



Muhlenkamp Fund

Intelligent Investment Management

ANNUAL REPORT

December 31, 2001

Phone: 1-800-860-3863

E-mail: [click here](#)

Web Site: www.muhlenkamp.com

This report is not authorized for distribution to prospective investors unless preceded or accompanied by a currently effective prospectus of the Muhlenkamp Fund. Please call 1-800-860-3863 for a free prospectus. Read it carefully before you invest.

MUHLENKAMP FUND

(A Portfolio of the Wexford Trust)

Dear Fellow Shareholders:

The Trustees and Management of the Muhlenkamp Fund are pleased to present this Annual Report of your Fund.

In our quarterly letters to you over the past three years (available on our website at www.muhlenkamp.com), we have spelled out our thoughts on the evolving economic and market pictures.

In 1999, the U.S. Federal Reserve Board (the Fed) began raising interest rates. It did so because many economists feared that continued economic growth would re-ignite inflation (even though this theory was disproved by Paul Volcker and Ronald Reagan twenty years ago).

The Fed's goal was a slowdown and "soft-landing" in the economy much like it engineered in 1994-95. Instead, partly for reasons beyond Fed control, we are in a recession much like the one of 1990-91. This is our tenth recession since WWII. Each of these recessions had been triggered by the Fed raising interest rates, usually for the purpose of combatting inflation or the fear of inflation.

We used to expect a recession every 3-5 years as a normal part of the business cycle. I entered the investment business in 1968. By the mid-1970s I concluded that recessions were inherently self-correcting. In a recession, the typical wage earner works a little harder, saves a little more, and spends a little less. After a few months, when she no longer fears losing her job (though 2-3% of workers have lost theirs), she will have improved her financial position and gradually resume her normal spending pattern. But the fact that recessions are inherently self-correcting doesn't mean they are always self-correcting. In 1930 our government's response to recession was to raise interest rates, raise taxes and raise tariffs, giving us a depression. In the late 1960s our government's response was to print money, giving us inflation. Inflation encourages people to spend more, save less and to speculate making the problem worse. Inflation is not inherently self-correcting. It took a change in government policies to reverse the trend.

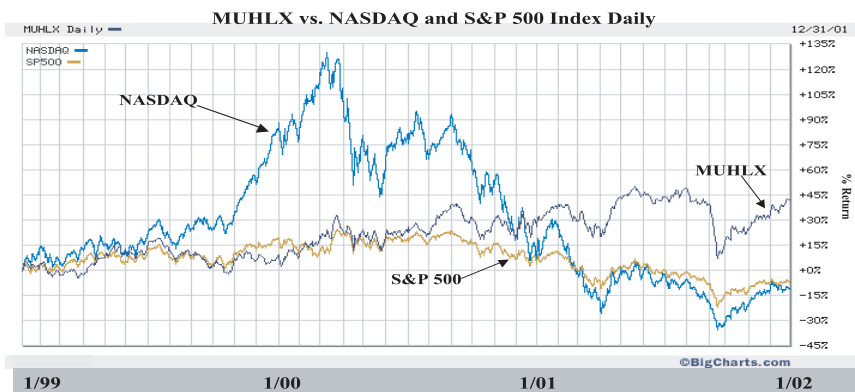
Knowing this history, when the Fed sets out to slow the U.S. economy, we always look for signs or actions that would turn a normal cyclical recession into depression or inflation. As we reported in July, we see few signs of either at this time.

We did mention in July that war could have a dramatic effect on this U.S. economy, but we viewed war as unlikely. Obviously September 11 proved us to be wrong. But we have learned some things since September 11. The direct effects of September 11 have lengthened and deepened the slowdown, ensuring a recession. For a period of time, measured in days to a few weeks for most of us, discretionary economic spending was unimportant. "Our heart simply wasn't in it." But when the auto companies offered 0% financing, many consumers responded by buying new cars.

MUHLENKAMP FUND (A Portfolio of the Wexford Trust)

Putting these observations together, our best description is that on September 11 most Americans suffered a “death in the family” resulting in a temporary pause in economic activity, but not necessarily a change in the normal pattern of spending habits.

Further complicating the current economic/market cycle has been the public discovery of, and fascination with, the “game of the stock market.” This fascination began in late-1998, and after three years, many of the hyped stock prices are back to where they started. The nearby plot illustrates the round trip of the fad. What remains to be seen is whether the public maintains its fascination with the stock market, either with the same stocks or with new ones.



So our conclusion remains – the risk in the current economy/market remains that of a normal cyclical recession. The long-term picture for the U.S. remains good. The short-term picture remains one of high stock price volatility.

