. The aggregate Fund has returned 5.63% annually since inception compared to 5.95% for our blended benchmark.

Academically, MPSIF continues to enjoy the involvement of many industry professionals and Stern alumni, who have been kind and generous enough to speak to the class about the markets specifically and the overall investment environment in general. Several serve on the fund's Management Advisory Committee, which meets each period, and where the students benefit from their considerable experience as we collectively dissect the fund's performance and reports. We also thank Mr. Ted

Tabasso of Deutsche Bank Securities and Mr. Paul Krikler, a veteran of Goldman Sachs and now an independent consultant, for their time and greatly informative presentations for several years now – as well as Mr. Gary Claar, of Claar Advisors and formerly of JANA partners, for his second equally informative presentation to the class.

Overall, while there are clearly many challenges both in the environment in general and in the particular managing of this Fund, we believe the initiatives we are putting in place will address the issues. Personally, I find these challenges interesting and exciting, and it has been a pleasure to work these things out with the students.

Anthony Marciano  
Faculty Advisor, MPSIF  
February 28, 2015





## Letter from the President

The half-year ending on February 28, 2015 proved to be a challenging yet promising period for Michael Price Student Investment Fund. While the stock market averages soared to new records, the rally was accompanied by a number of macro factors and uncertainties during the half-year. Oil price collapsed in late 2014, the Fed ended its QE program earlier this year, Swiss National Bank unpegged the Swiss franc to the euro, and the European Central Bank announced its QE program. As the market now anticipates the Fed to raise interest rates, more uncertainties await us in terms of the timing and the magnitude of the rate hike. As we move forward, the current environment will provide an ideal training ground for students to focus on identifying attractive long-term investment opportunities.

In this environment, the Fund demonstrated positive absolute returns of 2.24% between September 1, 2014 and February 28, 2015, trailing the blended benchmark by 282bps. MPSIF's underperformance relative to its benchmark was primarily due to lower returns in the Growth Fund which lagged its benchmark Russell 1000 Growth by 10.07%, returning -1.61%. This was primarily due to poor stock selection accompanied by sector allocation decisions. The Small Cap Fund underperformed its benchmark by 1.41% to yield 4.29% while the Value Fund outperformed the benchmark by 1.34% with 4.82%. Although we are disappointed with the result, we were able to take a closer look at our current structure and process to identify areas of improvements as well as opportunities.

MPSIF has continued to present "bear pitches" across the three equity funds to highlight investment risks of stocks under analysis. In addition, we have implemented various additional methods to strengthen our performance during the semester. First, we began incorporating Barra Analytics to help us monitor and diagnose our risks more closely. We hope that as the system is put in place, we will be able to better analyze different components of our returns and make necessary arrangements during the semester to avoid taking any unintentional risks. Second, all of the funds have introduced stock screening processes. This has allowed us to address particular concerns about stocks to be addressed for the full pitch while allowing the

funds to avoid excess concentration on particular sectors. The voting process has also been enhanced to better reflect fund members' opinions as a whole and to result in more timely trade executions.

While undergoing various implementations, MPSIF is now well positioned for the future with each fund having a healthy selection of 10–20 stocks that have gone through a stock screening process and are under better risk control measures. We are excited about the new students that joined MPSIF this semester and the experience and talent they can bring to the Fund. With the market continuing to rise to record levels despite uncertainties in the energy sector and Eurozone, we look forward to the remainder of the spring sessions and expect to perform well over our remaining six months of the fiscal year.

To close, I would like to thank Michael Price on behalf of all the students for the creation of a unique learning experience at NYU Stern. The Michael Price Student Investment Fund has been and continues to be an unparalleled learning opportunity and experience for all of the students. I would also like to thank the Management Advisory Council for taking the time to come speak with students each semester and share real world investment knowledge with us. Finally, I sincerely thank our Faculty Advisor, Professor Marciano, for his continued efforts to improve the learning experience for the students and management of the Fund.

Sae Jin Kim  
MPSIF President



April 1, 2015

## The Michael Price Student Investment Fund

### *Review of Operations*

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

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

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

We started the semester with a “Pitching 101” session in which experienced second semester analysts presented stock pitches in front of the entire class. Three analysts, one from each equity fund, pitched a stock as a way to demonstrate (especially to students in their first semester in MPSIF) the various elements of a pitch and the types of questions that typically arise during a presentation. Abhay Mavalankar presented Akamai Technologies (AKAM), a stock that he originally pitched for the

Growth Fund during the Fall of 2014. Justin Siken presented Labcorp (LH), a stock that he originally pitched for the Value Fund during the fall of 2014. Finally, Sukulpas Chakkaphak pitched Zixi Corporation (Zix), a company he had originally pitched for the Small Cap Fund in the previous semester.

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

On February 24, we hosted Randall Haase, Portfolio Manager, REH Investments, and Richard Saperstein, Managing Partner and Senior Portfolio Manager at Treasury Partners. Mr. Haase pitched McDonald’s Stock (at ~\$89, currently ~\$98), shared with us about his extensive experience developing investment ideas, and provided students valuable advice for developing and pitching stock ideas. Richard Saperstein directed an enlightening session on the relative performance of active management versus passive in different types of markets, specifically how active managers tend to outperform in bear markets which leads to better long-term results.

On March 3, we welcomed Mitch Williams, Global Head of Equities for Wafra. Mitch shared his views on starting a hedge fund, as well as his take on different types of investing funds and careers.

On March 10, we welcomed Nomi Ghez, co-founding partner of Circle Partners former Managing Director at Goldman Sachs. Ms. Ghez gave her views on the macro environment and answered various questions about portfolio management. We also hosted David Dineen, Senior Portfolio Manager and Team Leader, International Equities, at Pinnacle Associates. Mr. Dineen gave us an enlightening talk on Pinnacle’s investment approach, as well as how Pinnacle uses advanced analytics to decipher and improve results.

On March 31<sup>st</sup>, we hosted Gary Claar, former co-founder of JANA partners and founder of Claar Advisors, who delivered a talk about his special-

situations investment process at JANA and his current buy-and-hold strategy at Claar.

Finally, on April 14<sup>th</sup>, we hosted Paul Kirkler, Kirkler Consultants and ex-chief of Goldman Sachs University. Mr. Kirkler gave an eye-opening talk on how best to structure, clarify, and convey investment ideas.

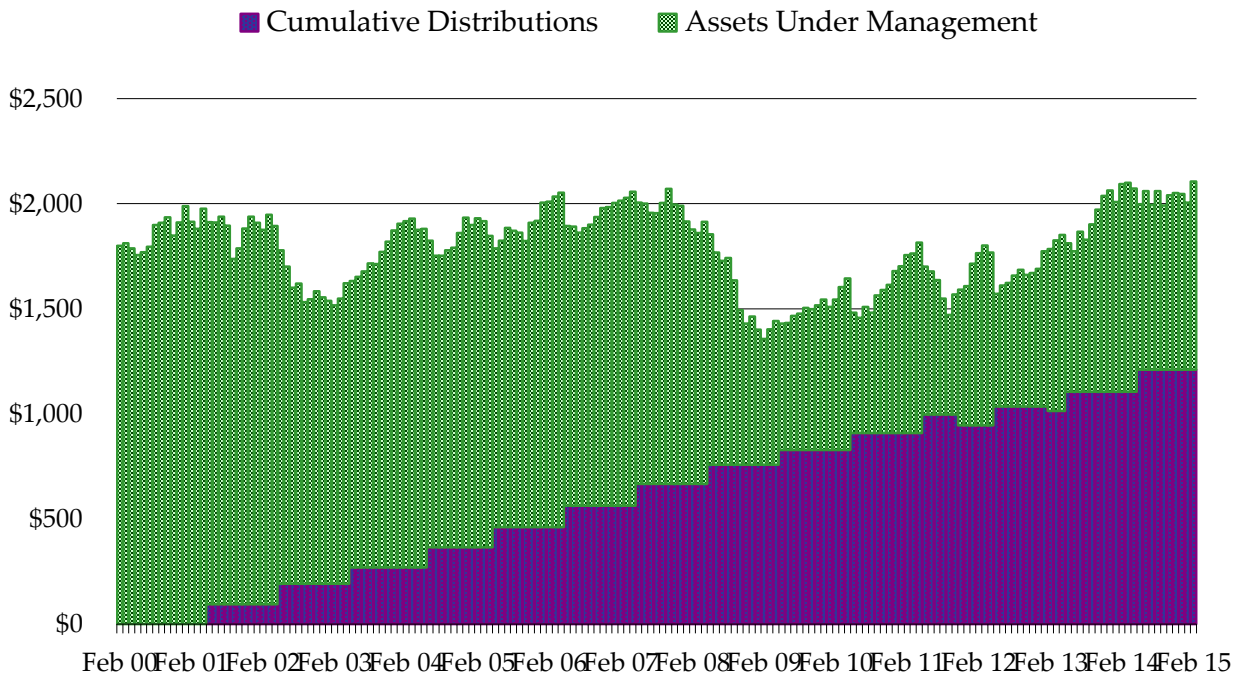
We have scheduled economic and sector analysis presentations so that the sub-funds are better able to leverage the views to generate stock ideas. Given the volatility in commodities and in the political and economic environments across the world, asset allocation is of the utmost importance going forward, along with improved individual stock selection.

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

**Assets Under Management & Cumulative Distributions**

The Funds began operating on March 1, 2000 with an endowment of \$1.8 million. As of February 28, 2015, our assets under management stand at \$2.11 million, which represents a cumulative return of 127.50% (net), taking into account net distributions of over \$1.21 million to the Michael Price School at the University of Oklahoma. On an annualized basis since inception, MPSIF has earned 5.67% net of brokerage commissions and fees, just above our required annual 5% distribution. In addition, assets under management have also risen, partly due to the return of capital to the Fund on two occasions as noted in the figure below.

**Assets Under Management and Cumulative Distributions**



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

## The Michael Price Student Investment Fund

For the period ending February 28, 2015

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
<b>The Price Fund</b>	2.25%	5.94%	38.19%	11.39%	69.19%	11.09%	127.52%	5.63%
<i>Blended Benchmark*</i>	5.07%	10.20%	47.17%	13.75%	86.70%	13.30%	137.96%	5.95%
Relative - Gross of Fees	-2.82%	-4.26%	-8.97%	-2.36%	-17.51%	-2.21%	-10.43%	-0.32%
Relative - Net of Fees	-2.82%	-4.26%	-8.97%	-2.36%	-17.51%	-2.21%	-10.43%	-0.32%

<b>Small Cap Fund</b>	4.29%	3.16%	32.70%	9.89%	75.42%	11.90%	172.36%	6.91%
<i>Russell 2000 Index</i>	5.70%	5.63%	58.45%	16.58%	109.79%	15.97%	160.20%	6.58%
Relative - Net of Fees	-1.41%	-2.47%	-25.76%	-6.69%	-34.36%	-4.08%	12.17%	0.33%

\*Inception from March 1, 2000

<b>Value Fund</b>	4.82%	12.45%	64.24%	17.98%	95.52%	14.35%	213.10%	7.91%
<i>Russell 1000 Value Index</i>	3.48%	13.49%	64.75%	18.11%	105.64%	15.51%	193.93%	7.45%
Relative - Net of Fees	1.34%	-1.04%	-0.51%	-0.12%	-10.12%	-1.16%	19.17%	0.45%

<b>Growth Fund</b>	-1.61%	3.46%	39.77%	11.81%	71.73%	11.42%	23.10%	1.40%
<i>Russell 1000 Growth Index</i>	8.46%	16.24%	64.52%	18.05%	121.21%	17.21%	45.77%	2.54%
Relative - Net of Fees	-10.07%	-12.78%	-24.76%	-6.25%	-49.48%	-5.79%	-22.68%	-1.15%

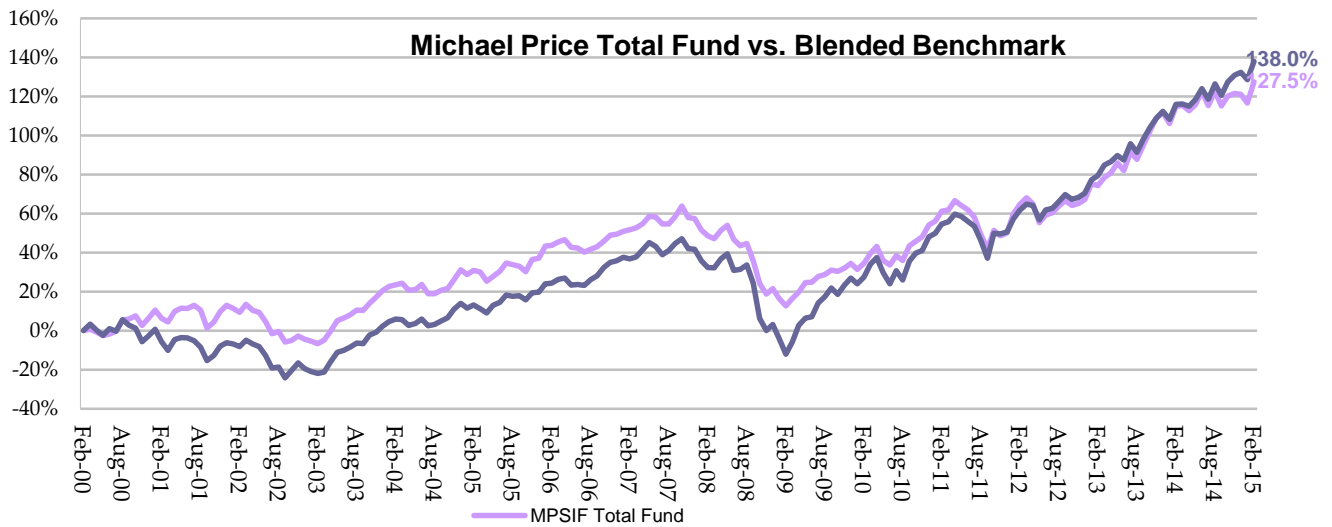
<b>Fixed Income Fund</b>	1.38%	3.67%	7.59%	2.47%	21.09%	3.90%	70.60%	4.25%
<i>Vanguard Total Bond Fund</i>	2.17%	4.90%	6.75%	2.20%	19.99%	6.26%	81.52%	4.76%
Relative - Net of Fees	-0.79%	-1.23%	0.84%	0.27%	1.10%	-2.36%	-10.93%	-0.51%

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

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

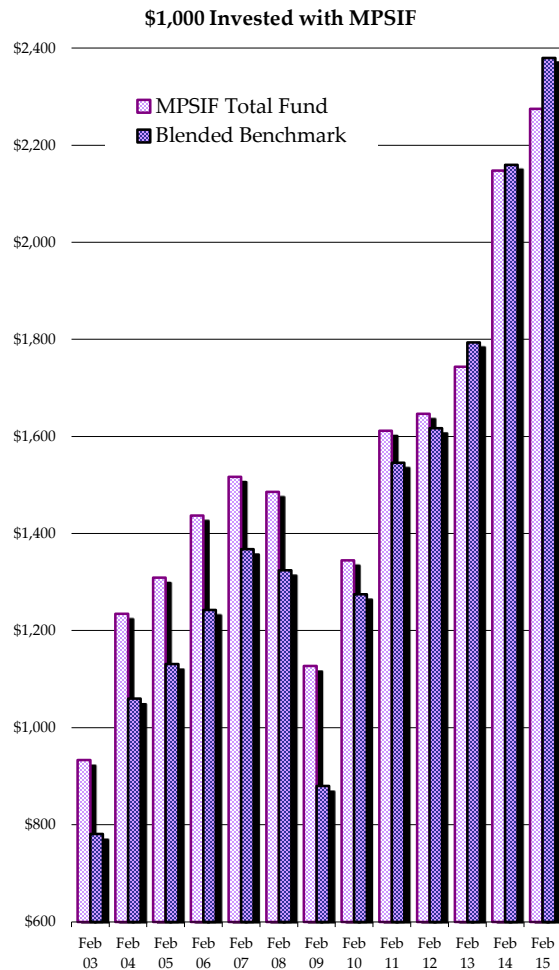
All values calculated according to GIPS methodology, and hence adjust for time-weighted & external cash flows.

# The Michael Price Student Investment Fund



As of February 28, 2015, MPSIF had approximately 7.1% in cash holdings, up from 3.5% as of August 31, 2014.

Our goal this year, on which we have already made significant progress, is to have less of our holdings in cash and more in stocks and ETFs. The portfolio managers and analysts identified buying opportunities in both individual holdings and broad-based market and sector ETFs to deploy the cash positions. We now hold what we feel is a better mix of ETFs, individual holdings, and cash.



## The Michael Price Student Investment Fund

The overall Fund returned 2.25% in the last six months of the fiscal year and 5.94% over the last twelve months. This compares to 5.07% and 10.20% for the benchmark over the same periods (note that the blended benchmark is calculated using a simple average of the four benchmarks). With respect to the individual funds, results were mixed. The Fund underperformed the benchmark on a six-month basis by 2.82%. For the past 6 months, the Small Cap Fund underperformed the benchmark by 1.41%. The Value Fund outperformed the benchmark by 1.34%. The Growth Fund underperformed the benchmark by 10.07% for the last six months. The Fixed Income Fund underperformed the benchmark by 0.79%.

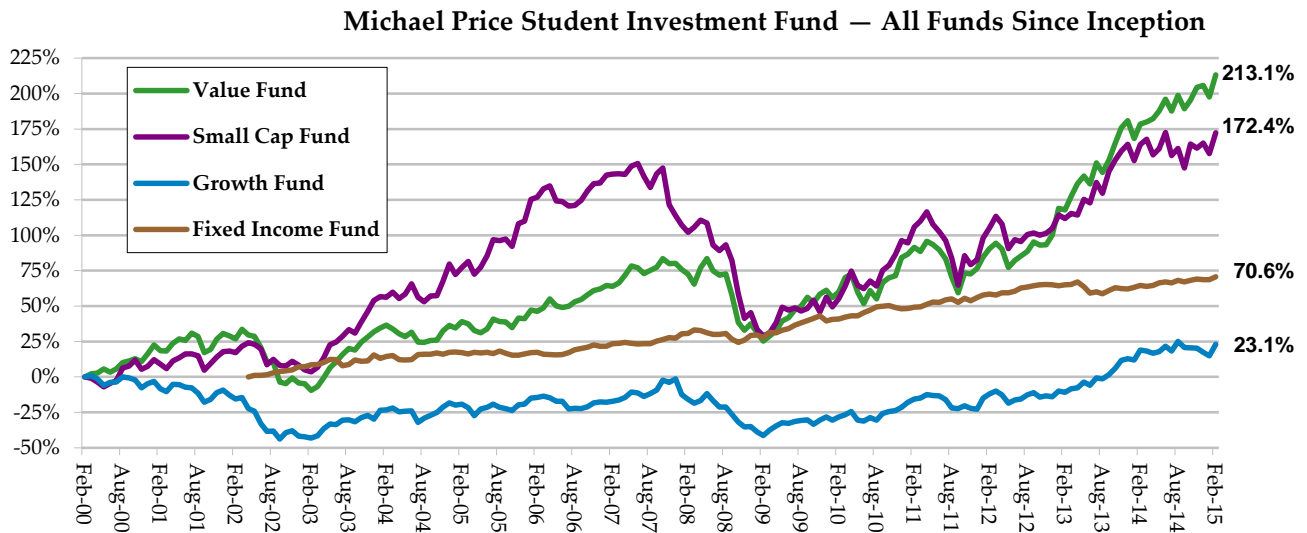
Since inception, MPSIF has earned a cumulative return of 127.52% net of fees, underperforming the blended benchmark by 10.43% or 0.32% on an annualized basis.

From inception until October 2011, our brokerage accounts were held at Merrill Lynch and subject to a wrap fee of approximately 0.55% per annum. Since November 2011, our accounts are at Bank of New York–Mellon, where we incur per transaction

trading costs equal to the greater of \$0.02/share or \$15. Under this new arrangement, our brokerage costs have dropped substantially.



