

A No-Load Fund

Muhlenkamp Fund

ANNUAL REPORT
December 31, 1989

P.O. Box 598, Wexford, Pennsylvania 15090 (412) 935-5520

Letter to Shareholders

The Trustees and management of the Muhlenkamp Fund are pleased to present this first annual report of your Fund covering a full year's operations.

As you can see from this report, Net Assets of the Fund now exceed \$1 million. Net Asset Value per share increased to \$11.04 in 1989, plus a .25 per share dividend paid (and reinvested) at year end. This gives a total return for 1989 of 12.5 percent, which may seem like a good start, but which we find a bit disappointing.

Late in 1989 Wall Street became fearful of anything connected with real estate. Shares of banks and savings and loans were hit indiscriminately, with the good ones going down with the bad. We own some of the well capitalized and well managed companies which we believe represent good value, but their price declines late in the year hurt our returns.

The big news is international. Each day brings a new report of an economically stagnant socialist state moving toward free people and free markets. Aside from rejoicing in expanded human freedom, we expect this release of energy into new economic pursuits will soon benefit us all.

On the domestic economic front, the U.S. is in a gradual slowdown engineered by the Federal Reserve Board. Although a recession or increased inflation remain possible, each looks less and less likely. We don't know when the economy will bottom, nor do we expect to know until well after the fact. Recent increases in interest rates in Germany and Japan, largely engineered by their central banks, may extend the slowdown a few months. If it occurs, this extension should result in lower inflation and interest rates in 1991 and beyond. We think now is a good time to do our homework in selecting companies for investment; patience and selective purchases will be well rewarded.

We welcome your questions and ask you to spread the word of our Fund among your friends.

Ronald H. Muhlenkamp
President

March 9, 1990

THE WEXFORD TRUST
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1989

ASSETS

Muhlenkamp Fund

INVESTMENT IN SECURITIES AT VALUE - Identified Cost \$ 1,004,818	\$ 1,039,177
CASH AND CASH EQUIVALENTS	80,175
RECEIVABLES	<u>15,902</u>
Total Assets	\$ 1,135,254

LIABILITIES

PAYABLES	
Dividend	25,004
Other	6,116
	<u>31,120</u>
Total Net Assets	<u><u>\$ 1,104,134</u></u>

NET ASSETS

Shares of beneficial interest outstanding	\$ 1,073,182
Accumulated undistributed net investment income	(3,407)
Net unrealized appreciation in value of investment at end of period	<u>34,359</u>
Net Assets	<u><u>\$ 1,104,134</u></u>
NET ASSET VALUE PER SHARE (Net assets divided by shares outstanding at year end)	<u><u>\$ 11.04</u></u>

See notes to financial statements.

THE WEXFORD TRUST
PORTFOLIO OF INVESTMENTS
DECEMBER 31, 1989

	<u>Muhlenkamp Fund</u>	
	<u>Principal Amount or Shares</u>	<u>Value</u>
COMMON STOCK - 90%		
Apple Computer	100	\$ 3,488
A. G. Edwards	800	18,200
American Home Products	100	10,750
Allegheny Ludlum	700	28,263
AMR	400	23,200
Bankers Trust	600	24,825
Citicorp	1,100	31,762
Comerica	150	7,238
Compaq Computer	300	23,850
Dow Chemical	450	32,119
Federal National Mortgage Assoc.	1,100	37,262
Federal National Mortgage Assoc. - warrants	800	16,800
Figgie International	500	32,500
Frontier Insurance	1,500	27,375
Gatx	500	34,000
Gemini II	2,000	31,250
Georgia Gulf	500	22,375
Glenfed	2,000	32,500
Golden West Financial	1,000	26,875
Greentree Acceptance	1,000	14,500
Hanson PLC	1,000	18,500
H. J. Heinz	200	7,000
Mark IV Industries	2,250	31,500
Landmark Savings Association	2,500	18,125
Legent	1,200	31,500
MNC Financial	1,000	22,125
Morgan Stanley	450	29,081
Penn Central	1,000	27,500
Phillip Morris	1,060	44,123
PNC Financial	400	16,650
Pope & Talbot	1,000	25,875
Salomon Inc.	500	11,687
Signet Bank	400	12,850
Standard Pacific LTD	2,100	30,188
Sterling Chemical	2,500	19,375
Sub-Total		<u>\$ 825,211</u>

See notes to financial statements.

THE WEXFORD TRUST
PORTFOLIO OF INVESTMENTS
DECEMBER 31, 1989
(Continued)

	Muhlenkamp Fund	
	Principal Amount or Shares	Value
BALANCE BROUGHT FORWARD		\$ 825,211
Superior Industries	862	16,594
Telefonica De Espana	1,500	36,937
Vista Chemical	600	23,325
Western Digital	200	1,375
Westinghouse	500	37,000
Total Common Stocks (Cost \$916,206)		940,442
PREFERRED STOCK - 6%		
Federal Paper Board - Convertible	600	29,250
Pioneer Financial - Exchangeable	1,000	30,000
Total Preferred Stocks (Cost \$54,946)		59,250
BONDS - 4%		
General Motors Acceptance Corporation - 0% deferred debentures, due 2015	\$ 250,000	31,469
U.S. Treasury, stripped interest - 0% due 2013	50,000	8,016
Total Bonds (Cost \$33,666)		39,485
Total - 100% (Cost \$1,004,818)		\$1,039,177

See notes to financial statements.

