



Muhlenkamp Fund

Intelligent Investment Management

SEMI-ANNUAL REPORT

June 30, 2002

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

MUHLENKAMP FUND

(A Portfolio of the Wexford Trust)

Dear Fellow Shareholders:

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

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

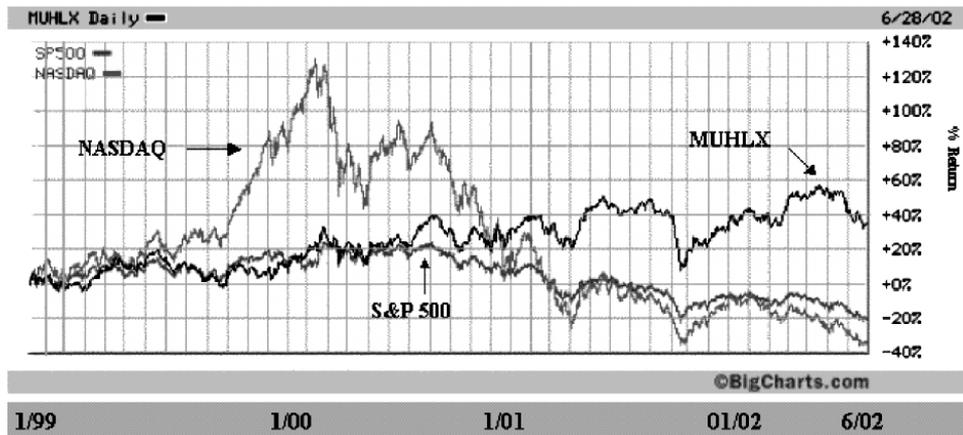
The economy continues to expand.

Those items which track the economy directly—such as retail sales, manufacturing output and capacity utilization—are moving up. Economists call these “coincident indicators.” Those items which normally lag economic turns—such as employment and capital spending—have not yet turned (which is why economists call them “lagging indicators”). One way to think about these lagging items is that they are dependent on decisions by businessmen who are reluctant to spend money until after they see firm signs that they will receive money from their customers. Hence, the lag.

The markets continue to be volatile.

Since late in 2001, I've been saying that the market fad of 1999 is over except for the tax-loss selling. With no little amazement, I've observed that the great stock market fad, which began in the fall of 1998, has round tripped in only three years. The following chart illustrates this point.

MUHLX vs. NASDAQ and S&P 500 Index Daily



The “fad” stocks spent roughly 18 months on the rise and 18 months giving it back. We have known that there was some chance of a period of emotional selling (but perceived the odds at less than 50%), and kept 6-10% of Fund assets in cash through the first half of 2002. The odds became 100% in June and July as many investors sold out simply to

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relieve their pain. Those who owned hype stocks sold the stocks; those who owned mutual funds sold the funds which in turn caused the fund managers to sell a broad list of stocks. Consequently, nearly everything declined and took our stock prices and the N.A.V. with it.

It now looks like the brunt of the emotional selling is over. While we cannot say that we won't be hit by another round of selling, (we can never say that) we are seeing good and great companies at good to great prices. We're investing our cash in these companies.

