

A No-Load Fund



MUHLENKAMP FUND

P.O. Box 598, Wexford, PA 15090

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ANNUAL REPORT

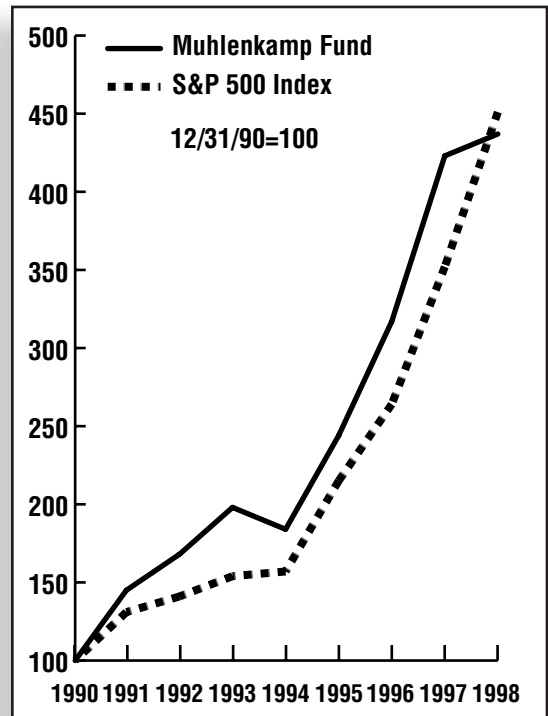
December 31, 1998

Dear Fellow Shareholders:

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

As of December 31, 1998, the Net Asset Value (NAV) of your Fund was \$37.65, after posting a year-end ordinary income dividend of \$0.075 per share. The 1998 total return for the Fund was 3.2%.

Period Ending	Total Return %		Cumulative Return %	
	Muhlenkamp Fund	S&P 500	Muhlenkamp Fund	S&P 500
1991	45.4	30.5	45.4	30.5
1992	15.8	7.7	68.4	40.6
1993	18.1	9.9	98.8	54.5
1994	-7.2	1.3	84.5	56.5
1995	33.0	37.1	145.4	114.5
1996	30.0	22.9	219.1	163.7
1997	33.3	33.4	325.3	251.7
1998	3.2	28.1	339.0	350.6



1998 was a challenging year in the investment markets. We got it partly right and partly wrong.

The markets started the year very strongly. In the April 1998 *Muhlenkamp Memorandum* we wrote:

“At year-end, we judged U.S. stock prices to be fair based on 1997 earnings. We now judge prices to be fair based on 1998 estimated earnings. Since it’s only April, there is ample time for normal (5-10%) market corrections this year. We don’t expect a decline greater than 10%, because the trends in GDP and inflation remain positive. In summary, prices are fair; the long-term and intermediate-term trends are positive; in the short term we expect prices to be volatile.”

Generally speaking we got the economic part right. GDP growth remained positive and inflation continued to decline. We said that you didn’t want to be a U.S. producer selling to Asia. We also said the U.S. consumer buying from Asia was in good shape. So, the broad-based economic numbers we got right.

We failed to foresee the dramatic decline in the prices of world tradable goods including: oil, grains, metals, paper and chemicals. The prices of these goods fell much faster and much farther than we anticipated. The stock prices of companies serving these industries also fell farther and faster than we anticipated. We were hurt by that: specifically in the stocks of oil service companies and manufacturers of farm equipment. We also failed to foresee the default by Russia on their government debt, and the impact that had on the investment markets. The Russian economy and Russian debt are very small parts of the world economy and world investment markets, but Russia’s default was the first default on debt by a government in many years. It had a dramatic effect on the worldwide debt markets. This effect was greatly magnified by the widespread ownership of emerging market government bonds by hedge funds, which bought them with borrowed money.

In August and again in October we witnessed the selling of securities regardless of price. We believe this selling was done by hedge funds who received margin calls on their portfolios in August, forcing them to sell. They then received redemption requests by their investors at the end of September forcing them to sell again in October. This forced selling drove market prices of both bonds and stocks down dramatically in August and October. This selling engendered a climate of fear and uncertainty in the marketplace. This fear and uncertainty manifested itself in several ways. First, of course, it resulted in the selling of securities, regardless of price. Second, it fostered a preference for only the highest quality bonds (U.S. Treasuries) and for the highest quality stocks. Third, it fostered fears of recession. Headlines of the time speculated that we must be facing serious economic problems for the markets to be so weak.

