The Wealth Preserver

A Publication of Stamper Capital & Investments, Inc.
www.risk-adjusted.com

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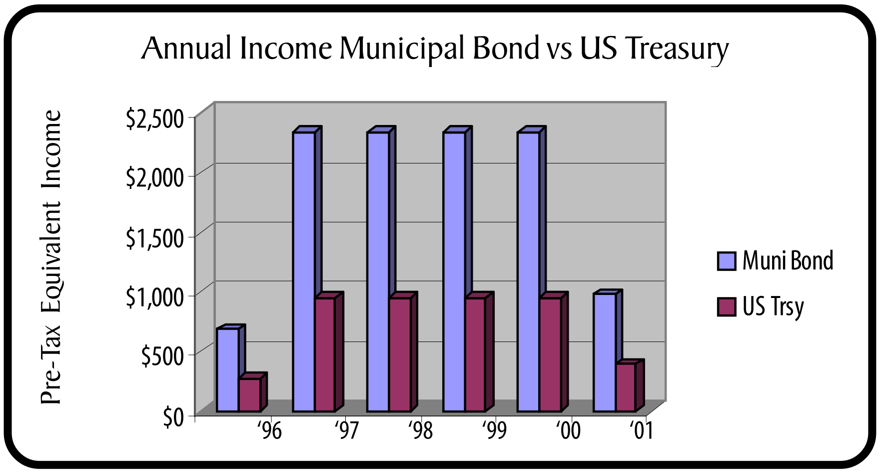
Another Home Run!

What's a Home Run?
How does 148% more income than similar-risk U.S. Treasuries each year for 4 3/4 years sound?



Almost five years ago we purchased the special bond described below for one of our private clients. As you can see from the graph above, our municipal bond purchase stacked up incredibly well compared to a similar risk US Treasury. Over the 4.75 years holding period our client earned **148% more income** than the US Treasury. To dollarize it over a one year period, the US Treasury earned $945 and the Municipal Bond earned $2,340 on a pre-tax equivalent basis. To learn more about the details of this purchase, keep reading!

University, Virginia Hospital 9.875% due 12-01-01
Rated Aaa by Moody's and AAA by S&P
Fully Collateralized by U.S. Treasuries
Pre-refunded to 12-1-96, 12-1-00 or 6-1-01

No Credit Risk - The bond had essentially no credit risk as it was fully collateralized by U.S. Government Securities. Accordingly, it had the highest credit ranking of AAA.

Very Low Interest Rate Risk – The bond had extremely low interest rate risk because of the large tax-free interest coupon of 9.875% combined with our low purchase price of 101.70.

Some Call Risk - We were able to make our very cheap purchase because the exact payment dates of the bond were not entirely certain. However, we knew the bond was pre-refunded (called) to three dates: 12-1-96, 12-1-00, and 6-1-01; we just did not know exactly how many of our bonds would be called away on those refunding dates.

Purchase Analysis - The Purchase Summary in the Yield table (next page) shows we made the purchase at a tax-free yield of 3.72% to the first possible pre-refunding date. Using the maximum Federal tax rate of 39.6%, the pre-tax equivalent yield that you would compare to a CD is a 6.18%, which is almost one percentage point more than similar maturity U.S. Treasuries. Therefore, **our worst case was that we would out-perform similar-risk U.S. Treasuries by 100 basis points!** In fact, half of our position was called on that date.

Continued on the next page...

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Purchase Summary in Yield

Yield to	Date	Tax-Free	Federal Pre-Tax Equivalent	U.S. Treasury	Spread	Duration	Bonds Actually Called
Pre-Refund	**12-1-96**	**3.73%**	**6.18%**	**5.19%**	**99 b.p.**	**0.3 yrs**	**$15,000**
Pre-Refund	12-1-00	9.38%	15.52%	6.27%	925 b.p.	3.5 yrs	- 0 -
Pre-Refund	**6-1-01**	**9.42%**	**15.60%**	**6.30%**	**930 b.p.**	**3.7 yrs**	**$15,000**