Ronald H. Muhlenkamp



President

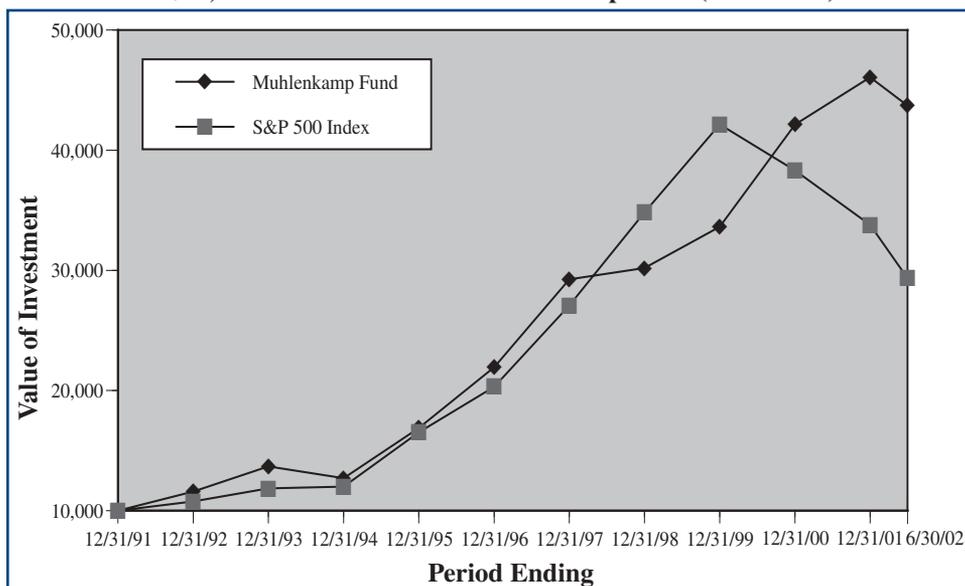
August, 2002

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

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Period Ending	Total Return %		Cumulative Return %	
	Muhlenkamp Fund	S&P 500	Muhlenkamp Fund	S&P 500
12/31/92	15.8	7.6	15.8	7.6
12/31/93	18.1	10.1	36.8	18.5
12/31/94	(7.2)	1.3	26.9	20.0
12/31/95	33.0	37.6	68.8	65.1
12/31/96	30.0	23.0	119.4	103.1
12/31/97	33.3	33.4	192.5	170.9
12/31/98	3.2	28.6	201.9	248.4
12/31/99	11.4	21.0	236.3	321.6
12/31/00	25.3	(9.1)	321.4	283.2
12/31/01	9.3	(11.8)	360.5	238.0
6/30/02 (Unaudited)	(5.1)	(13.1)	337.1	193.7

A \$10,000 Investment in the Muhlenkamp Fund (Unaudited)



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

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Average Annual Total Returns
as of 06/30/02
(Unaudited)

<u>Muhlenkamp Fund</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Return Before Taxes	-6.08%	7.63%	11.26%	15.53%
Return After Taxes on Distributions*	-6.08%	7.14%	10.90%	15.13%
Return After Taxes on Distributions and Sale of Fund Shares*	-3.73%	6.13%	9.28%	13.43%
S&P 500**	-18.02%	-9.18%	3.67%	11.42%

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

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.

See notes to financial statements.

MUHLENKAMP FUND
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STATEMENT OF ASSETS & LIABILITIES
June 30, 2002 (Unaudited)

ASSETS	
INVESTMENTS, AT VALUE (Cost \$628,218,816)	\$691,122,020
RECEIVABLE FOR FUND SHARES SOLD	3,470,425
DIVIDENDS RECEIVABLE	336,318
INTEREST RECEIVABLE	6,727
OTHER ASSETS	78,778
Total assets	695,014,268
LIABILITIES	
OPTIONS WRITTEN, AT VALUE	7,535,250
(Premiums received \$6,528,847)	
PAYABLE FOR SECURITIES PURCHASED	43,587
PAYABLE FOR FUND SHARES REDEEMED	259,008
PAYABLE TO ADVISOR	575,794
ACCRUED EXPENSES AND OTHER LIABILITIES	687,611
Total liabilities	9,101,250
NET ASSETS	<u>\$685,913,018</u>
NET ASSETS	
PAID IN CAPITAL	\$624,046,205
UNDISTRIBUTED NET INVESTMENT INCOME	261,702
ACCUMULATED NET REALIZED LOSS ON INVESTMENTS SOLD, AND OPTION CONTRACTS EXPIRED OR CLOSED	(291,690)
NET UNREALIZED APPRECIATION (DEPRECIATION) ON:	
Investments	62,903,204
Written options	(1,006,403)
NET ASSETS	<u>\$685,913,018</u>
SHARES OF BENEFICIAL INTEREST OUTSTANDING (unlimited number of shares authorized, \$.001 par value)	13,499,416
NET ASSET VALUE PER SHARE	<u>\$ 50.81</u>