But economic data confirm that the economy remains quite healthy. As the data continue to come in, we believe that confidence in the economy and in secondary stocks will recover and that values in the marketplace will once again reflect corporate values. In the fearful time of August-October, value didn’t matter. Those folks needing or wanting to own securities were only interested in owning those perceived as the highest quality, which we call “security blankets.” In the bond markets, only Treasury bonds were good enough. Treasury bond prices went up, all other bond prices went down. In the stock market, only two sectors did well: the biggest and the best.

Historically, lower P/Es have protected investors in declining markets, especially if the decline was sizable or protracted. In 1998, the decline was sizable but short-lived. At any rate, our lower P/Es didn’t help us this time. Investors paid up for “security blankets,” not value.

As the data continue to come in showing the U.S. economy is doing well, inflation is under control and corporate profits are in decent shape, we expect investors to broaden their list of acceptable stocks to include good companies at favorable prices, such as those we own.

Ronald H. Muhlenkamp
President
February 1999

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF ASSETS AND LIABILITIES
December 31, 1998

ASSETS		
INVESTMENTS, AT VALUE	(Identified cost \$162,353,568)	\$196,530,186
RECEIVABLES:		
	Dividends	187,026
	Interest	6,255
	Subscriptions	<u>355,117</u>
	Total receivables	548,398
PREPAID EXPENSES		<u>1,579</u>
	Total assets	\$197,080,163
LIABILITIES		
COVERED CALL OPTIONS WRITTEN, AT VALUE		
(Premiums received \$551,082)		1,156,975
ADVISOR FEE		165,952
ACCRUED EXPENSES		54,022
DIVIDENDS PAYABLE		295
REDEMPTIONS PAYABLE		<u>741,319</u>
	Total liabilities	<u>2,118,563</u>
NET ASSETS		<u>\$194,961,600</u>
NET ASSETS		
CAPITAL PAID IN ON SHARES OF BENEFICIAL INTEREST		
(Shares authorized-unlimited)		\$161,623,293
DISTRIBUTIONS IN EXCESS OF NET INVESTMENT INCOME		(538)
ACCUMULATED NET REALIZED (LOSS) ON INVESTMENTS		(231,979)
NET UNREALIZED APPRECIATION OF INVESTMENTS		<u>33,570,824</u>
NET ASSETS		<u>\$194,961,600</u>
NUMBER OF SHARES OF BENEFICIAL INTEREST OUTSTANDING		<u>5,178,767</u>
NET ASSET VALUE PER SHARE		<u>\$ 37.65</u>

See notes to financial statements.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

PORTFOLIO OF INVESTMENTS
December 31, 1998

Name of Issuer or Title of Issue	Number of Shares or Principal Amount	Value
COMMON STOCK - 93.1%		
Aerospace - 4.5%		
* BE Aerospace, Inc.	357,000	\$ 7,497,000
Lockheed Martin	14,000	<u>1,186,500</u>
		<u>8,683,500</u>
Airlines - 6.7%		
* Alaska Air Group	120,000	5,310,000
Air Express International Corp.	32,343	703,460
* AMR Corp.	120,000	7,125,000
		<u>13,138,460</u>
Autos - 7.1%		
Ford Motor Company	112,000	6,573,000
* National RV Holdings	204,500	5,265,875
Superior Industries	53,180	1,479,070
Dana Corp.	15,000	613,125
		<u>13,931,070</u>
Banks - 7.1%		
Chase Manhattan	24,000	1,633,500
Citigroup Inc.	120,000	5,940,000
Mellon Bank Corp.	90,000	6,187,500
		<u>13,761,000</u>
Building Products - Cement/Aggregate 1.8%		
Southdown Inc.	60,000	3,551,250
Brokerage - 6.9%		
A.G. Edwards	18,750	698,438
Merrill Lynch	122,000	8,143,500
Southwest Securities, Inc.	229,635	4,621,404
		<u>13,463,342</u>
Buildings - 1.6%		
* Griffon Corp.	211,000	2,241,875
* Monaco Coach Corp.	30,000	795,000
		<u>3,036,875</u>
Capital Goods - 3.5%		
Commercial Intertech	203,400	2,631,487
Graco, Inc.	105,825	3,121,838
Idex Corp.	41,250	1,010,625
		<u>6,763,950</u>
Diversified Operations - 1.5%		
* Loews Corp.	30,000	2,947,500
Electronics - 5.0%		
Computer Associates International, Inc.	105,000	4,475,625
Intel Corp.	44,000	5,216,750
		<u>9,692,375</u>