As we go through this recession, the media will focus on the bad news. It always does; apparently bad news sells. To help your own perspective on the current recession, study the last one. Go to the library and read the business magazines from early 1991.

Ronald H. Muhlenkamp

President

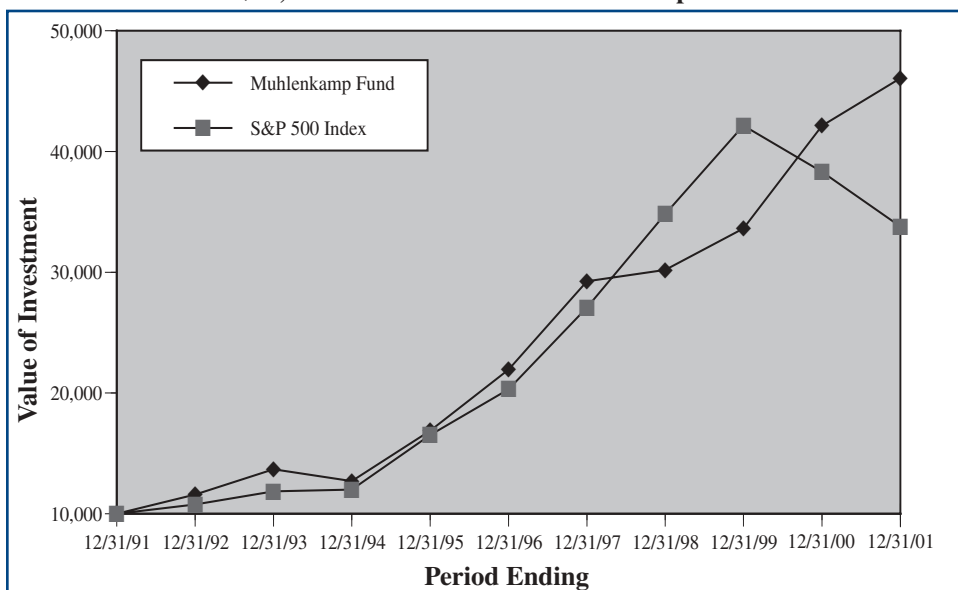
February 15, 2002

Past performance does not guarantee future results. The principal value and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The S&P 500 Index is a broad based unmanaged index of 500 stocks which is widely recognized as representative of the equity market in general. The NASDAQ Index is a market capitalization-weighted index that is designed to represent the performance of the National Market System which includes over 5,000 stocks traded only over-the-counter and not on an exchange.

MUHLENKAMP FUND (A Portfolio of the Wexford Trust)

Period Ending	Total Return %		Cumulative Return %	
	Muhlenkamp Fund	S&P 500	Muhlenkamp Fund	S&P 500
12/31/92	15.8	7.6	15.8	7.6
12/31/93	18.1	10.1	36.8	18.5
12/31/94	(7.2)	1.3	26.9	20.0
12/31/95	33.0	37.6	68.8	65.1
12/31/96	30.0	23.0	119.4	103.1
12/31/97	33.3	33.4	192.5	170.9
12/31/98	3.2	28.6	201.9	248.4
12/31/99	11.4	21.0	236.3	321.6
12/31/00	25.3	(9.1)	321.4	283.2
12/31/01	9.3	(11.8)	360.5	238.0

A \$10,000 Investment in the Muhlenkamp Fund



The Standard & Poor's 500 Stock Index ("S&P 500 Index") is a market value-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. This chart assumes an initial gross investment of \$10,000 made on 12/31/91. Returns shown include the reinvestment of all dividends. The Fund's past performance is not necessarily an indication of its future performance. It may perform better or worse in the future.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

Average Annual Total Returns
(as of 12/31/01)

<u>Muhlenkamp Fund</u>	<u>One Year</u>	<u>Past Three Years</u>	<u>Past Five Years</u>	<u>Past Ten Years</u>
Return Before Taxes	9.33%	15.13%	15.99%	16.50%
Return After Taxes on Distributions*	9.33%	14.60%	15.62%	16.10%
Return After Taxes on Distributions and Sale of Fund Shares*	5.68%	12.33%	13.36%	14.32%
S&P 500 Index**	(11.81%)	(1.02%)	10.69%	12.91%

* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or IRAs. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

** The S&P 500 Index is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 Index reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes.

