



# Muhlenkamp Fund

*Intelligent Investment Management*

## ANNUAL REPORT

December 31, 2005

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This report is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus of the Muhlenkamp Fund. Please call 1-800-860-3863 for a current copy of the 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.

2005 proved to be a good year for the economy and a good year for our Fund. Our opinion is that current trends will continue, including the following items:

The U.S. (and the world's) economy continues on a healthy trend of good growth with inflation contained at about 2%.

GDP growth is somewhat slower than it has been, but this is normal after the rebound from a recession.

The Federal Reserve has brought short-term interest rates up to the top-side (at 4%) of a normal range of 1 to 2% above inflation.

Long-term interest rates remain fair in a range of 4½ to 5%.

We believe stocks are priced to return about 8-9%, which we judge to be fair.

We also believe that most industries have ample capacity; so, as investors, we're looking for those companies who are beating their competition.

Ronald H. Muhlenkamp



President

February, 2006

Opinions expressed are those of Ronald H. Muhlenkamp and are subject to change, are not guaranteed and should not be considered investment advice.

**Mutual fund investing involves risk. Principal loss is possible.**

## MUHLENKAMP FUND

(A Portfolio of the Wexford Trust)

### Average Annual Total Returns as of December 31, 2005

<u>Muhlenkamp Fund</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Fifteen Year</u>	<u>Since Inception*</u>
Return Before Taxes	7.88%	25.76%	11.74%	15.83%	17.10%	14.61%
Return After Taxes on Distributions**	7.74%	25.70%	11.70%	15.61%	16.79%	14.25%
Return After Taxes on Distributions and Sale of Fund Shares**	5.32%	22.55%	10.27%	14.28%	15.73%	13.35%
S&P 500 Index***	4.91%	14.39%	0.54%	9.07%	11.52%	11.59%

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.muhlenkamp.com](http://www.muhlenkamp.com).*

Investment returns can vary significantly between returns before taxes and returns after taxes.

The Muhlenkamp Fund is providing the returns in the above table to help our shareholders understand the magnitude of tax costs and the impact of taxes on the performance of the Fund.

\* Operations commenced on November 1, 1988.

\*\* 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.

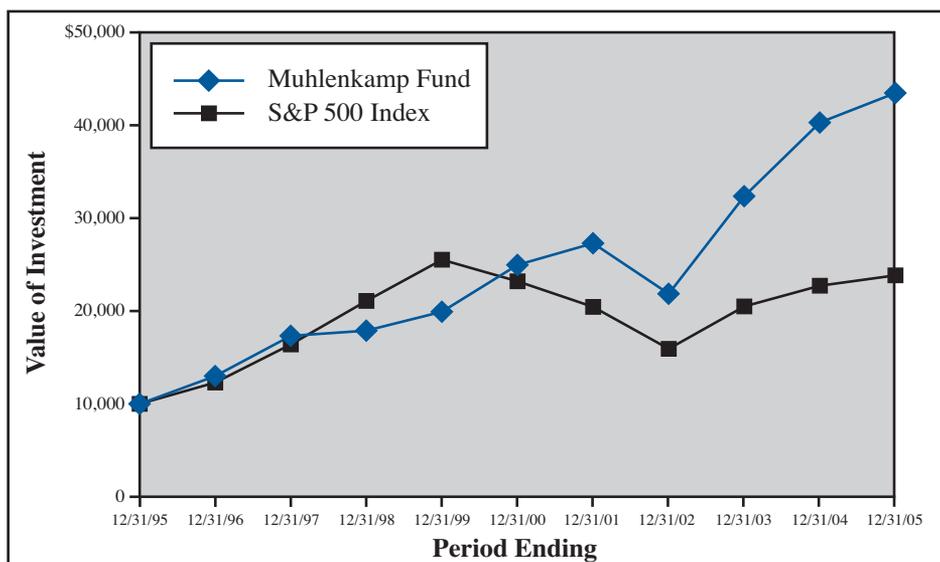
\*\*\* The S&P 500 Index is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 Index reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes. One cannot invest directly in an index.

## MUHLENKAMP FUND

(A Portfolio of the Wexford Trust)

Period Ending	Total Return %		Cumulative Return %	
	Muhlenkamp Fund	S&P 500 Index	Muhlenkamp Fund	S&P 500 Index
12/31/96	30.0	23.0	30.0	23.0
12/31/97	33.3	33.4	73.3	64.1
12/31/98	3.2	28.6	78.8	111.0
12/31/99	11.4	21.0	99.2	155.3
12/31/00	25.3	(9.1)	149.6	132.1
12/31/01	9.3	(11.9)	172.8	104.5
12/31/02	(19.9)	(22.1)	118.5	59.3
12/31/03	48.1	28.7	223.7	105.0
12/31/04	24.5	10.9	303.0	127.3
12/31/05	7.9	4.9	334.7	138.5

### A Hypothetical \$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 12/31/95. The line graph does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns shown include the reinvestment of all dividends.

**MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**EXPENSE EXAMPLE**  
**December 31, 2005 (Unaudited)**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees; and exchange fees; and (2) ongoing costs, including management fees; distribution and/or service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (7/1/05 – 12/31/05).

**Actual Expenses**

The first line of the table provides information about actual account values and actual expenses. Although the Fund charges no sales load or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. If you request that a redemption be made by wire transfer, currently a \$15.00 fee is charged by the Fund's transfer agent. IRA accounts will be charged a \$15.00 annual maintenance fee. The example below includes, but is not limited to, management fees, shareholder servicing fees, fund accounting, custody and transfer agent fees. However, the example below does not include portfolio trading commissions and related expenses, and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing

# MUHLENKAMP FUND

## (A Portfolio of the Wexford Trust)

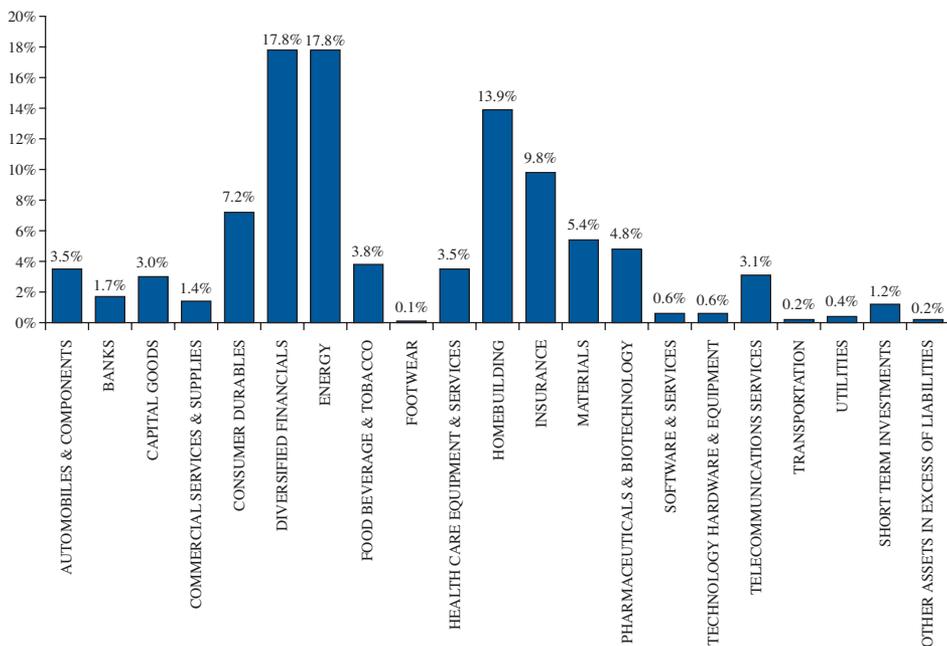
### EXPENSE EXAMPLE (Continued) December 31, 2005 (Unaudited)

ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value <u>7/1/05</u>	Ending Account Value <u>12/31/05</u>	Expenses Paid During Period <u>7/1/05 – 12/31/05*</u>
Actual	\$1,000.00	\$1,042.80	\$5.41
Hypothetical (5% return before expenses)	1,000.00	1,019.71	5.35

\* Expenses are equal to the Fund's annualized expense ratio of 1.05% multiplied by the average account value over the period multiplied by 184/365 (to reflect the one-half year period).

### ALLOCATION OF PORTFOLIO ASSETS (Calculated as a percentage of net assets) December 31, 2005



**THE MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**STATEMENT OF ASSETS & LIABILITIES**  
**December 31, 2005**

**ASSETS**

INVESTMENTS, AT VALUE	
(Cost \$2,194,098,563)	\$3,080,144,680
CASH	153
RECEIVABLE FOR FUND SHARES SOLD	8,732,989
DIVIDENDS RECEIVABLE	2,051,057
OTHER ASSETS	90,002
Total assets	3,091,018,881

**LIABILITIES**

PAYABLE FOR FUND SHARES REDEEMED	3,461,054
PAYABLE TO ADVISOR	2,445,351
ACCRUED EXPENSES AND OTHER LIABILITIES	641,022
Total liabilities	6,547,427
NET ASSETS	\$3,084,471,454

