

A No-Load Fund

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## Muhlenkamp Fund

P. O. Box 598, Wexford, PA 15090-0598 • (412) 935-5520 or (800) 860-3863

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### SEMI-ANNUAL REPORT

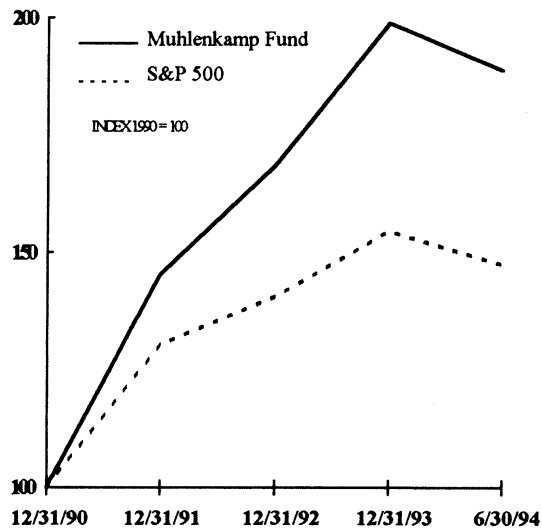
June 30, 1994

Dear Shareholder:

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

As of June 30, 1994, the Net Asset Value (NAV) of your fund was \$16.94 down 5.2% year-to-date. For the same period the S&P 500 was down 4.5%.

<u>Period Ending</u>	<u>Muhlenkamp Fund</u> Total Return (%)	<u>S&amp;P 500</u>
12/31/91	45.4	30.5
12/31/92	15.8	7.7
12/31/93	18.1	9.9
6/31/94	(5.2)	(4.5)



## **Report to Shareholders (*Continued*)**

The first half of 1994 witnessed sharp price moves in a number of markets. Various stocks, bonds, commodities and currencies had interesting swings. Some moved in concert with others in ways investors have come to expect, while others acted (or reacted) in ways that were surprising.

We have consistently said that a 10% price correction in the stock market (actually in any market) can occur at any time. Last fall we said such a correction, if started at that time, would most likely be triggered by a correction in the bond market. We have had such a correction. Stocks have declined roughly 10%. Bonds have declined 20% and utilities have declined 30%. The additional 20% decline in utility stocks occurred because our Federal government changed the rules for electric utilities, forcing them to compete with one another in the production and sale of power.

The decline in the bond market was exacerbated by the recent decline in the dollar and the leveraged positions which some investors had taken in the bond market itself. Margin calls on these positions resulted in forced selling of bonds which appears to have climaxed in March of '94. The falling dollar and currency fears resulted in an additional round of selling in late June. At this point, the selling pressures seem to have abated. But another shoe can always drop. So we can't say with certainty that the decline is over.

Meanwhile, most companies are increasing in economic value at a rate of 8-10% per year. We do not see inflation getting much worse or the US economy declining anytime soon. So investment values have increased. Some analysts are looking for a larger decline and better values, which may or may not happen. Frankly, the best description of markets which I have seen lately was a column by Mike Royko titled, "Economics 101." Mr. Royko concluded that: almost anything can happen; most things probably won't (happen); and if you prepare for just one thing, you are vulnerable to another. Bottom line, we judge current values to be good enough to be buying stocks and adding to our holdings.

We appreciate your continued interest in the Muhlenkamp Fund. We welcome your questions and comments, and we ask that you spread the word of our Fund among your friends.

Ronald H. Muhlenkamp  
President  
July 1994

**THE WEXFORD TRUST**  
**(COMPRISED OF THE MUHLENKAMP FUND)**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**JUNE 30, 1994**  
 (UNAUDITED)

ASSETS

	<u>Muhlenkamp Fund</u>
INVESTMENTS, AT VALUE (Identified cost \$15,180,214)	\$ 15,863,670
CASH	1,245
RECEIVABLES	<u>20,422</u>
Total Assets	\$ 15,885,337

ADVISOR FEE PAYABLE	\$ <u>436</u>
Total Net Assets	\$ <u>15,884,901</u>

NET ASSETS

SHARES OF BENEFICIAL INTEREST OUTSTANDING	\$
ACCUMULATED UNDISTRIBUTED NET INVESTMENT GAIN(LOSS)	443,420
NET UNREALIZED APPRECIATION OF INVESTMENTS - 6/30/94	301,914
Total Net Assets	\$ <u>15,884,901</u>
No. OF SHARES OF BENEFICIAL INTEREST OUTSTANDING	938,006.359
NET ASSET VALUE PER SHARE (Net assets divided by shares outstanding)	\$ <u>16.93</u>

See notes to financial statements.