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

STATEMENT OF OPERATIONS
Six Months Ended June 30, 2002 (Unaudited)

INVESTMENT INCOME:

Dividends (Net of foreign taxes withheld of \$5,328)	\$ 2,986,340
Interest	<u>525,734</u>
Total investment income	<u>3,512,074</u>

EXPENSES:

Investment advisory fees	\$ 3,216,534	
Shareholder servicing and accounting costs	200,688	
Reports to shareholders	29,684	
Federal & state registration fees	49,413	
Custody fees	13,394	
Administration fees	210,258	
Directors' fees and expenses	1,991	
Professional fees	10,498	
Other	<u>7,240</u>	
Total operating expenses before expense reductions	3,739,700	
Expense reductions (see Note 8)	<u>(54,675)</u>	
Total expenses		<u>3,685,025</u>

NET INVESTMENT LOSS (172,951)

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Realized gain on:		
Investments	1,019,350	
Written options	<u>3,146,883</u>	
Net realized gain		4,166,233
Change in unrealized appreciation (depreciation) on:		
Investments	(48,260,956)	
Written options	<u>(477,822)</u>	
Net unrealized loss		<u>(48,738,778)</u>
Net realized and unrealized loss on investments		<u>(44,572,545)</u>

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS \$(44,745,496)

See notes to financial statements.

MUHLENKAMP FUND
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STATEMENTS OF CHANGES IN NET ASSETS

	<u>Six Months Ended</u> <u>June 30, 2002</u> (Unaudited)	<u>Year Ended</u> <u>December 31, 2001</u>
OPERATIONS:		
Net investment loss	\$ (172,951)	\$ (602,114)
Net realized gain (loss) on investments sold and option contracts expired or closed	4,166,233	(4,558,776)
Change in unrealized appreciation (depreciation) on investments and written options	<u>(48,738,778)</u>	<u>29,033,541</u>
Net increase (decrease) in net assets resulting from operations	<u>(44,745,496)</u>	<u>23,872,651</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	322,853,018	452,045,891
Proceeds from shares issued to holders in reinvestment of dividends	—	—
Cost of shares redeemed	<u>(132,610,945)</u>	<u>(202,887,944)</u>
Net increase in net assets resulting from capital share transactions	<u>190,242,073</u>	<u>249,157,947</u>
Total increase in net assets	145,496,577	273,030,598
NET ASSETS:		
Beginning of year	<u>540,416,441</u>	<u>267,385,843</u>
End of period	<u>\$685,913,018</u>	<u>\$540,416,441</u>

See notes to financial statements.

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FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2002 (Unaudited)	Year Ended December 31,				
		2001	2000	1999	1998	1997
NET ASSET VALUE, BEGINNING OF YEAR	\$ 53.55	\$ 48.98	\$ 41.11	\$ 37.65	\$ 36.55	\$ 27.52
INCOME FROM INVESTMENT OPERATIONS:						
Net investment income (loss)	(0.02)	(0.11) ^{(1) (4)}	(0.08) ⁽¹⁾	(0.11) ⁽²⁾	0.08 ⁽²⁾	0.18 ⁽²⁾
Net realized and unrealized gains on investments	(2.72)	4.68	10.28	4.37	1.10	8.98
Total from investment operations	(2.74)	4.57	10.20	4.26	1.18	9.16
LESS DISTRIBUTIONS:						
From net investment income	0.00	0.00	0.00	0.00	(0.08)	(0.13)
From net realized gains	0.00	0.00	(2.33)	(0.80)	0.00	0.00
Total distributions	0.00	0.00	(2.33)	(0.80)	(0.08)	(0.13)
NET ASSET VALUE, END OF PERIOD	\$ 50.81	\$ 53.55	\$ 48.98	\$ 41.11	\$ 37.65	\$ 36.55
TOTAL RETURN	(5.13)% ⁽⁵⁾	9.33%	25.30%	11.40%	3.22%	33.28%
NET ASSETS, END OF PERIOD (in thousands)	\$685,913	\$540,416	\$267,386	\$178,599	\$194,962	\$125,461
RATIO OF OPERATING EXPENSES TO AVERAGE NET ASSETS ⁽³⁾	1.15% ⁽⁶⁾	1.17%	1.28%	1.35%	1.32%	1.33%
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS	(0.05)% ⁽⁶⁾	(0.14)% ⁽⁴⁾	(0.20)%	(0.26)%	0.21%	0.53%
PORTFOLIO TURNOVER RATE	3.14%	10.52%	32.04%	14.52%	27.03%	13.89%

