

CARLSON *FUNDS ENTERPRISE*

Common Stock, 70,000 shares, \$100 per share

Minimum Purchase \$100

\$7,000,000 Total Offering Proceeds

The Carlson Funds Enterprise (CFE) is an experiential learning opportunity offered to select graduate and undergraduate students who want to pursue careers in investment management, investment banking, and corporate finance. Using discounted cash flow analysis, students analyze existing and potential investments in the Carlson funds. While the CFE and its students benefit from the generous contributions of time from many members of the local investment community, students take control of all management issues with respect to the \$25 million of assets under management.

One hundred percent of the proceeds from the sale of Common Stock (without reduction for any marketing or other expenses) will be used to expand and remodel the Financial Markets Lab, to fund a CFE fellowship program, to invest in investment management and accounting systems, and to provide an endowment at the University of Minnesota Foundation to cover the annual operating expenses of the CFE.

THE PROCEEDS FROM ANY PURCHASES OF "COMMON STOCK" WILL BE GIFTS TO THE CFE. SHARES OF COMMON STOCK ARE NOT REDEEMABLE, NOR DO THEY ENTITLE THE PURCHASER TO ANY INVESTMENT RETURNS FROM THE CFE, THE CARLSON SCHOOL OF MANAGEMENT OR THEIR AFFILIATES, OR ANY OTHER ATTRIBUTES OF A SECURITY OR AN INVESTMENT. ALL PROCEEDS FROM THE SALE OF COMMON STOCK WILL BE USED TO BENEFIT THE CFE, INCLUDING THE BUILDING OF AN ENDOWMENT TO ALLOW IT TO BECOME MORE SELF-SUSTAINING.

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Summary

The Carlson Funds Enterprise (CFE) is an educational organization offering select graduate and undergraduate students an opportunity to learn real as well as theoretical aspects of the investment management business through management of two funds: The Carlson School Growth Fund and The Carlson School Fixed Income Fund.

The CFE was founded in 1998 by a group of Twin Cities financial executives and Carlson School professors. Founding members include Bill Dudley, Al Harrison, Lou Nanne, and faculty members Tim Nantell and David Runkle. The Carlson Funds consist of two Limited Liability Companies run by MBA students and selected undergraduates. The Carlson School Growth Fund (formerly the Golden Gopher Growth Fund) began operations on May 4, 1998. Initial contributors included Alliance Capital Management (through a gift to the University of Minnesota Foundation), Ameriprise Financial, U.S. Bancorp, and Wells Fargo. Since then, the fund has gained four additional participants including Securian, Piper Jaffray, and two individuals. The Carlson School Growth Fund now totals \$11 million. On March 1, 2003, the Carlson School Fixed Income Fund was funded by six institutions (Ameriprise Financial, Securian, The Regents of the University of Minnesota, Thrivent Financial, U.S. Bancorp, and Wells Fargo). In 2007, Allianz Life joined as a contributor, and the balance in the Fixed Income Fund is now \$15 million. The CFE is unique among our peers in that our participants are institutions and individuals (not an investment club or university endowment).

Capitalization

To date, the CFE has received invaluable financial and in-kind assistance from the following individuals and corporations:

Individuals

William Dudley
Herbert Hanson
Al Harrison
Ira Hersch
Thomas Juda
John King
Malcolm McDonald
Thomas Morrison
Lou Nanne
Hollis Rademacher
Mort Silverman
Joan Smith
Arch Spencer
Irv Weiser
William Westhoff
Richard Whiting