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

PORTFOLIO OF INVESTMENTS (Continued)
December 31, 1998

Name of Issuer or Title of Issue	Number of Shares or Principal Amount	Value
Finance - 5.4%		
Fidelity National Financial	113,882	\$ 3,473,398
* Friedman Billings Ramsey	5,000	32,500
Morgan Stanley Dean Witter Discover & Co.	81,500	5,786,500
National City Corp.	16,852	1,221,770
		<u>10,514,168</u>
Finance Mortgage Loan Banker - 0.5%		
* Long Beach Financial Corp.	136,000	1,020,000
Furniture - 4.3%		
* Stanley Furniture, Inc.	305,500	5,575,375
* Winslow Furniture	109,600	2,904,400
		<u>8,479,775</u>
Homebuilding - 5.4%		
American Woodmark Corp.	92,200	3,157,850
Crossman Communities Inc.	180,000	4,972,500
* NVR, Inc.	52,000	2,479,750
		<u>10,610,100</u>
Industrial Equipment - 1.8%		
AGCO Corp.	243,700	1,919,138
JLG Industries, Inc.	100,000	1,562,500
		<u>3,481,638</u>
Insurance - 7.8%		
Conseco, Inc.	344,608	10,532,082
Frontier Insurance	108,737	1,399,989
Reliance Group Holdings Inc.	232,500	2,993,438
Vesta Insurance Group Inc.	59,500	357,000
		<u>15,282,509</u>
Machinery, Electric Utility - 3.3%		
* Kuhlman Corp.	69,200	2,620,950
Metal - 2.0%		
Allegheny Teledyne Inc.	40,000	817,500
Matthews Int'l. Corp.	16,000	504,000
* RTI International Metals	179,200	2,508,800
		<u>3,830,300</u>
Oils, Natural Gas and Energy Related - 3.1%		
* Calpine Corp.	200,000	5,050,000
* Global Marine, Inc.	20,000	183,750
* Omni Energy Services	198,000	841,500
		<u>6,075,250</u>
Rails - 2.2%		
Burlington Northern Santa Fe Corp.	129,000	4,353,750
Retail Jewelry - 0.1%		
* Piercing Pagoda Inc.	10,000	97,500

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

PORTFOLIO OF INVESTMENTS (Continued)
December 31, 1998

Name of Issuer or Title of Issue	Number of Shares or Principal Amount	Value
Savings and Loan - 2.8%		
* Federal National Mortgage Assoc.	74,400	\$ <u>5,505,600</u>
Steel - Specialty - 0.4%		
* Texas Industries Inc.	27,400	<u>738,085</u>
Technology - 4.2%		
a)* Applied Materials	150,000	6,403,125
a) Helix Corp	30,000	390,000
* Scios Inc.	140,000	<u>1,452,500</u>
	<u>8,245,625</u>	
Tobacco - 3.7%		
Philip Morris	135,280	<u>7,237,480</u>
Transportation - 2.3%		
* Coach USA	129,800	<u>4,502,439</u>
		<u>181,564,491</u>
BONDS AND NOTES - 7.7%		
General Motors Acceptance Corp.		
-0-%, due 2015	\$ 5,990,000	1,949,745
U.S. Treasury Strip		
-0-%, due 2013	800,000	375,047
U.S. Treasury Strip		
-0-%, due 2024	26,900,000	6,679,109
U.S. Treasury Strip		
-0-%, due 2023	21,000,000	<u>5,662,251</u>
		<u>14,666,152</u>
REGISTERED INVESTMENT COMPANY - 0.2%		
Star Trust for U.S. Treasury (cost \$299,543)	\$ 299,543	<u>299,543</u>
		<u>\$196,530,186</u>