- (1) Net investment income per share is calculated using ending balances prior to consideration of adjustments for permanent book and tax differences.
- (2) Net investment income per share represents net investment income for the respective period divided by the monthly average shares of beneficial interest outstanding throughout each period.
- (3) The operating expense ratio includes expense reductions for soft dollar credits and minimum account maintenance fees deposited into the Fund. The ratios excluding expense reductions for the six months ending June 30, 2002, and the years ended December 31, 2001, 2000, 1999, 1998 and 1997, were 1.16%, 1.21%, 1.36%, 1.38%, 1.36% and 1.44%, respectively (See Note 8).
- (4) Net investment income per share and the ratio of new investment income to average net assets include the effect of the provision of the AICPA Audit and Accounting Guide for Investment Companies (see note 9). Had this policy not been adopted by the Fund, the net investment income per share would have been \$(0.02) and the ratio of net investment income to average net assets would have been -0.14%.
- (5) Not annualized
- (6) Annualized

See notes to financial statements.

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SCHEDULE OF INVESTMENTS
June 30, 2002 (Unaudited)

Name of Issuer or Title of Issue	Shares	Value
COMMON STOCK — 94.5%+		
Automobiles & Components — 6.3%+		
Delphi Corporation	350,000	\$ 4,620,000
Ford Motor Company	195,795	3,132,720
Monaco Coach Corporation*	122,500	2,609,250
National R. V. Holdings, Inc.*	183,750	1,837,500
Superior Industries International, Inc.	338,180	15,640,825
Thor Industries, Inc.	52,400	3,734,024
Visteon Corporation	414,664	5,888,229
Winnebago Industries, Inc.	134,100	5,900,400
		<u>43,362,948</u>
Banks — 2.1%+		
Mellon Financial Corporation	140,000	4,400,200
Washington Mutual, Inc.	261,687	9,711,205
		<u>14,111,405</u>
Capital Goods — 9.5%+		
American Woodmark Corporation	212,100	11,905,173
BE Aerospace, Inc.*	62,000	817,160
General Cable Corporation	126,000	793,800
Goodrich Corporation	650,000	17,758,000
Graco Inc.	238,105	5,985,960
JLG Industries, Inc.	118,100	1,656,943
The Lamson & Sessions Co.*	478,000	1,864,200
Masco Corporation	100,000	2,711,000
Terex Corporation*	126,500	2,844,985
Tyco International Ltd. f#	1,400,000	18,914,000
		<u>65,251,221</u>
Commercial Services & Supplies — 2.2%+		
Cendant Corporation*	900,000	14,292,000
EnPro Industries, Inc.*	130,000	682,500
		<u>14,974,500</u>
Consumer Durables & Apparel — 28.4%+		
Beazer Homes USA, Inc.*	198,200	15,856,000
The Black & Decker Corporation	92,700	4,468,140
Centex Corporation#	440,000	25,427,600

See notes to financial statements.