Starting this year, the Securities and Exchange Commission requires mutual funds to present returns on an after tax basis. The Muhlenkamp Fund is providing these returns in the above table to help our shareholders understand the magnitude of tax costs and the impact of taxes on the performance of our Fund.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF ASSETS & LIABILITIES
December 31, 2001

ASSETS	
INVESTMENTS, AT VALUE (Cost \$433,734,681)	\$544,898,841
RECEIVABLE FOR FUND SHARES SOLD	5,808,645
DIVIDENDS RECEIVABLE	156,858
INTEREST RECEIVABLE	654
OTHER ASSETS	<u>140,580</u>
Total assets	<u><u>551,005,578</u></u>
LIABILITIES	
OPTIONS WRITTEN, AT VALUE	5,178,700
(Premiums received \$4,650,119)	
PAYABLE FOR SECURITIES PURCHASED	3,054,468
PAYABLE FOR FUND SHARES REDEEMED	1,501,975
PAYABLE TO ADVISOR	430,809
ACCRUED EXPENSES AND OTHER LIABILITIES	<u>423,185</u>
Total liabilities	<u><u>10,589,137</u></u>
NET ASSETS	<u><u>\$540,416,441</u></u>
NET ASSETS	
PAID IN CAPITAL	\$433,804,132
UNDISTRIBUTED NET INVESTMENT INCOME	434,653
ACCUMULATED NET REALIZED LOSS ON INVESTMENTS SOLD, AND OPTION CONTRACTS EXPIRED OR CLOSED	(4,457,923)
NET UNREALIZED APPRECIATION (DEPRECIATION) ON:	
Investments	111,164,160
Written options	<u>(528,581)</u>
NET ASSETS	<u><u>\$540,416,441</u></u>
SHARES OF BENEFICIAL INTEREST OUTSTANDING (unlimited number of shares authorized, \$.001 par value)	10,091,742
NET ASSET VALUE PER SHARE	<u><u>\$ 53.55</u></u>

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF OPERATIONS
Year Ended December 31, 2001

INVESTMENT INCOME:

Dividends (Net of foreign taxes withheld of \$1,933)	\$ 3,476,735
Interest	<u>823,502</u>
Total investment income	<u>4,300,237</u>

EXPENSES:

Investment advisory fees	\$4,189,324
Shareholder servicing and accounting costs	394,125
Reports to shareholders	55,061
Federal & state registration fees	103,019
Custody fees	28,290
Administration fees	247,388
Directors' fees and expenses	4,326
Professional fees	38,505
Other	<u>13,978</u>
Total operating expenses before expense reductions	5,074,016
Expense reductions (see Note 8)	<u>(171,665)</u>
Total expenses	<u>4,902,351</u>

NET INVESTMENT LOSS (602,114)

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Realized gain (loss) on:	
Investments	(9,002,168)
Written options	<u>4,443,392</u>
Net realized loss	(4,558,776)
Change in unrealized appreciation (depreciation) on:	
Investments	29,757,395
Written options	<u>(723,854)</u>
Net unrealized gain	<u>29,033,541</u>

Net realized and unrealized gain on investments 24,474,765

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$23,872,651

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF CHANGES IN NET ASSETS

	<u>Year Ended</u> <u>December 31, 2001</u>	<u>Year Ended</u> <u>December 31, 2000</u>
OPERATIONS:		
Net investment loss	\$ (602,114)	\$ (427,147)
Net realized gain (loss) on investments sold and option contracts expired or closed	(4,558,776)	14,067,613
Change in unrealized appreciation (depreciation) on investments and written options	<u>29,033,541</u>	<u>32,644,262</u>
Net increase in net assets resulting from operations	<u>23,872,651</u>	<u>46,284,728</u>
DISTRIBUTIONS TO SHAREHOLDERS		
FROM NET REALIZED GAINS	<u>—</u>	<u>(11,901,530)</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	452,045,891	111,885,044
Proceeds from shares issued to holders in reinvestment of dividends	—	11,605,019
Cost of shares redeemed	<u>(202,887,944)</u>	<u>(69,086,823)</u>
Net increase in net assets resulting from capital share transactions	<u>249,157,947</u>	<u>54,403,240</u>
Total increase in net assets	273,030,598	88,786,438
NET ASSETS:		
Beginning of year	<u>267,385,843</u>	<u>178,599,405</u>
End of year	<u>\$540,416,441</u>	<u>\$267,385,843</u>