**NET ASSETS**

PAID IN CAPITAL	2,294,820,044
ACCUMULATED NET INVESTMENT LOSS	(954,458)
ACCUMULATED NET REALIZED LOSS ON INVESTMENTS SOLD, AND OPTION CONTRACTS EXPIRED OR CLOSED	(95,440,249)
NET UNREALIZED APPRECIATION ON INVESTMENTS	886,046,117
NET ASSETS	\$3,084,471,454
SHARES OF BENEFICIAL INTEREST OUTSTANDING (unlimited number of shares authorized, \$.001 par value)	36,528,358
NET ASSET VALUE PER SHARE	\$ 84.44

See notes to financial statements.

**MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2005**

**INVESTMENT INCOME:**

Dividends		
(Net of foreign taxes withheld of \$53,056)		\$ 51,410,893
Interest		<u>3,600,261</u>
Total investment income		<u>55,011,154</u>

**EXPENSES:**

Investment advisory fees	\$ 24,877,666	
Shareholder servicing and accounting costs	1,133,211	
Reports to shareholders	157,505	
Federal & state registration fees	192,134	
Custody fees	144,208	
Administration fees	1,235,180	
Trustees' fees and expenses	108,274	
Auditor fees	26,426	
Legal fees	81,795	
Other	<u>97,521</u>	
Total operating expenses before expense reductions	28,053,920	
Expense reductions (see Note 9)	<u>(31,169)</u>	
Total expenses		<u>28,022,751</u>

**NET INVESTMENT INCOME** 26,988,403

**REALIZED AND UNREALIZED GAIN (LOSS)  
ON INVESTMENTS**

Net realized loss on:		
Investments	(40,104,574)	
Written options	<u>(186,356)</u>	
Net realized loss		(40,290,930)
Change in net unrealized appreciation on investments	<u>220,684,666</u>	
Net unrealized gain		<u>220,684,666</u>
Net realized and unrealized gain on investments		<u>180,393,736</u>

**NET INCREASE IN NET ASSETS RESULTING  
FROM OPERATIONS** \$207,382,139

See notes to financial statements.

**MUHLENKAMP FUND**  
(A Portfolio of the Wexford Trust)

**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Year Ended</u> <u>December 31, 2005</u>	<u>Year Ended</u> <u>December 31, 2004</u>
<b>OPERATIONS:</b>		
Net investment income	\$ 26,988,403	\$ 2,115,093
Net realized loss on investments sold and option contracts expired or closed	(40,290,930)	(12,346,935)
Change in net unrealized appreciation on investments	<u>220,684,666</u>	<u>342,830,961</u>
Net increase in net assets resulting from operations	<u>207,382,139</u>	<u>332,599,119</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Proceeds from shares sold	1,593,884,281	854,435,459
Dividends reinvested	26,036,143	2,478,689
Redemption fees	105,737	—
Cost of shares redeemed	<u>(707,256,218)</u>	<u>(352,167,523)</u>
Net increase in net assets resulting from capital share transactions	<u>912,769,943</u>	<u>504,746,625</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
From net investment income	<u>(27,390,370)</u>	<u>(2,670,986)</u>
Net decrease in net assets resulting from distributions to shareholders	<u>(27,390,370)</u>	<u>(2,670,986)</u>
Total increase in net assets	1,092,761,712	834,674,758
<b>NET ASSETS:</b>		
Beginning of year	<u>1,991,709,742</u>	<u>1,157,034,984</u>
End of year	<u>\$3,084,471,454</u>	<u>\$1,991,709,742</u>
<b>ACCUMULATED NET INVESTMENT LOSS:</b>	<u>\$ (954,458)</u>	<u>\$ (578,302)</u>

See notes to financial statements.

