The Wealth Preserver

A Publication of Stamper Capital & Investments, Inc.

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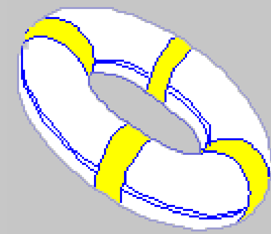

Stamper Capital & Investments, Inc.

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Buy of the Month

Attractive Purchase - On June12th, 2001 we made a purchase that should achieve equity-sized returns at a fraction of the risk of stocks. As usual when evaluating a bond we examine the credit and interest rate risk. This bond has minimal credit risk as it's insured by MBIA and has the highest credit rating of Aaa/AAA; the bond is also guaranteed by the underlying school district. The interest rate risk of this particular bond is also low because of its short maturity and because it is a "cushion bond" whose dollar price will hold up even with a rise in interest rates (see below).

Kingsburg, CA Elementary School District
8% due 2-1-03
Rated Aaa by Moody's and AAA by S&P
Insured by MBIA
First Call: 2-1-02 at 102, every 6 months thereafter at 102
No Sinking Fund

We made our purchase at a tax-free 4.38% yield, to the next possible call on 2-1-02 at 102 and a tax-free 5.29% to its short maturity of 2-1-03. **Importantly, these tax-free rates translate into Federal pre-tax equivalents of 7.13% and 8.62%,** respectively (see table below). The yields are considerably better than U.S. Treasuries, which are subject to Federal income tax and are yielding a maximum for one and half years of 4.11%!

Importantly, these bonds are California state tax-free and our client lives in California, so his pre-tax equivalent yields, considering both Federal and California State

Continued at the top of the next page......

Where the Value Is

OK, so it's time to be honest with you: bonds are not the most exciting investment opportunity available. But as our readers know, they do have some of the best opportunities, especially when compared to similar risk U.S. Treasuries. Over the past 6 months the yield curve of US Treasuries and General Obligation Municipal Bonds has become steeper. At the beginning of the year, the curve had less of a slope between short and long maturities, making decisions easier when it came to deciding to go with long or shorter-term maturities. Obviously shorter maturities that have yields at similar levels of longer maturities will have less interest rate risk without giving up much yield. However, as the curve has become steeper the decision between long

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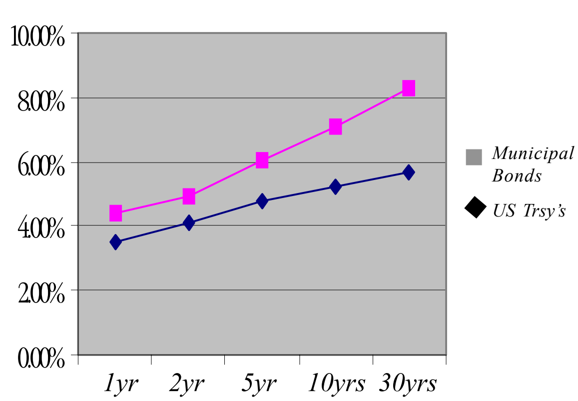


Buy of the Month Purchase Summary in Yield

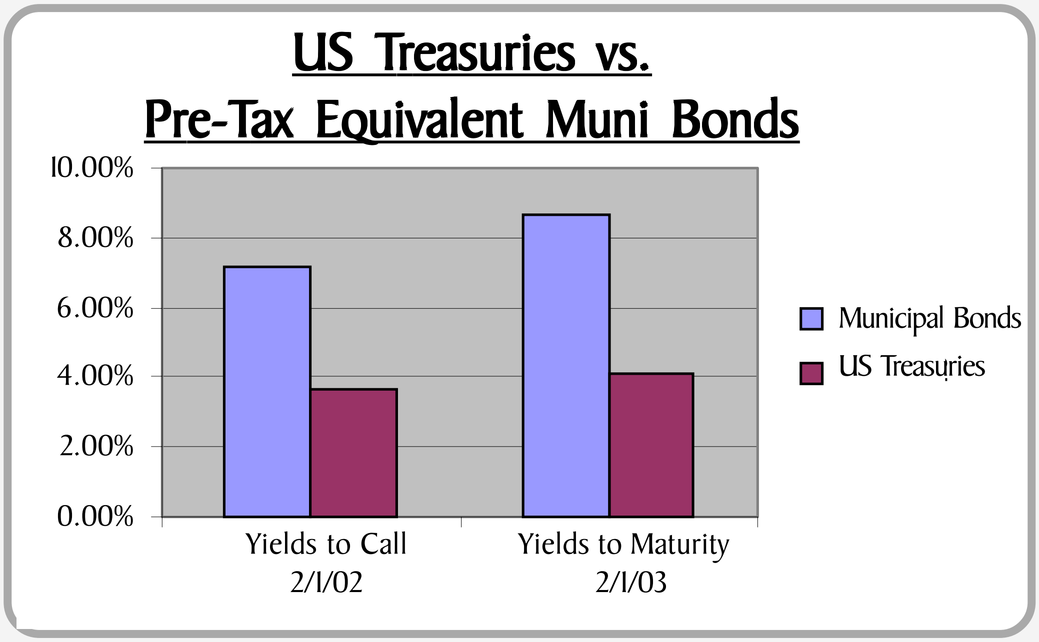
Yield to	Date	Tax-Free	Fed & CA Pre-Tax Equivalent	Federal Pre-Tax Equivalent	U.S. Treasury	Spread	Duration
Next Call	2-01-02	4.38%	8.41%	7.13%	3.69%	344 b.p.	0.6 years
Maturity	2-01-03	5.29%	10.15%	8.62%	4.11%	451 b.p.	1.5 years