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2001	2000	1999	1998	1997
NET ASSET VALUE, BEGINNING OF YEAR	\$ 48.98	\$ 41.11	\$ 37.65	\$ 36.55	\$ 27.52
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income (loss)	(0.11) ⁽¹⁾⁽⁴⁾	(0.08) ⁽¹⁾	(0.11) ⁽²⁾	0.08 ⁽²⁾	0.18 ⁽²⁾
Net realized and unrealized gains on investments	4.68	10.28	4.37	1.10	8.98
Total from investment operations	4.57	10.20	4.26	1.18	9.16
LESS DISTRIBUTIONS:					
From net investment income	0.00	0.00	0.00	(0.08)	(0.13)
From net realized gains	0.00	(2.33)	(0.80)	0.00	0.00
Total distributions	0.00	(2.33)	(0.80)	(0.08)	(0.13)
NET ASSET VALUE, END OF PERIOD	\$ 53.55	\$ 48.98	\$ 41.11	\$ 37.65	\$ 36.55
TOTAL RETURN	9.33%	25.30%	11.40%	3.22%	33.28%
NET ASSETS, END OF PERIOD (in thousands)	\$540,416	\$267,386	\$178,599	\$194,962	\$125,461
RATIO OF OPERATING EXPENSES					
TO AVERAGE NET ASSETS ⁽³⁾	1.17%	1.28%	1.35%	1.32%	1.33%
RATIO OF NET INVESTMENT INCOME					
(LOSS) TO AVERAGE NET ASSETS	(0.14)% ⁽⁴⁾	(0.20)%	(0.26)%	0.21%	0.53%
PORTFOLIO TURNOVER RATE	10.52%	32.04%	14.52%	27.03%	13.89%

- (1) Net investment income per share is calculated using ending balances prior to consideration of adjustments for permanent book and tax differences.
- (2) Net investment income per share represents net investment income for the respective period divided by the monthly average shares of beneficial interest outstanding throughout each period.
- (3) The operating expense ratio includes expense reductions for soft dollar credits and minimum account maintenance fees deposited into the Fund. The ratios excluding expense reductions for the years ended December 31, 2001, 2000, 1999, 1998 and 1997, were 1.21%, 1.36%, 1.38%, 1.36% and 1.44%, respectively (See Note 8).
- (4) As a result of adopting the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies (see Note 9), net investment loss per share was reduced by \$0.03 and the ratio of net investment loss to average net assets was reduced by 0.04%.

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

SCHEDULE OF INVESTMENTS
December 31, 2001

Name of Issuer or Title of Issue	Shares	Value
COMMON STOCK — 97.8%+		
Aerospace — 0.3%+		
BE Aerospace, Inc.*#	174,800	\$ 1,602,916
Airlines — 0.7%+		
Frontier Airlines, Inc.*	220,900	3,755,300
Appliances — 3.4%+		
Salton, Inc.*	84,200	1,589,696
Whirlpool Corporation	227,700	16,697,241
		<u>18,286,937</u>
Autos and Recreational Vehicles — 10.5%+		
Delphi Automotive Systems Corporation	350,000	4,781,000
Ford Motor Company	225,795	3,549,497
Monaco Coach Corporation*	67,500	1,476,225
National R.V. Holdings, Inc.*	183,750	1,800,750
Polaris Industries Inc.	309,600	17,879,400
Superior Industries International, Inc.	338,180	13,611,745
Thor Industries, Inc.	52,400	1,941,420
Visteon Corporation	454,664	6,838,146
Winnebago Industries, Inc.	125,500	4,635,970
		<u>56,514,153</u>
Banks — 4.3%+		
Citigroup Inc.	360,000	18,172,800
Mellon Financial Corporation	140,000	5,266,800
		<u>23,439,600</u>
Brokerage — 2.4%+		
Merrill Lynch & Co., Inc.	204,000	10,632,480
SWS Group, Inc.	90,249	2,296,837
		<u>12,929,317</u>
Building Products — 11.1%+		
American Woodmark Corporation	212,100	11,400,375
The Black & Decker Corporation	92,700	3,497,571
Cemex S.A. de C.V. ADR	625,800	15,457,260
Dal-Tile International Inc.*	509,100	11,836,575
General Cable Corporation	126,000	1,650,600