William Duberstein  
Vice President, Annual Report



### ***Benchmark Index Description***

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

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

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

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

- Invests in U.S. Treasury, Investment-grade corporate, mortgage-backed, asset-backed securities

- Seeks to track the performance of the Barclays Capital Aggregate Bond Index
- Broadly diversifies exposure to investment-grade U.S. bond market
- Passively manages using index sampling
- Intermediate-duration portfolio and
- Provides moderate current income with high credit quality

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

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

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

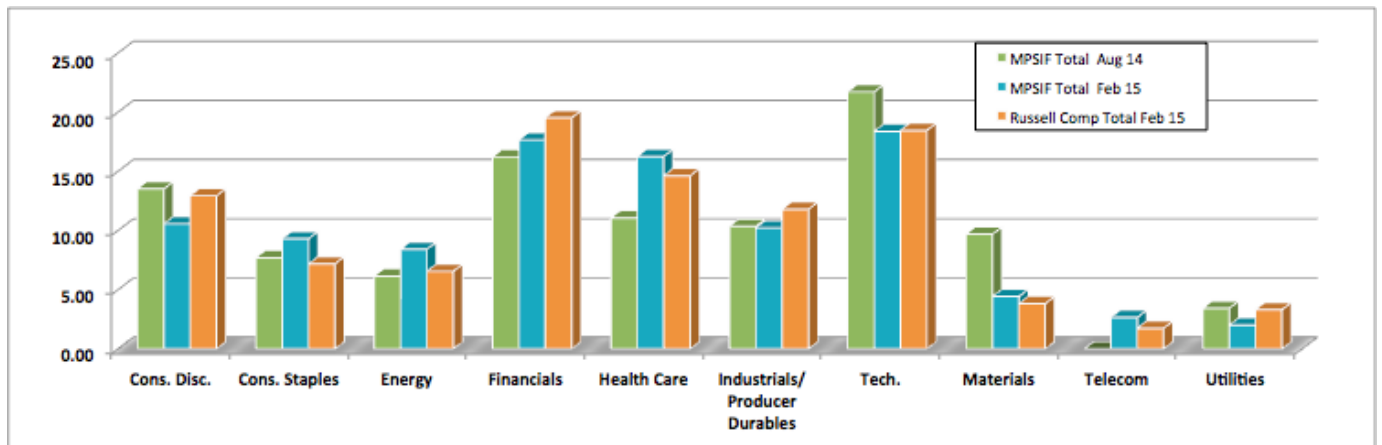
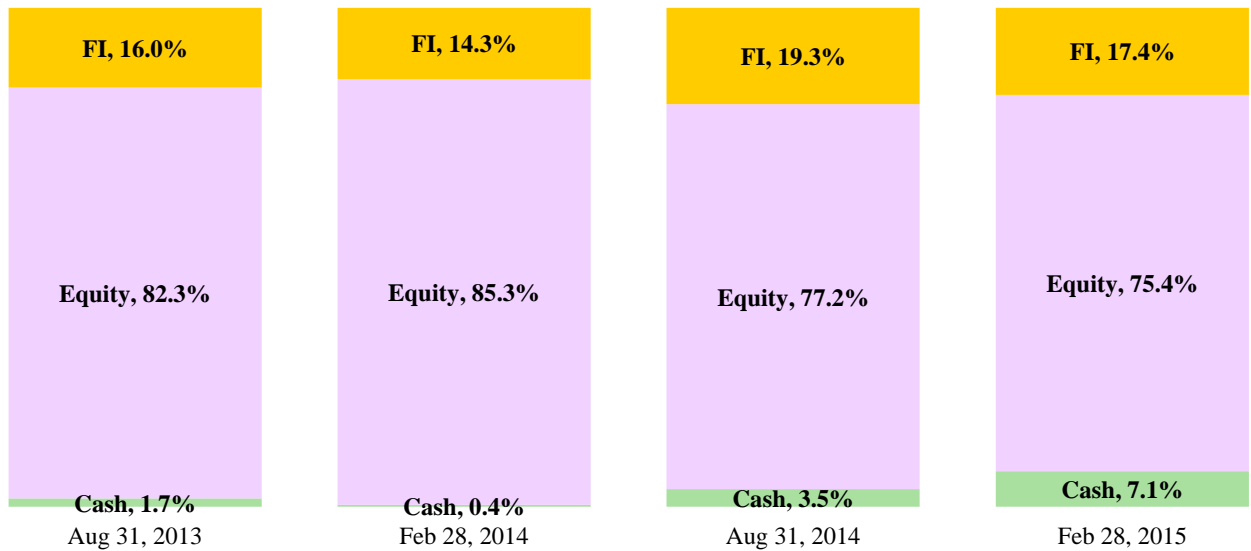


**Asset Allocation**

The following charts show our total asset allocation by asset class and our composite equity sector allocation. The Executive Committee does not utilize any top-down approach to set a target allocation.

As indicated in the Asset Allocation chart, cash holdings increased from 1.7% in the prior reporting period to 3.5%. Equities decreased from 82.3% to 77.2% while Fixed Income increased from 16.0% to 19.3%. This was because the equity funds sold out of several positions in the last six months.

**Asset Allocation by Semi-Annual Periods**





**Fund Turnover**

**Portfolio Turnover for the Six Months Ending February 28, 2015**

	<b>Fixed Income Fund</b>	<b>Growth Fund</b>	<b>Small Cap Fund</b>	<b>Value Fund</b>
Total Purchases	23,076	227,804	288,178	404,778
Total Sales	54,029	224,540	342,433	383,469
Minimum (Sales, Purchases)	23,076	224,540	288,178	383,469
Average Invested Assets	375,009	508,723	481,589	497,312
Turnover	6%	44%	60%	77%

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

**Portfolio Turnover for the Six Months Ending August 31, 2014**

	<b>Fixed Income Fund</b>	<b>Growth Fund</b>	<b>Small Cap Fund</b>	<b>Value Fund</b>
Total Purchases	272,442	322,659	236,967	363,768
Total Sales	179,136	396,141	322,482	455,440
Minimum (Sales, Purchases)	179,136	322,659	236,967	363,768
Average Invested Assets	344,168	539,719	532,446	548,772
Turnover	52%	60%	45%	66%

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

## ***Macroeconomic and Market Review***

There have been four key developments that have affected global macroeconomic outlook since the release of our last Annual Report. First, oil prices have declined massively since September, although they have rebounded since mid-March with U.S. Crude (WTI) now trading at over \$55 a barrel. The decline was partly due to unexpected demand weakness in some major economies, in particular, emerging market economies. But the more critical reason for the decline in oil prices can be attributed to the decision of the Organization of the Petroleum Exporting Countries (OPEC) to maintain current production levels despite declining prices to counter the steady rise in production from non-OPEC producers, especially the United States.

Second, while global growth remained steady at 3.4% in 2014, this masked growth divergences among major economies. While the recovery in the United States was stronger than expected, economic performance in all other major economies – most notably Japan which contracted by 0.1% – fell short of expectations. Third, as a result of this growth divergence across major economies, the U.S. dollar has appreciated markedly whereas, in contrast, the euro and the yen have depreciated, and many emerging market currencies have weakened, particularly those of commodity exporters.

Fourth, interest rates and risk spreads have risen in many emerging market economies, and risk spreads on high-yield bonds and other products exposed to energy prices and commodities have also widened. Long-term government bond yields have declined further in major advanced economies, reflecting safe haven effects and weaker activity in some, while global equity indices

in national currency have remained broadly unchanged.

### **U.S. Stock Market Performance**

Even after a poor start in January and wobbles in October and December, the U.S. market delivered impressive returns in 2014 and ended the year close to record levels. The Standard & Poor's 500 index has returned 13.7% in 2014, including dividends. The bull run for stocks extended into its sixth year, the longest such streak since the 1990s. The stock market also experienced its biggest bout of volatility in more than two years. Stocks plunged as much as 9.8% in October on concerns about global growth and worries about the spread of the Ebola virus.

Investors have been encouraged by rising corporate earnings and a strengthening U.S. economy, which helped stocks overcome worsening outlook for most other major economies and geopolitical tensions with Russia and in the Middle East. The stock market also overcame worries about the impact of the end of the Federal Reserve's stimulus program.

In the first quarter of 2015, U.S. stocks posted modest returns despite hitting new record highs in March as investors contended with uncertain global growth, oil price volatility and the timing of the Federal Reserve's impending interest rate hike. The Standard & Poor's 500 Index rose just under 1%, with growth stocks outpacing value-oriented stocks. The U.S. dollar strength coupled with monetary easing elsewhere in the world seem to be acting as a cap on U.S. share prices.

### **U.S. Economic Indicators**

The latest projections of the IMF have projected a healthy 3.1% growth for the U.S. in 2015, on the back of a 2.4% growth in 2014. Total nonfarm payroll employment increased by 126,000 in March, and the unemployment rate was unchanged at 5.5%

compared to February. But the Institute for Supply Management's purchasing managers index showed that manufacturing activity, while still in expansion mode, hit a 14-month low of 51.5 in March. In her semiannual testimony before the Senate Banking Committee in February, Fed Chair Janet Yellen said a rise in interest rates would be considered on a "meeting-by-meeting" basis, citing sluggish wage growth and low inflation as concerns. Yellen reiterated in March that the central bank would proceed slowly in hiking rates.

### **Global Outlook**

The IMF in its latest projections has forecasted global growth at 3.5% in 2015 and 3.8% in 2016, with uneven prospects across the main countries and regions of the world. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting subdued prospects for some large emerging market economies and oil exporters. The outlook for advanced economies is better owing to increasing disposable incomes from lower oil prices, accommodative monetary policy stances, and moderate fiscal adjustments. However, the IMF also mentioned that geopolitical tensions continue to pose threats, and risks of disruptive shifts in asset prices remain relevant. There is also the danger that in some advanced economies, protracted low inflation or deflation may pose risks to economic activity. The European Union and Japan are implementing quantitative easing measures in order to stimulate their economies. Near-term uncertainty clouds the global macroeconomic picture. The U.S. appears to be the safer play for investors in the near-to-medium term.

Thomas Vincent  
VP, Economic Outlook

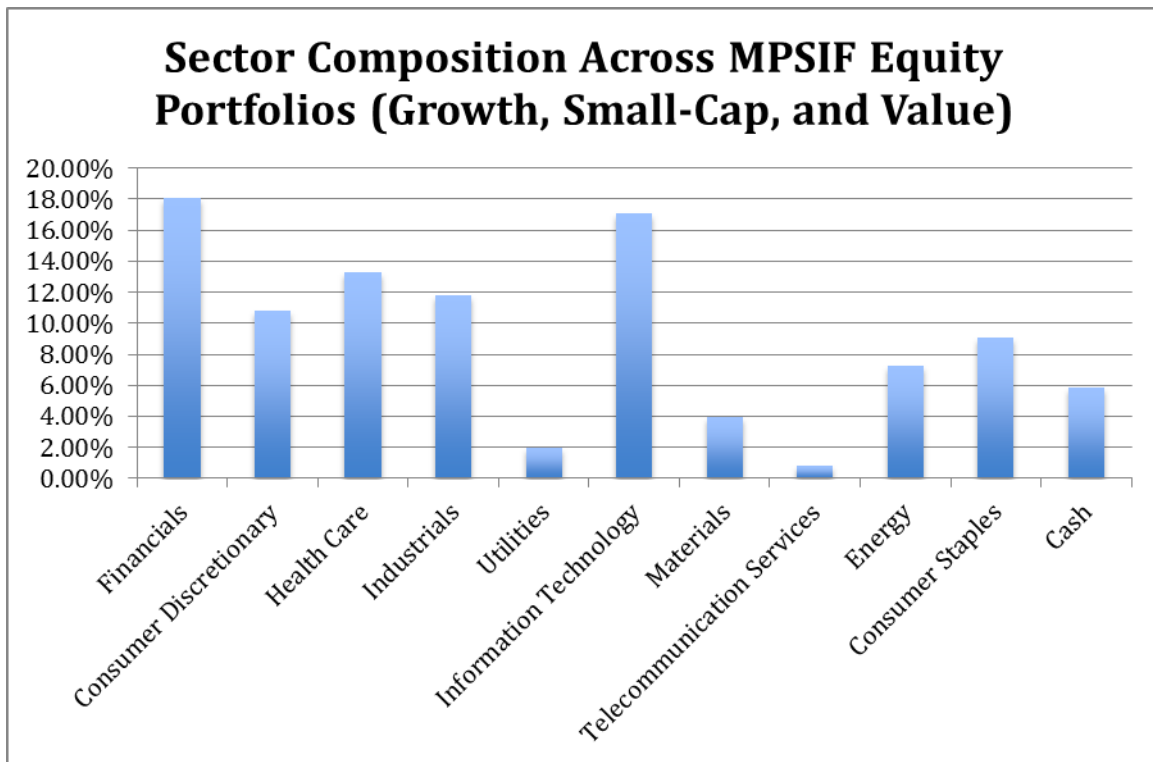
**Risk Management and Portfolio Analytics**

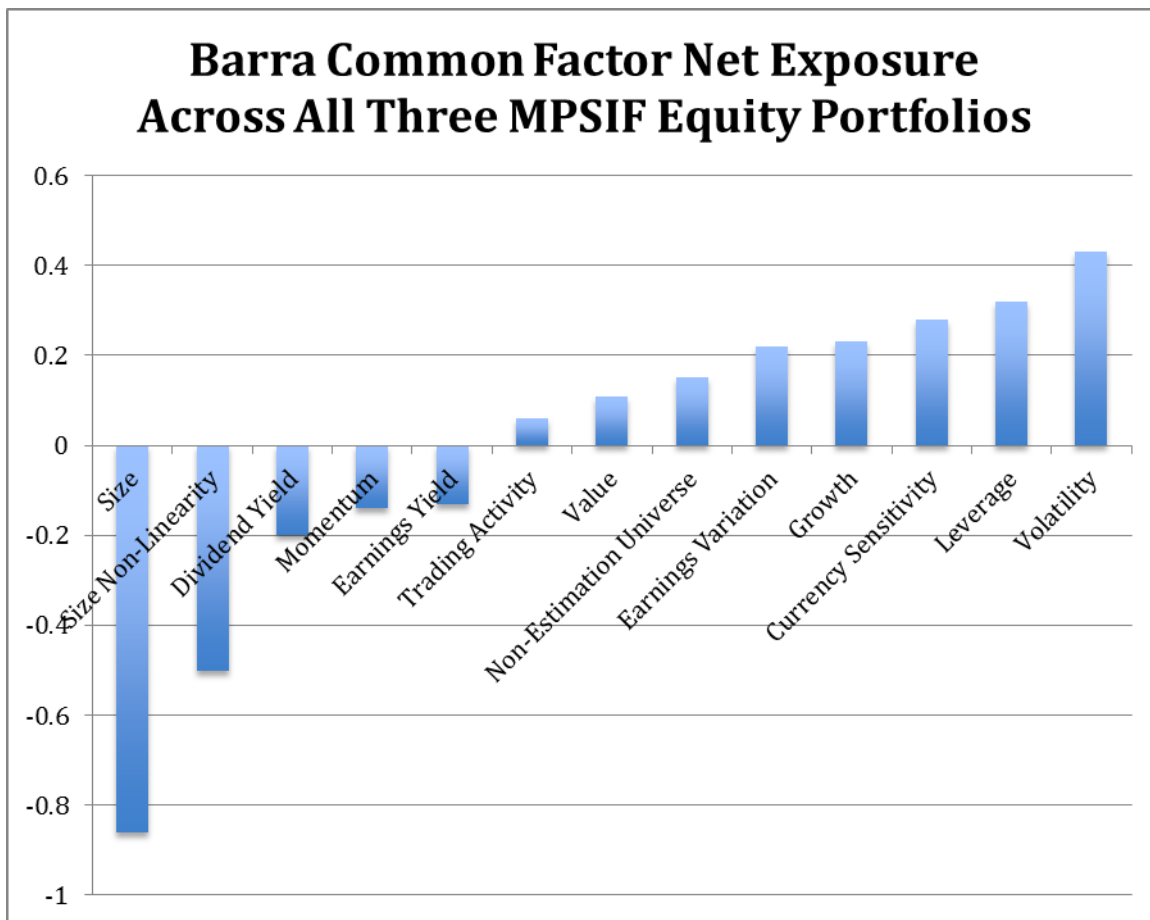
Over the past six months, we have focused on improving our risk management system, and are thoroughly pleased to have gotten Barra Portfolio Manager as our risk management platform. Barra is widely used and highly regarded in the asset management community, and it offers MPSIF the tools to analyze our stock portfolios on a deeper and more professional level. Thanks to Barra, we can perform comprehensive risk comparisons of the MPSIF portfolios against their respective benchmarks, as well as dive into the specific

contribution of each stock. In addition, we can analyze the performance of each fund, and isolate the factors that have driven results. We are tremendously pleased to have this powerful tool, and believe that it will contribute significantly to our future performance.

Below is the overall composite of MPSIF’s portfolio across industries as well as Barra’s Common Factors.

From these Barra charts, we can see that MPSIF has more exposure to the Financials and IT sectors, as well as smaller and more volatile stocks





We have also analyzed each equity fund individually. Similarly, each fund can determine their sector allocations, factor exposures, as well as performance breakdown.

**Growth:**

From the following two reports, we see that the Growth portfolio has more volatility and smaller companies as compared to its benchmark (Russell 1000 Growth). Overall, the graphs demonstrate that the Fund is a bit underweight the Consumer Discretionary sector and overweight Industrials.

In addition, as part of our delving into performance measurement, Barra enabled us to decompose Growth’s returns over the last six months. While this analysis was based on the portfolio’s historic positions and is therefore very different from the one Growth currently holds, it provided insights useful as the Fund improved their management policies. What we discovered was the Growth’s underperformance of about 10% was due equally to exposures to poorly performing risk factors such as energy and volatility as well as poor specific stock selection. This suggested to the fund that they both re-allocate away from some of these factors as well as improve their stock pitching procedures – both of which have been performed with some apparent initial success.

Sector and Factor Exposures for Growth Fund (Barra)



### **Small-Cap:**

Unfortunately, we have not yet been able to use Barra and our analytics to the same detail on the other two funds; that is an important goal for next period. Nonetheless, the following graphs from Barra are informative. From these, we see that the Small-Cap portfolio has less volatility and less momentum than its benchmark (Russell 2000). It is underweight industrials and overweight consumer staples.

### **Value**

The Value portfolio is quite close to its benchmark (Russell 1000 Value) on most of the factors as revealed in the subsequent graphs. However, it seems that the portfolio contains less value-oriented stocks (as defined by Barra) compared to the benchmark. The portfolio is underweight in Healthcare and overweight in Materials.