Our purchase yields to the other pre-refunding dates (shown in the table above) were huge: 9.38% tax-free to 12-1-00 and 9.42% tax-free to 6-1-01. Those yields translate into pre-tax equivalents of 15.52% and 15.60% and they both out-perform similar-risk U.S. Treasuries by 9.25% and 9.30%, respectively. In fact, **the last half of our position made it to 6-1-01 for the maximum return of a 15.60% pre-tax equivalent!**

More Dollars - The table below shows how well we did in dollar terms (pre-tax equivalent, annualized); half the position earned $148 more than U.S. Treasuries and the other half earned $1,395 better. The total out-performance over U.S. Treasuries (pre-tax) was $50 for the first $15,000. **For the second $15,000, total out-performance of U.S. Treasuries (pre-tax) was $6,626 – almost half of the investment principal, and that is just the out-performance, for the actual income levels check out the graph on the front page.**

The second $15,000 out-performed U.S. Treasuries by 148%! So you can see that this investment dramatically outperformed similar-risk U.S. Treasuries! In fact, it had similar credit risk and dramatically less interest rate risk. The only give up was the lack of upside potential, but this was more than offset in terms of extra yield or extra income.

While the first $15,000 did not achieve equity returns of 10% (the equity market's average annual return over long periods of time), it was only outstanding for four months. On the other hand, **the $15,000 that was outstanding for almost five years, earned a pre-tax equivalent of 15.60%! More than 50% better than the stock market's average annual return over long periods of time– and with substantially less risk!** So the next time you're putting your money in a "safety of principle" investment, and want to enjoy the possibility of home runs like this, make sure it's a municipal bond with Stamper Capital & Investments, Inc!

Achievement Summary in Dollars

(Annualized dollar returns on $30,000 investment)

Yield to	*Date*	*Principal*	*Annual Federal Pre-Tax Equivalent*	*Treasury*	*Pre-Tax Out Performance of U.S. Treasuries*	*Investment Life*	***Total Out-Performance***
Pre-Refund	*12-1-96*	*$15,000*	*$927*	*$779*	*$148*	*4 mo.*	*$50*
Pre-Refund	*6-1-01*	*$15,000*	*$2,340*	*$945*	*$1,395*	*4.75 yrs*	*$6,626*

About Stamper Capital & Investments, Inc.

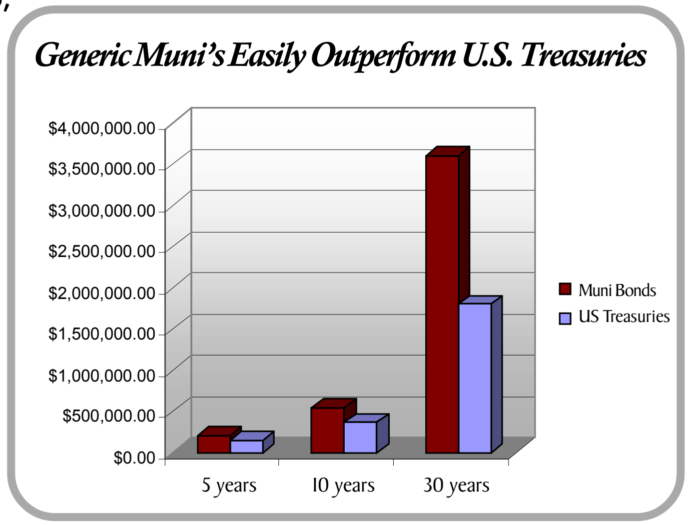
Stamper Capital & Investments, Inc. specializes in fixed-income portfolio management strategies and implementation tailored to each client's specifications. In order to help our clients meet their long-term investment goals while maintaining their chosen life-style, we focus on maximizing risk-adjusted 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's 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 For Generic Bonds

As our readers know, we think highly of municipal bonds, especially when compared to other investment opportunities. We have taken general obligation Municipal Bonds with a AAA rating and examined their yields over the 1, 5, 10 & 30-year periods and compared them to similar risk US Treasuries. The municipals used for this article are general obligation bonds available widely to vestors and of course the US Treasuries fall into the same category in terms of risk and availability.