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

SCHEDULE OF INVESTMENTS (Continued)
December 31, 2001

Name of Issuer or Title of Issue	Shares	Value
Building Products — 11.1%+ (Continued)		
Masco Corporation	100,000	\$ 2,450,000
Mohawk Industries, Inc.*	118,000	6,475,840
Texas Industries, Inc.	201,900	7,450,110
		<u>60,218,331</u>
Capital Goods — 1.6%+		
Graco Inc.	158,737	6,198,680
Terex Corporation*	126,500	2,218,810
		<u>8,417,490</u>
Commercial Services — 3.6%+		
Cendant Corporation*	900,000	17,649,000
Rush Enterprises, Inc.*	282,005	1,971,215
		<u>19,620,215</u>
Computer Services — 2.5%+		
Computer Associates International, Inc.	105,000	3,621,450
International Business Machines Corporation	80,000	9,676,800
		<u>13,298,250</u>
Electrical — 0.6%+		
The Lamson & Sessions Co.*	575,500	3,021,375
Finance — 4.5%+		
Fannie Mae	74,400	5,914,800
Gabelli Asset Management Inc. – Class A*	121,600	5,253,120
Morgan Stanley Dean Witter & Co.	203,000	11,355,820
Washington Mutual, Inc.	61,687	2,017,165
		<u>24,540,905</u>
Food Distributors — 0.6%+		
SUPERVALU INC.	160,000	3,539,200
Footwear & Related Apparel — 0.4%+		
R.G. Barry Corporation*	322,200	2,033,082
Furniture — 1.4%+		
Stanley Furniture Company, Inc.*	310,900	7,390,093
Homebuilding — 13.4%+		
Beazer Homes USA, Inc.*	178,200	13,038,894
Centex Corporation	210,000	11,988,900

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

SCHEDULE OF INVESTMENTS (Continued)
December 31, 2001

Name of Issuer or Title of Issue	Shares	Value
Homebuilding — 13.4%+ (Continued)		
Meritage Corporation*	245,800	\$ 12,609,540
NVR, Inc.*	125,000	25,500,000
Pulte Homes	110,115	4,918,837
Toll Brothers, Inc.*	100,000	4,390,000
		<u>72,446,171</u>
Industrial Equipment — 0.9%+		
JLG Industries, Inc.	118,100	1,257,765
Photon Dynamics, Inc.*#	78,700	3,592,655
		<u>4,850,420</u>
Insurance — 4.9%+		
Conseco, Inc.#	1,127,808	5,030,024
Fidelity National Financial, Inc.	866,139	21,480,247
		<u>26,510,271</u>
Medical — 4.6%+		
D & K Healthcare Resources, Inc.*	194,500	11,076,775
Orthodontic Centers of America, Inc.*	422,300	12,880,150
Scios Inc.*	40,000	950,800
		<u>24,907,725</u>
Metal — 0.1%+		
RTI International Metals, Inc.*	40,000	398,000
Oils, Natural Gas and Energy Related — 17.3%+		
Anadarko Petroleum Corporation	155,500	8,840,175
Calpine Corporation*#	1,302,000	21,860,580
Conoco Inc. – Class A	520,000	14,716,000
Denbury Resources Inc.*	231,000	1,688,610
El Paso Corporation	361,450	16,124,285
Forest Oil Corporation*	42,900	1,210,209
The Houston Exploration Company*	145,800	4,895,964
Nabors Industries, Inc.*	90,000	3,089,700
Ocean Energy Inc.	360,000	6,912,000
OMNI Energy Services Corp.*	85,600	80,464
Patterson-UTI Energy Inc.*	600,000	13,986,000
		<u>93,403,987</u>

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

SCHEDULE OF INVESTMENTS (Continued)
December 31, 2001

Name of Issuer or Title of Issue	Shares	Value
Paper and Forest Products — 0.1%+		
Abitibi Consolidated Inc.	80,000	\$ 585,600
Publishing — 0.9%+		
The Reader's Digest Association, Inc.	220,000	5,077,600
Technology — 3.4%+		
Applied Materials, Inc.*#	63,700	2,554,370
ATMI, Inc.*	333,900	7,963,515
Citrix Systems, Inc.*#	323,800	7,337,308
Intel Corporation	16,000	503,200
		<u>18,358,393</u>
Telecommunications — 1.0%+		
Conductus, Inc.*	477,700	1,304,121
MasTec, Inc.*	593,700	4,126,215
		<u>5,430,336</u>
Tobacco - 0.2%+		
Philip Morris Companies Inc.	25,280	1,159,088
Trucking — 3.1%+		
Arkansas Best Corporation*	576,300	16,608,966
Total Common Stocks (Cost \$416,999,344)		<u>528,343,721</u>
Name of Issuer or Title of Issue	Principal Amount	Value
CORPORATE BONDS — 0.3%+		
General Motors Acceptance Corporation 0.000%, 6/15/2015, principal only	\$5,000,000	1,752,120
Total Corporate Bond (Cost \$1,932,337)		<u>1,752,120</u>
SHORT-TERM INVESTMENT — 2.7%+		
American Express 1.590%, 01/02/2002	14,803,000	14,803,000
Total Short-Term Investment (Cost \$14,803,000)		<u>14,803,000</u>
TOTAL INVESTMENTS — 100.8%+ (Cost \$433,734,681)		<u>\$544,898,841</u>

* Non income producing security.

