During October 2001, the Fund underperformed the S&P Midcap Index by 36 basis points. The underperformance was attributable to the fund's value tilt in a month where growth stocks rebounded. A fee was also charged to the fund for the transfer of assets from A.B. Watley to Merrill Lynch.

The Fund’s monthly financial statements follow:

### UMBS Student Managed Fund
**Statement of Financial Position**
**At October 31, 2001**

**Assets:**
Investments in securities, at value:
- Midcap SPDR Trust 66,120.00
- ST DJ S/C Value 17,743.50
- Coventry Healthcare 2,144.00
- Darden Restaurants 3,202.00
- Valero 2,256.00

91,465.50

Cash and cash equivalents 4,731.75

Total Assets 96,197.25
**Statement of Operations**  
**Month Ended October 31, 2001**

**Investment income:**

| Description    | Amount  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>2.55</td>
</tr>
<tr>
<td>Dividends</td>
<td>117.19</td>
</tr>
<tr>
<td><strong>Net investment income</strong></td>
<td><strong>119.74</strong></td>
</tr>
</tbody>
</table>

**Realized and unrealized gains (losses) on investments:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized gain (loss)</td>
<td>0.00</td>
</tr>
<tr>
<td>Net unrealized gain (loss)</td>
<td>3,564.50</td>
</tr>
<tr>
<td><strong>Net realized and unrealized gains (losses) on investments</strong></td>
<td><strong>3,564.50</strong></td>
</tr>
</tbody>
</table>

**Net increase (decrease) in net assets resulting from operations:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net increase (decrease) in net assets</strong></td>
<td><strong>3,684.24</strong></td>
</tr>
</tbody>
</table>
UMBS Student Managed Fund
Statement of Changes in Net Assets
Month Ended October 31, 2001

Increase (Decrease) in Net Assets
From Operations:
- Net investment income 119.74
- Net realized gains on investments 0.00
- Net change in unrealized appreciation on investments 3,564.50
- Net increase in assets from operations 3,684.24

From Investor Transactions:
- Contributions 0.00
- Withdrawals 0.00
- Net increase in assets resulting from investor transactions 0.00

Total Net Increase in Assets: 3,684.24

Net Assets:
- Beginning of month 92,513.01
- End of month 96,197.25