NYU Stern’s Michael Price Student Investment Fund (MPSIF):
A Family of Funds Managed by
NYU Stern School of Business MBA Students

What is the Michael Price Student Investment Fund (MPSIF)?
With more than $1.9 million currently under management, MPSIF is a family of funds managed directly by NYU Stern MBA students. The fund, part of the overall NYU endowment, was 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?
MPSIF provides Stern MBA students interested in pursuing a career in asset management with hands on experience managing a real fund with significant assets. In addition, MPSIF is required to pay an annual 5% dividend to the University of Oklahoma Price School of Business, Mr. Price’s undergraduate alma mater, for its students’ tuition to attend summer classes at Stern.

What is the portfolio make up?
For diversification purposes, the fund is divided into three equity funds—Growth, Value and Small Cap—and one fixed income fund. While each 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.

How has MPSIF performed relative to market benchmarks?
At the end of FY04, MPSIF had a combined value of $1.75 million, excluding the more than $365,000 in mandated distributions to the Price School since its inception. MPSIF earned a cumulative return of 19.3% since making its first investments in March 2000, outpacing the index (an equally-weighted blend of the above market benchmarks), which declined over the same period. In FY04 specifically, the MPSIF fund gained 6.8%, slightly underperforming its market benchmarks.
**What role do Stern MBA students play in managing the fund?**
To become a portfolio manager or analyst with MPSIF, the basis of Stern’s “Managing Investment Funds” course, is a competitive process. Stern MBAs must apply to this course, and demand has always exceeded available spots. About 45 students enroll each year and are then responsible for all fund activities—screening and evaluating stocks, preparing and presenting pitches for buy and sell recommendations and strategizing on broader portfolio issues as it relates to industry sectors. These students also write a quarterly newsletter, *The Educated Investor*, and prepare annual and semi-annual reports that are presented to the MPSIF Board of Advisors, Stern faculty and other parties.

**How does MPSIF benefit MBA students?**
Stern MBAs who manage the MPSIF family of funds gain invaluable experience in investment management, which provides a competitive advantage when interviewing for summer internships or full-time employment after graduation. Managing the diverse tasks in MPSIF relies on teamwork, and the course is interdisciplinary in that it requires students to draw on their knowledge of finance, macroeconomics, accounting, competitive analysis, strategy and marketing.

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