+ Investments are shown as a percentage of net assets at December 31, 2001.

All or a portion of the shares have been committed as collateral for written option contracts.

ADR American Depository Receipt

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

SCHEDULE OF OPTIONS WRITTEN
December 31, 2001

Underlying Security/Expiration Date/Exercise Price:	Contracts (100 Shares Per Contract)	Value
CALL OPTIONS		
Applied Materials, Inc.		
Expiration January 2002, Exercise Price \$40.00	1,000	\$ 220,000
Expiration January 2002, Exercise Price \$60.00	80	400
BE Aerospace		
Expiration January 2002, Exercise Price \$10.00	570	14,250
Photon Dynamics		
Expiration January 2002, Exercise Price \$35.00	950	1,054,500
PUT OPTIONS		
Applied Materials Inc.		
Expiration January 2002, Exercise Price \$60.00	1,000	180,000
BE Aerospace		
Expiration January 2002, Exercise Price \$10.00	570	65,550
Calpine		
Expiration January 2004, Exercise Price \$20.00	1,000	690,000
Expiration January 2002, Exercise Price \$25.00	2,000	1,600,000
Citrix		
Expiration March 2002, Exercise Price \$22.50	1,000	260,000
Conseco, Inc.		
Expiration January 2002, Exercise Price \$7.50	2,000	600,000
Expiration January 2002, Exercise Price \$5.00	1,000	80,000
Expiration January 2003, Exercise Price \$15.00	300	309,000
Photon Dynamics		
Expiration January 2002, Exercise Price \$30.00	1,000	<u>105,000</u>
TOTAL OPTIONS WRITTEN		
(Premiums received \$4,650,119)		<u><u>\$5,178,700</u></u>

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

1. ORGANIZATION

The Wexford Trust (the “Trust”) was organized as a Massachusetts Business Trust on September 21, 1987 and operations commenced on November 1, 1988. The Trust is registered under the Investment Company Act of 1940, as amended. The Muhlenkamp Fund (the “Fund”) is a portfolio of the Trust and is currently the only fund in the Trust.

The Fund operates as a diversified open-end mutual fund that continuously offers its shares for sale to the public. The Fund will manage its assets to seek a maximum total return to its shareholders, primarily through a combination of interest and dividends and capital appreciation by holding a diversified list of publicly traded stocks. The Fund may acquire and hold fixed-income or debt investments as market conditions warrant and when, in the opinion of its advisor, it is deemed desirable or necessary in order to attempt to achieve its investment objective.

The primary focus of the Fund is long-term and the investment options diverse. This allows for greater flexibility in the daily management of Fund assets. However, with flexibility also comes the risk that assets will be invested in various classes of securities at the wrong time and price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied by management in the preparation of the accompanying financial statements follows.

- a. *Investment Valuations* — Stocks and bonds are valued at the latest sales price on the last business day of the fiscal period as reported by the securities exchange on which the issue is traded. If no sale is reported, the security is valued at the last quoted bid price. Securities and other assets for which market quotations are not readily available are valued at fair value as determined by procedures established by the Board of Trustees.
- b. *Investment Transactions and Related Investment Income* — Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded daily on the yield to maturity basis. The Fund uses the specific identification method in computing gain or loss on the sale of investment securities.
- c. *Federal Taxes* — It is the Fund’s policy to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is recorded. In addition, the Fund will make sufficient distributions of its income and realized gains, if any, to avoid the payment of any federal excise taxes. Generally accepted accounting principles require that permanent differences between financial reporting and tax reporting be reclassified between various components of net assets.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2001

- d. *Dividends and Distributions to Shareholders of Beneficial Interest* — Dividends from net investment income, if any, are declared and paid annually. Distributions of net realized capital gains, if any, will be declared and paid at least annually. The Fund may utilize earnings and profits distributed to shareholders on redemption of shares as part of the dividends paid deduction. Accordingly, reclassifications are made within the net asset accounts for such amounts, as well as amounts related to permanent differences in the character of certain income and expense items for income tax and financial reporting purposes.
- e. *Use of Estimates* — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- f. *Options Transactions* — The Fund may write put and call options only if it (i) owns an offsetting position in the underlying security or (ii) maintains cash or other liquid assets in an amount equal to or greater than its obligation under the option.