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SCHEDULE OF INVESTMENTS (Continued)
June 30, 2002 (Unaudited)

Name of Issuer or Title of Issue	Shares	Value
Consumer Durables & Apparel — 28.4%+ (Continued)		
Meritage Corporation*	491,600	\$ 22,441,540
Mohawk Industries, Inc.*	410,663	25,268,094
NVR, Inc.*	125,000	40,375,000
Polaris Industries Inc.	309,600	20,124,000
Pulte Homes, Inc.	110,115	6,329,410
R. G. Barry Corporation*	322,200	1,701,216
Salton, Inc.*	84,200	1,208,270
Stanley Furniture Company, Inc.*	310,900	8,316,575
Toll Brothers, Inc.*	199,800	5,854,140
Whirlpool Corporation	267,700	17,496,872
		<u>194,866,857</u>
Diversified Financials — 10.0%+		
Citigroup Inc.	360,000	13,950,000
Countrywide Credit Industries, Inc.	500,000	24,125,000
Fannie Mae	74,400	5,487,000
Gabelli Asset Management Inc. – Class A*	121,600	4,438,400
Knight Trading Group, Inc.*	700,000	3,668,000
Merrill Lynch & Co., Inc.	204,000	8,262,000
Morgan Stanley	203,000	8,745,240
Nicholas Financial, Inc.*	11,000	56,650
		<u>68,732,290</u>
Energy — 7.6%+		
Anadarko Petroleum Corporation	95,500	4,708,150
Conoco Inc.	520,000	14,456,000
The Houston Exploration Company*	145,800	4,228,200
Nabors Industries, Ltd.*f	90,000	3,177,000
Ocean Energy, Inc.	400,000	8,668,000
OMNI Energy Services Corp.*	85,600	51,360
Patterson-UTI Energy, Inc.*	600,000	16,938,000
		<u>52,226,710</u>
Food & Drug Retailing — 0.6%+		
SUPERVALU INC.	160,000	3,924,800
Food Beverage & Tobacco — 0.2%+		
Philip Morris Companies Inc.	25,280	1,104,230

See notes to financial statements.

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SCHEDULE OF INVESTMENTS (Continued)
June 30, 2002 (Unaudited)

Name of Issuer or Title of Issue	Shares	Value
Health Care Equipment & Services — 3.4%+		
D & K Healthcare Resources, Inc.	389,000	\$ 13,716,140
Orthodontic Centers of America, Inc.*	422,300	<u>9,734,015</u>
		<u>23,450,155</u>
Insurance — 4.8%+		
Conseco, Inc.*#	1,457,508	2,915,016
Fidelity National Financial, Inc.	952,752	<u>30,106,963</u>
		<u>33,021,979</u>
Materials — 4.1%+		
Abitibi-Consolidated Inc. f	280,000	2,584,400
Cemex S.A. de C.V. ADR f	704,969	18,582,983
RTI International Metals, Inc.*	40,000	486,000
Texas Industries, Inc.	201,900	<u>6,357,831</u>
		<u>28,011,214</u>
Media — 0.6%+		
The Reader's Digest Association, Inc. – Class A	220,000	<u>4,120,600</u>
Retailing — 0.6%+		
Rush Enterprises, Inc.*	282,005	2,975,153
Wilsons The Leather Experts Inc.*	92,500	<u>1,295,000</u>
		<u>4,270,153</u>
Software & Services — 1.0%+		
Citrix Systems, Inc.*#	851,500	5,143,060
Computer Associates International, Inc.	105,000	<u>1,668,450</u>
		<u>6,811,510</u>
Technology Hardware & Equipment — 4.9%+		
Applied Materials, Inc.*#	327,400	6,227,148
ATMI, Inc.*	533,900	11,943,343
Conductus, Inc.*	577,700	693,240
Intel Corporation	16,000	292,320
International Business Machines Corporation	80,000	5,760,000
MasTec, Inc.*#	503,700	3,707,232
Photon Dynamics, Inc.*	173,700	<u>5,211,000</u>
		<u>33,834,283</u>

See notes to financial statements.