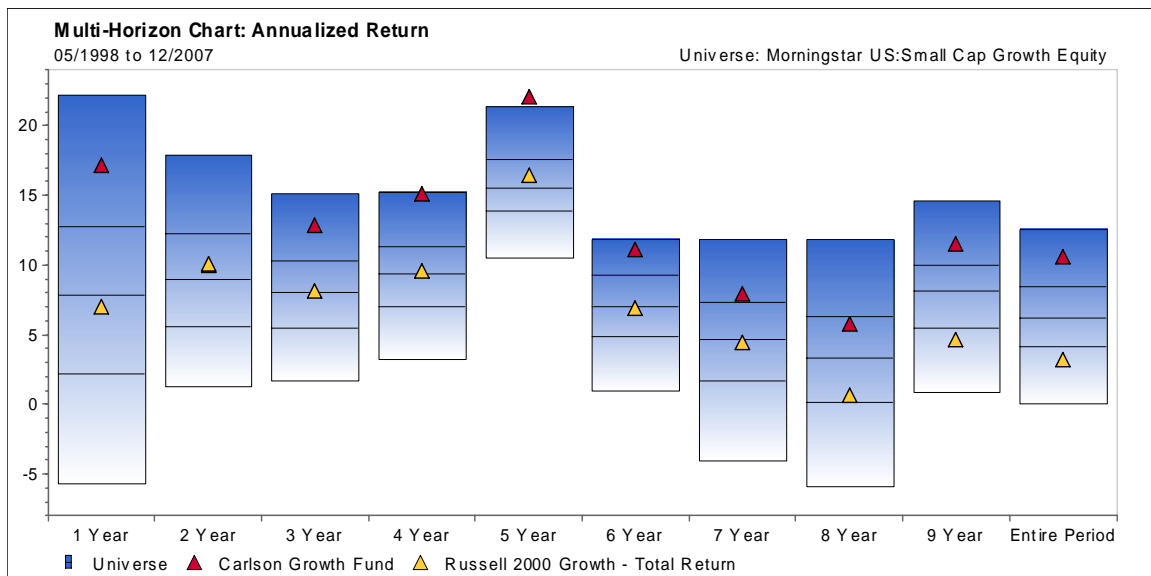
Corporate

Ameriprise Financial
Bridge Information Systems
RBC Dain Rauscher
Faegre & Benson
KPMG
Kopp Investment Advisors
Alliance Bernstein, Mpls. Partners
Wells Fargo
Rosemount Office Systems
State Farm Insurance

Performance

Carlson Growth Fund

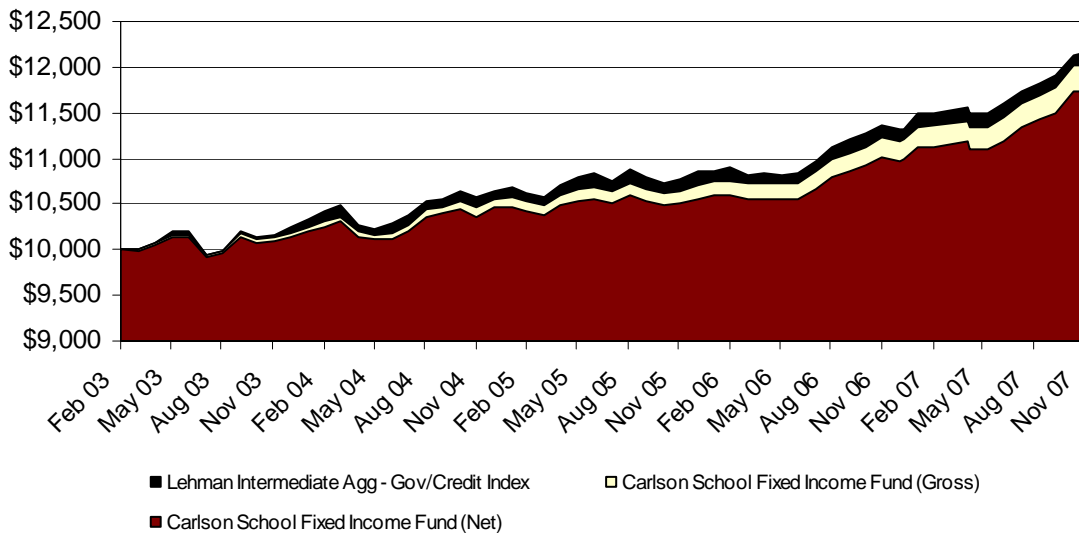
The Carlson School Growth Fund (CGF) has generated a strong performance record since its inception in 1998. The fund's benchmark index is the Russell 2000 Growth Index. From inception through December 2007, the CGF net asset value per share has risen 165% as compared with a 36% increase in the benchmark index. On a compound annual rate, the CGF has increased at 10.6% per year, while the index has returned 3.2% per year. If it were a fund manager, this performance would cause the CGF to be ranked within the top quartile of all domestic small cap growth fund managers for almost all time periods as illustrated in the following chart.