# MUHLENKAMP FUND

## (A Portfolio of the Wexford Trust)

### FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2005	2004	2003	2002	2001
NET ASSET VALUE, BEGINNING OF YEAR	\$78.97	\$63.51	\$42.89	\$53.55	\$48.98
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income (loss)	0.76 <sup>(1)</sup>	0.11 <sup>(2)</sup>	(0.02) <sup>(2)</sup>	(0.06) <sup>(1)</sup>	(0.11) <sup>(1)</sup>
Net realized and unrealized gains (losses) on investments	5.47	15.46	20.64	(10.60)	4.68
Total from investment operations	6.23	15.57	20.62	(10.66)	4.57
LESS DISTRIBUTIONS:					
From net investment income	(0.76)	(0.11)	0.00	0.00	0.00
Total distributions	(0.76)	(0.11)	0.00	0.00	0.00
NET ASSET VALUE, END OF YEAR	<u>\$84.44</u>	<u>\$78.97</u>	<u>\$63.51</u>	<u>\$42.89</u>	<u>\$53.55</u>
TOTAL RETURN	7.88%	24.51%	48.07%	(19.92)%	9.33%
NET ASSETS, END OF YEAR (in millions)	\$3,084	\$1,992	\$1,157	\$600	\$540
RATIO OF OPERATING EXPENSES TO AVERAGE NET ASSETS <sup>(3)</sup>	1.06%	1.14%	1.18%	1.17%	1.17%
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS	1.02%	0.16%	(0.04)%	(0.10)%	(0.14)%
PORTFOLIO TURNOVER RATE	6.05%	7.00%	9.15%	11.17%	10.52%

- (1) Net investment income (loss) per share is calculated using ending balances prior to consideration of adjustments for permanent book and tax differences.
- (2) Net investment income (loss) per share represents net investment income (loss) for the respective period divided by the monthly average shares of beneficial interest outstanding throughout each year.
- (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, 2005, 2004, 2003, 2002 and 2001, were 1.06%, 1.14%, 1.18%, 1.18% and 1.21%, respectively (See Note 9).

### BROKER COMMISSIONS (UNAUDITED)

Some people have asked how much the Muhlenkamp Fund pays in commissions:

For the year ended December 31, 2005, the Fund paid \$783,470 in broker commissions. These commissions are included in the cost basis of investments purchased, and deducted from the proceeds of securities sold. This accounting method is the industry standard for mutual funds. Were these commissions itemized as expenses, they would equal two cent (2¢) per Fund share and would have increased the operating expense ratio from 1.06% to 1.09%.

See notes to financial statements.

**THE MUHLENKAMP FUND**  
(A Portfolio of the Wexford Trust)

**SCHEDULE OF INVESTMENTS**

**December 31, 2005**

Name of Issuer or Title of Issue	Shares	Value
<b>COMMON STOCK — 98.6%</b>		
<b>Automobiles &amp; Components — 3.5%</b>		
Harley-Davidson, Inc.	400,000	\$ 20,596,000
National R.V. Holdings, Inc. (a)	418,350	2,631,421
Thor Industries, Inc.	1,447,100	57,985,297
Winnebago Industries, Inc.	828,200	27,562,496
		<u>108,775,214</u>
<b>Banks — 1.7%</b>		
Washington Mutual, Inc.	1,211,687	52,708,384
		<u>52,708,384</u>
<b>Capital Goods — 3.0%</b>		
Eagle Materials, Inc. – Class B	101,332	11,933,870
Graco Inc.	206,707	7,540,671
The Lamson & Sessions Co. (a)	238,000	5,954,760
Rush Enterprises, Inc. – Class A (a)	226,605	3,371,882
Rush Enterprises, Inc. – Class B (a)	282,005	4,060,872
Terex Corp. (a)	564,100	33,507,540
Tyco International Ltd. (b)	935,600	27,001,416
		<u>93,371,011</u>
<b>Commercial Services &amp; Supplies — 1.4%</b>		
Cendant Corp.	2,384,900	41,139,525
PHH Corp.	98,000	2,745,960
		<u>43,885,485</u>
<b>Consumer Durables — 7.2%</b>		
American Woodmark Corp.	470,200	11,656,258
The Black & Decker Corp.	706,100	61,402,456
Masco Corp.	1,050,000	31,699,500
Mohawk Industries, Inc. (a)	400,663	34,849,668
Polaris Industries, Inc.	519,200	26,063,840
Stanley Furniture Co, Inc.	621,800	14,413,324
Whirlpool Corp.	501,400	41,997,264
		<u>222,082,310</u>
<b>Diversified Financials — 17.8%</b>		
Capital One Financial Corp.	1,454,700	125,686,080
Citigroup, Inc.	2,270,000	110,163,100

See notes to financial statements.