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SCHEDULE OF INVESTMENTS (Continued)
June 30, 2002 (Unaudited)

Name of Issuer or Title of Issue	Shares	Value
Telecommunication Services — 0.2%+		
Amdocs Limited*f	200,000	\$ 1,510,000
Transportation — 2.7%+		
Arkansas Best Corporation*	636,300	16,212,924
Frontier Airlines, Inc.*	270,900	2,202,417
		<u>18,415,341</u>
Utilities — 5.3%+		
Calpine Corporation*#	2,402,000	16,886,060
Dynegy Inc. – Class A	420,000	3,024,000
El Paso Corporation	791,450	16,311,784
		<u>36,221,844</u>
Total Common Stocks (Cost \$585,232,890)		<u>648,222,040</u>
Name of Issuer or Title of Issue	Principal Amount	Value
CORPORATE BONDS — 0.3%+		
General Motors Acceptance Corporation 0.000%, 6/15/2015, principal only	\$ 5,000,000	1,920,980
Total Corporate Bonds (Cost \$2,006,926)		<u>1,920,980</u>
SHORT-TERM INVESTMENT — 6.0%+		
Galaxy, 1.970%, 07/01/02	40,979,000	40,979,000
Total Short-Term Investment (Cost \$40,979,000)		<u>40,979,000</u>
TOTAL INVESTMENTS — 100.8%+ (Cost \$628,218,816)		<u>\$691,122,020</u>

* Non income producing security.

+ Investments are shown as a percentage of net assets at June 30, 2002.

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

f Foreign company

ADR American Depository Receipt

See notes to financial statements.

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SCHEDULE OF OPTIONS WRITTEN
June 30, 2002 (Unaudited)

Underlying Security/Expiration Date/Exercise Price:	Contracts (100 Shares Per Contract)	Value
CALL OPTIONS		
Applied Materials, Inc.		
Expiration July 2002, Exercise Price \$25.00	2,000	\$ 10,000
Centex Corporation		
Expiration July 2002, Exercise Price \$55.00	1,000	450,000
Citrix Systems, Inc.		
Expiration September 2002, Exercise Price \$15.00	1,000	5,000
MasTec, Inc.		
Expiration October 2002, Exercise Price \$7.50	1,100	88,000
Tyco International Ltd.		
Expiration July 2002, Exercise Price \$12.50	2,000	520,000
Expiration October 2002, Exercise Price \$12.50	2,000	840,000
PUT OPTIONS		
Applied Materials, Inc.		
Expiration July 2002, Exercise Price \$25.00	2,000	1,060,000
Expiration October 2002, Exercise Price \$20.00	601	192,320
Calpine Corporation		
Expiration July 2002, Exercise Price \$10.00	1,000	340,000
Expiration October 2002, Exercise Price \$10.00	2,000	740,000
Expiration October 2002, Exercise Price \$7.50	2,000	390,000
Expiration January 2004, Exercise Price \$20.00	1,000	1,370,000
Centex Corporation		
Expiration July 2002, Exercise Price \$55.00	1,000	130,000
Citrix Systems, Inc.		
Expiration September 2002, Exercise Price \$15.00	485	431,650
Conseco, Inc.		
Expiration January 2003, Exercise Price \$15.00	3	3,780
MasTec, Inc.		
Expiration October 2002, Exercise Price \$7.50	1,100	104,500
Tyco International Ltd.		
Expiration July 2002, Exercise Price \$12.50	2,000	260,000
Expiration October 2002, Exercise Price \$12.50	2,000	600,000
TOTAL OPTIONS WRITTEN		<u>\$7,535,250</u>
(Premiums received \$6,528,847)		

See notes to financial statements.

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS
Six Months Ended June 30, 2002 (Unaudited)

1. ORGANIZATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)
Six Months Ended June 30, 2002 (Unaudited)

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

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

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

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Six Months Ended June 30, 2002 (Unaudited)

3. INVESTMENT ADVISORY AND OTHER AGREEMENTS

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

4. LINE OF CREDIT

The Fund has established a line of credit agreement ("LOC") with a national banking association, which expires October 31, 2002, to be used for temporary or emergency purposes, primarily for financing redemption payments. Borrowings of the Fund are subject to a \$10 million cap on the total LOC. At June 30, 2002, there were no borrowings by the Muhlenkamp Fund outstanding under the LOC.

5. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares of the Fund were as follows:

	Six Months Ended June 30, 2002	Year Ended December 31, 2001
Shares outstanding, beginning of period	10,091,742	5,458,654
Shares sold	5,835,033	8,672,934
Shares redeemed	(2,427,359)	(4,039,846)
Shares outstanding, end of period	13,499,416	10,091,742

6. OPTION CONTRACTS WRITTEN

The number of option contracts written and the premiums received by the Muhlenkamp Fund during the six months ended June 30, 2002, were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of period	12,470	\$ 4,650,119
Options written	53,815	14,984,201
Options exercised	(15,978)	(4,418,121)
Options expired	(16,320)	(5,487,440)
Options closed	(9,698)	(3,199,912)
Options outstanding, end of period	24,289	\$ 6,528,847

7. INVESTMENT TRANSACTIONS AND TAX INFORMATION

Purchases and sales of investment securities, excluding short-term securities, for the six months ended June 30, 2002 were as follows:

Purchases		Sales	
U.S. Government	Other	U.S. Government	Other
\$0	\$186,477,144	\$0	\$18,927,529

MUHLENKAMP FUND
(A Portfolio of the Wexford Trust)

NOTES TO FINANCIAL STATEMENTS (Continued)
Six Months Ended June 30, 2002 (Unaudited)

The components of the net unrealized appreciation in the value of the investments held at June 30, 2002 for tax purposes are as follows:

Gross unrealized appreciation of investments	\$175,369,153
Gross unrealized depreciation of investments	<u>(112,465,949)</u>
Net unrealized appreciation of investments	<u>\$ 62,903,204</u>

At June 30, 2002, the cost of investments for federal income tax purposes was \$628,218,816.

At June 30, 2002, the Fund had accumulated net realized capital loss carryovers of \$3,833,114 that will expire in 2009. To the extent the Fund realizes future net capital gains, taxable distributions to its shareholders will be offset by any unused capital loss carryover.

At June 30, 2002, the Fund had no undistributed net investment income for tax purposes.

8. EXPENSE REDUCTIONS

The Fund has a directed business arrangement with Capital Institution Services, Inc. ("CIS"). Upon the purchase and/or sale of investment securities at best price and execution, the Fund pays a brokerage commission to CIS. These commission payments generate nonrefundable cumulative credits which are available to pay certain expenses of the Fund, such as performance measurements, pricing information, custodian and record keeping services, legal, accounting and other administrative costs. For the six months ended June 30, 2002, the Fund's expenses were reduced \$0 by utilizing directed brokerage credits resulting in a decrease in the expense ratio being charged to shareholders of 0.00%. In accordance with Securities and Exchange Commission requirements, such amount is required to be shown as an expense and has been included in each of the expenses in the Statement of Operations.

Beginning in 2000, expenses are also reduced through the deposit of minimum account maintenance fees into the Fund. By November 30th of each year, all accounts must have net investments (purchases less redemptions) totaling \$1,500 or more, an account value greater than \$1,500, or be enrolled in the Automatic Investment Plan. Accounts that do not meet one of these three criteria will be charged a \$15 fee. These fees are used to lower the Fund's expense ratio. For the six months ended June 30, 2002, the Fund's expenses were reduced \$54,675 by utilizing minimum account maintenance fees, resulting in a decrease in the expense ratio being charged to shareholders of 0.01%.

9. RECENT FINANCIAL REPORTING PRONOUNCEMENT

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

MUHLENKAMP FUND
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NOTES TO FINANCIAL STATEMENTS (Continued)
Six Months Ended June 30, 2002 (Unaudited)

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

INVESTMENT ADVISOR

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