As we have just implemented Barra Portfolio Manager this term, we are still working on integrating its results into the decision making process. We envision the

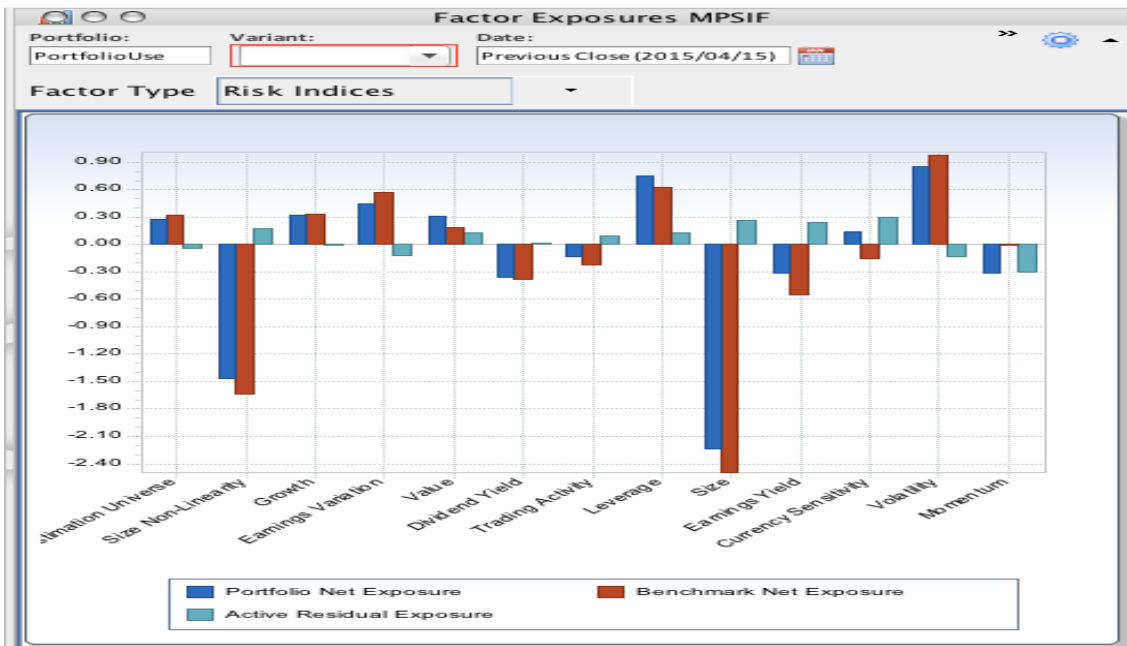
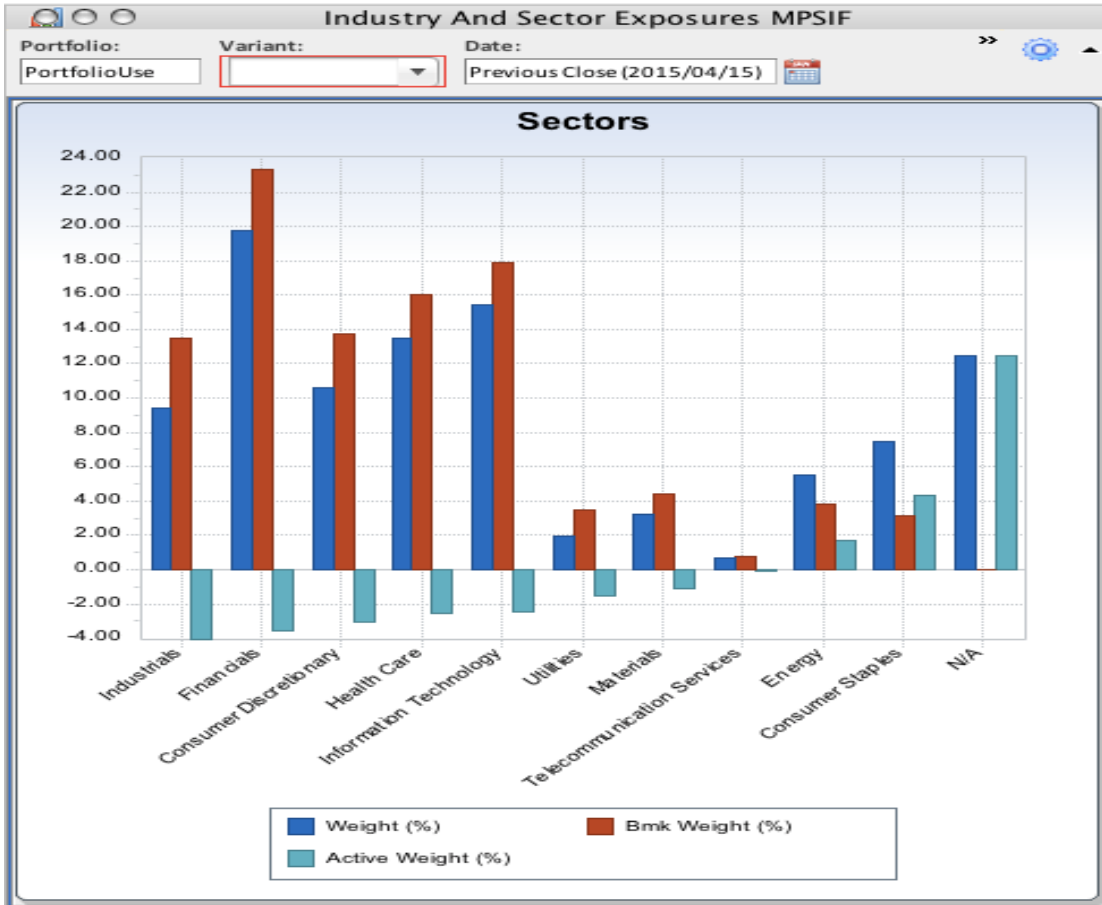
next term to be focused on generating timely reports to provide greater assistance to each fund regarding their investment process.



Jennifer  
Zhou Fang

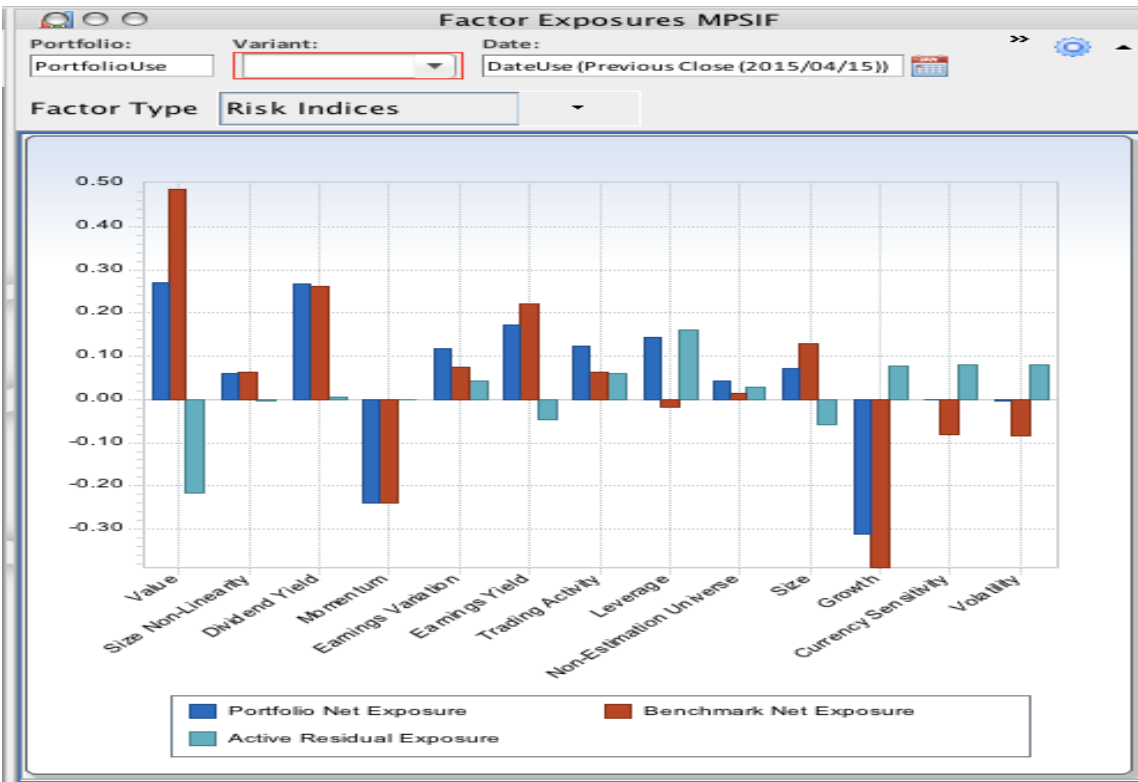
Fund Manager

Sector and Factor Exposures for Small Cap Fund (Barra)





Sector and Factor Exposures for Value Fund (Barra)



## The Growth Fund

### ***Message from the Portfolio Managers***

#### **General Fund Discussion**

The Growth Fund has outperformed our benchmark (Russell 1000 Growth) for 2015. Year to date the benchmark is up 4.74% while our fund has returned 4.87%. Additionally, since this semester's students began classes at the end of January the Growth Fund of MPSIF has returned 9.39% while the benchmark has returned 6.29%. As we will discuss, we believe that our outperformance is strongly correlated with the improvements we have made in 2015 specifically related to better risk management, sector allocation, stock selection and screening, and more diligent analyst coverage.

One of the major issues the fund faced was the overexposure to the energy sector in 2014. The fall in oil prices caused a significant loss in the value of many of our holdings. Though this was a large obstacle, we believe that the Growth Fund, like any smart manager, has used this opportunity to learn a valuable lesson. We have lowered our energy/oil exposure and implemented more rigid risk parameters (which we will discuss in greater detail shortly). Additionally, we will have twenty three new stock pitches given this semester in which there will also be a bear pitch given to highlight the risks and downside to any potential position.

#### **Incorporating Board Advice**

Following the 2014 semi-annual MAC meeting last year, MPSIF decided to follow the board's advice on better asset allocation and portfolio management and strategically implemented another fund-wide change in order to better organize and manage fund management. MPSIF introduced a group called Fund Management (FM) that houses all forms of asset allocation, risk management and analytics,

reporting and other general fund-wide roles. The asset allocation decision was intended to be moved from each fund to a sub-group in FM.

Additionally, the portfolio management aspects of this class in general were increased following this meeting. We believe that these have been very strategic moves which are already showing results. By segregating roles and responsibilities and allowing the fund itself to spend more time focusing on stock selection etc., has definitely improved the quality of the process.

#### **Allocation Model**

Our allocation model aims to maximize return while staying in-line with index sector weightings unless planned otherwise. While voting for a security, each fund member can indicate whether they would like to hold a partial position which amounts to 2% of our fund or a full position i.e. 4%, if they decide to buy at all. We also provide a vote on whether we should scale into this amount or execute immediately. These positions are regularly monitored and if they appreciate in value to above 6% of the portfolio, they are reduced to maintain these position weightings. We do not adjust the allocation weightings otherwise to avoid unnecessary transaction costs, unless warranted by a strategic decision and if so voted by the fund.

Additionally, once we know what the target position size is for each new stock, we use sector based ETF's to balance the portfolio to bring us within the range of the index sector weights.

#### **Sector Allocation**

While the Growth Fund is in a sense a bottom-up stock selection fund, we believe that sector selection is essential too. However, we do

not assign analysts to cover any specific sector but allow them to specialize in sectors in which they feel their expertise is. In our opinion, this adds more value than trying to synthetically control the coverage. Nevertheless, while doing so, we are also trying to diversify our holdings in different industries. We thus try to club together screening and pitching of stocks in a particularly industry. Several interesting industry changing stocks in the pharmaceutical, insurance industries etc. have found their way into our portfolio. Since, we don't have any specific fund-level strategy on sector allocation, we try to be in-line with the benchmark on this and use sector-specific ETFs specifically in Consumer Staples, Healthcare and Technology to maintain this balance. Thus, while we aim to have exposure to individual stocks, we want to minimize sector exposure as compared to our index.

### **Improved Security Selection and Position Management**

We believe that one of the main reasons for our strong performance in 2015 is our improved security selection and management. This semester we implemented a new procedure we refer to as "stock screening" in which each individual does a two to three minute "mini pitch" a week prior to their full pitch in which they highlight their investment thesis. The class can then decide if the stock is worth a full pitch or if it should not be analyzed on the basis of lack of future revenue growth, market cap size, sector, or redundancy with any holdings we may have. During pitching, we stress on the importance of using both discounted cash flow and relative valuation approach while obtaining a price target for each stock. This helps to enhance any investment thesis that is presented.

We also elected to make changes to the voting process in regards to potentially adding stocks to the fund. Previous semesters simply raised their hands. We believe that the lack of anonymity was swaying votes. We have

implemented an online survey system in which every present fund member anonymously votes on how they would like to proceed with the pitched stock. Additionally, there are spaces to provide positive and constructive feedback to the individual pitching the stock which helps improve the quality of analysis and pitches.

In regards to the holdings within the Growth Fund, we have taken the previous advice from the board into our holdings. We currently have limits on the amount of cash we are able to hold and have focused on diversifying the holdings. Another significant change is the stronger coverage and price analysis by each member of the fund. Each analyst covers one to two positions in terms of investment thesis, price targets, outlooks, earnings announcements etc. We typically cover updates on current stocks towards the beginning of the semester. We have consciously dealt with "losers" more strictly than in the past when we may have held them for too long and we offloaded losers that showed no promise of recovering. Some of this stocks were in the Oil and Gas space. We also exited this space given the extreme volatility and downward trend of the oil prices in recent times. We have also been more efficient at liquidating holdings when prices have reached our targets and being quicker to sell losing positions both by following the stock closer and implementing more frequent use of stop loss limits. We introduced these stop-losses stringently based on the risk exposure and return expectation on our positions during this period and also kept most of our positions covered by these stop-losses throughout the semester, even though we actively monitor our positions. By doing the above, we have essentially limited our downside risk with no impact on the upside reward.

We have also taken steps to enhance the transition of stocks from one semester to another. This year we allocated an analyst from the incoming class to each of the stocks so that there was a smooth transition from the outgoing analyst and there was adequate coverage during the winter break period, which in the past has

restricted the ability of analysts to monitor positions.

Lastly, we have focused on pitching stocks in new sectors in order to diversify the fund's holdings and risks. We have had fund members also pitch stocks in the same sector on the same day in order to allow the fund to exercise more discretion in regards to picking the best names within an industry. For example, we recently had Chipotle (CMP), Jack in the Box (JACK), and GrubHub Seamless (GRUB) all pitched on the same day and then voted on following the completion of all three pitches. Though there are differences in these three companies, there are strong correlations between their performances due to the similar fields in which they operate. This allowed the fund to have much more educated decisions and stronger conviction in our decisions.

### *Best Performers*

The Growth Fund, as shown through its performance in 2015, has had some strong performing names. Some of the largest gainers that the fund still holds include Facebook (40% unrealized), Priceline (33%), Jazz Pharmaceuticals (22%), and Akamai Technologies (22%). We have also liquidated some strong performing stocks such as half of our Akamai Technologies (18% gain at time of liquidation) and Akorn (40%).

### *Outlook*

We believe that the fund has performed above par this semester especially in the recent months. The introduction of Barra along with a

rigorous and enhanced voting and stock selection process will serve the fund well going forward. Additionally, the introduction of the FM team is also allowing the fund to focus more on the key issues and will help us setup a fund model that will excel both in the near term and long term. We are excited about the fund's performance and remain extremely optimistic about its future prospects.

Kanika Jain and Scott Schachter

Co-Portfolio Managers, MPSIF Growth Fund



# The Michael Price Student Investment Fund

## Discussion of Performance

For the period ending February 28, 2015:

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
<b>Growth Fund</b>	<b>-1.61%</b>	<b>3.46%</b>	<b>39.77%</b>	<b>11.81%</b>	<b>71.73%</b>	<b>11.42%</b>	<b>23.10%</b>	<b>1.40%</b>
<i>Russell 1000 Growth Index</i>	8.46%	16.24%	64.52%	18.05%	121.21%	17.21%	45.77%	2.54%
Relative - Net of Fees	-10.07%	-12.78%	-24.76%	-6.25%	-49.48%	-5.79%	-22.68%	-1.15%

## Performance Overview

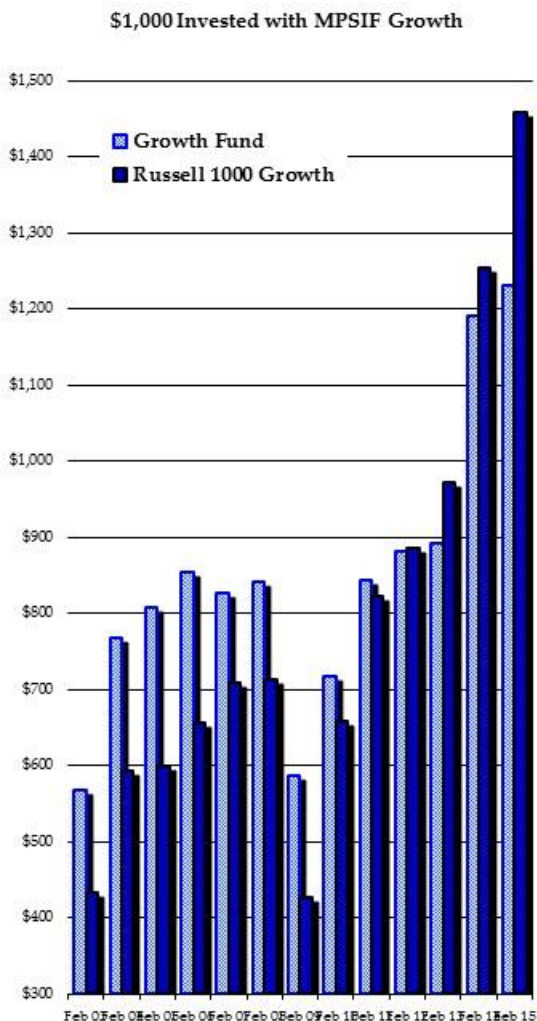
The Growth Fund (“the Fund”) underperformed on a relative basis from January 2014 through February 2015. The Fund’s one year return was 3.46% while the Russell 1000 Growth benchmark’s return was 16.24%.

One of the major setbacks to the Fund’s performance on an absolute basis was carrying stocks exposed to oil and gas. Bonanza Creek Energy (“BCEI”) and US Silica Holdings (“SLCA”) each returned mid 50% losses, while Primoris Services Group (“PRIM”) saw a 29% decline during the holding period.

Stratasys (“SSYS”) was another stock that saw large double digit declines (48%) as it failed to live up to demand expectations for its 3D printing products going forward.

Akorn, Inc (“AKRX”) and Whole Foods Market (“WFM”) led our winning stock selections with strong outperformance coming out of earnings. WFM in particular beat earnings expectations with 10% sales growth in its latest quarterly earnings report, amid stronger competition.

Since inception, the Fund is still working to recover the heavy losses during its first few years and has seen a setback in the past 6 months. An investment of \$1,000 in the Growth Fund in March 2000 would be valued at \$1,231 on February 28, 2015. By comparison, a \$1,000 investment in the Russell 1000 Growth index would be valued at \$1,458.



Stock Picking

<b>Six months ended Feb 28, 2015</b>		
<b>Top Sectors</b>	<b>Return</b>	<b>Impact</b>
Health Care	21.92%	1.29%
Consumer Staples	21.87%	1.07%
<b>Top Contributors</b>		
Akorn Inc	48.65%	1.99%
Whole Foods Mkt Inc	45.15%	1.66%
Stock Selection		-3.19%
Allocation Effect		-3.07%
<i>Impact : measures contribution to the portfolio's relative performance vs. benchmark</i>		
<i>Stock Selection : is the aggregate success of selection decisions within each group vs. benchmark</i>		
<i>Allocation Effect : is the total impact of sector weighting decisions within each group vs. benchmark</i>		
<i>Note : these numbers only compare actual invested funds versus the benchmark. In addition, this report uses prices as of the market close and not intraday numbers.</i>		

According to the Wilshire Analytics Attribution Report, our stock-selection had a negative effect on our performance during this most recent period, resulting in an impact of -3.19%. This is largely caused by the underperformance of SLCA and SSYS, which had a contribution to the fund's performance by -3.62% and -2.84%, respectively. We have reviewed our stock selection process and initiated efforts that result in more stringent screening and selection of stocks.

On a sector basis, we saw strong returns in the Health Care and Consumer Staples sectors. These two sectors benefitted from our stock selection as they accounted for excellent returns.

Our top two performers this year were Akorn Inc. (AKRX) and Whole Foods Mkt Inc. (WFM), which yielded a combined 3.65% total return to the fund. Akorn Inc. (AKRX) generated a 48.65% return and was our biggest winner of the past 6 months. This is the largest individual stock position as of Feb 28, 2015, accounting for 5.99% of the fund. It has had a positive impact of 1.99% to the fund performance. The Fund still has a position in AKRX.

Our position in Whole Foods Mkt Inc. (WFM) has provided a return of 45.15%. The position accounts for 5.42% of the fund and has contributed a positive return of 1.66% to the fund

Fund Performance

The Fund had a couple setbacks in the past 3 months led by large declines in stocks exposed to oil and gas (BCEI, PRIM, SLCA) and an extremely poor earnings result for SSYS. The fund is increasing its due diligence around stocks exposed to commodity, macroeconomic, and geopolitical exposure as well as digging into management competency to avoid future underperformances. A slight turnaround in February shows promise of these steps providing added risk protection going forward.