* Non-income producing security

Investments are shown as a percentage of net assets at December 31, 1998.

a) At December 31, 1998, the Funds open covered call options contracts which are accounted for as a liability on the Statement of Assets and Liabilities were as follows:

Underlying security/expiration date/exercise price:	Number of Contracts Written	Value
Applied Materials/January 2000/40	1,000	\$ 1,050,000
Helix Technology/April 1999/10	300	<u>106,875</u>
Total covered call options written (premiums received \$551,082)		<u>\$ 1,156,875</u>

See notes to financial statements.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF OPERATIONS
Year Ended December 31, 1998

INVESTMENT INCOME:		
Interest		\$ 1,129,844
Dividends		<u>1,645,798</u>
Total investment income		2,775,642
EXPENSES:		
Investment advisor	1,804,540	
Transfer agent fees	302,071	
Printing	59,294	
Postage	45,252	
Registrations and filing	43,507	
Custodian	41,660	
Proxy	35,110	
Fund accounting	30,856	
SEC Fee	30,381	
Audit	30,101	
Miscellaneous	12,147	
Legal	6,095	
Fidelity Bond	<u>5,063</u>	
Total expenses	2,446,077	
Fees paid indirectly	<u>(58,010)</u>	
Net expenses		2,388,067
NET INVESTMENT INCOME		387,575
REALIZED AND UNREALIZED LOSS ON INVESTMENTS:		
Net realized loss on investments		(104,365)
Change in unrealized appreciation in value of investments		<u>(1,155,525)</u>
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS		<u>(1,259,890)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>\$ (872,315)</u>

See notes to financial statements.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

FINANCIAL HIGHLIGHTS
Years Ended December 31, 1998 to 1991

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
NET ASSET VALUE, BEGINNING OF YEAR	\$36.55	\$27.52	\$21.26	\$16.23	\$17.86	\$15.20	\$13.25	\$9.21
INCOME FROM INVESTMENT OPERATIONS:								
Net investment income (1)	0.08	0.18	0.14	0.21	0.11	0.12	0.20	0.13
Net gains or (losses) on securities (3)	<u>1.10</u>	<u>8.98</u>	<u>6.23</u>	<u>5.14</u>	<u>(1.39)</u>	<u>2.63</u>	<u>1.89</u>	<u>4.05</u>
Total from investment operations	1.18	9.16	6.37	5.35	(1.28)	2.75	2.09	4.18
LESS DISTRIBUTIONS:								
Dividends from net investment income	(0.08)	(0.13)	(0.11)	(0.21)	(0.10)	(0.08)	(0.14)	(0.11)
Distributions from net realized gain on investments	-	-	-	(0.11)	(0.25)	-	-	-
Return of capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>	<u>-</u>	<u>(0.03)</u>
Total distributions	<u>(0.08)</u>	<u>(0.13)</u>	<u>(0.11)</u>	<u>(0.32)</u>	<u>(0.35)</u>	(0.09)	(0.14)	(0.14)
NET ASSET VALUE, END OF YEAR	<u>\$37.65</u>	<u>\$36.55</u>	<u>\$27.52</u>	<u>\$21.26</u>	<u>\$16.23</u>	<u>\$17.86</u>	<u>\$15.20</u>	<u>\$13.25</u>
TOTAL RETURN (2)	3.22%	33.28%	29.96%	32.90%	(7.20)%	18.10%	15.80%	45.40%
NET ASSETS, END OF YEAR (in thousands)	\$194,962	\$125,461	\$42,039	\$23,571	\$16,611	\$12,058	\$4,716	\$1,963
RATIO OF TOTAL EXPENSES TO AVERAGE NET ASSETS (2)	1.36%	1.44%	1.56%	1.40%	1.57%	1.30%	1.41%	1.71%
RATIO OF NET EXPENSES TO AVERAGE NET ASSETS (2)	1.32%	1.33%	1.54%	1.35%	1.52%	1.23%	1.28%	1.71%
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS	0.21%	0.53%	0.58%	1.10%	0.70%	0.70%	1.44%	1.17%
PORTFOLIO TURNOVER RATE	27.03%	13.89%	16.90%	22.70%	25.60%	14.10%	20.10%	52.50%