When the Fund writes a call or put option, an amount equal to the premium received is included in the statement of assets and liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option. If an option expires on its stipulated expiration date or if the Fund enters into a closing purchase transaction, a gain or loss is realized. If a written call option is exercised, a gain or loss is realized for the sale of the underlying security and the proceeds from the sale are increased by the premium originally received. If a written put option is exercised, the cost of the security acquired is decreased by the premium originally received. As writer of an option, the Fund has no control over whether the underlying securities are subsequently sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

The Fund may purchase put and call options. When the Fund purchases a call or put option, an amount equal to the premium paid is included in the Fund's statement of assets and liabilities as an investment, and is subsequently marked-to-market to reflect the current market value of the option. If an option expires on the stipulated expiration date or if the Fund enters into a closing sale transaction, a gain or loss is realized. If the Fund exercises a call, the cost of the security acquired is increased by the premium paid for the call. If the Fund exercises a put option, a gain or loss is realized from the sale of the underlying security, and the proceeds from such a sale are decreased by the premium originally paid. Written and purchased options are non-income producing securities.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2001

3. INVESTMENT ADVISORY AND OTHER AGREEMENTS

Muhlenkamp & Co., Inc. (the "Advisor"), an officer/stockholder of which is a trustee of the Trust, receives a fee for investment management. The fee is computed and accrued daily based on the net asset value at the close of business and is equal to 1% per annum. U.S. Bancorp Fund Services, LLC serves as transfer agent, administrator and accounting services agent for the Fund. U.S. Bank, N.A. serves as custodian for the Fund.

4. LINE OF CREDIT

The Fund has established a line of credit agreement ("LOC") with a national banking association, which expires October 31, 2002, to be used for temporary or emergency purposes, primarily for financing redemption payments. Borrowings of the Fund are subject to a \$10 million cap on the total LOC. At December 31, 2001, there were no borrowings by the Muhlenkamp Fund outstanding under the LOC.

5. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares of the Fund were as follows:

	Year Ended December 31, 2001	Year Ended December 31, 2000
Shares outstanding, beginning of period	5,458,654	4,344,743
Shares sold	8,672,934	2,361,888
Shares issued to shareholders in reinvestment of dividends	—	256,976
Shares redeemed	(4,039,846)	(1,504,953)
Shares outstanding, end of period	10,091,742	5,458,654

6. OPTION CONTRACTS WRITTEN

The number of option contracts written and the premiums received by the Muhlenkamp Fund during the year ended December 31, 2001, were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of period	810	\$ 807,273
Options written	31,790	11,574,726
Options exercised	(1,082)	(587,219)
Options expired	(10,965)	(4,417,997)
Options closed	(8,083)	(2,726,664)
Options outstanding, end of period	12,470	\$ 4,650,119

7. INVESTMENT TRANSACTIONS AND TAX INFORMATION

Purchases and sales of investment securities, excluding short-term securities, for the year ended December 31, 2001 were as follows:

Purchases		Sales	
U.S. Government	Other	U.S. Government	Other
\$0	\$288,087,736	\$0	\$42,554,096

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2001

The components of the net unrealized appreciation in the value of the investments held at December 31, 2001 for tax purposes are as follows:

Gross unrealized appreciation of investments	\$154,275,743
Gross unrealized depreciation of investments	<u>(43,301,739)</u>
Net unrealized appreciation of investments	<u>\$110,974,004</u>

At December 31, 2001, the cost of investments for federal income tax purposes was \$433,924,837.

At December 31, 2001, the Fund had accumulated net realized capital loss carryovers of \$3,833,114 that will expire in 2009. To the extent the Fund realizes future net capital gains, taxable distributions to its shareholders will be offset by any unused capital loss carryover.

At December 31, 2001, the Fund had no undistributed net investment income for tax purposes.

8. EXPENSE REDUCTIONS

The Fund has a directed business arrangement with Capital Institution Services, Inc. (“CIS”). Upon the purchase and/or sale of investment securities at best price and execution, the Fund pays a brokerage commission to CIS. These commission payments generate nonrefundable cumulative credits which are available to pay certain expenses of the Fund, such as performance measurements, pricing information, custodian and record keeping services, legal, accounting and other administrative costs. For the year ended December 31, 2001, the Fund’s expenses were reduced \$113,951 by utilizing directed brokerage credits resulting in a decrease in the expense ratio being charged to shareholders of 0.03%. In accordance with Securities and Exchange Commission requirements, such amount is required to be shown as an expense and has been included in each of the expenses in the Statement of Operations.