Buy of the Month Continued...

taxes, calculate out to 8.41% to the less than one year call and 10.15% to the short maturity! Of course, the risk of this investment is dramatically lower than the stock market, which historically has delivered long-term average annual returns of only 10% to 11%.

Low interest rate risk –Since the maturity of the bond is very short, the position also has very low interest rate risk. Because of the bond's six month call at 102, we were able to purchase it at 104.159. If the bond did not have a call, it would yield about 3.08% to maturity for a dollar price of approximately 107.75 points. Thus, the bond market in general could fall 3.59 points (107.75 less 104.159) before this bond's price would drop much. That kind of drop is unlikely for short term bonds.

Call risk – This bond could be called on the first call. Often we purchase bonds that are likely to pass their first call, but in this case we do not have a reason to believe this will be the case, unless the bond market in general trades off with interest rates going up. However, even if it is called, the returns are very favorable to other investment opportunities.



Credit Risk – The bond essentially has no credit risk as it is insured by MBIA and is rated Aaa/AAA by the major rating agencies.

More yield – Of course when examining an investment, the bottom line is the yield. From the above table, you can see that this investment should easily outperform U.S. Treasuries while having minimal credit risk. In yield terms the out-performance should be 3.44% percentage points to 4.51% percentage points on a pre-tax equivalent basis adjusted only for Federal taxes.

After taking you step by step through our decision making process, we hope the next time you buy municipal bonds you make them special Stamper Capital Bonds! After all, you deserve the best and we are among the top municipal bond portfolio managers, check out our Morningstar rating on the back page.

About Stamper Capital & Investments, Inc.

Stamper Capital & Investments, Inc. specializes in fixed-income portfolio management strategies and implementation tailored to each client's specifications. In order to help our clients meet their long-term investment goals while maintaining their chosen life-style, we focus on maximizing risk-adjusted performance, that is, we seek to obtain the most return per amount of risk our clients choose to take. The majority of our fixed income portfolios are invested in municipal bonds, but we also offer strategies for taxable municipal bonds, corporate bonds, mortgage-backed securities, high yield corporate (junk) bonds and convertible bonds, you could say we like bonds! In addition to private account management, Stamper Capital & Investments, Inc. manages The Evergreen High Income Municipal Bond Fund. In the 16 years our Portfolio Manager, Clark Stamper, has been managing accounts in the fixed income markets, he has come to believe that maximizing investor risk-adjusted performance is the most professional and prudent investment approach that can be implemented – and it works, as you can see from our top performance in the table on the back page of this newsletter. Call us today at 888-206-6295 for your free consultation to learn how municipal bonds can dramatically decrease your overall portfolio risk. We'd love to teach you how our strategies will help secure your wealth for your future, or check out our website at www.risk-adjusted.com.

Where the Value Is Continued…

or short maturities becomes more difficult, and investors may find themselves weighing whether to take interest rate risk and get the higher yields or settle for lower yields and avoid the interest rate risk. The other option would be shorter maturity bonds with lower coupons.

The goal of our article is to prove where the value is, and at this time, we don't think the long maturity US Treasuries are worth the risk for the extra yield. However, if we look at similar risk Municipal Bonds, the yields just might be worth the interest rate risk, let us explain further.

To make this as simple as possible for our readers, we have put together a chart in the next column and graph on the front page demonstrating the differences. First let us remind you, the Municipals we use as an example in this article have the highest credit rating of AAA and are general obligations. We do this for our "where the value is" section so that the Municipals are significantly equal, in terms of credit risk, to the US Treasuries we compare them to. We also remind our readers: U.S. Treasuries are state tax-free investments, but federally taxable, whereas Municipal Bonds are Federally Tax-Free but usually state taxable. To make the investments equal we have taken the returns of the Municipal Bonds and figured out the "pre-tax" equivalents, which is what an investment that is not Federally tax-free, like a US Treasury, would have to yield to be equal in terms of yield to the Municipal Bonds.

