

A No-Load Fund

Muhlenkamp Fund

ANNUAL REPORT
December 31, 1990

P.O. Box 598, Wexford, Pennsylvania 15090-0598 (412) 935-5520

Letter to Shareholders

The Trustees and management of the Muhlenkamp Fund are pleased to present this third annual report of your Fund.

Net Assets of the Fund exceed \$1.1 million. As of December 31, 1990, Net Asset Value (NAV) per share was \$9.21. By February 28, 1991 NAV per share (unaudited) had recovered to \$10.67. Nevertheless, we view our performance in calendar 1990 as disappointing.

It's difficult to review the past six months in just a few sentences, so we'll simply provide an overview here. We went into more detail in our newsletters, copies of which are available to you on request.

In rereading those newsletters, we find our overall perspective during the period has been pretty good. Having spent considerable time and thought in concluding that Saddam Hussein did not threaten the prosperity of the United States, we nevertheless failed to fully appreciate the fear of many Americans that he WAS a threat. Since markets are people and reflect both reality and fear, prices fell dramatically in August and September. They had not yet recovered by December 31, so we were down significantly for the year.

The war is now over, and the Fund has recovered to pre-war levels. In short, we failed to sell to avoid the decline, but had the conviction to maintain (and add to) our holdings for the recovery.

Today the focus is again on economics. We are now in a recession, and some observers fear we won't recover. We will recover! Recessions are normal occurrences, as are the fears that go with them. Each recession has a character and nuance all its own, but much that is familiar. In 1980, the focus was on the oil belt and the farm belt. This time the focus is on commercial real estate and the S & L's. In essence, problems usually occur where the greatest excesses have been.

In each recession, some companies and some banks and some farmers go out of business, primarily the ones that deserve to do so. But we see no signs that these problems will overwhelm the rest of the economy. In short, we expect recovery to follow this recession and we are investing your money accordingly.

Ronald H. Muhlenkamp
President

March 1, 1990

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1990

ASSETS

	<u>Muhlenkamp Fund</u>
INVESTMENT, AT VALUE - (Identified cost \$1,247,260)	\$1,099,688
CASH	115,019
RECEIVABLES	<u>3,614</u>
Total Assets	\$1,218,321

LIABILITIES

PAYABLES		
Dividends	\$23,767	
Other	<u>11,364</u>	<u>35,131</u>
		<u>\$1,183,190</u>
NET ASSETS		
Shares of beneficial interest outstanding		\$1,357,454
Accumulated undistributed net investment loss		(26,691)
Net unrealized depreciation of investments as of end of year		<u>(147,573)</u>
Total Net Assets		<u>\$1,183,190</u>
NET ASSET VALUE PER SHARE (Net assets divided by shares outstanding at year end)		<u>\$ 9.21</u>

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

PORTFOLIO OF INVESTMENTS
DECEMBER 31, 1990

	<u>Muhlenkamp Fund</u>	
	<u>Principal</u>	
	<u>Amount or</u>	
	<u>Shares</u>	<u>Value</u>
COMMON STOCKS - 90 %		
A.G. Edwards	800	\$16,300
Alleghany Corporation	300	25,538
Allegheny Ludlum	1,450	34,075
Bankers Trust	600	26,025
Blair Corp.	1,000	37,000
Boeing	500	22,688
Calfed	3,500	15,312
Comerica	950	40,019
Federal National Mortgage	1100	39,187
Federal National Mortgage Wts	1200	24,750
Figgie International Cl. A	1500	20,625
Frontier Insurance	1450	27,550
GATX Corp.	1500	38,813
Gemini, II capital shares	2000	19,000
Glenfed	3000	19,125
Golden West Financial	1200	29,550
Green Tree Acceptance Inc.	2300	25,012
Hanson PLC	1000	18,625
King World Productions	1050	25,725
Landmark Savings Association	8500	29,750
Loews Corp.	400	39,250
Mark IV Inds. Inc.	2362	20,668
Mellon Bank	1000	23,750
PNC Financial	1400	30,275
PPG Industries	500	23,500
Penn Central	1600	31,800
Philip Morris	760	39,330
Radius, Inc.	800	4,600
Reynolds Metals Co.	600	34,200
Ryland Group	1800	28,800
Standard Pacific, LTD	2100	12,338
Sub-Total		\$ 823,180

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

PORTFOLIO OF INVESTMENTS
DECEMBER 31, 1990

	<u>Muhlenkamp Fund</u>	
	<u>Principal Amount or Shares</u>	<u>Value</u>
BALANCE BROUGHT FORWARD		\$ 823,180
Sterling Chemicals	4500	26,437
Superior Ind.	1328	27,058
Tektronix, Inc.	1000	18,500
Tenneco	500	23,750
UAL Corp.	200	22,025
United Federal Bancorp PA	1200	11,100
Western Digital	2400	11,700
Westinghouse Electric	800	22,800
Xilinx	200	<u>2,750</u>
Total Common Stocks (Cost \$1,124,568)		\$ 989,300
 PREFERRED STOCK - 3%		
Federal Paper Board - Convertible	600	21,600
Pioneer Financial - Exchangeable	800	<u>12,000</u>
Total Preferred Stocks		\$ 33,600
 BONDS - 7%		
General Motors Acceptance Corporation - 0%, deferred debentures, due 2015	350000	37,100
U.S. Treasury, stripped interest - 0%, due 2013	250000	<u>39,688</u>
Total Bonds		<u>76,788</u>
TOTAL (Cost \$1,247,260)		<u>\$1,099,688</u>