THE WEXFORD TRUST
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1989

	<u>Muhlenkamp Fund</u>
INVESTMENT INCOME	
Interest	\$ 11,283
Dividends	17,106
Other	4,439
Total Investment Income	32,828
EXPENSES	
Investment advisor fees	6,677
Professional fees	4,255
Total Expenses	10,932
Net Investment Income	21,896
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized loss on investments	(313)
Unrealized appreciation in value of investments during the period	34,024
Net Gain on Investments	33,711
Net Increase in Net Assets Resulting From Operations	\$ 55,607

See notes to financial statements.

THE WEXFORD TRUST
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1989

	<u>Muhlenkamp Fund</u>
INCREASE (DECREASE) IN CASH AND NET ASSETS	
Operations:	
Net investment income	\$ 21,896
Net realized loss on investments	(313)
Unrealized appreciation	<u>34,024</u>
Net Increase Resulting From Operations	55,607
DISTRIBUTIONS TO SHAREHOLDERS	
Dividends to shareholders from net investment income (.25 per share for 1989)	(25,004)
FROM CAPITAL SHARE TRANSACTIONS	
Proceeds from sale of 92,906.037 shares for 1989	1,005,672
Net asset value of 143.042 shares issued to shareholders in reinvestment of 1988 distributions	1,435
Cost of 3,279.534 shares repurchased	<u>(36,425)</u>
	970,682
Total Increase	1,001,285
NET ASSETS	
Beginning of Year	<u>102,849</u>
End of Year (Including undistribtued investment (loss) of \$ (3,407))	<u><u>\$ 1,104,134</u></u>

See notes to financial statements.

THE WEXFORD TRUST

SELECTED PER SHARE DATA AND RATIOS
FOR THE YEAR ENDED DECEMBER 31, 1989

Muhlenkamp Fund

PER SHARE DATA (Based on shares outstanding before current
years dividend reinvestment of 100,017.561 in 1989)

Investment Income (1)	\$.59
Expenses (1)	<u>.20</u>
Investment income - net	.39
Net realized and unrealized gain on securities	.86
Distributions from net investment income	<u>(.25)</u>
Net Increase in Net Asset Value	1.00
NET ASSET VALUE	
Beginning of Period	<u>10.04</u>
End of Period	<u><u>11.04</u></u>
RATIOS	
Expenses to Average net assets	1.54%
Investment income - net to average net assets	3.04%
Portfolio turnover	34.46%
NUMBER OF SHARES OUTSTANDING AT END OF YEAR	100,017.561

(1) Computed on weighted average number
of shares outstanding during year.

See notes to financial statements.

THE WEXFORD TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1989

NOTE 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 a diversified open-end management investment company. The Muhlenkamp Fund is a series of the Wexford Trust and is currently the only fund in the Trust.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

Security valuations - Each stock and bond is valued at the latest sales price thereof on the last business day of the fiscal period as reported by the principal securities exchange on which the issue is traded.

Security transactions and related investment income - Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Federal income taxes - It is the Fund's policy to distribute substantially all of its taxable income to its shareholders and to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies. As a result of distributions made to shareholders during the period ended December 31, 1989, no liability for federal income or excise taxes was incurred.

Dividends and distributions to holders of beneficial interests - Dividends and distributions are recorded by the Trust on the record date.

NOTE 3 - INVESTMENT MANAGEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Muhlenkamp & Co., Inc., an affiliate of which an officer-stockholder 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. The investment advisory agreement provides for the reimbursement of expenses excluding auditor fees, fidelity bonding, and brokerage commissions until the net assets of the Muhlenkamp Fund (the Fund) equal or exceed \$1,000,000. Once the Fund's net assets equal or exceed this amount, the advisor is permitted to charge the Fund for some or all of its routine administration costs. An expense reimbursement was not required for the year ending December 31, 1989. Certain affiliated persons, which are stockholders of Muhlenkamp & Co., Inc., held in aggregate 2,757,046 shares with a net asset value of \$30,438 in the Muhlenkamp Fund at December 31, 1989.

THE WEXFORD TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1989

NOTE 4 - SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest with a par value of \$.001 per share. The shares outstanding were as follows:

	<u>Shares</u>	<u>Amount</u>
December 31, 1989	100,017.561	\$ 1,073,182

NOTE 5 - DIVIDENDS AND DISTRIBUTIONS

On December 29, 1989, the Trustees declared a dividend of \$.25 per outstanding share. The dividend represented 116% of the Trust's net investment income for the year. The dividend is payable January 2, 1990 to the holders of beneficial interest at December 29, 1989.

NOTE 6 - INVESTMENT TRANSACTIONS

Purchases and sales of investment securities were \$1,217,276 and \$195,260 in 1989. Purchases of U. S. Government obligations were \$8,016 in 1989.

The unrealized appreciation of securities was \$34,024 in 1989.

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Trustees
of the Funds in the Wexford Trust

We have audited the accompanying statements of assets and liabilities, including the portfolio of investments of the Wexford Trust (comprised of the Muhlenkamp Fund) as of December 31, 1989 and the related statements of operations, and changes in net assets and selected per share data for the year then ended. These financial statements are the responsibility of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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, including confirmation of securities owned as of December 31, 1989 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wexford Trust as of December 31, 1989 and the results of its operations, cash flows, changes in net assets, selected per share data and ratios for the year then ended in conformity with generally accepted accounting principles.

Schneider, Downs & Co., Inc.

Pittsburgh, Pennsylvania
January 11, 1990

Investment Advisor

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Custodian

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Auditors

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Investment Advisory Board

Roland G. Caldwell
John L. Laubach, Jr., Esq.
C.E. Pfeifer

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Muhlenkamp Fund

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