Carlson Fixed Income Fund

The Carlson School Fixed Income Fund (CFIF) has also performed successfully. Since October 1, 2006, the fund's benchmark index has been the Lehman Intermediate Government Credit Index (prior to this date, the benchmark index had been the Lehman Intermediate Aggregate Index). A change to the benchmark was recommended by the advisory board to reflect a change in the fund's focus to credit analysis, and away from investment in structured products. Since inception through December 2007, the CFIF has risen 20.2% on a gross basis (17.3% on a net basis) as compared with an increase in the benchmark index of 21.6%. The fund's performance on a gross and net of fees basis is shown in the following graph.

**Performance Against the Benchmark
Growth of \$10,000**



Vision

The CFE's goal is to be recognized as the best student-run investment management program in the country. We will accomplish this goal when investment management firms around the country aggressively recruit our students.

Mission

The mission of CFE is to leverage the Carlson School's combination of faculty and financial community resources to create a real-time learning environment, immersing students in strategic and financial analyses of companies from top to bottom. The program builds on financial concepts learned in traditional classroom settings and provides students with real money to manage and real experience in investment management. The CFE combines classroom concepts, hands-on experience, and industry mentoring to prepare students for real-world jobs. Much of this work takes place in the School's Financial Markets Lab which is equipped with the same on-line market data services used by investment professionals. For the financial industry, the program provides a pool of highly trained Carlson School graduates who can "hit the ground running" and help their firms prosper. For the Carlson School, the fund enhances the institution's status, strengthens ties to the business community and helps attract topnotch students and faculty -- providing a continuing cycle of ever-improving financial education.

Advisory Board

The Carlson Funds Enterprise has an active advisory board comprised of senior representatives of the investment management industry and industry service providers with close affinities with the Carlson School of Management (CSOM). The Board meets three times per year and reviews the general operations of the funds. The Board's functions are modeled after the functions typically performed by a mutual fund board. However several of its functions are tailored to the unique characteristics of CFE and the Funds and the relationships they bear to CSOM, its students, and the University of Minnesota. The advisory board has established five committees: governance; investment; marketing; finance, budget, and operations; and internships/placement. The Governance Committee presently has set the maximum number of Board members at 15.

Mentors

The CFE has a mentor program in which each student is partnered with a money management professional who counsels the student, evaluates his or her investment proposals, and provides helpful feedback. The mentors, serving as investment oversight committees for the funds, meet at the end of each semester to evaluate student investment recommendations. Committee approval is required before new securities can be purchased in either fund. Many of the mentors are alumni of the CFE program and/or graduates of the Carlson School of Management and work as analysts and portfolio managers for investment firms both in and outside of the Twin Cities.

Students

The CFE is open to all full time MBA students and selected undergraduate seniors interested in the investment industry. Class size has varied from eleven to thirty students. MBA students apply for membership in the CFE during the “A” term of the second semester of their first year, join the CFE during the “B” term when a transition from the graduating class to the new class occurs, and manage the portfolio beginning in May and continuing through the second year of the MBA program. Undergraduates follow a similar time line. Monthly portfolio strategy meetings are held throughout the summer.

Alumni

Over the ten years of the CFE’s operation, over 200 students have completed the program. These graduates are employed by investment firms and corporations around the country. Many CFE alumni continue to be actively involved in the program as mentors, advisory board members, and donors.

Staff

The Carlson Funds Enterprise is overseen by a staff that includes a professional advisor for each fund, a program coordinator, and an academic advisor.

Summary Consolidated Financial Data

The summary consolidated financial data shown below should be read together with "Management's Discussion & Analysis of Financial Condition" included elsewhere in this prospectus. The summary consolidated statements of operations data for the previous five fiscal years ended June 30 have been derived from unaudited financial statements. Fiscal 2008 data is as of December 31, 2007.

