Michael F. Price
Student Investment Fund
the MPSIF
The Michael Price Student Investment Fund shall be established to provide students of the Leonard N. Stern School of Business at New York University with practical investment management experience. The investment returns generated by the Fund will be used to provide scholarships to selected students from the Michael F. Price College of Business at the University of Oklahoma for study at the Stern School, and to support other educational activities at the Stern School of Business.
Organization Overview

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Advisory Board

1. An Advisory Board of at least five individuals shall be established.

2. The Board shall include: the Donor, the Dean of the Michael F. Price College of the University of Oklahoma, the Dean of the Stern School of Business, and other persons selected by the Stern Dean from the faculty and/or staff of New York University.

3. The Board shall determine general investment guidelines for MPSIF and its sub-funds, shall provide administrative oversight for the faculty and students involved in the fund, and shall have such other duties and responsibilities as may be delegated by NYU from time to time.
Number of Sub-funds

1. MPSIF will establish three investment funds (the “Sub-funds”) which shall temporarily be designated as:
   - MPSIF Blue Fund
   - MPSIF Green Fund
   - MPSIF Red Fund

2. Each sub-fund shall receive an initial allocation of $600,000 from the Donor’s gift. The remaining $200,000 from the two million dollar gift shall be separately managed by NYU, which funds may be used to pay for administrative expenses associated with the operation of MPSIF.

3. Each sub-fund shall have a different investment objective, consistent with the policy guidelines of the Advisory Board and the educational objectives of this program for the students selected.
Pedagogical Objectives - 1

1. MPSIF will operate as a part of the M.B.A. “course” called “Managing Investment Funds”. This is not a regular course, but a vehicle to enable the process (a) of selecting and organizing students for MPSIF, (b) of providing continuity and responsibility for students to manage real money, (c) of providing opportunity for students to further their education by being a part of real fund management and from time to time hearing professionals in the field.

2. To provide continuity, students will be expected to participate in this course over two semesters (or a spring semester / summer session).

3. All students in MPSIF shall have the opportunity to help make investment decisions about stocks, bonds, and foreign controlled securities.
4. To the extent grading is necessary for this course, it will be based on an elaborated “task completion” schedule for each student. All will be expected at some point to provide satisfactory written memoranda related to portfolio strategies and investment recommendations, and to make oral presentations.

5. All students will be expected (a) to be active participants in scheduled group meetings, (b) to contribute in some way to the various administrative tasks that are a part of modern portfolio management, (c) to engage in selective educational outreach to student finance clubs and other groups.
1. This is an endowment fund! The objective of the three MPSIF funds will be to maximize total return consistent with the risk contemplated for an endowment fund, while maintaining both capital preservation and an acceptable rate of growth.

2. Goals include (a) protection of fund values from inflation over a 3-5 year period, (b) returns exceeding appropriate benchmarks over a 3-5 year period, (c) a focus on long-term opportunities rather than short-term trading gains, (d) an acceptable level of diversification.

3. Permitted securities include: stocks, bonds, money market instruments, limited mutual fund shares. NYU is a tax exempt institution.
4. The funds may not acquire: commodities, derivative securities except under restricted circumstances, real estate, non-investment grade securities, securities or other instruments that are not readily marketable (example partnership interests), other securities that may be proscribed by the Board or the Vice President for Finance of NYU.

5. The funds may not borrow or lend funds or securities, or use any investments as collateral.

6. The funds shall be managed so as to avoid incurring unrelated business income tax for the University, or foreign taxes that the University would not ordinarily pay. To insure this fund managers are expected to become familiar with the basics of relevant law, and to consult with the NYU Vice President of Finance office from time to time.
1. Brokers must be selected through an approved list provided by the Treasurer’s office of NYU. The Treasurer’s office will work with the Advisory Board and students to execute appropriate agreements and work out details of statement distribution.

2. Custody of all securities will be held by the Chase Manhattan Bank or such other custodian as may be designated by NYU. The Treasurer’s office will provide to the custodian names and specimen signatures of authorized traders each semester.

3. The Advisory Board will supervise students in obtaining any necessary legal advise from NYU’s Office of Legal Counsel or an outside firm as that office may direct. Students have no authority to execute documents of any sort without the signature of an authorized NYU employee.
4. The fiscal year for MPSIF and its funds is September 1 through August 31st. The funds shall make quarterly reports of investment performance and investing activities available to the Advisory Board and to various officers of New York University, and stand ready to provide additional information as requested.

5. The funds of MPSIF shall be subject to audit by the internal and outside auditor groups of NYU and shall allocate funds for expenses related to these audits.

6. MPSIF will operate on an “open book” policy and stand ready to make its results, activities, reports available to anyone within the NYU community who has an interest in this activity. To facilitate that it is expected that MPSIF will keep an active web site.