Michael Price Growth Fund vs. Russell 1000 Growth Index



### ***Asset Allocation***

While the Growth Fund focuses on bottom up stock-picking and fundamental analysis, the Fund has taken additional steps to ensure the portfolio does not drastically become overweight in any one sector for too long a time period. Despite our new commitment to sector allocation, the Fund did differ from its benchmark at the end of the fiscal year.

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

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

As of February 28, 2015, the sectors with the most significant weight in the Growth Fund are:

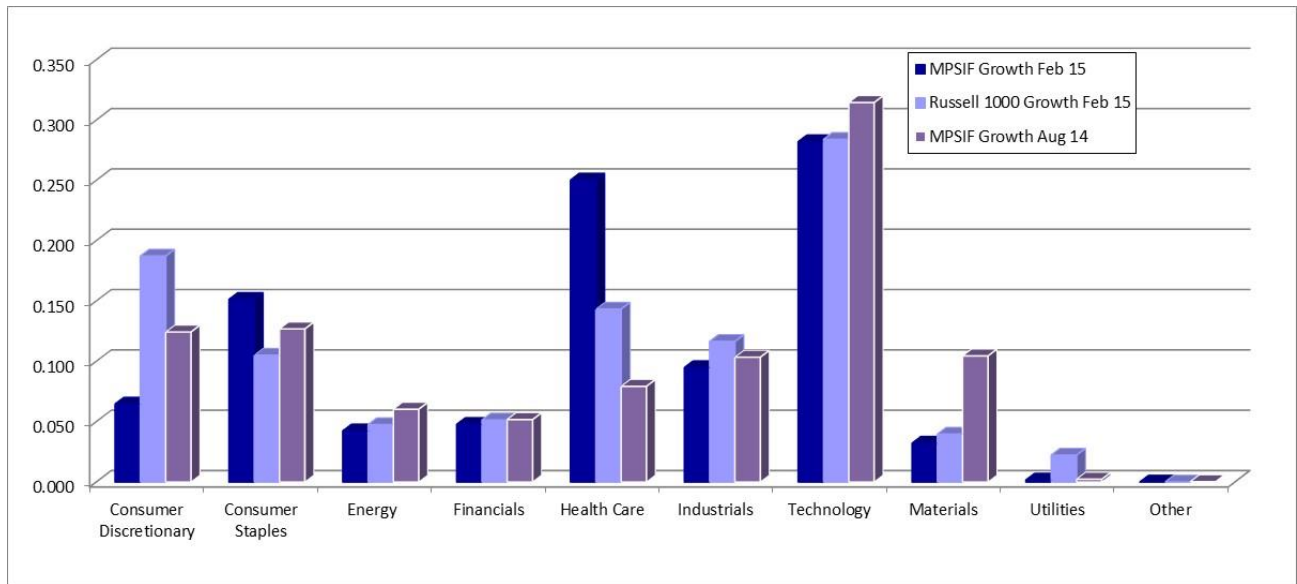
- Technology, which represents approximately 28.2% of the Fund's holdings, is roughly equal weight relative to the benchmark. AKAM and

VSH are two of the major holdings that have been added to the portfolio.

- Healthcare, which represents about 25.0% of the Fund's holdings, is the second largest sector of the Fund. The holding significantly overweight as compared to the benchmark exposure of 14.3%. We have set an exit strategy for JAZZ and are continuing to hold AKOM for now. Management of the Health ETF is an option to lower our weight in this sector going forward.
- Consumer Staples, representing about 15.1% of our holdings, is overweight relative to the benchmark's target holdings. We are comfortable holding WFM for the time being and may manage the ETF weights in this sector going forward.

Over the past year, we have continued to focus on a blended approach of identifying promising sectors which could prove to be resilient amid the aftermath of the recession and implemented a bottom-up process for selecting best of breed in these areas. As of February 28, 2015, to keep sector exposure in-line with the index, the fund held positions in iShares Russell 1000 Growth (IWF), Health care Spdr (XLV), Vanguard Consumer Staples (VDC), and Vanguard Information Technology (VGT).

# The Michael Price Student Investment Fund





# The Michael Price Student Investment Fund

## Holdings Profile

Growth Portfolio as of Feb 28, 2015

Company Name	Ticker	Sector	Shares		Position	
			Held	Closing Price	Value	% of Assets
Akamai Technologies Inc.	AKAM	Technology	400	69.51	\$27,804	5.00%
Akorn Inc.	AKRX	Health Care	600	53.81	\$32,286	5.80%
Bonanza Creek EnergyInc Com	BCEI	Energy	800	26.95	\$21,560	3.87%
Discover Financial Services	DFS	Financials	400	60.98	\$24,392	4.38%
Facebook Inc	FB	Technology	300	78.97	\$23,691	4.26%
Jazz Pharmaceuticals	JAZZ	Health Care	150	170.09	\$25,514	4.58%
Melco Crown Entertainment Ltd	MPEL	Consumer Discretionary	600	24.02	\$14,412	2.59%
Michael Kors Holdings	KORS	Consumer Discretionary	200	67.41	\$13,482	2.42%
Old Dominion Freight Line Inc.	ODFL	Industrials	400	78.12	\$31,248	5.61%
Priceline Com Inc	PCLN	Technology	20	1237.5	\$24,750	4.45%
Primoris Services Corporation	PRIM	Industrials	800	20.65	\$16,520	2.97%
Stratysis LTD SHS	SSYS	Technology	300	62.06	\$18,618	3.34%
U.S. Silica Holdings Inc	SLCA	Materials	500	32.41	\$16,205	2.91%
Vishay Intertechnology Inc.	VSH	Technology	1200	14.24	\$17,088	3.07%
Whole Foods Market Inc	WFM	Consumer Staples	500	56.49	\$28,245	5.07%
Health Care SPDR	XLV	Health Care	600	72.24	\$43,344	7.79%
iShares Russell 1000 Growth Index	IWF	Index ETF	750	100.42	\$75,315	13.53%
iShares S&P Global Industrials Sec	EXI	Industrials			\$0	0.00%
Vanguard Consumer Staples	VDC	Consumer Staples	400	128.72	\$51,488	9.25%
Vanguard Information Technology	VGT	Technology	300	109.21	\$32,763	5.89%
Direct Equity Holdings					\$335,814	60.33%
Total Equity Holdings					\$538,724	96.79%
Cash as of February 28, 2015					\$17,887	3.21%
<b>Total Assets</b>					<b>\$556,611</b>	<b>100.00%</b>

Growth Portfolio as of August 31, 2014

Company Name	Ticker	Sector	Shares		Position	
			Held	Closing Price	Value	% of Assets
AMC Networks Inc CL A	AMCX	Technology	409	62.575	\$25,593	4.52%
Bonanza Creek EnergyInc Com	BCEI	Energy	500	61.41	\$30,705	5.43%
Chart Industrial Inc COM	GTLS	Industrials	240	66.89	\$16,054	2.84%
Discover Financial Services	DFS	Financials	400	62.37	\$24,948	4.41%
Facebook Inc	FB	Technology	300	74.82	\$22,446	3.97%
Harley-Davidson Inc	HOG	Consumer Discretionary	247	63.56	\$15,699	2.77%
IMAX Corporation	IMAX	Technology	650	27.72	\$18,018	3.18%
Melco Crown Entertainment Ltd	MPEL	Consumer Discretionary	600	28.36	\$17,016	3.01%
Packaging Corporation	PKG	Materials	300	67.99	\$20,397	3.61%
Priceline Com Inc	PCLN	Technology	20	1244.3	\$24,886	4.40%
Primoris Services Corporation	PRIM	Industrials	800	29.04	\$23,232	4.11%
Smith A O Corporation	AOS	Industrials	250	49.08	\$12,270	2.17%
Stratysis LTD SHS	SSYS	Technology	273	119.96	\$32,749	5.79%
U.S. Silica Holdings Inc	SLCA	Materials	500	71.81	\$35,905	6.35%
Urban Outfitters	URBN	Consumer Discretionary	650	39.79	\$25,864	4.57%
Whole Foods Market Inc	WFM	Consumer Staples	500	39.14	\$19,570	3.46%
Health Care SPDR	XLV	Health Care	900	63.86	\$57,474	10.16%
iShares Russell 1000 Growth Index	IWF	Index ETF	400	93.25	\$37,300	6.59%
iShares S&P Global Industrials Sec	EXI	Industrials			\$0	0.00%
Vanguard Consumer Staples	VDC	Consumer Staples	400	117.14	\$46,856	8.28%
Vanguard Information Technology	VGT	Technology	400	101.43	\$40,572	7.17%
Direct Equity Holdings					\$365,352	64.58%
Total Equity Holdings					\$547,554	96.78%
Cash as of August 31, 2014					\$18,210	3.22%
<b>Total Assets</b>					<b>\$565,764</b>	<b>100.00%</b>

### *Investment Style and Strategy*

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

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

**Investment Process:** Our analysts look at a firm and ask: "What is the catalyst for growth?" Then the analyst considers whether the company's business model will succeed. A valuation analysis follows, which begins with balance sheet analysis as well as revenue and earnings trends. The analyst completes a fundamental analysis of the company and examines relative

valuations. The analyst then writes a research report and pitches the stock to the class. The class engages in a discussion to challenge the investment rationale. After this rigorous process, the group votes whether or not to add the security to the portfolio.

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

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

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

## The Value Fund

### *Message from the Portfolio Managers*

The start of 2015 has coincided with a return of market volatility that has persisted over the first quarter. From a value investing perspective, it has been relatively difficult to identify fundamentally sound value investments with the markets trending at all-time highs. Company valuations as a whole remain at their highest levels since the financial crisis of 2008. In the face of these challenges, the Value Fund has maintained a disciplined approach with a relatively conservative view.

The Value Fund generated a return of 4.82% for the six months ended Feb 28, 2015 and 12.45% for the one year period ending the same. The value fund outperformed the Russell 1000 Value ("the benchmark") in the 6 month period by 1.34% and underperformed in the one year period by 1.04%. The recent outperformance is due to superior stock selection and concentrated attempts to minimize risk relative to the benchmark. These attempts include minimizing our cash holding and more closely monitoring our sector deviations. We continue to emphasize stock selection with a long-term view and we believe this objective has led to our long-term out performance of the benchmark. Since inception, the Value Fund has generated an annualized return of 7.91% compared to the benchmark return of 7.45%.

The Value Fund's sector allocation is a by-product of stock selection, which is based on bottom-up analysis of intrinsic value and risk management through a margin of safety. While we maintain prudent diversification through investment in the benchmark ETF, we deviate from the benchmark in order to invest in situations that we believe offer a combination of

solid upside potential with downside protection. At the end of the period, the Fund was overweight Technology and Materials and underweight Financials and Utilities.

Our best performers during the period were Laboratory Corp, Delphi Automotive, and Ashland. We were also pleased to see many of our positions reach their target upsides which ultimately led to a large ETF position at the end of the period as we began to gear up with new investment ideas. At the end of the period, we held 14 holdings and nearly 50% of our fund in an ETF position. Currently, we are engaging in weekly stock pitches as we look to rotate away from ETF dependence and into company specific investments.

When the Value Fund reconvened in January, we used multiple class sessions to discuss and analyze two potential sources of value investments. With oil prices touching down at \$55 a barrel and the US Dollar reaching 10 year highs, potential value opportunities began to arise in the Energy sector and from multinational companies with revenues tied to foreign currencies. We were able to leverage our fund members' past experiences in industry combined with fundamental analysis to deploy capital where we perceived value. For example, our recent investment in the iShares Dow Jones US Oil & Gas Exp (NYSE:IEO) has yielded us a 5% gain against a relatively flat benchmark over the same period.

Looking forward, we believe that while true value opportunities may be few and far between, we will continue to follow a disciplined approach to fundamental, bottom up value investing. Our portfolio is well diversified

with a variety of catalysts to generate out-performance. We remain focused on our objective of finding good businesses trading significantly below our estimates of intrinsic business value.

Jeremy Sipzner and Emily Wu  
Co-Portfolio Managers, MPSIF Value Fund



### Discussion of Performance

For the period ending August 31, 2014:

	6 month	1 Year	3 Year		5 Year		Inception*	
<b>Value Fund</b>	4.82%	12.45%	64.24%	17.98%	95.52%	14.35%	213.10%	7.91%
<i>Russell 1000 Value Index</i>	3.48%	13.49%	64.75%	18.11%	105.64%	15.51%	193.93%	7.45%
Relative - Net of Fees	1.34%	-1.04%	-0.51%	-0.12%	-10.12%	-1.16%	19.17%	0.45%

\*Inception from March 1, 2000

### Discussions of Performance

For the period ending February 28, 2015:

The Value Fund had return of 4.82%, outperforming the fund's benchmark by 1.34% for the six month period ended February 28, 2015, though the Fund has underperformed the Fund's benchmark by 1.04% in the past fiscal year.

One of the major positive contributors to the Fund's performance on an absolute basis was our new position in Energy ETF. Our 4.24% position in iShares Dow Jones US Oil & Gas Exp (NYSE:IEO) has yielded us a 5% gain.

### Stock Picking

The top contributing stock to the Fund's performance was Laboratory Corp (LH). LabCorp is a worldwide independent clinical laboratory company. The stock generated a return of 22.97% over the period. Strong performance was due to better-than-expected fourth-quarter 2014 financial results and successful acquisition of Covance which was on par with our investment thesis.

The second best performer was Delphi Automotive PLC (DLPH). Delphi Automotive PLC is a global vehicle components manufacturer and provides electrical and electronic, powertrain, safety and thermal technology solutions to the global automotive and commercial vehicle markets. The stock generated a return of 20.29% over the period.

The third best performer was Ashland Inc. Ashland is a global specialty chemicals company,

and its stock has generated a return of 19.66% over the period.

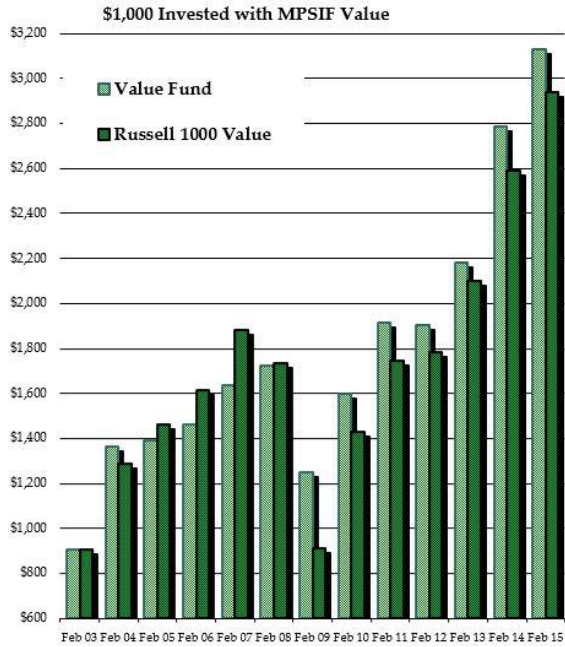
The worst stock selections during the period were Trinity Industries Inc., McDermott International, Intel Corporation, which returned -33.42%, -20.29%, -10.34% respectively during the period.

<b>Six months ended Feb 28, 2015</b>	
<b>Top Performers</b>	<b>Return</b>
Laboratory Corp.	22.97%
Delphi Automotive	20.29%
Ashland Inc.	19.66%
<b>Bottom Performers</b>	
Trinity Industries Inc.	-33.42%
McDermott International	-20.09%
Intel Corporation	-10.34%
<i>Return : measures the stock's return since the later of February 28, 2014 or the date of acquisition to the earlier of August 30, 2014 or the date of disposition.</i>	

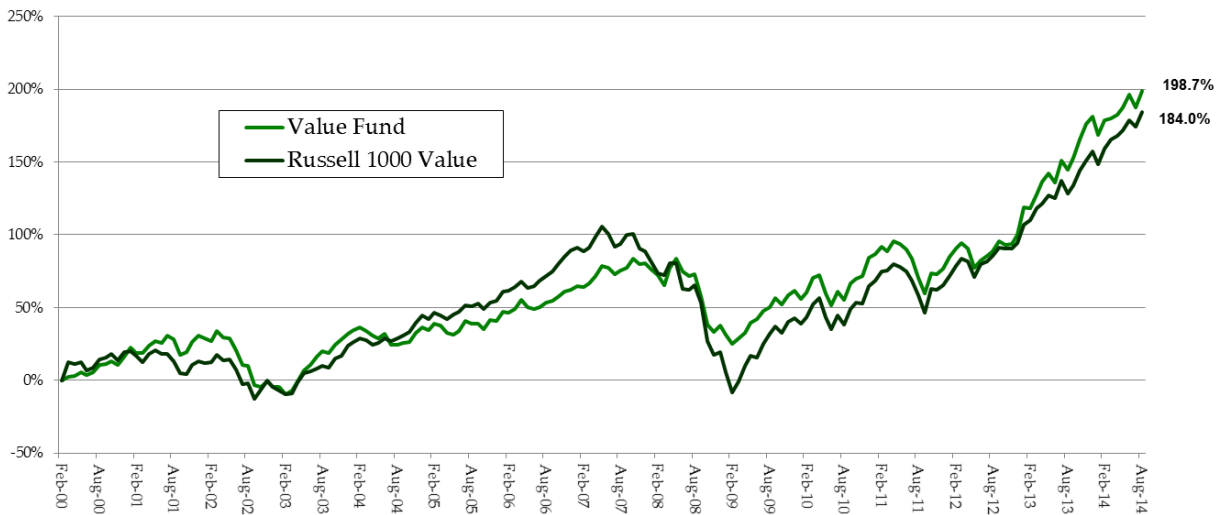
### Driving Fund Performance

Though the recent period was a difficult time to identify traditional value stocks, our Fund strived to find companies with strong fundamentals. Also through our Fund discussion, among members with diverse professional background, we were able to detect not only sector opportunity but also the right category within the sector. As a result we have lowered our cash holdings and invested in energy ETF, iShares Dow Jones US Oil & Gas Exp

(NYSE:IEO) which has yielded 5% gain, despite of the down trend of the Energy sector as a whole.



**Michael Price Value Fund vs Russell 1000 Value Index**



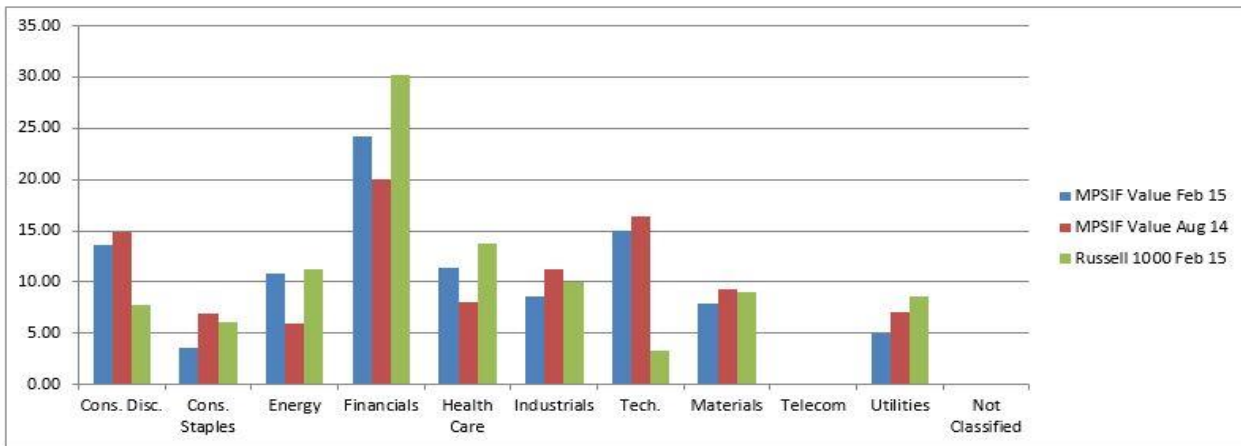
**Asset Allocation**

Value Fund has primarily focused on bottom-up approach to picking stocks. However we do not entirely ignore sector strategy either. We use iShares Russell 1000 Value Index as a benchmark to make sure our investment is diversified and not exposed to sector specific risks.