6 Mos.
Fiscal Year ended June 30 Ended
(In thousands, except participants and enrollment) 12/31/07

	2003	2004	2005	2006	2007	2008
Fund balances						
Carlson Growth Fund	\$3,653	\$4,862	\$5,775	\$8,591	\$10,511	\$10,804
Carlson Fixed Income Fund	\$11,148	\$11,131	\$11,635	\$11,626	\$14,222	\$15,022
TOTAL	\$14,801	\$15,993	\$17,410	\$20,217	\$24,733	\$25,826
Administrative fees						
Carlson Growth Fund	\$16	\$32	\$49	\$75	\$92	\$56
Carlson Fixed Income Fund	\$0	\$60	\$57	\$58	\$60	\$37
TOTAL	\$16	\$92	\$106	\$133	\$152	\$93
Number of participants						
Carlson Growth Fund	4	4	5	8	8	8
Carlson Fixed Income Fund	6	6	6	6	7	7
Student enrollment						
Full time MBA	11	19	14	18	17	17
Part time MBA	0	1	1	2	3	2
Undergraduate	0	1	3	5	5	11
TOTAL	11	21	18	25	25	30

Risk Factors

In a traditional offering statement, investors would be advised of a number of risk factors which could negatively affect expected performance. However, this opportunity to support the Carlson Funds Enterprise presents benefits rather than risks. Our goal, with the help of your support, is to exceed expectations as follows:

Investing in the CFE will help make possible a continued supply of well trained financial analysts to the Twin Cities business community and beyond. The CFE has traditionally supplied many of the financial analysts hired by Twin Cities financial services firms and Fortune 500 corporate treasury departments. In addition, firms outside of the Twin Cities are seeking our graduates, which will help build the national and international reputation of the CFE and the Carlson School of Management. On average, about half the members of each graduating class accept positions in the financial services industry, while the other half pursue careers in corporate finance.

Investing in the CFE will help the CFE to continue to distinguish itself as one of the country's leading student run investment operations. The CFE is among the best student managed investment fund programs of any educational institution. To provide the best quality experience to our students and to better serve our participants, the CFE needs to continually invest in its infrastructure, including additional lab space, investment accounting and portfolio management systems, and on-line data services. An investment in the CFE will allow the program to serve more students, to provide employers with well trained graduates, and to accept new participants.

Investing in the CFE will provide an endowment to ensure the sound future of the program. Unlike the risks associated with traditional investing, investing in the CFE will help to assure that future financial professionals will benefit from the CFE's experiential learning program. Graduates will continue to "hit the ground running" as a result of their CFE participation.

Use of Proceeds

The CFE hopes to raise \$7 million in this offering. We intend to use these funds to expand and remodel the Financial Markets Lab, to fund a CFE fellowship program, to invest in investment management and accounting systems, and to provide an endowment at the University of Minnesota Foundation to cover the annual operating deficit of the Carlson Funds Enterprise.

Management estimates that the proceeds from this offering will be used as follows:

Financial Markets Lab expansion/remodel	\$2,000,000
Funding CFE fellowship program	\$1,000,000
Investment management and accounting systems	\$500,000
U of MN Foundation endowment	\$3,500,000

Management's Discussion & Analysis of Financial Condition

The charts that follow show the operating results of the Carlson Funds Enterprise for the previous five fiscal years and estimated results for fiscal year 2008.

Carlson Funds Enterprise (Fiscal Year Ended June 30)

	2003A	2004A	2005A	2006A	2007A	2008E
REVENUE						
Administrative Fees						
CGF	\$16,412	\$32,000	\$48,812	\$75,386	\$92,305	\$110,000
CFIF	\$0	\$60,430	\$56,868	\$58,040	\$59,663	\$70,000
TOTAL	\$16,412	\$92,430	\$105,680	\$133,426	\$151,968	\$180,000
Other Revenue/Gifts	\$139,230	\$89,000	\$117,668	\$116,198	\$59,280	\$40,000
TOTAL REVENUE	\$155,642	\$181,430	\$223,348	\$249,624	\$211,248	\$220,000
EXPENSES						
Salaries & Fringe Benefits	\$190,503	\$258,230	\$283,581	\$260,617	\$233,767	\$241,949
General Operating Expenses	\$61,227	\$90,450	\$90,499	\$98,102	\$105,550	\$108,100
TOTAL EXPENSE	\$251,730	\$348,680	\$374,080	\$358,719	\$339,317	\$350,049
Office of Dean Funding	\$96,088	\$167,250	\$150,732	\$109,095	\$128,069	\$130,049

Since fiscal 2003, the CFE has grown at a measured pace, serving more students and enriching the learning experience, while controlling costs. The introduction of the fixed income fund in 2003, an increase in the administrative fee charged on the growth fund beginning on January 1, 2004, excellent investment performance by the growth fund, and new participants to the funds are the major factors affecting funds available to the CFE. At the same time, revenue from gifts has declined significantly as several "one-time" gifts have not recurred and multi-year pledges have been fulfilled.