Beginning in 2000, expenses are also reduced through the deposit of minimum account maintenance fees into the Fund. By November 30th of each year, all accounts must have net investments (purchases less redemptions) totaling \$1,500 or more, an account value greater than \$1,500, or be enrolled in the Automatic Investment Plan. Accounts that do not meet one of these three criteria will be charged a \$15 fee. These fees are used to lower the Fund’s expense ratio. For the year ended December 31, 2001, the Fund’s expenses were reduced \$57,714 by utilizing minimum account maintenance fees, resulting in a decrease in the expense ratio being charged to shareholders of 0.01%.

9. RECENT FINANCIAL REPORTING PRONOUNCEMENT

In November 2000, a revised AICPA Audit and Accounting Guide, *Audits of Investment Companies*, was issued, and is effective for fiscal years beginning after December 15, 2000. The revised Guide requires Funds to amortize premium and discount on all fixed-

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2001

income securities using the interest method. Upon initial adoption, as of January 1, 2001, the Fund was required to adjust the cost of its fixed-income securities by the cumulative amount of amortization that would have been recognized had amortization been in effect from the purchase date of each holding. Adopting this accounting principle did not affect the Fund's net asset value, but changed the classification of certain amounts in the Fund's capital accounts. The Fund's initial adjustment required upon adoption of premium and discount amortization increased the recorded cost of its investments (but not their market value) by approximately \$661,000.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees and Shareholders
of Muhlenkamp Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedules of investments and of options written, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Muhlenkamp Fund (constituting of the Wexford Trust hereafter referred to as the “Fund”) at December 31, 2001, the results of its operations, the changes in its net assets and the financial highlights for the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2001 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
February 8, 2002

MUHLENKAMP FUND

(A Portfolio of the Wexford Trust)

DIRECTORS AND OFFICERS

<u>Name, Address, and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Complex Overseen by Director</u>	<u>Other Directorships Held by Director</u>
<u>Interested Trustees:</u>					
Alfred E. Kraft 202 Fan Hollow Road Uniontown, PA 15401 Age: 64	Trustee	Served as Trustee from 1998 to present	An independent management consultant since 1986	1	None
Terrence McElligott 4103 Penn Avenue Pittsburgh, PA 15224 Age: 56	Trustee	Served as Trustee from 1998 to present	President of West Penn Brush & Supply, Inc., as a wholesale industrial brush sales company, since 1979	1	None
<u>Interested Trustees and Officers:</u>					
Ronald H. Muhlenkamp & Company, Inc. 3000 Stonewood Drive, Suite 310 Wexford, PA 15090 Age: 58	President and Trustee	Served as President and Trustee from 1987 to present	President and Director of Muhlenkamp & Company, Inc., investment advisor to the Fund	1	None
James S. Head Muhlenkamp & Company, Inc. 3000 Stonewood Drive, Suite 310 Wexford, PA 15090 Age: 56	Vice President and Treasurer	Served as Vice President from 1999 to present	Executive Vice President of Muhlenkamp & Company, Inc., investment advisor to the Fund, from 1999 to present; Branch Manager, Parker/Hunter Inc., a securities brokerage firm from 1995 to 1999	1	None
John H. Kunkle, III Muhlenkamp & Company, Inc. 3000 Stonewood Drive, Suite 310 Wexford, PA 15090 Age: 39	Vice President	Served as Vice President from 1999 to present	Portfolio analyst with Muhlenkamp & Company, Inc., investment advisor to the Fund, since 1992	1	None
Jean Leister Muhlenkamp & Company, Inc. 3000 Stonewood Drive, Suite 310 Wexford, PA 15090 Age: 54	Secretary	Served as Secretary from 1992 to present	Director of Operations with Muhlenkamp & Company, Inc., investment advisor to the Fund, since 1987	1	None

Additional information about the Portfolios' directors is available in the Statement of Additional Information and is available, without charge, upon request, by calling (800) 860-3863.

INVESTMENT ADVISOR

Muhlenkamp & Company, Inc.
3000 Stonewood Drive, Suite 310
Wexford, PA 15090

ADMINISTRATOR AND TRANSFER AGENT

U.S. Bancorp Fund Services, LLC
615 E. Michigan Street
Milwaukee, WI 53202

CUSTODIAN

U.S. Bank, N.A.
425 Walnut Street
Cincinnati, OH 45201

DISTRIBUTOR

Quasar Distributors, LLC
615 E. Michigan Street
Milwaukee, WI 53202

AUDITORS

PricewaterhouseCoopers LLP
100 E. Wisconsin Avenue
Milwaukee, WI 53202