As you see from the chart below, municipal bonds offer much higher yields than US Treasuries on a pre-tax equivalent basis using the highest federal tax bracket. Even at the short-term maturity of only 2 years, Municipals offer 85 basis points more yield than US Treasuries, without the long-term interest rate risk. U.S. Treasuries will only get close to this yield at a five-year maturity, and even at that term, the yields are still 15 basis points less than the two-year maturity AAA rated Municipal Bonds! It only gets worse for US Treasuries on the long-end of the yield curve; Municipal Bonds yield 264 basis points more than US Treasuries for the 30-year term!

	U.S. Treasury Actual	Tax-Free Muni's[2] AAA-G.O.'s	Pre-TaxEquiv. Muni Bonds	Muni Pre-Tax vs. U.S. Treasury
1 Year	3.52%	2.71%	4.41%	89 B.P.[3]
2 Year	4.08%	3.03%	4.93%	85 B.P.
5 Year	4.78%	3.69%	6.01%	123 B.P.
10 Year	5.25%	4.35%	7.08%	183 B.P.
30 Year	5.65%	5.09%	8.29%	264 B.P.

1. Assumes top Federal Tax-Rate fo 38.6% and ignores state taxes.
2. Source: Bloomberg
3. B.P.= Basis Points 1Basis Point = .01%

In summary, at this point in time, long-term US Treasuries have too little of yield for the interest rate risk an investor would be taking on. However, for high tax-bracket investing, we look at similar risk Municipal Bonds and find values that far surpass anything found in the US Treasury market. Clearly Municipal Bonds offer a much better value to investors than US Treasuries at similar risk levels. After this analysis, we can't imagine why anyone in the higher tax-brackets would even consider US Treasuries, especially for the longest term of 30 years. So the next time you're in the market for Municipal Bonds, make sure it's with Stamper Capital & Investments, Inc…where the value is!

Our Fund Performance

Stamper Capital & Investments, Inc. has managed the Evergreen High Income Municipal Bond Fund since June 1990. The $500 million fund has been repeatedly recognized by Morningstar as a top-performer among its class, with the highest ratings in the current overall, three, five and ten-year periods. Stamper Capital & Investments, Inc. is a Registered Investment Adviser that specializes in the municipal bond market and is dedicated to helping investors earn the maximum return per the amount of risk taken. **Check out our website at www.risk-adjusted.com to find out more about how our strategies can reduce your overall portfolio risk, while maintaining equity-sized returns!**

Short-Term Municipal Bond Fund Category, Morningstar Rankings

Period As of 6-30-01	E.H.I.M.B.F.* Rank	Number of Competitors	Category Average Total Return	E.H.I.M.B.F. Tax-Free Total Returns	Pre-Tax Equivalent Total Return[1]	Morningstar Ratings[2] (5 stars possible)	Percentage Ranking
1 Year	**3**	108	6.55%	8.18%	13.32%		
3 Years	**32**	98	3.90%	4.12%	6.71%	★★★★★	Top 10%
5 Years	**7**	80	4.36%	5.13%	8.36%	★★★★	Top 22.5%
10 Years**	**3**	18	5.04%	5.62%	9.15%	★★★★★	Top 10%
Overall						★★★★★	Top 10%

*E.H.I.M.B.F. = Evergreen High Income Municipal Bond Fund, subadvised by Stamper Capital & Investments, Inc.
** Results from the B shares.

The above chart summarizes the performance of our mutual fund client. We also offer Private Account Management with different strategies and greater opportunities to earn higher yields. **To give you an idea of the types of strategies available and the potentials offered through our Private Account Management, be sure to check out the front page article.**

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Preserving Your Wealth While Getting You Potential Double Digit Returns!

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1. The pre-tax equivalent total returns are figured based on the highest Federal income tax bracket of 38.6%, no state taxes were included in the calculation.

2. Morningstar gives its highest ratings of five and four stars overall and for the three, five and ten years ending June 30, 2001 out of 1681, 1450 and 455 municipal bond funds, respectively to the $500 million mutual fund we have managed for over ten years. **The top 10% of the funds in an investment class receive 5 stars, the next 22.5% receive 4 stars.** Morningstar proprietary ratings reflect historical risk-adjusted performance as of June 30, 2001. The ratings are subject to change every month. Morningstar ratings are calculated from the Fund's 3-, 5-, and 10-year average annual returns in excess of 90-day Treasury bill returns with appropriate fee and tax adjustments, and a risk factor that reflects fund performance below 90-day T-bill returns. Past performance cannot guarantee future results.