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

(2) During the years ended December 31, 1992 through 1998, the Fund utilized the commission credits of \$4,240, \$5,950, \$8,830, \$11,000, \$5,000, \$47,425 and \$58,010, respectively, to pay certain expenses of the Fund. The total return for the Fund would have been 15.6%, 18.0%, (7.2%), 32.9%, 29.9%, 33.2% and 3.2% for the years ended December 31, 1992 through 1998, respectively, without the credits.

(3) The amount shown in this caption for a share outstanding does not correspond with the aggregate net realized and unrealized gains or (losses) on security transactions for the year ended December 31, 1998, due to timing of sales and repurchases of fund shares in relation to fluctuating market values of the investments of the Fund.

See notes to financial statements.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF CHANGES IN NET ASSETS
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
INCREASE IN NET ASSETS FROM OPERATIONS:		
Net investment income	\$ 387,575	\$ 428,990
Net realized gain (loss) on investments	(104,365)	33,958
Change in unrealized appreciation in value of investments	<u>(1,155,525)</u>	<u>20,691,181</u>
Net increase in net assets resulting from operations	<u>(872,315)</u>	<u>21,154,129</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Net investment income	<u>(392,344)</u>	<u>(435,040)</u>
CAPITAL SHARE TRANSACTIONS:		
Net proceeds from sale of shares	120,046,067	76,279,489
Net asset value of shares issued to shareholders on reinvestment of dividends	381,937	419,401
Cost of shares redeemed	<u>(49,662,383)</u>	<u>(13,996,297)</u>
Net increase in net assets resulting from capital share transactions	<u>70,765,621</u>	<u>62,702,593</u>
Total increase in net assets	69,500,962	83,421,682
NET ASSETS:		
Beginning of year	<u>125,460,638</u>	<u>42,038,956</u>
End of year (including distributions in excess of undistributed net investment income of (\$538) and \$4,231 in 1998 and 1997, respectively)	<u>\$194,961,600</u>	<u>\$125,460,638</u>

See notes to financial statements.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 1998

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.
- 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. Discounts and premiums on securities are amortized over the life of the respective securities. 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 tax provision is required.
- d. *Dividends and Distributions to Shareholders of Beneficial Interest* - Dividends and distributions are recorded by the Fund on the record date.
- 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.

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 1998

(Note 2 - Continued)

f. *Options Transactions* - The Fund may write put and call options only if such options are considered to be covered. A written call option is considered to be covered when the writer of the call option owns throughout the option period the security on which the option is written. A written put option is considered covered when the writer of the put has deposited and maintained an amount equal to or greater than the exercise price of the put option.

When the Fund writes a covered 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 sales 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 a 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 a 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 nonincome producing securities.

3. INVESTMENT MANAGEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Muhlenkamp & Co., Inc., an affiliate of which an officer-stockbroker 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 advisor is permitted to charge the Fund for some or all of its routine administration costs which totaled \$211,565 for the year ended December 31, 1998. The reimbursement consists of the following:

Registration and filings	\$ 63,267
Postage and printing	73,444
Legal and accounting	65,114
Insurance - Bond	4,348
Other	<u>5,392</u>
Total	<u>\$211,565</u>

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 1998

(Note 3 - Continued)

Certain affiliated persons held in the aggregate 45,171 shares with a net asset value of \$1,700,688 in the Fund at December 31, 1998. In addition, the Muhlenkamp & Co., Inc. Pension & Trust Fund held 31,174 shares with a net asset value of \$1,173,710 at December 31, 1998.