**THE MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**SCHEDULE OF INVESTMENTS (Continued)**  
**December 31, 2005**

Name of Issuer or Title of Issue	Shares	Value
<b>Diversified Financials — 17.8% (Continued)</b>		
Countrywide Financial Corp.	3,191,998	\$ 109,134,412
Gamco Investors, Inc. – Class A	121,600	5,293,248
Fannie Mae	1,799,000	87,809,190
Merrill Lynch & Co, Inc.	1,431,700	96,969,041
Morgan Stanley	243,000	13,787,820
		<u>548,842,891</u>
<b>Energy — 17.8%</b>		
Anadarko Petroleum Corp.	1,142,800	108,280,300
ConocoPhillips	1,695,400	98,638,372
Devon Energy Corp.	1,337,700	83,659,758
The Houston Exploration Co. (a)	677,000	35,745,600
Maverick Tube Corp. (a)	607,200	24,202,992
Nabors Industries, Ltd. (a)(b)	1,390,000	105,292,500
Patterson-UTI Energy, Inc.	2,826,400	93,129,880
Shellbridge Oil & Gas, Inc. (a)(b)	306,500	374,407
		<u>549,323,809</u>
<b>Food Beverage &amp; Tobacco — 3.8%</b>		
Altria Group, Inc.	1,265,580	94,564,138
Yum! Brands, Inc.	485,300	22,750,864
		<u>117,315,002</u>
<b>Footwear — 0.1%</b>		
R.G. Barry Corp. (a)	322,200	1,984,752
<b>Health Care Equipment &amp; Services — 3.5%</b>		
OCA, Inc. (a)	918,600	367,440
UnitedHealth Group, Inc.	1,711,200	106,333,968
		<u>106,701,408</u>
<b>Homebuilding — 13.9%</b>		
Beazer Homes USA, Inc.	678,900	49,451,076
Centex Corp.	1,760,000	125,822,400
Meritage Homes Corp. (a)	983,200	61,862,944
NVR, Inc. (a)	145,000	101,790,000

See notes to financial statements.

**THE MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**SCHEDULE OF INVESTMENTS (Continued)**  
**December 31, 2005**

Name of Issuer or Title of Issue	Shares	Value
<b>Homebuilding — 13.9% (Continued)</b>		
Pulte Homes, Inc.	640,460	\$ 25,208,506
Toll Brothers, Inc. (a)	1,873,800	64,908,432
		<u>429,043,358</u>
<b>Insurance — 9.8%</b>		
The Allstate Corp.	2,220,200	120,046,214
American International Group, Inc.	1,746,100	119,136,403
Fidelity National Financial, Inc.	1,557,094	57,285,488
Fidelity National Title Group, Inc. – Class A	272,491	6,635,156
		<u>303,103,261</u>
<b>Materials — 5.4%</b>		
Cemex S.A. de C.V. – ADR	2,289,615	135,842,858
Chaparral Steel Co. (a)	201,900	6,107,475
NovaGold Resources Inc. (a)(b)	384,700	3,500,770
RTI International Metals, Inc. (a)	278,800	10,580,460
Texas Industries, Inc.	201,900	10,062,696
		<u>166,094,259</u>
<b>Pharmaceuticals &amp; Biotechnology — 4.8%</b>		
Johnson & Johnson	1,277,500	76,777,750
Marshall Edwards, Inc. (a)	75,607	472,544
Novogen Ltd – ADR (a)	250,360	4,549,041
Pfizer Inc.	2,900,000	67,628,000
		<u>149,427,335</u>
<b>Software &amp; Services — 0.6%</b>		
eResearch Technology, Inc. (a)	1,137,400	17,174,740
<b>Technology Hardware &amp; Equipment — 0.6%</b>		
Intel Corp.	16,000	399,360
International Business Machines Corp.	140,000	11,508,000
MasTec, Inc. (a)	661,700	6,927,999
		<u>18,835,359</u>

See notes to financial statements.

**THE MUHLENKAMP FUND**  
(A Portfolio of the Wexford Trust)

**SCHEDULE OF INVESTMENTS (Continued)**  
**December 31, 2005**

Name of Issuer or Title of Issue	Shares	Value
<b>Telecommunication Services — 3.1%</b>		
Sprint Nextel Corp.	935,466	\$ 21,852,486
Telefonos de Mexico S.A. de C.V. – ADR	3,010,000	74,286,800
		<u>96,139,286</u>
<b>Transportation — 0.2%</b>		
Yellow Roadway Corp. (a)	100,000	<u>4,461,000</u>
<b>Utilities — 0.4%</b>		
Calpine Corp. (a)	2,312,100	480,917
Dynegy, Inc. – Class A (a)	520,000	2,516,800
El Paso Corp.	791,450	9,624,032
		<u>12,621,749</u>
Total Common Stocks (Cost \$2,155,844,496)		<u>3,041,890,613</u>

Name of Issuer or Title of Issue	Principal Amount	Value
<b>SHORT-TERM INVESTMENT — 1.2%</b>		
General Electric Capital Corp. 4.26%, due 01/03/2006	\$38,262,000	\$ <u>38,254,067</u>
Total Short-Term Investment (Cost \$38,254,067)		<u>38,254,067</u>
<b>TOTAL INVESTMENTS</b>		
(Cost \$2,194,098,563) — 99.8%		3,080,144,680
<b>Other Assets in Excess of Liabilities — 0.2%</b>		
		<u>4,326,774</u>
<b>TOTAL NET ASSETS — 100.0%</b>		
		<u><u>\$3,084,471,454</u></u>

ADR American Depository Receipt

(a) Non income producing.