As of February 2015, the Fund was over-weighted in two sectors: Consumer Discretionary (13.59%

vs. 7.80%) and Technology (15.02% vs.3.30%). While the Fund was significantly under-weighted in three sectors: Consumer Staples (3.52% vs. 6.10%), Financials (24.25% vs. 30.20%), and Utilities (4.96% vs. 8.60%). Other sectors including Energy, Healthcare, Industrials, Materials, and Telecom were relatively on par with our Benchmark.

Our portfolio currently holds 57.58% of its assets in the benchmark ETF which is an increase from the 42.76% ETF position held by the Fund on August 31, 2014.



**Holdings Profile***Value Portfolio as of February 28, 2015*

Company Name	Ticker	Sector	Shares		Closing Position		% of Assets
			Held	Price	Value		
Ashland Inc.	ASH	Materials	276	127.62	\$35,223		6.02%
Delphi Automotive	DLPH	Consumer Discretionary	332	78.84	\$26,175		4.47%
ICICI Bank	IBN	Financials	1750	11.65	\$20,388		3.49%
Intel Corp.	INTC	Technology	500	33.25	\$16,625		2.84%
Lab Corp.	LH	Healthcare	168	123.03	\$20,669		3.53%
Level 3 Communications	LFLT	Technology	350	53.86	\$18,851		3.22%
Oracle Corp.	ORCL	Technology	502	43.82	\$21,998		3.76%
Philip Morris International	PM	Consumer Discretionary	325	82.96	\$26,962		4.61%
United Parcel Services	UPS	Industrials	160	101.73	\$16,277		2.78%
Wells Fargo & Co.	WFC	Financials	358	54.79	\$19,615		3.35%
iShares US Oil & Gas Expl. Index	IEO	Energy ETF	333	74.49	\$24,805		4.24%
iShares Russell 1000 Value Index	IWD	Index ETF	3,206	105.06	\$336,822		57.58%
Direct Equity Holdings					\$222,782		38.08%
Total Equity Holdings					\$584,409		99.91%
Cash as of February 28, 2015					\$554		0.09%
<b>Total Assets</b>					<b>\$584,963</b>		<b>100.00%</b>

*Value Portfolio as of August 31, 2014*

Company Name	Ticker	Sector	Shares		Closing Position		% of Assets
			Held	Price	Value		
AMERCO	UHAL	Consumer Discretionary	72	277.81	\$20,002		3.58%
Ashland Inc.	ASH	Materials	276	107.22	\$29,593		5.30%
CST Brands	CST	Consumer Discretionary	669	34.84	\$23,308		4.18%
CVS Caremark Corporation	CVS	Consumer Staples	300	79.45	\$23,835		4.27%
Hertz Global Holdings, Inc.	HTZ	Industrials	700	29.55	\$20,685		3.71%
Home Depot Inc	HD	Consumer Discretionary	59	93.50	\$5,517		0.99%
Infosys Ltd	INFY	Technology	211	59.50	\$12,555		2.25%
InterDigital, Inc.	IDCC	Technology	783	44.37	\$34,742		6.23%
International Paper Company	IP	Materials	255	48.45	\$12,355		2.21%
Leucadia National Corp.	LUK	Financials	831	24.93	\$20,717		3.71%
McDermott International	MDR	Healthcare	1730	7.20	\$12,456		2.23%
Oracle Corporation	ORCL	Technology	502	41.53	\$20,848		3.74%
Philip Morris International Inc.	PM	Consumer Discretionary	160	85.58	\$13,693		2.45%
Telephone & Data Sys Inc.	TDS	Utilities	687	26.34	\$18,096		3.24%
Trinity Inds Inc.	TRN	Industrials	322	48.38	\$15,578		2.79%
Veritiv	VRTV	Materials	4	44.52	\$178		0.03%
WellsFargo	WFC	Financials	358	51.44	\$18,416		3.30%
iShares Russell 1000 Value Index	IWD	Index ETF	2,325	102.64	\$238,638		42.76%
Direct Equity Holdings					\$302,572		54.22%
Total Equity Holdings					\$541,210		96.98%
Cash as of August 31, 2014					\$16,858		3.02%
<b>Total Assets</b>					<b>\$558,068</b>		<b>100.00%</b>



### ***Investment Style and Strategy***

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

**Benchmark:** Russell 1000 Value Index

**Fund Strategy:** The Value Fund utilizes a bottom-up fundamental approach. Our analysts go through a rigorous screening process to select deep value positions. The team pursues this strategy by investing primarily in large capitalization companies with consistent year-over-year earnings that are trading at a discount relative to their peer group. We estimate the value of our securities primarily through an intrinsic value methodology. Additionally, we examine each security's valuation relative to its peer group. For the purposes of this analysis, we utilize many of the following metrics: price-to-earnings, price-to-book, dividend yield, and various free-cash-flow ratios. There is, however, no specific country or region quota. Analysts discuss the Fund's overall sector allocation compared to our benchmark to monitor our exposure, though we do

not intentionally make sector bets. The Fund seeks absolute returns in order to fulfill our distribution requirements and monitors our performance against the Russell 1000 Value index.

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

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



## The Small Cap Fund

### *Message from the Portfolio Managers*

The Small Cap fund returned 4.29% versus the Russell 2000's 6.01% from August 31, 2014 to February 28, 2015 – the fund's relative performance was -1.72%. Given our large exposure to ETFs, we were largely insulated from the poor performance of our energy stocks. Our three worst performing stocks, Gran Tierra Energy, W&T Offshore, and US Silica, represent more than 100% of the relative underperformance of our fund. We also managed to miss a large rally in the biotechnology industry, having no stock selections in the space.

Our fund has added a number of new members – many of which are pursuing equity research or buy-side positions outside MPSIF. Both Alejandra and Perryne are new to the PM positions, but are taking advantage of the tools both previously created and newly acquired. For next semester we will have a portfolio manager dashboard in Barra. This will hopefully allow the team to more rapidly identify sources of underperformance and trends in outperformance on which to capitalize.

We continued to utilize the Sector ETF strategy: we hold an ETF if we find there are insufficient stock opportunities within that sector. While the Sector ETF strategy helps to reduce the Fund's relative performance gap, we would prefer to diversify our holdings through greater stock selection. With a combination of insightful research and utilizing our analytics tools, we believe not only will underperformance be mitigated but our returns will be generated from the stocks we hold, not the sectors we choose.

To improve the quality of our security selection process, we have implemented a speed pitch requirement before any full pitches are presented. Although it does extend the process of stock selection, we firmly believe that bad ideas are discovered more easily and summarily dismissed

before Analysts waste time on a full pitch. Starting in the fall, each stock will be pre-screened in Barra for both adherence to our fund's objectives and fit within the portfolio as a whole.

One flaw in our current system is our updating current positions. The Small Cap team typically provides only one to two updates per semester to their current holding, and so those languish in the portfolio. Next semester, Analysts will be expected to provide an update after each earnings release or significant announcement – monitored by alerts from Seeking Alpha. We will also provide updates when price targets are hit or when the position experiences a significant drop in price or change in exposures.

This semester, we made a few changes to our voting procedures. First, we've instituted a quorum, where 2/3 of the fund must vote in order for a vote to be valid. As a fund with fewer members than others, we must rely on reasonable voting metrics to ensure quality of the vote. We've also simplified the voting by launching all our votes on Qualtrics, a survey system. This allows our members to vote via any internet-connected device, including mobile phones. Our new voting procedures have drastically increased the quality of our voting.

Our goal as PMs is twofold – we want to reasonably increase the share of equities as a percent of the portfolio while diversifying those holdings in multiple sectors. While cash must remain a fairly fixed percentage, we believe our fund's true alpha lies in stockpicking over holding ETFs.

Our focus for next semester lies in idea generation and closer monitoring of our allocation across industries and style factors. The small cap team will continue to utilize speed pitches as a means for

## The Michael Price Student Investment Fund

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vetting ideas and will implement more frequent updates to stocks already held so large losses can be mitigated, and gains enhanced. Through the summer we will be utilizing stop loss orders to maintain the integrity of the fund.

Alejandra Cure & Perryne Desai  
Co-Portfolio Managers, MPSIF Small Cap Fund



**Discussion of Performance**

For the period ending February 28, 2015:

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
<b>Small Cap Fund</b>	<b>4.29%</b>	<b>3.16%</b>	<b>32.70%</b>	<b>9.89%</b>	<b>75.42%</b>	<b>11.90%</b>	<b>172.36%</b>	<b>6.91%</b>
<i>Russell 2000 Index</i>	6.01%	5.94%	58.92%	16.70%	110.40%	16.04%	160.96%	6.60%
Relative - Net of Fees	-1.72%	-2.78%	-26.22%	-6.81%	-34.98%	-4.14%	11.41%	0.30%

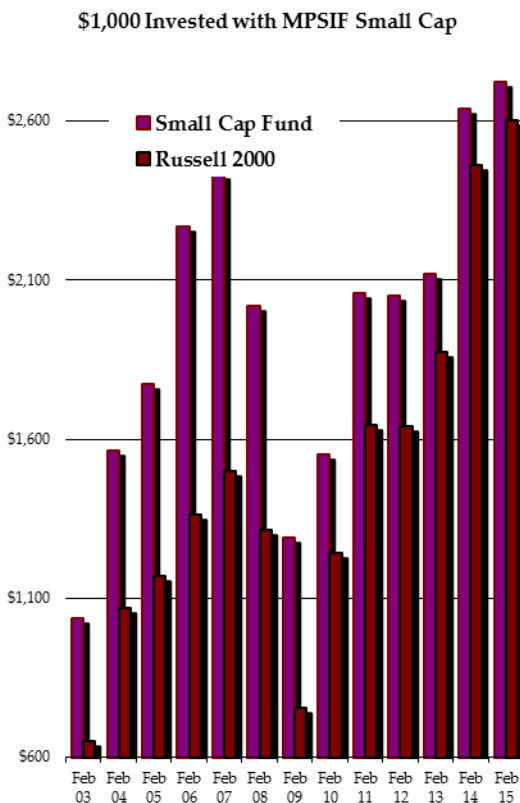
\*Inception from March 1, 2000

**Performance Overview**

During the first half of fiscal year 2015, the Fund underperformed its benchmark, the Russell 2000 Index, by 1.72% net of management fees. The Fund underperformed its benchmark by approximately 2.78% for the 12 months ending February 28, 2015. This relative underperformance was largely the result of a handful of positions that were stopped out or experienced material decreases in the stock price. The implementation of the Sector ETF strategy in combined with efforts to increase individual stock exposure should help to diversify risk while preserving the potential for alpha generation.

\*Note: chart updated every fiscal year end (August)

**Stock Picking – Winners and Losers**



**Six months ended Feb 28, 2015**

Top Performers	Return
Post Holdings	32.33%
Teekay Tankers	25.00%
Republic Airways Holdings	20.10%

Bottom Performers	Return
Gran Tierra Energy	-62.07%
W&T Offshore	-59.08%
U.S. Silica Holdings	-54.17%

*Return: measures the stock's return (excluding dividends) since the later of August 30, 2014 or the date of acquisition to the earlier of February 28, 2015 or the date of disposition.*

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

The top contributing stock for the Fund in the six months ended February 28, 2015 was **Post Holdings**

**(POST)**, up 32.33%. Post is a 100-year old consumer packaged goods company that manufactures and distributes ready-to-eat cereal in the US – 27% of revenue today. Post also offers active nutrition and private label products through several premium brands and recently entered the egg, cheese and potato businesses. In January, Post announced the acquisition of leading “value” cereal manufacturer Malt-O-Meal Brands, which is Post’s first major deal that is undoubtedly synergistic. The deal was viewed favorably as it will take their market share in the ready-to-eat cereal market from 11% to 18% and the EBITDA and margin accretion are significant. The management team has a proven track record of making acquisitions in attractive markets and we believe that debt levels will fall as the business begins to de-lever. All of Post’s business lines generate free cash flow and the new businesses are growing at mid-to-high single digits versus the modestly declining cereal market. The Fund purchased the stock in May 2014 and continues to hold it today.

The Fund’s second-best performer was **Teekay Tankers (TNK)**, up 25%. Teekay is engaged in the marine transportation of crude oil and refined petroleum products. The company owns and operates crude oil and product tankers. The original thesis revolved around the fact that Teekay has the operational scale and positioning to capture the upside from the near term improvement in the tanker market. They are in a revenue sharing pool with parent, Teekay Corp. (TK), a company that has over 125 global customers. The Fund purchased the stock in December 2014 and exited the position in February 2015. The stock spiked in January after Dennis Gartman appeared on CNBC and was bullish on tanker stocks, including Teekay. This was followed up by a Bloomberg analyst survey that projected tanker demand to outpace supply in 2015, with the potential to drive tanker rates 25-30% higher. With the catalyst playing out, further upside was limited, and we exited.

**Republic Airways Holdings (RJET)** was the third-best performer, up 20.10%. RJET is a regional airline that offers scheduled passenger service on over 1,200 flights daily to approximately 100 cities in the North America. It provides fixed-fee regional airline services under United Express, Delta Connection, or US

Airways Express/American Eagle. We originally purchased the stock because we thought the company was misunderstood by the market and provided some upside as it was in the midst of a corporate turnaround, and thus traded at a compelling valuation. The stock benefitted from near-term price improvement in the overall airline sector driven by a fall in oil prices. The Fund purchased the stock in April 2014 and exited the position in October 2014, after the stock had reached its price target.

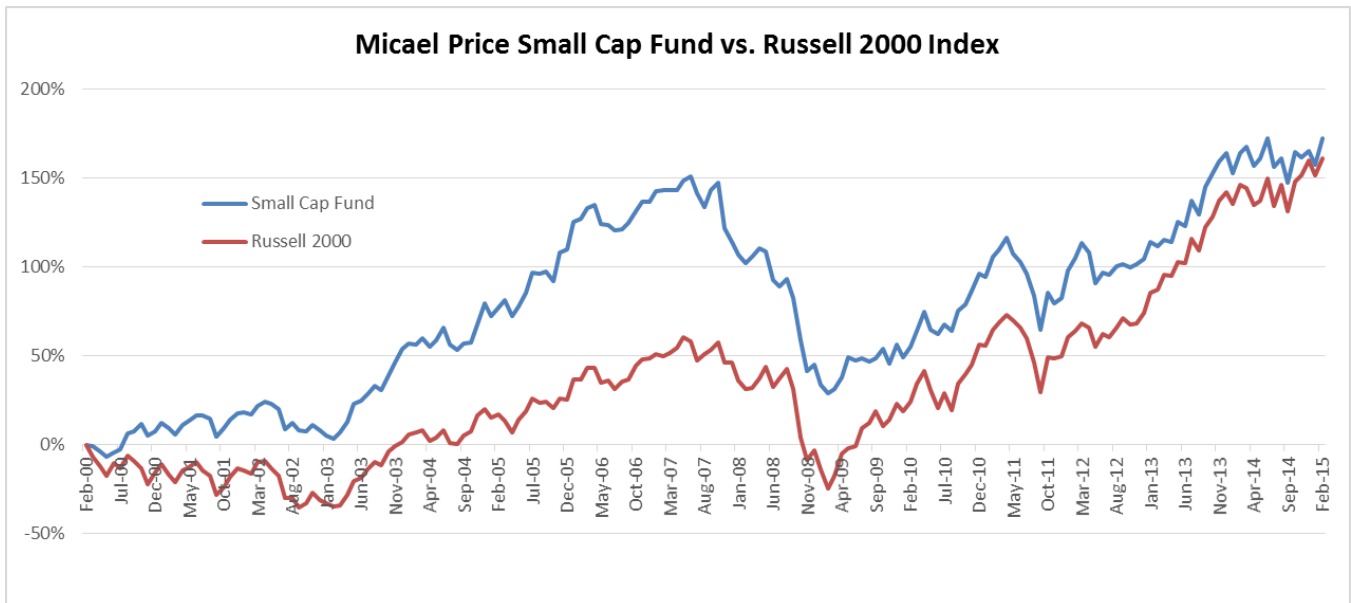
Underperforming investments included Gran Tierra Energy (down 62.07%), W&T Offshore (down 59.08%) and U.S. Silica Holdings (down 54.17%), all in the oil and gas industry.

**Gran Tierra Energy Inc. (NYSE: GTE)** is an independent energy company that is engaged in the acquisition, exploration, development, and production of oil and gas properties in Colombia, Peru, and Brazil. The company’s acreage includes 3.4 million gross acres covering 17 exploration and production contracts in Colombia; 5.8 million gross acres covering 5 exploration licenses in Peru; and 47,734 gross acres covering 7 exploration blocks in Brazil. While the main thesis points, which pointed to Gran Tierra’s strong debt-free balance sheet, cheap share price relative to competitors and prominent geographic exposure stay intact, the overall drop in oil prices drove the share price down considerably. Even so, we maintain a positive outlook on the stock and expect upwards of a 30% gain potential in 2015.

**W&T Offshore (NYSE: WTI)** is an independent oil and natural gas producer that together with its subsidiaries, engages in the acquisition, exploration, and development of oil and natural gas properties primarily in the Gulf of Mexico and onshore in the Permian Basin of West Texas. It holds working interests in approximately 63 offshore fields in federal and state waters. While the company’s positive attributes remained intact (strong management, clean balance sheet, proven history of building reserves and production, the off-shore drilling segment suffered extreme drops in share prices due to the crash in oil prices. While the stock price remains highly correlated to the price of oil, the fund’s decision to maintain the position through the downturn proved correct as we already recovered most of the loss (that today stands at roughly ~20%).

**U.S. Silica Holdings (NYSE: SLCA)** produces and sells commercial silica in the United States. It operates through two segments, Oil & Gas Proppants, and Industrial & Specialty Products. The company offers whole grain commercial silica products to be used as fracturing sand in connection with oil and natural gas recovery, as well as sells its whole grain silica products in various size distributions, grain shapes, and chemical purity levels for manufacturing glass products. Due to the proximity between frac sand and

the oil industry, the stock of U.S. Silica dropped considerably after the crash in oil prices that started in August 2014. Even as the stock lost half of its value, we maintained a positive outlook on the stock due to positive signs that include the company announcing a new share repurchase program, insider buys and the continuous over-demand that persisted. Over the last four months, the stock has regained most of the loss and continues to show positive signs. We'll make sure to follow it closely.