**THE WEXFORD TRUST**  
**(COMPRISED OF THE MUHLENKAMP FUND)**  
**PORTFOLIO OF INVESTMENTS**  
**JUNE 30, 1994**

	<u>Muhlenkamp Fund</u>	
	<u>Principal Amount or Shares</u>	<u>Value</u>
<b>COMMON STOCK - 86.6%</b>		
<b>Aerospace - 3%</b>		
BE Aerospace, Inc.	7,000	\$ 61,250
Martin Marietta Corp.	6,000	264,750
Thiokol Corp.	6,000	144,750
<b>Airlines - 1.3%</b>		
Air Express International Corp.	9,375	205,078
<b>Autos - 4.9%</b>		
Allen Group Inc.	15,000	264,375
Ford Motor Company	7,000	413,000
Superior Industries	3,180	101,760
<b>Building - 3.6%</b>		
ABM Inc.	10,000	202,500
Instrument Systems	30,000	217,500
Ryland Group	8,000	140,000
<b>Banks - 6.7%</b>		
Chemical Bank Corp.	12,000	462,000
Comerica, Inc.	2,850	80,512
Integra Financial	8,426	393,915
J.P. Morgan	2,000	124,000
<b>Brokerage - 6.3%</b>		
A. G. Edwards	12,500	215,625
Merrill Lynch	10,000	350,000
Morgan Stanley, Inc.	2,000	113,750
Salomon Inc.	5,000	238,750
Southwest SEC, Inc.	12,000	78,000
<b>Capital Goods - 6.4%</b>		
Commercial Intertech Corp.	1,500	39,562
General Electric	9,000	419,625
IDEX Corp.	5,000	197,500
Kysor Industrial	10,000	176,250
Scotsman Industries, Inc.	15,000	200,625
<b>Conglomerate - 3.7%</b>		
Gatx Corp.	6,000	243,000
Loews Corp.	3,400	292,400
Westinghouse Corp.	6,000	69,750
<b>Consumer Durables - 1.6%</b>		
Mr. Coffee	10,000	147,500
Nycor, Inc.	25,000	106,250
<b>Electronics - 1.5%</b>		
Intel Corp.	4,000	234,000
<b>Finance - 7.9%</b>		
Ambac, Inc.	8,700	341,475
Fidelity National Financial	23,418	298,579
Green Tree Acceptance, Inc.	10,700	<u>599,200</u>
Sub-Total		<u>\$7,437,231</u>

See notes to financial statements.

**THE WEXFORD TRUST**  
**(COMPRISED OF THE MUHLENKAMP FUND)**  
**PORTFOLIO OF INVESTMENTS**  
**JUNE 30, 1994**

	<u>Muhlenkamp Fund</u>	
	<u>Principal Amount or Shares</u>	<u>Value</u>
BALANCE BROUGHT FORWARD		\$7,437,231
Closed End Investment Funds - 3.1%		
Gemini II capital shares	26,000	497,250
Furniture - 4.3%		
Loewenstein	42,000	370,125
Stanley Furniture, Inc.	25,000	312,500
Insurance - 12.2%		
American Bankers Insurance Group	8,000	181,000
Conseco, Inc.	8,000	373,000
Frontier Insurance	12,751	395,281
Guaranty National Corp.	12,000	178,500
Providian Corp.	3,600	108,900
Sunamerica Inc.	10,000	408,750
Vesta	10,000	285,000
Med Service - 6.3%		
Medrad, Inc.	3,000	33,000
Mid Atlantic Medical Services	8,500	378,250
Rehabcare Corp.	20,000	260,000
US Healthcare, Inc.	9,000	333,000
Metals - 1.7%		
Cyprus Minerals Co.	9,000	267,750
Packaging & Container - .5%		
Clarcor Inc.	5,000	86,250
Rails - 1.0%		
Burlington Northern Industries, Inc.	3,000	160,125
Savings and Loan - 3.5%		
Federal National Mortgage Assoc.	6,100	509,350
Golden West Financial	1,200	46,350
Textile - 2.1%		
Burlington Industries, Inc.	23,000	336,375
Tobacco - 2.9%		
Philip Morris	8,860	456,290
Transportation - .7%		
Sea Containers CL A	8,000	117,000
Trucks - 1.4%		
Cummins Engine Co.	5,000	<u>216,875</u>
Total Common Stocks (Cost \$13,140,741)		13,748,152
FIXED INCOME - 13.1%		
General Motors Acceptance Corporation - 0% , deferred debentures, due 2015	2,300,000	402,212
Treasury Bonds - 7.25% due 2016	400,000	379,125
U.S. Treasury, stripped interest - 0%, due 2013	800,000	184,250
Trust for U.S. Treasury obligations	1,102,431	<u>1,102,431</u>
Total Fixed Income (Cost \$1,981,206)		2,075,829
PREFERRED STOCK - .3%		
Pioneer Financial - exchangeable	2,000	<u>47,500</u>
Total Preferred Stock (Cost \$46,534)		<u>47,500</u>
Total (Cost \$15,168,481)		<u>\$15,863,670</u>