(b) Foreign company.

See notes to financial statements.

**MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2005**

**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 adviser, 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, bonds, options and warrants 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. Short-term debt instruments (those with remaining maturities of 60 days or less) are valued at amortized cost, which approximates market value. Restricted securities, private placements, other illiquid securities and other securities for which market value quotations are not readily available are valued at fair value as determined by a designated Pricing Committee, comprised of personnel of the Adviser, under the supervision of the Board of Trustees, in accordance with pricing procedures approved by the Board. Fair value is defined as the amount the owner of a security might reasonably expect to receive upon a current sale. For each applicable investment that is fair valued, the Pricing Committee considers, to the extent applicable, various factors including, but not limited to, the financial condition of the company or limited partnership, operating results, prices paid in follow-on rounds, comparable companies in the public market, the nature

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

and duration of the restrictions for holding the securities, and other relevant factors.

Additionally, a Fund's investments will be valued at fair value by the Pricing Committee if the Adviser determines that an event impacting the value of an investment occurred between the closing time of a security's primary market or exchange (for example, a foreign exchange or market) and the time the Fund's share price is calculated. Significant events include, but are not limited to the following: significant fluctuations in domestic markets, foreign markets or foreign currencies; occurrences not directly tied to the securities markets such as natural disasters, armed conflicts or significant governmental actions; and major announcements affecting a single issuer or an entire market or market sector. In responding to a significant event, the Pricing Committee would determine the fair value of affected securities considering factors including, but not limited to: index options and futures traded subsequent to the close; ADRs, GDRs or other related receipts; currency spot or forward markets that trade after pricing of the foreign exchange; other derivative securities traded after the close such as WEBs and SPDRs; and alternative market quotes on the affected securities.

- b. *Foreign Securities* — Investing in securities of foreign companies and foreign governments involves special risks and consideration not typically associated with investing in U.S. companies and the U.S. government. These risks include revaluation of currencies and future adverse political and economic developments. Moreover, securities of many foreign companies and foreign governments and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and the U.S. government.
- c. *Foreign currency Translations* — The books and records of the Fund is maintained in U.S. dollars. Foreign currency transactions are translated into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the daily rates of exchange, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. For financial reporting purposes, the Fund does not isolate changes in the exchange rate of investment securities from the fluctuations arising from changes in the market price of such securities. However, for federal income tax purposes the Fund does isolate and treat the effect of changes in foreign exchange rates on realized gain or loss from the sale of equity securities and

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

payables/receivables arising from trade date and settlement date differences as ordinary income.

- d. *Investment Transactions and Related Investment Income* — Investment transactions are recorded 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.
- e. *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 plans to make sufficient distributions of its income and realized gains, if any, to avoid the payment of any federal excise taxes. Accounting principles generally accepted in the United States of America require that permanent differences between financial reporting and tax reporting be reclassified between various components of net assets.
- f. *Dividends and Distributions to Shareholders of Beneficial Interest* — Dividends from net investment income, if any, are declared and paid at least 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.
- g. *Use of Estimates* — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.
- h. *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.

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

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.

**3. INVESTMENT ADVISORY AND OTHER AGREEMENTS**

Muhlenkamp & Co., Inc. (the "Adviser"), an officer/stockholder of which is a trustee of the Trust, receives a fee for investment management. Effective January 1, 2005, the Adviser charges a management fee equal to 1% per annum of the average daily market value of the Fund's net assets up to \$1 billion and 0.9% per annum on Fund net assets in excess of \$1 billion. Under terms of the advisory agreement, which is approved annually, total annual Fund operating expenses cannot under any circumstances exceed 1.50% of the Fund's net assets. Should actual expenses incurred ever exceed the 1.50% limitation, such excess expenses shall be reimbursed by the Adviser. The Fund has no obligation to reimburse the Adviser for such payments. U.S. Bancorp Fund Services, LLC serves as transfer agent, administrator and accounting services agent for the Fund. During 2005, total expenses of \$2,368,391 related to such services were performed by U.S. Bancorp Fund Services, LLC. U.S. Bank, N.A. serves as custodian for the Fund.