Expenses have been relatively flat since fiscal 2004. The increase from 2003 to 2004 in salaries and fringe benefits was due to the launch of the fixed income fund and the hiring of a professional advisor for the fund. The majority of general operating expenses consist of fees paid for critical on-line market data services used by CFE students. In order to provide the most meaningful experience to our students, the CFE has subscriptions to Bloomberg and FactSet, data services used in most investment management firms. In addition, a significant corporate gift in 2004 allowed the CFE to establish a travel program for students to visit with management as part of the due diligence process used in researching new stock and bond ideas. The ability to travel and visit management has become a key differentiator for the CFE program compared with other university student investment programs. Travel expenses are included in general operating expenses.

From fiscal 2004 to fiscal 2006, funding from the Office of the Dean has been reduced; however, beginning in fiscal 2007, operating expenses have started to increase (particularly technology costs). Management estimates that the CFE will need to rely on Office of the Dean funding in the amount of \$125,000-150,000 annually for the foreseeable future. In order to reduce this funding need, to improve the quality of the program, and to deliver the best experience for our students, the CFE is undertaking this offering.

Management

Name	Age	Position
Tim Nantell	62	Founder, Academic Director
Joe Barsky	58	Program Director, CGF Professional Advisor
Jeannette Parr	47	CFIF Professional Advisor
Emily Dombeck	29	Program Coordinator

Tim Nantell, PhD, founded the Carlson Funds Enterprise in 1998. He has been the Academic Director of the CFE since its founding. He is a Professor of Finance and has served on the faculty of the Carlson School of Management for 27 years. He holds an MBA and doctorate from the University of Wisconsin.

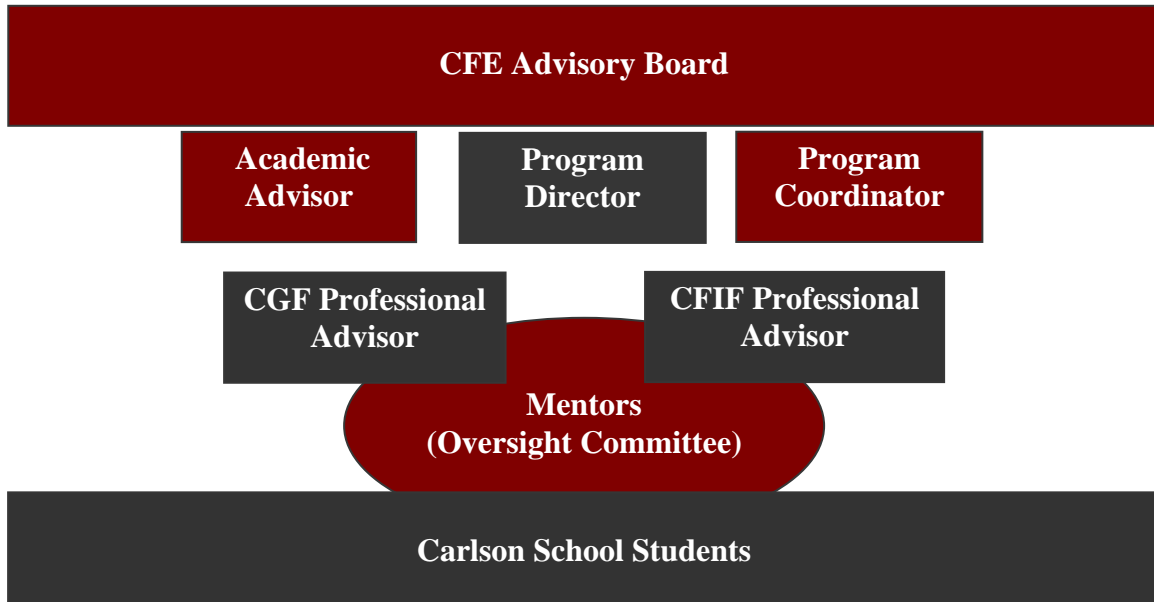
Joe Barsky, CFA, is the Program Director for the CFE and the professional advisor to the Carlson School Growth Fund. He joined the CFE in 2003 after spending 24 years with Ameriprise Financial as an equity analyst and portfolio manager. He has over 30 years of experience in the securities industry and holds an MBA from the University of Michigan.

