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To: The clients of Off Wall Street.

re: Q4 2001 Off Wall Street performance, full year 2001 performance, long term performance, tables.

Summary:

I. Q4 2001:

A. Total Portfolio:

Short positions: (17 positions): OWS Q4 2001 loss: 1.9%

B. S&P 500: 10.3% gain in Q4 2001. Outperformance of OWS short versus S&P 500 index short 8.4 percentage points

II. Calendar 2001:

A. Total Portfolio:

Short positions: (17.25 ave. positions): OWS 2001 gain: 49.6%

B. S&P 500: -11.3% in 2001. Outperformance of OWS short portfolio vs. S&P index short: 38.3 percentage points.

C. New short positions opened in 2001: 22

D. Positions closed in 2001: 18

E. Batting average in 2001: 17 winners out of 18 positions closed: 94% winners.

Summary: At the end of Q3 2001 we were up 51.5% year to date, and we were up 93% for the twelve month period. It seemed unlikely that the run could continue. We took a conservative stance and closed out 7 positions in Q3. Q4 2001 brought a small loss to our portfolio, as we posted a 1.9% decline for the quarter. On a relative basis this performance was satisfactory, as the S&P rose 10.3%, the Nasdaq rose 30.1%, and the Bio-Tech index rose 28.9%. We measure our quarterly performance by comparing it to a S&P 500 index short. By that measure, we outperformed a S&P index short by 8.4 percentage points, about in line with our historical average of outperforming a S&P index short by about 31 percentage points annually.

We closed four positions in Q4, all with substantial gains, and we initiated four new positions in Q4. We are closing the year with 13 open positions. About 50% of Q4's portfolio was in health care, 20% in energy, 20% in consumer and financial stocks, and the 10% balance in technology. The fact that about 50% of our portfolio was short healthcare stocks while the BTK rose by 28.9% in the quarter is indicative of excellent stock selection in this segment in Q4. In Q3 our portfolio was 40% in energy. We think that some technology shares may be interesting again. One year ago our portfolio was about 50% in technology. Our avoidance of this sector recently has benefited our results.

In calendar 2001 our portfolio gained 49.6%. This was the best absolute performance in our history. We gained 43.4% in 2000. We had, on average, about 17 positions open at any one time. We compare this performance to a S&P 500 index short, which gained about 11.3% in 2001. Thus, our portfolio of short ideas outperformed a S&P 500 index short by 38.3 percentage points in 2001. This was our second best relative performance ever, and was about 5 percentage points better than our performance in 2000. Over the last 7 years, on average, our short portfolio has outperformed a S&P 500 index short by 31.2 percentage points each year. We have never had a year in which we did not outperform a S&P 500 index short. Our short portfolio underperformed a S&P 500 index short in only 5 of the last 28 quarters.

In calendar 2001 OWS initiated 22 new positions, a record for us. We initiated 17 positions in 2000. We closed out 18 positions in 2001, of which 17 were winners. This extended our batting average calculated from 1993 to 0.859, which means we have been right about 86% of the time. Since 1993, Off Wall Street has closed out 142 positions, with 122 winners and just 20 losers. We think our record is unmatched in our investing niche in the U.S. over the medium and long term.

Off Wall Street employs seven analysts, five of whom are CPAs, and a director of research. Our selectivity and our concentration on only a few names go a long way toward explaining our good performance. We have been providing research to our clients for almost 12 years. Despite a substantial increase in the number of analysts on staff and despite publishing an increasing number of ideas, our performance has generally improved over the years. We hope to continue that record.

We greatly appreciate your continued support and your confidence, which we are constantly striving to merit.