See notes to financial statements.

**THE WEXFORD TRUST**  
**(COMPRISED OF THE MUHLENKAMP FUND)**  
**STATEMENT OF OPERATIONS**  
**FROM JANUARY 1, 1994 TO JUNE 30, 1994**  
(UNAUDITED)

		<u>Muhlenkamp Fund</u>
<b>INVESTMENT INCOME</b>		
Dividends	\$ 90,708	
Interest	<u>34,923</u>	
Total Income		\$ 125,631
<b>EXPENSES</b>		
Investment advisor fee ✓	\$ 73,315	
Custodian fee ✓	8,520	
Administrative expenses	9,323	
Printing and postage expenses	13,169	
State registration expenses	<u>22,487</u>	<u>126,814</u>
Net Investment Income		(1,182)
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments		\$ 198,820
Unrealized appreciation in value of investments during the period		(1,056,082)
Increase (decrease) in Net Assets Resulting From Operations		\$ (858,008)

**STATEMENT OF CHANGES IN NET ASSETS**

<b>INCREASE (DECREASE) IN CASH AND NET ASSETS FROM OPERATIONS</b>		
Net investment income		\$ (1,182)
Net realized gain (loss) on investments		198,820
Unrealized appreciation		<u>(1,056,082)</u>
Net Increase (Decrease) in Net Assets Resulting From Operations		\$ (858,390)
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Net proceeds from sale of 288,791.208 shares		\$ 5,117,764
Cost of 24,553.602 shares repurchased		<u>431,594</u>
Net Increase from Share Transactions		\$ 4,686,170
<b>NET ASSETS</b>		
Beginning of period		\$12,057,605
End of period (including undistributed investment gain (loss) of (\$ )		\$15,884,901

See notes to financial statements.

**THE WEXFORD TRUST**  
**(COMPRISED ON THE MUHLENKAMP FUND)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 1994**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 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.

Cash flow information - The Trust issues and redeems its shares, invests in securities, earns income and distributes dividends from net investment income. Dividends are either reinvested in the fund or paid in cash upon the written direction of the holder of beneficial interest. These activities are reported on the accrual basis in the statement of changes in net assets.

Federal income taxes - The Trust's policy to comply with 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 of beneficial interest. Therefore, each year no provision for federal income taxes is required.

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

**NOTE 2 - INVESTMENT MANAGEMENT AND PAYMENTS TO AFFILIATED PERSONS**

Muhlenkamp and Co., Inc., a Pennsylvania Corporation, principally owned by Ronald H. Muhlenkamp, 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. Certain trustees are also officers of the investment advisor. At June 30, 1994, certain affiliated persons held in aggregate 20,363.663 shares with a net asset value of \$344,756.82.

**NOTE 3 - 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. For the period January 1, 1994 to June 30, 1994, transactions in Trust shares were as follows:

	<u>Shares</u>	<u>Amount</u>
Shares Sold	288,791.208	\$ 5,117,764.32
Shares Redeemed	24,553.602	\$ 431,593.67

Member of

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**100%** No-Load™  
Mutual Fund  
Council

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**Investment Advisor**

Muhlenkamp & Co., Inc.  
12300 Perry Highway  
Wexford, PA 15090-8318  
(412) 935-5520

A No-Load Fund

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**Muhlenkamp Fund**

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**Custodian**

PNC Bank  
Pittsburgh, PA 15265  
(412) 762-3798

Semi-Annual Report

**Auditors**

Schneider, Downs & Co., Inc., CPAs  
1133 Penn Avenue  
Pittsburgh, PA 15222-4205  
(412) 261-3644

**Investment Advisory Board**

John L. Laubach, Jr., Esq.  
C. E. Pfeifer

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