**Asset Allocation**

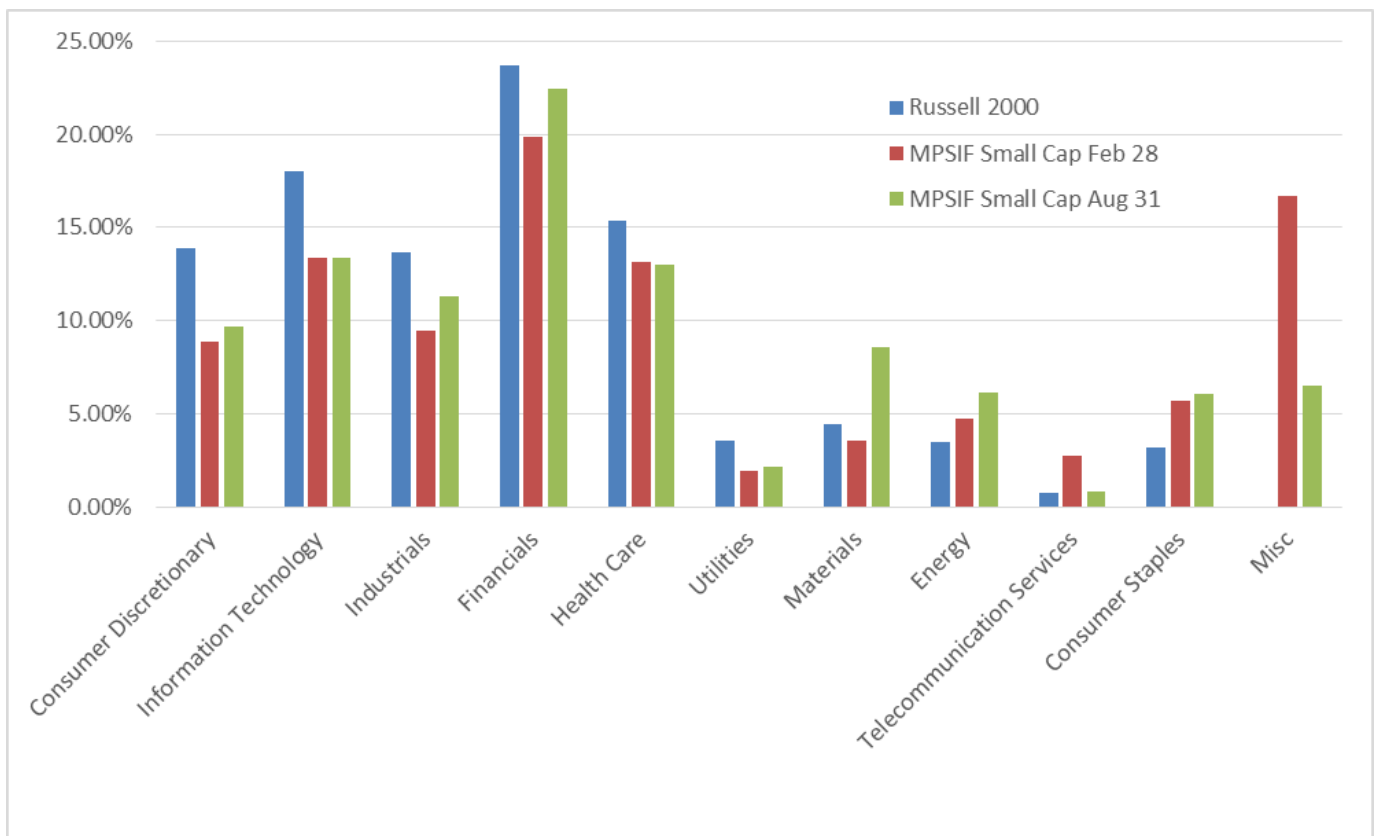
Historically the Fund has primarily focused on bottom-up stock picking and fundamental analysis, with asset allocation being a secondary consideration. The Fund’s commitment to bottom-up stock selection is mainly pedagogical in nature, given that the Fund is a seminar style MBA course in which students implement skills learned across the curriculum.

However, it should be clearly understood that the central principle of modern portfolio theory, asset allocation, is not ignored by the Fund. The Fund places more emphasis on asset allocation by using Small Cap Sector ETFs (starting in April 2013) as a part of the portfolio management strategy. Since Small Cap stocks tend to be riskier and more volatile than average stocks in the S&P 500, this strategy helps to diversify the Fund and reduce overall volatility in the portfolio.

Specifically, the Fund sets target exposures for each sector and as individual stocks are purchased (or sold) individual stocks, capital is sourced from (or directed to) the corresponding Sector ETF. This acts as a simple and cost effective mechanism for maintaining a balanced portfolio over time.

As of August 31, 2014, the sectors with the most significant weights in the Fund are as follows:

- **Financials** represented a 24.1% allocation, the largest sector in the Fund. With the Russell 2000 at a 24.2% weighting, the Fund is in line with the benchmark.
- **Miscellaneous** captured a 16.72% share in the Fund.
- **Information Technology** accounted for a 13.40% allocation in the Fund, compared to the benchmark allocation of 18.02%.



**Holdings Profile (as of February 28, 2015)****Small Cap Portfolio as of Feb 28, 2015**

<b>Company Name</b>	<b>Ticker</b>	<b>Sector</b>	<b>Shares Held</b>	<b>Closing Price</b>	<b>Position Value</b>	<b>% of Assets</b>
Cogent Communications Hldgs	CCOI	Technology	310	36.72	\$11,383	2.04%
Harbinger Group Inc Com	HRG	Consumer Discretionary	770	12.32	\$9,486	1.70%
Post Holdings	POST	Consumer Discretionary	450	49.48	\$22,266	3.99%
J G Wentworth Co CL A	JGW	Financials	900	10.35	\$9,315	1.67%
Rayonier Advanced Matls Inc Com	RYAM	Materials	450	18.56	\$8,352	1.50%
US Silica Hldgs Inc Com	SLCA	Materials	240	32.41	\$7,778	1.39%
UniFirst Corp	UNF	Industrials	100	118.83	\$11,883	2.13%
W & T Offshore Inc Com	WTI	Energy	1050	5.97	\$6,269	1.12%
American Capital Ltd Com	ACAS	Technology	797	14.60	\$11,636	2.08%
Gaslog Ltd Shs	GLOG	Energy	420	19.79	\$8,312	1.49%
Silver Bay Rlty TR Corp Com	SBY	Financials	650	16.16	\$10,504	1.88%
Gran Tierra Energy Inc Com	GTE	Energy	1,529	2.53	\$3,868	0.69%
PowerShares S&P SmallCap Financials	PSCF	Financials	1,933	41.25	\$79,736	14.28%
PowerShares S&P SmallCap Information Technology	PSTC	Technology	1,436	52.17	\$74,916	13.42%
PowerShares S&P SmallCap Healthcare	PSCH	Healthcare	1,107	66.18	\$73,261	13.12%
PowerShares S&P SmallCap Materials	PSCM	Materials	270	41.48	\$11,200	2.01%
PowerShares S&P SmallCap Industrials	PSCI	Industrials	870	47.28	\$41,134	7.37%
PowerShares S&P SmallCap Consumer Discretionary	PSCD	Consumer Discretionary	930	53.25	\$49,523	8.87%
PowerShares S&P SmallCap Utilities	PSCU	Utilities	380	38.83	\$14,755	2.64%
Direct Equity Holdings					\$121,053	21.68%
Total Equity Holdings					\$465,578	83.37%
Cash as of February 28, 2015					\$92,855	16.63%
<b>Total Assets</b>					<b>\$558,433</b>	<b>100.00%</b>



## The Michael Price Student Investment Fund

### Small Cap Portfolio as of Aug 31, 2014

Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets
Air Lease Corp	AL	Financials	329	37.90	\$12,469	2.33%
American Capital Ltd Com	ACAS	Technology	797	15.49	\$12,346	2.31%
Caesarstone Sdot-Yam Ltd	CSTE	Materials	210	52.01	\$10,922	2.04%
Conrad Industries, Inc.	CNRD	Industrials	300	38.00	\$11,400	2.13%
CyrusOne Inc	CONE	Financials	750	26.04	\$19,530	3.65%
Gaslog Ltd Shs	GLOG	Energy	420	25.31	\$10,630	1.99%
Gran Tierra Energy Inc Com	GTE	Energy	1529	6.71	\$10,260	1.92%
HMS Holdings Corpotation Com	HMSY	Healthcare	716	22.86	\$16,368	3.06%
IPG Photonics Corporation	IPGP	Technology	175	68.68	\$12,019	2.24%
Movado Group, Inc	MOV	Consumer Discretionary	322	37.13	\$11,956	2.23%
Post Holdings	POST	Consumer Discretionary	450	36.97	\$16,637	3.11%
Radian Group Inc	RDN	Financials	850	14.56	\$12,376	2.31%
Republic Airways Holdings Inc	RJET	Industrials	1308	10.15	\$13,276	2.48%
Sanderson Farms, Inc.	SAFM	Consumer Staples	170	93.32	\$15,864	2.96%
Smith & Wesson Holding Corp	SWHC	Consumer Discretionary	1520	11.07	\$16,826	3.14%
Thoratec Corporation	THOR	Healthcare	570	25.00	\$14,250	2.66%
Vistaprint	VPRT	Technology	100	48.28	\$4,828	0.90%
PowerShares S&P SmallCap Consumer Discretionary	PSCD	Consumer Discretionary	499	46.50	\$23,204	4.33%
PowerShares S&P SmallCap Energy	PSCE	Energy	239	49.57	\$11,847	2.21%
PowerShares S&P SmallCap Financials	PSCF	Financials	1,938	39.30	\$76,163	14.22%
PowerShares S&P SmallCap Healthcare	PSCH	Healthcare	687	56.81	\$39,028	7.29%
PowerShares S&P SmallCap Industrials	PSCI	Industrials	530	44.01	\$23,325	4.36%
PowerShares S&P SmallCap Information Technology	PSCT	Technology	1,165	47.02	\$54,778	10.23%
PowerShares S&P SmallCap Materials	PSCM	Materials	737	47.38	\$34,919	6.52%
PowerShares S&P SmallCap Utilities	PSCU	Utilities	440	36.10	\$15,884	2.97%
Direct Equity Holdings					\$221,957	41.45%
Total Equity Holdings					\$501,106	93.57%
Cash as of February 28, 2014					\$34,412	6.43%
<b>Total Assets</b>					<b>\$535,518</b>	<b>100.00%</b>



## ***Investment Style and Strategy***

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

**Style:** The Small Cap Fund combines a bottom-up approach for security selection and portfolio construction with consideration of the Fund's current sector weightings for any new additions to the portfolio. The Fund invests primarily in domestic equities with market capitalization less than \$2 billion (though this may be higher, in certain instances) and benchmarks its returns against the Russell 2000 Index. Individual company analysis is conducted in conjunction with economic and sector outlooks provided by the MPSIF economic team and evaluated in the context of the consensus economic opinion of the Fund. Various criteria may be reviewed to determine the attractiveness of an investment, including, but not limited to, industry analysis, company analysis and financial valuation, the company's management team, risk factors, M&A activity, and/or other specific catalysts or events.

The Fund instituted the use of Small Cap Sector ETFs in April 2013 to further diversify the portfolio holdings and reduce overall Fund volatility.

**Strategy:** The Fund targets a relatively concentrated portfolio of individual stock selections with a target of 20-30 investments. Depending on both market and security-specific conditions, the turnover of the Fund may vary. At least once a semester, Fund Analysts provide updates on existing positions in the portfolio. At that time, each member in the fund votes on the Analyst's recommended course of action. The possible actions are selling/trimming the position, holding the position, or accumulating more of the position, subject to portfolio size constraints. The Fund sets allocations for each position across a range of 2-4%, based on conviction levels and current sector allocations. In some instances, positions may grow to a size in excess of 4%, in which case the Fund collectively evaluates whether it is appropriate to trim such positions.

New pitches are also presented by Analysts of the Fund throughout the semester. During new

investment deliberations, members of the Fund analyze the investment merits and weigh them against any potential macro or company-specific risks. Furthermore, members review the expected timing of investment as well as upside cases and downside risks. For new investments that have been approved by the Fund through a majority vote, the Portfolio Managers will determine position sizing based primarily on the collective conviction level of the team. Additionally, while there are no hard sector concentration limits, the Portfolio Managers continually monitor and assess the Fund's sector weightings relative to the benchmark and may adjust position weights accordingly.

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

**Rationale for Small Cap Stocks:** Small Cap stocks are defined by the Fund as stocks that generally have market capitalization of less than \$2 billion. Based on historical data, small cap stocks have proven to offer the greatest returns to investors over the long term. However, given their size, earnings volatility, and lack of Analyst coverage, these stocks may be subject to greater volatility and price risk, and value may take longer to be recognized by the market.

**Risk Management:** As stated earlier, target stop-loss prices are implemented during the summer and winter recess periods. While the Fund does not have automatic stop-losses that are triggered upon a price drop, Analysts are required to track price activity and initiate a vote to sell upon a price drop below the pre-determined stop loss price. Every position is assigned to a particular Analyst during these recess periods. Additionally, in order to maintain continuity across semesters, stocks assigned to outgoing Analysts are temporarily assigned to second-semester Analysts (over the recess periods) until new Analysts join the Fund and stock coverage is reallocated.

## The Fixed Income Fund

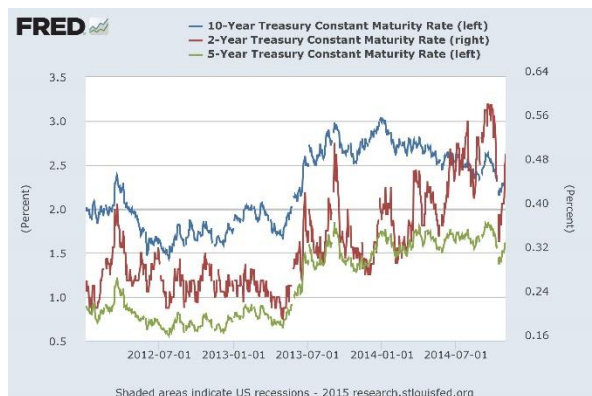
### Message from the Portfolio Managers

Market volatility increased in Q4 2014, with the VIX jumping to 25 from below 15. The 10 year U.S. Treasury rate dropped 35 bps to close at 2% in February 2015, contrary to the market's expectation of higher rates, as investors sought safe haven in US Treasuries. In late September, Bill Gross announced his departure from PIMCO to Janus Funds, catching fixed income investors by surprise. We expected volatility to continue into December when large institutional accounts renew their annual contracts with PIMCO. The Fed ended its quantitative easing (QE) program at the end of October, marking the end of more than five years of monthly asset purchases of treasuries and mortgage backed securities. Meanwhile, in Europe, signs of deflation, high unemployment, and a languishing economy, led European Central Bank chief Mario Draghi to announce the possibility of large scale bond purchases, which ultimately began in early 2015. Japan also dipped into recession and the BOJ (Bank of Japan) expanded its bond buying program in late 2014. At the same time, Japan's pension fund started buying foreign equities to boost returns. Fueling the uncertainty, oil prices dropped nearly 40% from a high of over \$100 per barrel after OPEC announced its decision to not support oil prices in order to protect its market share. The culmination of these events brought heightened volatility but equity markets ended the year near all-time highs.

In light of these events, we anticipated that the Fed may not raise interest rates until Q2 2015. Even though U.S. GDP grew 5% in the first half of the year, unemployment remained high at 5.8% and inflation was a low near term threat. Moreover, the People's Bank of China (PBoC) cut its main policy rate and reserve requirements for the first time since 2012. While the world's major economies are pursuing monetary policies in contrast to that of the U.S., a raise in rates too soon will weigh on an economy still in recovery.

Market expectations of a rise in rates in the short term led us to cushion the portfolio against a sooner

than expected rate hike and subsequent volatility on the short end of the curve. We decided to trade our short duration treasury positions for intermediate term treasuries, enabling us to take an opportunistic position at the belly of the curve for the short term. This view is supported by the upward movements of the 2 year US Treasury constant maturity rate compared to the 5 year and 10 year constant maturity yields, as shown in the chart. As such, we sold out of the iShares Tr 1-3 Year Treasury Bond ETF (Ticker: SHY) and the iShares Tr Agency Bond ETF (Ticker: AGZ).



Since September, we saw that rising rates and tighter spreads will continue to constrain investment grade returns and that high yield corporates will offer more upside due to lower correlation to interest rates. In October, spreads widened to 130 bps compared to 101 bps in June, due to the oil/gas fallout. In November, high yield fund flows experienced the first outflow after four weeks of consecutive inflows of approximately \$5.5B. We decided that the energy fallout coupled with the outflows offered a unique opportunity to get back into high yield, which we sold off before the initial drop in June last year. We re-initiated a position in the iShares High Yield Corporate Bond ETF (Ticker: HYG) at \$89.60 because we felt that it offered an opportunity for more attractive returns. After the panic, investors will continue to seek yield and this should provide support for the price level. Along those lines, we eliminated the subordinated debt

position in THL Credit (Ticker: TCRD) as we felt we were better compensated for the added risk with our position in HYG.

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

#### **Increase Duration of US Treasury Position in the Short Term**

Our observation that the market was jittery regarding a near term increase in rates may have added to the volatility we saw in the Fall. We sought to position the portfolio to take advantage of rate increases halfway into 2015, and decided to increase the portfolio's duration by selling out of the iShares Tr 1-3 Year Treasury Bond ETF (Ticker: SHY) and the iShares Tr Agency Bond ETF (Ticker: AGZ), which had a duration of three years. Also, if the rate hikes were to happen sooner than expected, longer duration bonds are better positioned to absorb the price drop. We remained invested in the Vanguard Short Term Inflation Fund (Ticker: VTIP) to prepare for inflationary pressures given the low oil prices and expansionary policies in developed countries.

#### **Eliminate Allocation to Subordinated Debt**

Our position in THL Credit (Ticker: TCRD) has been underperforming the high yield and equity indices since it was included in the fund earlier this year. The company is a direct lender of first and second lien loans, including subordinated debt and equity, such as warrants and preferred stock. Closer analysis revealed that leverage was close to limits and management spoke of the lack of attractive opportunities in the near term. Moreover, 45% of the portfolio was focused on first lien debt, which we felt may suffer from yield compression in the near future due to rate hikes. Finally, the structure of the firm was not as straightforward as a closed end fund or ETF, as the company passes through its income in the form of dividends to shareholders. We decided to liquidate the position when the price of \$13.36 was above the NAV of \$13.29.

#### **Re-enter High Yield Bonds**

We saw the selloff in the energy sector as an opportunity to re-establish our high yield position since these offered a more attractive yield in a rising rate environment. High yield corporate spreads have widened and the CDX (credit default swap index) was pricing in a higher than average default risk at 353 bps versus the average of 346 bps. However, if oil/gas companies were removed, the iShares High Yield Corporate Bond ETF (Ticker: HYG) performance had been relatively flat since 15% of the holdings is comprised of energy companies, which were driving the price declines. As such, we decided to initiate a position in the ETF.

#### **Outlook**

Going forward, we continue to monitor economic data and the results from the Federal Open Market Committee (FOMC) meetings to allocate our portfolio. While the strong dollar is hurting corporate earnings, it is a benefit to the U.S. consumer, and along with persistent low oil prices, will raise consumer sentiment and eventually spending. We do not expect the Fed to raise rates until June 2015 at the earliest given continuing expansionary policy in the rest of the developed world and sluggish emerging market growth. In the meantime, we continue to explore ways to add exposure to high yield corporate bonds and global bonds (US dollar hedged).

Crisann Shair and Dheeraj Chinthalapelly (not pictured)  
Co-Portfolio Managers for  
MPSIF Fixed Income Fund



### Discussion of Performance

For the period ending August 31, 2014:

	6 Month	1 Year	3 Year		5 Year		Inception*	
			Cum.	Annualized	Cum.	Annualized	Cum.	Annualized
<b>Fixed Income Fund</b>	<b>2.26%</b>	<b>6.02%</b>	<b>8.53%</b>	<b>2.77%</b>	<b>21.75%</b>	<b>4.02%</b>	<b>68.27%</b>	<b>4.31%</b>
<i>Vanguard Total Bond Fund</i>	2.67%	5.45%	6.81%	2.22%	21.13%	6.60%	77.67%	4.77%
Relative - Net of Fees	-0.42%	0.57%	1.72%	0.55%	0.63%	-2.58%	-9.40%	-0.46%

\* Inception from May 20, 2002

Over the past 6 and 12 months, the Fund has earned 2.26% and 6.02% net returns, respectively. During the most recent 6-month, net of fees, the Fund underperformed the benchmark by 42bps. During the fiscal year, the Fund overperformed the benchmark by 57bps.

The top contributing investment was our position in Emerging Markets with the iShares JP Morgan Emerging Market Bond Fund (Ticker: EMB) and the PIMCO Emerging Markets Fund (Ticker: PEMPX). The main reason of the outperformance was that most of the capital outflows that emerging markets suffered at the beginning of the year after the announcement of the end of QE returned back to emerging markets once developed market yields stopped raising.

Our second largest contributor was the iShares iBoxx Investment Grade Corporate Bond Fund (Ticker: LQD). Given the fund characteristics, we view it as a way to preserve capital and manage duration while picking up incremental yield. LQD currently yields 3.46% while maintaining strong credit quality of issuers. LQD returned 4.5% over the prior six months and currently remains in the portfolio.

The largest detractor from performance was our position in THL Credit (Ticker: TCRD). Given that interest rates are expected to increase in the medium term and that returns from credits are starting to reach their limits, we started analyzing several fixed income-related instruments. Among

these, we identified THL Credit, a specialized high yield credit manager, which invests across the capital structure, primarily subordinated debt. Having an exposure to TCRD, which is required to pass through investment income to shareholders as dividends, provides the fund with an indirect exposure to the returns of the subordinated debt that THL manages. As rates have declined over the past few months, TCRD underperformed but we continue to be optimistic on rising interest rates in the near-term and feel TCRD should remain in the portfolio.