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

**4. LINE OF CREDIT**

The Fund has established a line of credit agreement (“LOC”) with U.S. Bank, N.A., which expires April 30, 2006, to be used for temporary or emergency purposes, primarily for financing redemption payments. Borrowings of the Fund are subject to a \$65 million cap on the total LOC. The LOC was not drawn upon during the year and there were no borrowings by the Fund outstanding under the LOC as of December 31, 2005.

**5. CAPITAL SHARE TRANSACTIONS**

Transactions in capital shares of the Fund were as follows:

	<u>Year Ended December 31, 2005</u>	<u>Year Ended December 31, 2004</u>
Shares outstanding, beginning of year . . . . .	25,221,404	18,219,163
Shares sold . . . . .	19,687,151	12,331,151
Dividends reinvested . . . . .	307,296	31,697
Shares redeemed . . . . .	<u>(8,687,493)</u>	<u>(5,360,607)</u>
Shares outstanding, end of year . . . . .	<u>36,528,358</u>	<u>25,221,404</u>

**6. OPTION CONTRACTS WRITTEN**

The number of option contracts written and the premiums received by the Fund during the year ended December 31, 2005, were as follows:

	<u>Number of Contracts</u>	<u>Premiums Received</u>
Options outstanding, beginning of year . . . . .	1,660	\$ 186,845
Options written . . . . .	—	—
Options closed . . . . .	(830)	(85,172)
Options exercised . . . . .	—	—
Options expired . . . . .	<u>(830)</u>	<u>(101,673)</u>
Options outstanding, end of year . . . . .	<u>—</u>	<u>\$ —</u>

**7. INVESTMENT TRANSACTIONS**

Purchases and sales of investment securities, excluding short-term securities, for the year ended December 31, 2005 were as follows:

<u>Purchases</u>		<u>Sales</u>	
<u>U.S. Government</u>	<u>Other</u>	<u>U.S. Government</u>	<u>Other</u>
\$0	\$1,115,170,083	\$0	\$152,214,358

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

**8. FEDERAL TAX INFORMATION**

The Fund intends to utilize provisions of the federal income laws which allow it to carry a realized capital loss forward for eight years following the year of loss and offset such losses against any future realized capital gains. At December 31, 2005, the Fund had capital loss carryovers as follows:

<u>Net Capital Loss Carryovers*</u>	<u>Capital Loss Carryover Expiration</u>
\$ 3,833,114	12/31/2009
17,656,856	12/31/2010
18,459,729	12/31/2011
12,339,605	12/31/2012
<u>40,431,141</u>	12/31/2013
<u>\$92,720,445</u>	

\* Capital gain distributions will resume in the future to the extent gains are realized in excess of the available carryforwards.

As of December 31, 2005, the components of distributable earnings on a tax basis were as follows:

Cost of investments	<u>\$2,197,737,371</u>
Gross tax unrealized appreciation	\$ 974,023,929
Gross tax unrealized depreciation	<u>(91,616,620)</u>
Net tax unrealized appreciation	<u>\$ 882,407,309</u>
Undistributed ordinary income	\$ —
Undistributed long-term capital gain	—
Total distributable earnings	<u>\$ —</u>
Other accumulated losses	<u>\$ (92,755,899)</u>
Total accumulated earnings	<u>\$ 789,651,410</u>

The Fund plans to distribute substantially all of the net investment income and net realized gains that it has realized on the sale of securities. These income and gains distributions will generally be paid once each year, on or before December 31. The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense or gain items for financial reporting and tax reporting purposes.

**MUHLENKAMP FUND**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended December 31, 2005**

On December 29, 2005, a distribution of \$.76 per share was declared and paid to shareholders of record as of December 28, 2005.

On December 29, 2004, a distribution of \$.11 per share was declared and paid to shareholders of record as of December 28, 2004.

The tax character of distributions paid were as follows:

	<u>Year Ended</u> <u>December 31, 2005</u>	<u>Year Ended</u> <u>December 31, 2004</u>
Ordinary income	<u>\$27,390,370</u>	<u>\$2,670,986</u>

#### **9. EXPENSE REDUCTIONS**

Beginning in 2000, expenses are 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, 2005, the Fund's expenses were reduced \$31,169 by utilizing minimum account maintenance fees, resulting in a decrease in the expenses being charged to shareholders.

#### **10. REDEMPTION FEE**

Effective April 1, 2005, those who buy and sell the Fund within 30 calendar days will incur a 2% redemption fee. For the year ended December 31, 2005, the Fund retained \$105,737 in redemption fees which increased paid in capital.