4. CAPITAL SHARE TRANSACTIONS

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. Transactions in capital stock for the years ended December 31, 1998 and 1997 were as follows:

	<u>1998</u>		<u>1997</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares outstanding, beginning of year	3,432,778	\$ 90,857,672	1,527,718	\$28,155,079
Shares sold	3,066,602	120,046,072	2,311,675	76,279,489
Shares issued to shareholders in reinvestment of dividend	10,376	381,937	11,928	419,401
Shares redeemed	<u>(1,330,989)</u>	<u>(49,662,383)</u>	<u>(418,543)</u>	<u>(13,996,297)</u>
Shares outstanding, end of year	<u>5,178,767</u>	<u>\$161,623,298</u>	<u>3,432,778</u>	<u>\$90,857,672</u>

5. CAPITAL LOSS CARRYFORWARD

As of December 31, 1998, the Fund had available for federal income tax purposes a capital loss carryforward of \$231,979 which expires as follows:

December 31, 2004	\$127,614
December 31, 2006	104,365

6. COVERED CALL OPTIONS

As of December 31, 1998, portfolio securities valued at \$4,658,750 were segregated by the custodian in connection with covered call options written by the Fund.

The Fund's activity in written options for the year ended December 31, 1998 was as follows:

	<u>Number of Contracts</u>	<u>Premiums Received</u>
Options outstanding at beginning of year	-	\$ -
Options sold	1,800	693,327
Options expired prior to exercise	(500)	(142,245)
Options outstanding at end of period	<u>1,300</u>	<u>\$ 551,082</u>

THE MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 1998

7. INVESTMENT TRANSACTIONS

Purchases and sales of investment securities, excluding short-term securities, were \$108,515,915 and \$45,924,542, respectively, in 1998.

The components of the net unrealized appreciation in the value of the investments held at December 31, 1998 for both financial reporting and tax purposes are as follows:

Gross unrealized appreciation of investments	\$ 45,607,818
Gross unrealized depreciation of investments	<u>(12,036,994)</u>
Net unrealized appreciation of investments	<u>\$ 33,570,824</u>

8. DIRECTED BUSINESS ARRANGEMENT

The Fund has a directed business arrangement with Capital Institution Services, Inc. ("CIS"). Upon the purchase and/or sale of investment securities, 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. The commission credits redeemed during the year were utilized by the Fund to pay accounting fees due to the Independent Auditors, transfer agent fees and fund accounting.

The following is an analysis of commissions credits generated, utilized and available to pay future expenses of the Fund:

Balance, January 1, 1998		\$ (2,452)
Commission credits generated in 1998		74,312
Commission credits utilized:		
Auditor fees	\$(15,100)	
Transfer agent fees	(40,567)	
Fund accounting	<u>(2,343)</u>	<u>(58,010)</u>
Balance, December 31, 1998		<u>\$(13,850)</u>

Annual fund operating expenses, as a percentage of average net assets, were 1.36% without the commission credits. Utilizing commission credits, operating expenses as a percentage of average net assets were 1.32%.

INDEPENDENT AUDITORS' REPORT

To the Trustees of the Wexford Trust and Shareholders of the Muhlenkamp Fund:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of The Muhlenkamp Fund (the "Fund") (a portfolio of the Wexford Trust), as of December 31, 1998, and the related statement of operations for the year then ended, the statements of changes in net assets and the financial highlights for each of the two years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for the three years ended December 31, 1996 were audited by other auditors, whose report thereon dated January 23, 1997, expressed an unqualified opinion.

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 financial highlights 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 the securities owned as of December 31, 1998, by correspondence with the custodian and brokers; where replies were not received, we performed other auditing procedures. 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 financial highlights referred to above present fairly, in all material respects, the financial position of the Muhlenkamp Fund as of December 31, 1998, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for each of the two years in the period then ended, in conformity with generally accepted accounting principles.

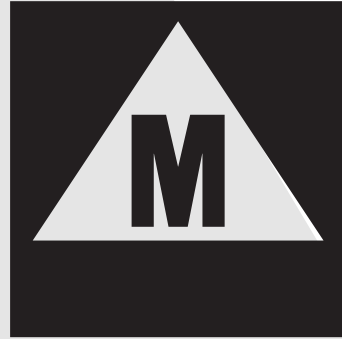
DELOITTE & TOUCHE LLP

Pittsburgh, Pennsylvania

January 11, 1999

Member of

100% No-Load™
Mutual Fund
Council



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ANNUAL REPORT

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