#### **Six months ended August 31, 2014**

<b>Top Performers</b>	<b>Return</b>
EMB	5.10%
LQD	4.50%
PEMPX	1.20%

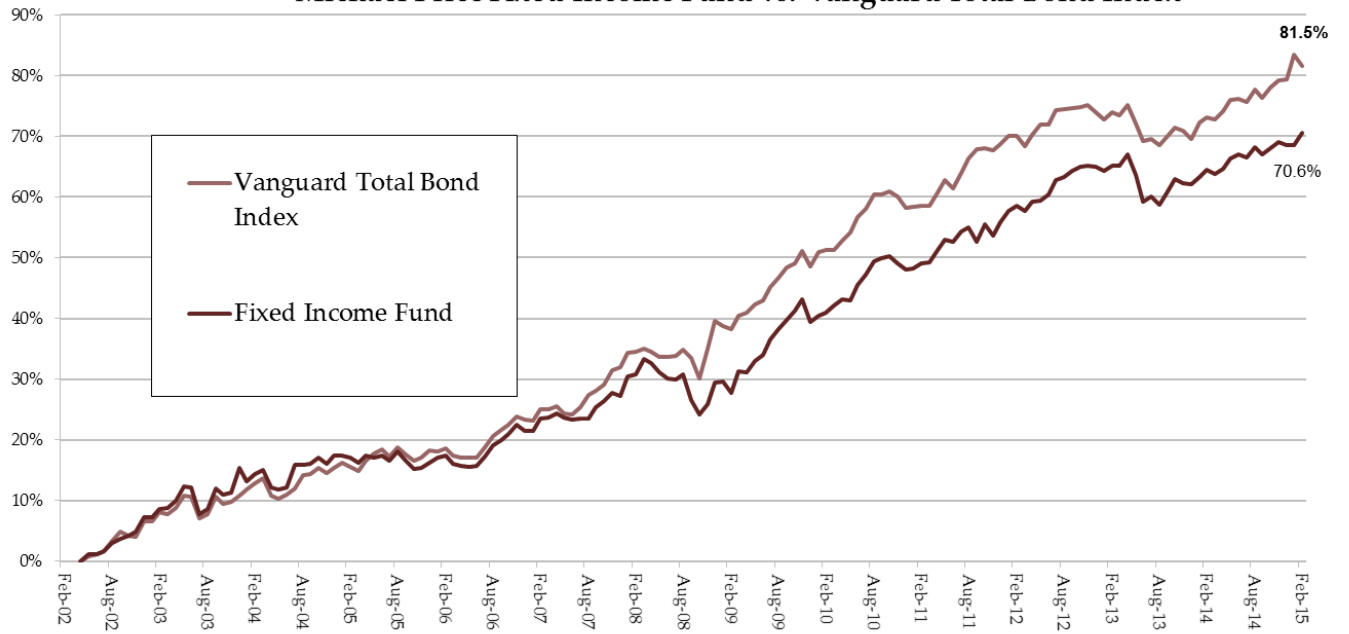
#### **Bottom Performers**

TCRD	-5.70%
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*Return* : measures the fund returns (including income) since the later of February 28, 2014 or the date of acquisition to the later of August 31, 2014 or the date of disposition.

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

Michael Price Fixed Income Fund vs. Vanguard Total Bond Index



## The Michael Price Student Investment Fund

### Asset Allocation

Each of the bond mutual funds in our portfolio achieves our goals as the investment vehicle for exposure to a particular sector. The largest positions are currently in Mortgage Backed Securities, investment grade corporate bonds and TIPS. As we go forward, we intend to continue

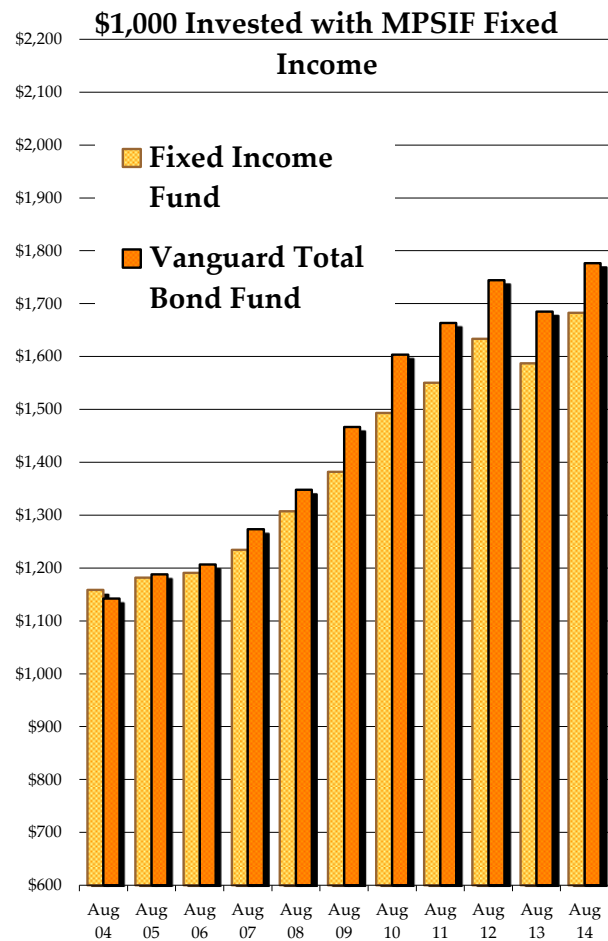
making investments consistent with our view that currently includes closely following our exposure to the MBS, and U.S. High Yield. Although our actual allocation in each fixed income product may differ from our intended sector percentages, we are prepared to take a more active investment approach given the current fixed income environment.

### Holdings Profile

Fixed Income Portfolio as of February 28, 2015							
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets	
Vanguard Bond Total Bond Market	BND	Benchmark	2,459	\$83.08	\$204,294	50.92%	
PIMCO Mortgage Opportunities Fund	PMZPX	MBS/ABS	5,754	\$11.14	\$64,100	15.98%	
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	258	121.80	\$31,424	7.83%	
Vanguard Malvern FDS Short Term Inflation	VTIP	Treasuries	603	48.63	\$29,324	7.31%	
iShares JP Morgan Emerging Markets Bond Fund	EMB	Foreign	136	112.45	\$15,293	3.81%	
iShares TR Iboxx \$ High Yield Corp BD	HYG	High Yield Corporate	250	91.87	\$22,968	5.73%	
Total Securities					\$367,403	91.58%	
Cash as of February 28, 2015					3,441	0.86%	
<b>Total Assets</b>					<b>\$370,844</b>	<b>100.00%</b>	
Fixed Income Portfolio as of August 31, 2014							
Company Name	Ticker	Sector	Shares Held	Closing Price	Position Value	% of Assets	
Vanguard Bond Total Bond Market	BND	Benchmark	2,589	\$82.58	\$213,800	53.29%	
PIMCO Mortgage Opportunities Fund	PMZPX	MBS/ABS	5,659	\$11.14	\$63,042	15.71%	
iShares iBoxx Invest Grade Corp Bond Fund	LQD	Corporate	258	120.58	31,110	7.75%	
Vanguard Malvern FDS Short Term Inflation	VTIP	Treasuries	603	49.91	30,096	7.50%	
iShares Barclays 1 - 3 Treasury Bond Fund	SHY	Treasuries	212	84.60	17,935	4.47%	
iShares JP Morgan Emerging Markets Bond Fund	EMB	Foreign	136	115.63	15,726	3.92%	
iShares Barclays Agency Bond Fund	AGZ	Agency	138	112.23	15,488	3.86%	
THL Credit Inc	TCRD	Mezzanine	742	14.20	10,538	2.63%	
Total Securities					\$397,734	99.14%	
Cash as of August 31, 2014					3,441	0.86%	
<b>Total Assets</b>					<b>\$401,174</b>	<b>100.00%</b>	

### Investment Style & Strategy

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



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



## **MSPIF Management**

### *Executive Committee*



*Front Row: Crissann Shair, Jennifer Fang, Perryne Desai, Emily Wu  
Middle Row: Sae Jin Kim, Alejandra Galindo, Kanika Jain, Scott Schachter  
Back Row: Anthony Marciano, Jeremy Sipzner*

#### **Professor Anthony Marciano – Faculty Advisor**

Anthony Marciano is Clinical Professor of Finance at New York University Stern School of Business, where he teaches courses in Corporate and Behavioral Finance. Previously, he was on the faculty at the University of Chicago Booth School of Business where he won multiple teaching awards and was listed on the Business Week list of outstanding faculty. Tony also visited at the MIT Sloan School of Management and Northwestern's Kellogg School of Management, where he similarly was one of the highest rated instructors. Tony has also worked for Goldman Sachs in the financial institutions area after receiving his MBA from Sloan, which followed employment at Morgan Stanley and Drexel Burnham Lambert. He has a B.A. from Dartmouth College.

#### **Sae Jin Kim – President**

Sae Jin Kim has a B.A. in Economics from Dartmouth College. Prior to Stern. Sae Jin worked as FX & Rates Derivatives Sales at Standard Chartered Bank Korea where he managed multinational corporate clients. Sae Jin spent the past summer at RBC Capital Markets in the Equity Research Department and after graduation will join Voya Investment Management.

**Jennifer Fang – Fund Manager**

Jennifer Fang received her B.S. in Economics, majoring in Finance and Accounting, from Wharton Business School. Before attending NYU, Jennifer traded structured credit products at UBS, where she specialized in bespoke CDOs and structured Repos. She will be joining New Holland Capital after graduation.

**Kanika Jain – Co-Portfolio Manager, Growth Fund**

Kanika Jain is an MBA 2 student at NYU Stern School of Business, specializing in finance, accounting and strategy. She will be working in the investment banking division at Credit Suisse after graduation in the Industrials group. Prior to Stern Kanika was working as a Project Manager at Citigroup in New York. She previously worked at Nomura Singapore in E-commerce Pre-sales, prior to which she was an analyst in the fixed income analytics team in Nomura / Lehman Brothers. Kanika holds Bachelors in Computer Engineering from Nanyang Technological University and Masters in Financial Engineering from Nanyang Business School (Singapore) in collaboration with Carnegie Melon University.

**Scott Schachter – Co-Portfolio Manager, Growth Fund**

Scott Schachter, is originally from California and previously worked for a global macro hedge fund. Scott is excited to be joining Barclays' Credit Research team this summer.

**Jeremy Sipzner – Co-Portfolio Manager, Value Fund**

Jeremy Sipzner has a B.A. in Economics from NYU, College of Arts and Science. Prior to Stern, Jeremy worked at Alliance Bernstein as an associate portfolio manager concentrating on value and low-volatility equity portfolios. He spent the past summer working in the Technology, Media & Telecom Group at the Investment Banking Division of J.P. Morgan.

**Emily Wu – Co-Portfolio Manager, Value Fund**

Emily Wu, CFA, CPA, worked in an emerging market focused investment firm for about four years prior Stern. Her major coverage was auto and TMT industry. She got her Master of Accounting from University of Illinois at Urbana- Champaign and her bachelor degree from Nankai University in China.

**Alejandra Galindo – Co-Portfolio Manager, Small Cap Fund**

Alejandra Galindo graduated from Universidad de los Andes where she obtained her B.S. in Industrial Engineering. Prior to Stern, she attended HEC Paris as part of a dual degree MBA program. Before starting the MBA, she worked as portfolio manager at Skandia Old Mutual with 12 portfolios under management (AUM US\$3.4b). She designed, controlled, traded and implemented short and long term strategies across various asset classes that ranged from currency hedging, corporate and sovereign fixed income portfolios to high yield bonds and equity based strategies.

### ***Perryne Desai – Co-Portfolio Manager, Small Cap Fund***

Perryne Desai graduated from Georgetown University's McDonough School of Business in 2009 with a degree in International Business. Prior to Stern, Perryne worked as a Fixed Income Analyst for Sandler O'Neill working with small and medium sized banks throughout the country to manage their wholesale balance sheets. Perryne later became a Barra Sales Associate at MSCI, where she worked exclusively with hedge funds to implement Barra's risk models in their investment processes.

### ***Dheeraj Chinthalapelly – Co-Portfolio Manager, Fixed Income Fund***

Dheeraj Chinthalapelly is an MBA1 specializing in Finance and targeting Investment Management with a global macro focus post MBA. Prior to Stern, Dheeraj worked on Structured Credit products with the EMEA Structured Credit Trading team at Nomura. Before that, he worked as an Option trader in the Asia-pacific markets. He graduated from Indian Institute of Technology Bombay with a Bachelor's degree in Chemical Engineering.

### ***Crisann Shair – Co-Portfolio Manager, Fixed Income Fund***

Crisann Shair has worked in the financial industry for five years, at Goldman Sachs and Deloitte in the Enterprise Risk Services practice, prior to attending Stern. She will be joining the leveraged loans research team at TIAA-CREF Asset Management after graduation. Crisann earned a Bachelor of Business Administration from Baruch College CUNY and was a Macaulay Scholar.

***The Growth Fund***



*Front Row: Thomas Vincent, Yang Lu, Alex Cheung, William Duberstein  
Middle Row: Aman Gherger, Hennie Hansung Noh, Kanika Jain  
Back Row: Amar Shah, Amit Khasgiwala, Neeraj Datta , Scott Schachter  
Not Pictured: Abhay Mavalankar*

**Alex Cheung** received a B.A. in Mathematics from College of the Holy Cross in 2009. Prior to attending Stern, Alex worked in Noble Americas as a logistics coordinator for the coffee team and was later promoted to analyst. As an analyst, he was responsible for producing financial reports as well as commodities research for upper management.

**Neeraj Datta** holds a MS in Finance from Warwick Business School and a BS in Statistics from the University of Mumbai. Prior to Stern, Neeraj spent three years at IDFC Asset Management Company in Mumbai as an equity and a quant analyst with his role later transitioning into portfolio manager. He currently works part-time with a private equity firm in Manhattan.

**William Duberstein** has a B.A. in Music, M. English, from the University of Virginia. Prior to Stern, William was an equity analyst at Resolve Capital in Los Angeles, a political researcher for Beehive Research, and headed his own film/ tv production company, Stone Oak Productions. He has been personally investing since he was 18 and co-manages his family's investment portfolio across equity, debt, private placements, and real estate.

**Aman Gherger** received a B.A. in Architecture from Cape Peninsula University of Technology (Cape Town, South Africa) in 2005. Prior to attending Stern, Aman was a lead designer and project manager for a number of complex buildings internationally. After business school, Aman will be joining BMO Capital in its Equity Research division.

## The Michael Price Student Investment Fund

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**Kanika Jain** is an MBA 2 student at NYU Stern School of Business, specializing in finance, accounting and strategy. She will be working in the investment banking division at Credit Suisse after graduation in the Industrials group. Prior to Stern Kanika was working as a Project Manager at Citigroup in New York. She previously worked at Nomura Singapore in E-commerce Pre-sales, prior to which she was an analyst in the fixed income analytics team in Nomura / Lehman Brothers. Kanika holds Bachelors in Computer Engineering from Nanyang Technological University and Masters in Financial Engineering from Nanyang Business School (Singapore) in collaboration with Carnegie Mellon University.

**Jerry Jiang** is a first year MBA student. Prior to Stern, Jerry worked for Korea Investment Management as an assistant portfolio manager, covering Greater China and Southeast Asia equities. He also worked as quantitative strategy analyst at Daiwa Securities and analyst at Bank of America Merrill Lynch. Jerry received his B.B.A in Finance and Economics from Hong Kong University of Science and Technology in 2009.

**Amit Khasgiwala** holds a B.E. in Bioengineering from the University of Pennsylvania. Prior to attending Stern, Amit was a biotechnology engineering consultant at NNE Pharmaplan, a global consulting organization focused on pharmaceuticals, biotechnology, and medical devices. Before that, Amit was at Merck Pharmaceuticals as an Automation Engineer where he engineered manufacturing solutions for large scale vaccine production in a highly regulated environment. This summer, Amit will be an Equity Research Associate at UBS.

**Yang Lu** received her B.B.A in the Chinese University of Hong Kong in 2009. Prior to attending Stern, Yang worked as an UHNW assistant investment advisor in RBC Wealth Management Hong Kong, co-managing a total clients AUM over \$500 million. She is currently working part-time in Yulan Capital as an analyst, a long/short China-focused hedge fund. She will have her internship in Goldman Sachs PWM Hong Kong in the summer of 2015.

**Abhay Mavalankar** is a second year student at the NYU Stern School of Business specializing in Finance. He graduated from Carnegie Mellon University in 2008 with a M.S. in Electrical and Computer Engineering. Prior to attending Stern, Abhay worked as a internal strategy consultant at Intel Corporation in Santa Clara, California.

**Hennie Hansung Noh** holds a Bachelor's degree *Magana Cum Laude* from Sogang University (Seoul, Korea) majoring Economics and Biology. Prior to Stern, Hennie was a private equity investment manager and a corporate credit analyst at Standard Chartered Bank. This summer he will be working as Sales and Trading Intern at Bank of America Merrill Lynch in Hong Kong.

**Scott Schachter**, is originally from California and previously worked for a global macro hedge fund. Scott is excited to be joining Barclays' Credit Research team this summer.

**Amar Shah** received a B.A. in Finance from the University of Illinois Urbana-Champaign. Prior to attending Stern, Amar spent two years at Groupon in their Financial Planning and Analysis group, where he forecasted and analyzed all of Groupon's businesses, both domestic and international. This upcoming summer Amar will be interning at Amazon as a senior financial analyst.

**Thomas Vincent** holds a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. Prior to Stern, Thomas worked in the investment banking division of ICICI Securities in Mumbai, India. He will spend the upcoming summer interning at AGI Partners, a private equity firm based in New York.

*The Value Fund*



*Front Row: Yiling Ma, Justin Siken , Piseth Ky, Serena Hu, Sae Jin Kim  
Back Row: Philip Wu, Siddharth Dandekar, Jeremy Sipzner Sung Kim, Grace Kim, Emily Wu*

**Shivansh Aggarwal** (not pictured) is a first MBA student. He managed a book of \$50 million in energy derivatives before business school as a senior energy trader. He analyzed large number of dynamic factors, such as supply, demand, macro-economy, exchange rate and monetary policy, to determine the future prices of crude oil. Shivansh graduated from Indian Institute of Technology, Banaras Hindu of University with majors in mechanical engineering in 2008.

**Siddharth Dandekar** is a first-year MBA student at NYU Stern. Prior to Stern, Sid was an emerging markets investment banker, assisting large Indian corporates in raising debt capital. He has completed all three levels of the CFA examination and also manages his family’s investment portfolio across equity, debt, real estate and other alternative asset classes. Sid has a M.S. in Industrial Engineering from Purdue University and a Bachelor’s in Computer Science from the University of Mumbai, India.

**Serena Hu** is a first year part time MBA student specializing in Finance and Strategy. With experience in sales and trading, Serena enjoys working in financial services industry and currently works for a boutique broker dealer in New York City.

**Grace Kim** earned her B.S. in Clothing & Textile and Business Administration from Ewha Womans University (South Korea). Prior to attending Stern, Grace worked in the luxury and retail industry with companies such as Hermès, Macy's and Rue La La in merchandising and marketing roles. Grace has spent her summer at Burberry analyzing top-line performance and providing insights and strategic initiatives. Upon graduation she will be joining Amazon, Retail Leadership Development program.

## The Michael Price Student Investment Fund

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**Sae Jin Kim** has a B.A. in Economics from Dartmouth College. Prior to Stern, Sae Jin worked as FX & Rates Derivatives Sales at Standard Chartered Bank Korea where he managed multinational corporate clients. Sae Jin spent the past summer at RBC Capital Markets in the Equity Research Department and after graduation will join Voya Investment Management.

**Sung Kim** has a B.S. in Quantitative Finance and Economics from James Madison University. Prior to Stern, Sung worked as a Senior Analyst at Freddie Mac, where he analyzed and evaluated the Freddie Mac's financial models by looking at their theory, methodology, and governance.