#### **11. GUARANTEES AND INDEMNIFICATIONS**

In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects the risk of loss to be remote.

**MUHLENKAMP FUND**  
**(A Portfolio of the Wexford Trust)**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders  
of Muhlenkamp Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, 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 the Wexford Trust, hereafter referred to as the “Fund”) at December 31, 2005, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit 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, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Milwaukee, Wisconsin  
February 17, 2006

**MUHLENKAMP FUND**  
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**ADDITIONAL INFORMATION (Unaudited)**  
**Year Ended December 31, 2005**

**1. QUALIFIED DIVIDEND INCOME PERCENTAGE**

The Fund designated 100% of dividends declared and paid during the year ending December 31, 2005 from net investment income as qualified dividend income under the Jobs Growth and Tax Relief Reconciliation Act of 2003.

**2. CORPORATE DIVIDENDS RECEIVED DEDUCTION PERCENTAGE**

Corporate shareholders may be eligible for a dividends received deduction for certain ordinary income distributions paid by the Fund. The Fund designated 100% of dividends declared and paid during the year ending December 31, 2005 from net investment income as qualifying for the dividends received deduction. The deduction is a pass through of dividends paid by domestic corporations (i.e. only equities) subject to taxation.

**3. INFORMATION ABOUT PROXY VOTING**

Information regarding how the Fund votes proxies relating to portfolio securities is available without charge upon request by calling toll-free at 1-800-860-3863 or by accessing the Funds' website at [www.muhenkamp.com](http://www.muhenkamp.com), and the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve month period ending June 30, is available on the SEC's website at [www.sec.gov](http://www.sec.gov) or by calling the toll-free number listed above.

**4. AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The filing will be available, upon request, by calling 1-800-860-3863. Furthermore, you will be able to obtain a copy of the filing on the SEC's website at <http://www.sec.gov> beginning with the filing for the period ended September 30, 2004. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

# MUHLENKAMP FUND

## (A Portfolio of the Wexford Trust)

### TRUSTEES 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 Trustee</u>	<u>Other Directorships Held by Trustee</u>
<u>Independent Trustees:</u>					
Alfred E. Kraft 202 Fan Hollow Road Uniontown, PA 15401 Age: 68	Trustee	Indefinite Term; Served as Trustee from 1998 to present	An independent management consultant from 1986 to present.	1	None
Terrence McElligott 4103 Penn Avenue Pittsburgh, PA 15224 Age: 58	Trustee	Indefinite Term; Served as Trustee from 1998 to present	President of West Penn Brush & Supply, Inc., a wholesale industrial brush sales company, from 1979 to present.	1	None
<u>Interested Trustees and Officers:</u>					
Ronald H. Muhlenkamp Muhlenkamp & Company, Inc. 5000 Stonewood Drive, Suite 300 Wexford, PA 15090 Age: 62	President, Trustee	Indefinite Term; Served as President and Trustee from 1987 to present	President and Director of Muhlenkamp & Company, Inc., investment adviser to the Fund, from 1987 to present.	1	None
James S. Head Muhlenkamp & Company, Inc. 5000 Stonewood Drive, Suite 300 Wexford, PA 15090 Age: 60	Vice President, Treasurer	Indefinite Term; Served as Vice President and Treasurer from 1999 to present	Executive Vice President of Muhlenkamp & Company, Inc., investment adviser to the Fund, from 1999 to present; Branch Manager, Parker/Hunter Inc., a securities brokerage firm from 1995 to 1999.	N/A	None
John H. Kunkle, III Muhlenkamp & Company, Inc. 5000 Stonewood Drive, Suite 300 Wexford, PA 15090 Age: 43	Vice President	Indefinite Term; Served as Vice President from 1999 to present	Portfolio analyst with Muhlenkamp & Company, Inc., investment adviser to the Fund, from 1992 to present.	N/A	None
Jean Leister Muhlenkamp & Company, Inc. 5000 Stonewood Drive, Suite 300 Wexford, PA 15090 Age: 58	Secretary	Indefinite Term; Served as Secretary from 1992 to present	Executive Assistant with Muhlenkamp & Company, Inc., investment adviser to the Fund, from 1987 to present.	N/A	None

Additional information about the Fund's trustees is available in the Statement of Additional Information and is available, without charge, upon request, by calling 1-800-860-3863.

**INVESTMENT ADVISER**

**Muhlenkamp & Company, Inc.  
5000 Stonewood Drive, Suite 300  
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**

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**PricewaterhouseCoopers LLP  
100 E. Wisconsin Avenue  
Milwaukee, WI 53202**