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1990

		<u>Muhlenkamp Fund</u>
INVESTMENT INCOME		
Dividends		\$ 32,061
Interest		6,760
Other		<u>4,200</u>
Total Investment Income		\$ 43,021
EXPENSES		
Investment advisor fees	\$ 11,644	
Professional fees	5,018	
Custodian fees	<u>3,772</u>	<u>20,434</u>
Net Investment Income		\$ 22,587
REALIZED AND UNREALIZED LOSS ON INVESTMENTS		
Net realized loss on investments		\$ 25,558
Unrealized depreciation in value of investments		<u>181,932</u>
Net Loss on Investments		<u>207,490</u>
Net Decrease in Net Assets Resulting from Operations		<u>\$184,903</u>

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	<u>Muhlenkamp Fund</u>	
	<u>1990</u>	<u>1989</u>
INCREASE (DECREASE) IN NET ASSETS		
From operations:		
Investment income	\$ 22,587	\$ 21,896
Net realized loss on investments	(25,558)	(313)
Unrealized (depreciation) appreciation in value of investments	<u>(181,932)</u>	<u>34,024</u>
Net (Decrease) Increase Resulting from Operations	(184,903)	55,607
DISTRIBUTIONS TO SHAREHOLDERS		
Dividends to shareholders from net investment income (.185 share in 1990 and .25 share in 1989)	(23,767)	(25,004)
CAPITAL SHARE TRANSACTIONS		
Proceeds from sale of shares (46,511.286 shares in 1990 and 92,906.037 shares in 1989)	477,335	1,005,672
Net asset value of shares issued to shareholders in reinvestment of dividend distributions (2,264.879 shares in 1990 and 143.042 shares in 1989)	25,004	1,435
Cost of shares redeemed (20,325.521 shares in in 1990 and 3,279.534 shares in 1989)	<u>(214,613)</u>	<u>(36,425)</u>
	<u>263,959</u>	<u>945,678</u>
Increase in Net Assets	\$ 79,056	1,001,285
NET ASSETS		
Beginning of year	<u>1,104,134</u>	<u>102,849</u>
End of year (including undistributed investment loss of \$26,691 in 1990 and \$3,407 in 1989)	<u>\$1,183,190</u>	<u>\$1,104,134</u>

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

SELECTED PER SHARE DATA AND RATIOS
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	<u>1990</u>	<u>1989</u>
PER SHARE DATA		
Investment income (1)	\$.37	\$.59
Expenses (1)	<u>.18</u>	<u>.20</u>
Net investment income	.19	.39
Net realized and unrealized (loss) gain on investments	(1.83)	.86
Distributions from net investment income	<u>(.19)</u>	<u>(.25)</u>
Net Decrease in Net Asset Value	(1.83)	1.00
NET ASSET VALUE		
Beginning of period	<u>11.04</u>	<u>10.04</u>
End of period	<u>\$ 9.21</u>	<u>\$ 11.04</u>
RATIOS		
Expenses to average net assets	1.76%	1.54%
Net investment income to average net assets	1.95%	3.04%
Portfolio turnover rate	47.47%	34.46%
NUMBER OF SHARES OUTSTANDING AT END OF YEAR		
	128,468.205	100,017.561

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

See notes to financial statements.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1990

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 amended, as a diversified open-end mutual fund. 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

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

Investment 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.

Investment transactions and related investment income - Investment 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, 1990, no liability for federal income or excise taxes was incurred.

Dividends and distributions to shareholders 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 fee totaled \$11,644 for the year ended December 31, 1990. 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. Since the Fund's net assets 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 requested for the year ended December 31, 1990. Certain affiliated persons, which are stockholders of Muhlenkamp & Co., Inc., held in aggregate 4,903.084 shares with a net asset value of \$45,157 in the Muhlenkamp Fund at December 31, 1990. In addition, the Muhlenkamp & Co., Inc. Pension & Trust Fund held 9,045.219 shares with a net asset value of \$83,306 at December 31, 1990.

THE WEXFORD TRUST
(COMPRISED OF THE MUHLENKAMP FUND)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

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>1990</u>	<u>1989</u>
Shares outstanding, beginning of period	100,017.561	10,248.016
Shares sold	46,511.286	92,906.037
Shares issued to shareholders in reinvestment of dividend distributions	2,264.879	143.042
Shares redeemed	<u>(20,325.521)</u>	<u>(3,279.534)</u>
Shares outstanding, end of period	<u>128,468.205</u>	<u>100,017.561</u>

NOTE 5 - DIVIDENDS AND DISTRIBUTIONS

On December 27, 1990, the Trustees declared a dividend of \$.185 per outstanding share. The dividend represented 100% of the Trust's net investment income for the year. The dividend is payable January 1, 1991 to the holders of beneficial interest at December 31, 1990.

NOTE 6 - INVESTMENT TRANSACTIONS

Purchases and sales of investment securities were \$748,181 and \$505,175, respectively in 1990. Purchases of U.S. Government obligations were \$28,008 in 1990.

The unrealized depreciation of securities was \$181,932 in 1990.

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 of the Wexford Trust (comprised of the Muhlenkamp Fund), including the portfolio of investments as of December 31, 1990, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the selected per share data and ratios for 1990 and 1989. These financial statements and selected per share data and ratios are the responsibility of the Trustees of the Funds in the Wexford Trust. Our responsibility is to express an opinion on these financial statements and selected per share data and ratios based on our audits.

We conducted our audits 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 and selected per share data and ratios are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 1990 by correspondence with the custodian. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and selected per share data and ratios referred to above present fairly, in all material respects, the financial position of the Wexford Trust as of December 31, 1990, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the selected per share data and ratios for each of the three years in the period then ended, in conformity with generally accepted accounting principles.

Schneider, Downs & Co., Inc.

Pittsburgh, Pennsylvania
January 15, 1991

Investment Advisor

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A No-Load Fund

Muhlenkamp Fund

Custodian

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December 31, 1990

Auditors

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Investment Advisory Board

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