**Piseth Ky** has a B.S. in Electrical Engineering and Computer Science from the University of California, Berkeley and an M.S. in Industrial Engineering from the Georgia Institute of Technology. Prior to attending Stern he worked as a Software Engineer and a Supply Chain Software Consultant. This summer he will be interning as a Business Analytics Analyst at Blizzard Entertainment.

**Yiling Mah** received a B.A. and M.Eng. in Engineering from the University of Cambridge. Prior to attending Stern, Yiling worked in the Risk and Control Solutions group at PwC. She will join Citi in its Global Engagement Management Associate Program upon graduation.

**Saurabh Penkar** has been part of MPSIF value fund since Jan 2015. Saurabh started investing in stock market at age of 17 and has been avid follower of equity markets around the world. At Stern, he is specializing in Finance, Strategy and Global Business. He is also pursuing CFA level 3 in June 2015. Saurabh currently works at Bloomberg as a project manager developing distressed investing research functionality. He holds Masters in Computer Science from NC State University and enjoys long distance running and dancing.

**Justin Siken** is an MBA2 specializing in Finance. Prior to attending Stern, he worked as a valuation and risk analyst for a Latin American fixed income and derivative desk at HSBC. He started his career as a rotational analyst supporting risk management functions across credit, interest, and FX sales and trading desks. He graduated summa cum laude from Boston University with dual concentrations in Finance and Management Information Systems in 2009. Justin also holds the Chartered Financial Analyst (CFA) designation.

**Jeremy Sipzner** has a B.A. in Economics from NYU, College of Arts and Science. Prior to Stern, Jeremy worked at Alliance Bernstein as an associate portfolio manager concentrating on value and low-volatility equity portfolios. He spent the past summer working in the Technology, Media & Telecom Group at the Investment Banking Division of J.P. Morgan.

**Emily Wu**, CFA, CPA, worked in an emerging market focused investment firm for about four years prior Stern. Her major coverage was auto and TMT industry. She got her Master of Accounting from University of Illinois at Urbana-Champaign and her bachelor degree from Nankai University in China.

**Philip Wu** received a B.S. and M.Eng in Mechanical Engineering from Cornell University. Prior to attending Stern, Philip Wu was a consultant in engineering consulting firms in Boston. Philip spent last summer at United Nations, improving their peacekeeping operations.

*The Small Cap Fund*



*Front Row: Crisann Shair, Katherine Shinkareva, Perryne Desai, Ethan Ellison  
Back Row: Chih-ya Tseng, Ziv Israel, Subhash Ganga, Alejandra Galindo Cure, Harwani, Varun*

**Dheeraj Chinthalapelly** is an MBA1 specializing in Finance and targeting Investment Management with a global macro focus post MBA. Prior to Stern, Dheeraj worked on Structured Credit products with the EMEA Structured Credit Trading team at Nomura. Before that, he worked as an Option trader in the Asia-pacific markets. He graduated from Indian Institute of Technology Bombay with a Bachelor's degree in Chemical Engineering.

**Perryne Desai** graduated from Georgetown University's McDonough School of Business in 2009 with a degree in International Business. Prior to Stern, Perryne worked as a Fixed Income Analyst for Sandler O'Neill working with small and medium sized banks throughout the country to manage their wholesale balance sheets. Perryne later became a Barra Sales Associate at MSCI, where she worked exclusively with hedge funds to implement Barra's risk models in their investment processes.

**Prem (Sukulpas) Chakkaphak** received a B.A. in Finance from Chulalongkorn University (Bangkok, Thailand). Prior to Stern, Prem worked as an M&A Adviser at KPMG Advisory. Prem spent the summer working in Equity Research at Aegis Capital, where he conducted in-depth fundamental research and financial analysis of small and mid-cap stocks.

**Ethan Ellison** is a first year student at NYU Stern specializing in Finance and Accounting. This summer, Ethan will intern at Morgan Stanley in Equity Research. Prior to Stern, Ethan was a decorated member of the U.S. Air Force, where he served for six years. His most notable role was as a Satellite Operations Analyst, in



## The Michael Price Student Investment Fund

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which he safeguarded multibillion-dollar satellite constellations, while leading a five-member team in a top-secret security setting. Ethan earned his Bachelor of Business Administration from the University of Vermont, holds a Masters of Science in Financial Analysis from the University of San Francisco and is a CFA Level II Candidate.

**Alejandra Galindo** graduated from Universidad de los Andes where she obtained her B.S. in Industrial Engineering. Prior to Stern, she attended HEC Paris as part of a dual degree MBA program. Before starting the MBA, she worked as portfolio manager at Skandia Old Mutual with 12 portfolios under management (AUM US\$3.4b). She designed, controlled, traded and implemented short and long term strategies across various asset classes that ranged from currency hedging, corporate and sovereign fixed income portfolios to high yield bonds and equity based strategies.

**Subhash Ganga** holds a B.Tech in Computer Science and Engineering from Indian Institute of Technology, Kanpur. Prior to Stern, for about 5 years, Subhash worked as a quant, covering multi-asset structured derivatives for Lehman Brothers and Nomura in Tokyo, Hong Kong and Singapore. This summer, Subhash will work for Global Markets division at Bank of America Merrill Lynch in Hong Kong.

**Varun Harwani** holds a B.E. in Computer Science Engineering from University of Mumbai (India). Prior to attending Stern, Varun worked in investment banking first as an Analyst in the Equity Capital Markets team at J.P. Morgan and then as an Analyst in the Technology & Media focused M&A team at Ernst & Young (EY). This summer, Varun worked as an Associate in the Leveraged Finance group at BNP Paribas.

**Ziv Israel** is a first year MBA student at the NYU Stern School of Business. Prior to Stern Ziv worked as an equity research analyst for one the largest asset management firms in Israel. Ziv has been investing for 15 years, and focuses on finding undervalued and misunderstood businesses that are being mispriced by the market. Ziv graduated Magna Cum Laude from the Berglas School of Economics at Tel Aviv University in 2011.

**Crisann Shair** has worked in the financial industry for five years, at Goldman Sachs and Deloitte in the Enterprise Risk Services practice, prior to attending Stern. She will be joining the leveraged loans research team at TIAA-CREF Asset Management after graduation. Crisann earned a Bachelor of Business Administration from Baruch College CUNY and was a Macaulay Scholar.

**Katherine Shinkareva** holds a B.B.A. in Finance and Business Economics from Pace University. Prior to attending Stern, Katherine worked in investment banking at UBS and credit analysis at Moody's Investors Service; her industry focus has spanned financial, industrial and government sectors.

**Chih-ya Tseng** holds a B.A. in Finance from National Taiwan University. Prior to attending Stern, Chih-ya spent two years in the Fixed Income and Currencies Trading desk at Deutsche Bank, and two years in the Wealth Management Division at HSBC.

***The Fixed Income Fund***



*Front Row: Katherine Shinkareva, Philip Wu, Crisann Shair, Serena Hu, Yiling Ma*

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

## Financial Statements

Michael Price Student Investment Fund

Michael Price Student Investment Fund

Consolidated Financial Statement

	Fiscal Year Ending 8/31/12	Six Months Ending 2/28/13	Fiscal Year Ending 8/31/13	Six Months Ending 2/28/14	Fiscal Year Ending 8/31/14	Fiscal Year Ending 2/28/15
<b>Investment Income</b>						
Dividends - Fixed Income	10,681	6,073	10,657	5,505	10,636	5,853
Dividends - Growth	3,477	4,522	8,691	4,033	5,924	2,941
Dividends - Small Cap	7,677	5,047	7,844	3,977	5,973	2,593
Dividends - Value	9,369	6,726	11,477	4,897	9,896	5,007
Total Dividends	31,203	22,368	38,669	18,411	32,429	16,395
Interest - Fixed Income	1	0	0	0	0	0
Interest - Growth	60	0	0	0	0	0
Interest - Small Cap	7	0	0	0	0	0
Interest - Value	12	0	0	0	0	0
Total Interest	79	0	0	0	0	0
Investment Income - Fixed Income	10,682	6,073	10,657	5,505	10,636	5,853
Investment Income - Growth	3,537	4,522	8,691	4,033	5,924	2,941
Investment Income - Small Cap	7,683	5,047	7,844	3,977	5,973	2,593
Investment Income - Value	9,380	6,726	11,477	4,897	9,896	5,007
Total Investment Income	31,282	22,368	38,669	18,411	32,429	16,395
Expenses - Fixed Income	(463)	(30)	(122)	(112)	(282)	(29)
Expenses - Growth	(1,109)	(669)	(1,705)	(1,065)	(1,754)	(671)
Expenses - Small Cap	(993)	(522)	(1,257)	(1,808)	(1,721)	(824)
Expenses - Value	(671)	(606)	(1,264)	(754)	(1,289)	(613)
Total Expenses	(3,236)	(1,827)	(4,348)	(3,740)	(5,046)	(2,137)
Net Investment Income - Fixed Income	10,218	6,042	10,534	5,392	10,354	5,824
Net Investment Income - Growth	2,428	3,853	6,986	2,968	4,170	2,270
Net Investment Income - Small Cap	6,690	4,525	6,587	2,169	4,252	1,769
Net Investment Income - Value	8,709	6,120	10,214	4,142	8,607	4,395
Total Net Investment Income	28,046	20,541	34,321	14,671	27,383	14,258
<b>Cash Flow from Operations</b>						
Cash Balance, beginning of period - Fixed Income	4,242	3,102	3,102	1,271	1,271	3,441
Cash Balance, beginning of period - Growth	341,686	1,607	1,607	24,472	24,472	18,210
Cash Balance, beginning of period - Small Cap	25,729	78,113	78,113	2,205	2,205	34,412
Cash Balance, beginning of period - Value	74,739	25,714	25,714	3,141	3,141	16,858
Total Cash Balance, beginning of period	446,395	108,537	108,537	31,088	31,088	72,921
Annual 5% Distribution - Fixed Income	(6,829)	3,684	(12,416)	0	(15,200)	0
Annual 5% Distribution - Growth	(10,677)	5,687	(18,313)	0	(29,600)	0
Annual 5% Distribution - Small Cap	(10,920)	6,124	(19,476)	0	(30,300)	0
Annual 5% Distribution - Value	(9,546)	5,250	(20,250)	0	(30,100)	0
Total Annual 5% Distribution	(37,973)	20,745	(70,455)	0	(105,200)	0

## The Michael Price Student Investment Fund

### Cash Flow from Operations (cont.)

Sales of Securities - Fixed Income	104,600	15,939	216,289	99,579	278,715	54,029
Sales of Securities - Growth	653,769	191,991	635,382	725,000	1,121,570	224,866
Sales of Securities - Small Cap	635,732	385,480	704,834	397,884	721,350	342,932
Sales of Securities - Value	564,973	372,199	734,407	388,830	844,581	383,815
<b>Total Sales of Securities</b>	<b>1,959,074</b>	<b>965,609</b>	<b>2,290,913</b>	<b>1,611,294</b>	<b>2,966,216</b>	<b>1,005,642</b>
Purchases of Securities - Fixed Income	(106,311)	(15,981)	(210,136)	(98,563)	(371,005)	(23,076)
Purchases of Securities - Growth	(985,944)	(197,041)	(601,253)	(752,170)	(1,074,555)	(227,459)
Purchases of Securities - Small Cap	(577,478)	(371,481)	(768,584)	(399,461)	(637,498)	(287,853)
Purchases of Securities - Value	(636,632)	(407,292)	(746,888)	(395,523)	(759,071)	(404,514)
<b>Total Purchases of Securities</b>	<b>(2,306,365)</b>	<b>(991,796)</b>	<b>(2,326,861)</b>	<b>(1,645,717)</b>	<b>(2,842,128)</b>	<b>(942,902)</b>
Net Other Adjustments - Fixed Income	(2,818)	(3,600)	(6,104)	(3,030)	(4,694)	(896)
Net Other Adjustments - Growth	346	36	63	0	282	0
Net Other Adjustments - Small Cap	(1,639)	731	731	3	3	1,595
Net Other Adjustments - Value	23,472	(57)	(57)	0	0	0
<b>Total Net Other Adjustments *</b>	<b>19,360</b>	<b>(2,890)</b>	<b>(5,367)</b>	<b>(3,027)</b>	<b>(4,410)</b>	<b>698</b>
Net Change in Cash - Fixed Income	(1,139)	6,084	(1,832)	3,379	2,170	35,880
Net Change in Cash - Growth	(340,078)	4,526	22,865	(24,203)	(6,233)	(323)
Net Change in Cash - Small Cap	52,384	25,378	(75,908)	595	32,207	58,443
Net Change in Cash - Value	(49,025)	(23,779)	(22,574)	(2,551)	13,717	(16,304)
<b>Total Net Change in Cash</b>	<b>(337,858)</b>	<b>12,209</b>	<b>(77,449)</b>	<b>(22,779)</b>	<b>41,862</b>	<b>77,696</b>
Cash Balance, end of period - Fixed Income	3,102	9,186	1,271	4,650	3,441	39,321
Cash Balance, end of period - Growth	1,607	6,133	24,472	269	18,239	17,887
Cash Balance, end of period - Small Cap	78,113	103,491	2,205	2,800	34,412	92,855
Cash Balance, end of period - Value	25,714	1,935	3,141	590	16,858	554
<b>Total Cash Balance, end of period</b>	<b>108,537</b>	<b>120,746</b>	<b>31,088</b>	<b>8,309</b>	<b>72,949</b>	<b>150,617</b>

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

### Growth Fund Financial Statements

	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14	Twelve Months Ended 8/31/14	Six Months Ended 2/28/15
<b>Investment Income</b>						
Dividends	10,681	6,073	10,657	5,505	10,636	5,853
Interest	1	0	0	0	0	0
<b>Total Investment Income</b>	<b>10,682</b>	<b>6,073</b>	<b>10,657</b>	<b>5,505</b>	<b>10,636</b>	<b>5,853</b>
<b>Expenses</b>	<b>(463)</b>	<b>(30)</b>	<b>(122)</b>	<b>(112)</b>	<b>(282)</b>	<b>(29)</b>
<b>Net Investment Income</b>	<b>10,218</b>	<b>6,042</b>	<b>10,534</b>	<b>5,392</b>	<b>10,354</b>	<b>5,824</b>
<b>Cash Flow from Operations</b>						
Cash Balance, beginning of period	4,242	3,102	3,102	1,271	1,271	3,441
Net Investment Income	10,218	6,042	10,534	5,392	10,354	5,824
Annual 5% Distribution	(6,829)	3,684	(12,416)	0	(15,200)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	104,000	0
Sales of Securities	104,600	15,939	216,289	99,579	278,715	54,029
Purchases of Securities	(106,311)	(15,981)	(210,136)	(98,563)	(371,005)	(23,076)
Net Other Adjustments *	(2,818)	(3,600)	(6,104)	(3,030)	(4,694)	(896)
<b>Net Change in Cash</b>	<b>(1,139)</b>	<b>6,084</b>	<b>(1,832)</b>	<b>3,379</b>	<b>2,170</b>	<b>35,880</b>
<b>Cash Balance, end of period</b>	<b>3,102</b>	<b>9,186</b>	<b>1,271</b>	<b>4,650</b>	<b>3,441</b>	<b>39,321</b>

\* Reinvestment of dividends on bond funds.

# The Michael Price Student Investment Fund

## Value Fund Financial Statements

	Six Months Ended 2/29/12	Twelve Months Ended	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14	Twelve Months Ended 8/31/14	Six Months Ended 2/28/15
<b>Investment Income</b>							
Dividends	4,192	9,369	6,726	11,477	4,897	9,896	5,007
Interest	12	12	0	0	0	0	0
Total Investment Income	4,204	9,380	6,726	11,477	4,897	9,896	5,007
Expenses	(701)	(671)	(606)	(1,264)	(754)	(1,289)	(613)
Net Investment Income	3,503	8,709	6,120	10,214	4,142	8,607	4,395
<b>Cash Flow from Operations</b>							
Cash Balance, beginning of period	74,739	74,739	25,714	25,714	3,141	3,141	16,858
Net Investment Income	3,503	8,709	6,120	10,214	4,142	8,607	4,395
Annual 5% Distribution	13,254	(9,546)	5,250	(20,250)	0	(30,100)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	0	(50,300)	0
Sales of Securities	260,587	564,973	372,199	734,407	388,830	844,581	383,815
Purchases of Securities	(330,911)	(636,632)	(407,292)	(746,888)	(395,523)	(759,071)	#####
Net Other Adjustments *	23,472	23,472	(57)	(57)	0	0	0
Net Change in Cash	(30,095)	(49,025)	(23,779)	(22,574)	(2,551)	13,717	(16,304)
Cash Balance, end of period	44,644	25,714	1,935	3,141	590	16,858	554

\* Taxes owed on foreign securities' dividends.

## Small Cap Fund Financial Statements

	Twelve Months Ended 8/31/12	Six Months Ended 2/28/13	Twelve Months Ended 8/31/13	Six Months Ended 2/28/14	Twelve Months Ended 8/31/14	Six Months Ended 2/28/15
<b>Investment Income</b>						
Dividends	7,677	5,047	7,844	3,977	5,973	2,593
Interest	7	0	0	0	0	0
Total Investment Income	7,683	5,047	7,844	3,977	5,973	2,593
Expenses	(993)	(522)	(1,257)	(1,808)	(1,721)	(824)
Net Investment Income	6,690	4,525	6,587	2,169	4,252	1,769
<b>Cash Flow from Operations</b>						
Cash Balance, beginning of period	25,729	78,113	78,113	2,205	2,205	34,412
Net Investment Income	6,690	4,525	6,587	2,169	4,252	1,769
Annual 5% Distribution	(10,920)	6,124	(19,476)	0	(30,300)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	(25,600)	0
Sales of Securities	635,732	385,480	704,834	397,884	721,350	342,932
Purchases of Securities	(577,478)	(371,481)	(768,584)	(399,461)	(637,498)	(287,853)
Net Other Adjustments *	(1,639)	731	731	3	3	1,595
Net Change in Cash	52,384	25,378	(75,908)	595	32,207	58,443
Cash Balance, end of period	78,113	103,491	2,205	2,800	34,412	92,855

\* Taxes owed on foreign securities' dividends.

**Fixed Income Fund Financial Statements**

	<b>Twelve Months Ended 8/31/12</b>	<b>Six Months Ended 2/28/13</b>	<b>Twelve Months Ended 8/31/13</b>	<b>Six Months Ended 2/28/14</b>	<b>Twelve Months Ended 8/31/14</b>	<b>Six Months Ended 2/28/15</b>
<b>Investment Income</b>						
Dividends	10,681	6,073	10,657	5,505	10,636	5,853
Interest	1	0	0	0	0	0
<b>Total Investment Income</b>	<b>10,682</b>	<b>6,073</b>	<b>10,657</b>	<b>5,505</b>	<b>10,636</b>	<b>5,853</b>
Expenses	(463)	(30)	(122)	(112)	(282)	(29)
<b>Net Investment Income</b>	<b>10,218</b>	<b>6,042</b>	<b>10,534</b>	<b>5,392</b>	<b>10,354</b>	<b>5,824</b>
 <b>Cash Flow from Operations</b>						
Cash Balance, beginning of period	4,242	3,102	3,102	1,271	1,271	3,441
Net Investment Income	10,218	6,042	10,534	5,392	10,354	5,824
Annual 5% Distribution	(6,829)	3,684	(12,416)	0	(15,200)	0
Transfer for MPSIF-Wide Rebalancing	0	0	0	0	104,000	0
Sales of Securities	104,600	15,939	216,289	99,579	278,715	54,029
Purchases of Securities	(106,311)	(15,981)	(210,136)	(98,563)	(371,005)	(23,076)
Net Other Adjustments *	(2,818)	(3,600)	(6,104)	(3,030)	(4,694)	(896)
<b>Net Change in Cash</b>	<b>(1,139)</b>	<b>6,084</b>	<b>(1,832)</b>	<b>3,379</b>	<b>2,170</b>	<b>35,880</b>
<b>Cash Balance, end of period</b>	<b>3,102</b>	<b>9,186</b>	<b>1,271</b>	<b>4,650</b>	<b>3,441</b>	<b>39,321</b>

\* Reinvestment of dividends on bond funds.







## The Michael Price Student Investment Fund

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