Jeannette Parr, CFA, is the professional advisor to the Carlson School Fixed Income Fund. Prior to joining the CFE in 2006, she worked for more than 17 years in the investment industry, the last 10 of which were with Ameriprise Financial as a fixed income portfolio manager. She holds an MBA from the Carlson School of Management.

Emily Dombeck has been the program coordinator for the CFE since 2005. She is also currently a student at the University of Minnesota, pursuing a bachelor's degree in biology.

Organization

The organizational structure of the CFE is depicted below:



Current members of the CFE Advisory Board and mentors for both the growth fund and fixed income fund are shown on the following pages. Many are alumni of the University of Minnesota, the Carlson School of Management, and the CFE program.

The CFE Advisory Board is comprised of:

Matt Dudley, '00 MBA	The Leuthold Group
William Dudley, '55 BSB	Ameriprise Financial (retired)
Marilyn Froelich, '77 MBA	Advantus Capital Management
Lorraine Hart	RiverSource Investments (retired)
Donald Heltner, '74 MBA	State Farm Insurance
Mark Jordahl, '94 MBA	FAF Advisors
Jay Kiedrowski, '71 BME, '73 MPA	U of Minnesota Humphrey Institute
Robert Peterson	Piper Jaffray & Co.
John Sabre, '79 BSB	Mount Yale Capital Group
Debbie Sit, '82 BA	Sit Investment Associates
Russell Swansen, '82 MBA	Thrivent Financial for Lutherans
Matt Thompson, '85 JD	Faegre & Benson
William Westhoff, '74 MBA	Lakeview Investment Advisors

Mentors for the Carlson Growth Fund are listed below:

Wendy Clements, '96 MBA	RBC Capital Markets
Michael Cox, '03 MBA	Piper Jaffray
Patrick Donohue	Northland Securities
Phil Dobrzynski, '99 MBA	Riverbridge Partners
Peter Ginsberg	SurModics, Inc.
Eric Hewitt, '00 MBA	Alliance Bernstein
Jon Horick, '97 MBA	Northland Directions Equity Group
Dean Junkans	Wells Fargo Investment Management
Paul Kaump, '97 MBA	Northland Securities
Michael Lee, '94 MBA	Voyageur Asset Management
Rick Moulton, '92 BSB	Riverbridge Partners
Paul Roach, '98 MBA	Cornerstone Capital Management
Keith Tufte	Longview Wealth Management

Mentors for the Carlson Fixed Income Fund are listed below:

Mark Arnold	Piper Jaffray
Mark Book, '92 MBA	Sit Investment Associates
Mark Churchill, '02 BSB	Piper Jaffray
Vitali Datsenko	University of Minnesota
John Huber, '95 MBA	Voyageur Asset Management
Tim Masek, '86 MBA	Riversource Investments
Matt Bentley, '07 MBA	Galliard Capital Management
Tim Palmer	FAF Advisors
Thor Raarup	Travelers
Chris Sebald, '89 MBA	Advantus Capital Management
Mark Simenstad, '83 MBA	Thrivent Financial
Chris Zinn, '98 MBA	U.S. Bancorp

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\$7,000,000

Common Stock, 70,000 shares,
\$100 per share
Minimum Purchase \$100

CARLSON FUNDS ENTERPRISE

**Carlson Funds Enterprise
Suite 3-306
321 19th Avenue South
Minneapolis, MN 55455**

CARLSON
SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA

**Carlson School of
Management
University of Minnesota**

May 1, 2008