As you can see from the chart, the AAA rated municipals pay 2.94% for a 1-year maturity as compared to 3.88% return for US Treasuries, but remember US Treasuries are subject to federal tax, so we take the US Treasury return and make it after tax. Making it equivalent on an after-tax basis to the municipal bonds, the return is equivalent to 2.34%. The difference in the return on a $1 Million investment works out to be $6,000 more income for the municipal bond investment over the period of just one year!

If we do the same for the 5 year period, the after-tax return works out to be $8,500 more per year if invested in municipals. Assuming the money can be reinvested at the same rate of 2.95% and 3.80%, the cumulative compounded interest income over the five year period for the US Treasury works out to be $156,463, whereas the Municipal Bonds works out to be $204,999 or $48,536.19 more income than the US Treasury over just 5 years!



Next, we look at the intermediate term of 10 years, as you can see from the chart the after-tax returns for the US Treasury and AAA rated municipal bond are 3.23% and 4.47%, respectively. The income for the two investments, re-invested at the current rate, works out to be $374,229 for the US Treasury and $548,516 for the Municipal Bond, that's a $174,287 difference over 10 years! Keep in mind the first year's income for the municipal bond was $12,400 more than the US Treasury, yep that's right, just over the first year!

Finally, for you long-term investors, the thirty-year income difference is phenomenal!

The US Treasury would earn $1,806,793 of pre-tax cumulative compounded income and the Municipal Bond would earn $3,602,024 or $1,795,230 more than the US Treasury, **almost double what the US Treasury returned over the same thirty-year period!**

In closing, we know these returns might not initially sound like a whole lot, but remember if you have a million dollars in these types of investments the goal is to keep the principal safe while earning a steady return with minimal risk. After comparing the bottom line of each type of investment, we've found that there's almost nothing to compare! The Municipal Bond investment offers so much more with essentially no additional risk that there'd be little reason to pick a US Treasury over a Municipal Bond. Even for the shorter term of 5 years the difference in income proves that even for shorter-term investment needs municipal bonds fit the bill!

	U.S. Treasury Actual	U.S. Treasury After Tax[1]	Tax-Free Muni's[2] AAA-G.O.'s	Tax-Free Muni vs U.S. Treasury	Annual Benefit Tax-Free
1 Year	3.88%	2.34%	2.94%	60 B.P.[3]	**$6,000**
5 Years	4.88%	2.95%	3.80%	85 B.P.	**$8,500**
10 Years	5.34%	3.23%	4.47%	124 B.P.	**$12,400**
30 Years	5.79%	3.50%	5.22%	172 B.P.	**$17,200**

1. Assumes top Federal Tax-Rate fo 39.6% and ignores state taxes.
2. Source: Bloomberg
3. B>P>= Basis Points

Equity Size Returns At Your Command!

Do you ever think about the risks taken when investing in the stock market? Investors have little control over the type or amount of risk they take when investing in a company.

risk

Municipal bond characteristics offer different types and levels of risks investors can choose to be a part of, so you are in control of the risks you take on in your investment portfolio.

Stamper Capital specializes in Municipal bond strategies tailored to our clients needs. We educate our clients about the types and levels of risk so they can make smart, well informed decisions about their long-term investment needs.

experience

Stamper Capital has over 16 years experience in different and changing bond markets and offers its expertise and experience at a fraction of the cost of a load mutual fund, starting at a 75 basis point asset management fee.

You have worked long and hard to build a solid portfolio, chances are you will never be able to acquire the amount of money you have saved again in your lifetime, so why risk your hard-earned life savings in the stock market? Call Stamper Capital TODAY to start getting your equity-sized returns at a fraction of the risk! 888-206-6295

rewards

Our Fund Performance

Stamper Capital & Investments, Inc. has managed the Evergreen High Income Municipal Bond Fund since June 1990. The $450 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 5-31-01	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	**2**	109	7.32%	9.87%	16.34%		
3 Years	**36**	103	3.86%	3.97%	6.57%	★★★★★	Top 10%
5 Years	**5**	81	4.36%	5.21%	8.63%	★★★★	Top 22.5%
10 Years**	**3**	18	5.02%	5.61%	9.29%	★★★★★	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 39.6%, 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 Mayl 31, 2001 out of 1700, 1459 and 456 municipal bond funds, respectively to the $441 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 Mau 31, 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.