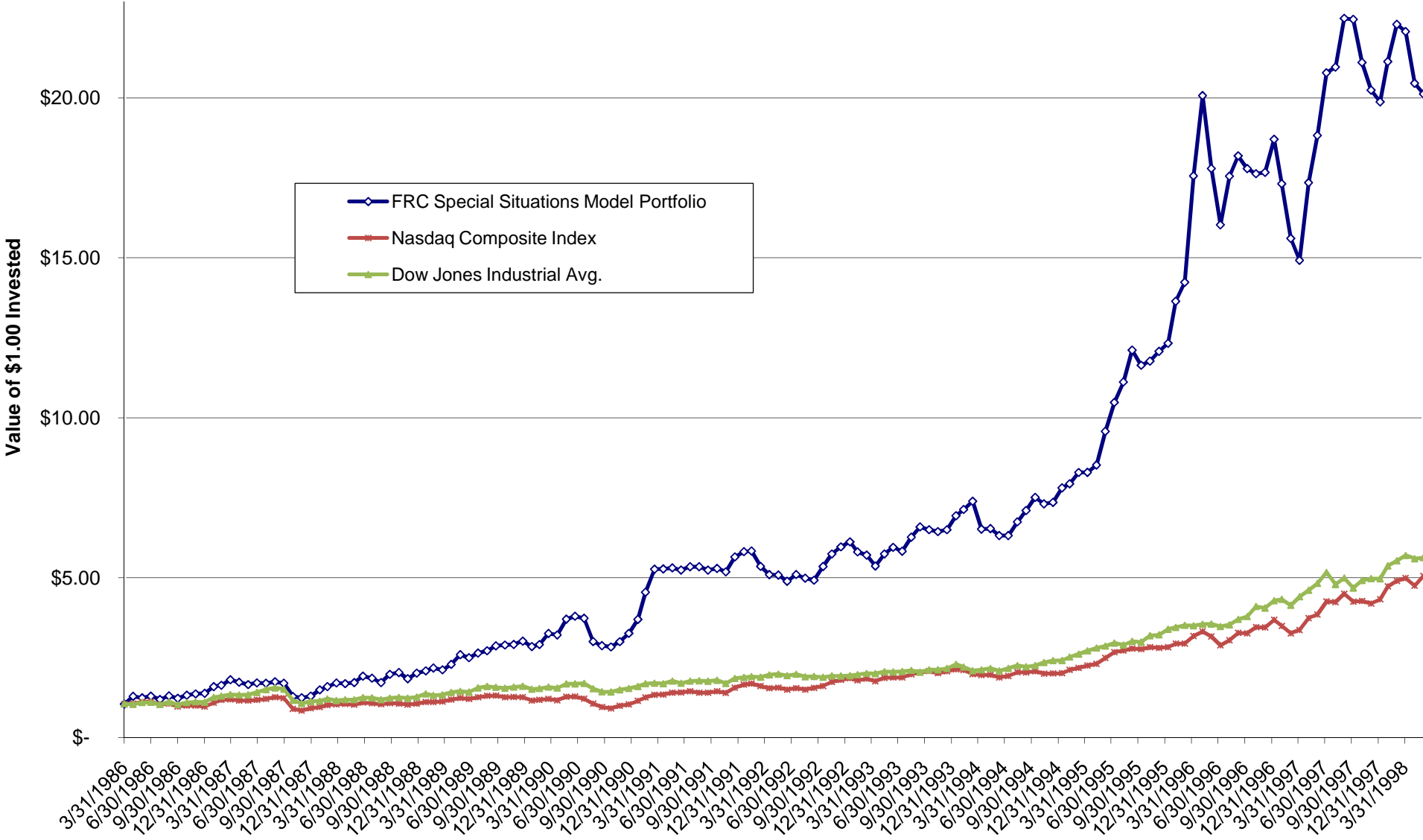


FRC Special Situations Model Portfolio Performance



1998 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE (Through December 13th)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN COIN	-7%	15%	23%	-3%	-15%	3%	*	*	*	*	*	*
ANALYTICAL SURVEYS	9%	30%	10%	-31%	-18%	15%	*	*	*	*	*	*
ANIKA	*	*	*	*	-2%	11%						
AVERT	11%	-12%	5%	-13%	-7%	*	*	*	*	*	*	*
COGNEX	-11%	10%	-3%	9%	-18%	-14%	*	*	*	*	*	*
CYANOTECH	0%	5%	26%	0%	-7%	4%	*	*	*	*	*	*
ELBIT VISION	-46%	4%	-29%	*	*	*	*	*	*	*	*	*
FARO	*	*	*	-17%	-2%	5%						
GILAT SATELLITE	-17%	13%	32%	13%	-20%	8%	*	*	*	*	*	*
II-VI	-8%	11%	-5%	-10%	*	*	*	*	*	*	*	*
INTEGRATED SENSOR	*	*	*	0%	-3%	-38%						
KOALA CORP	2%	-2%	13%	3%	-1%	-14%	*	*	*	*	*	*
KRONOS	-1%	4%	-3%	7%	4%	-1%	*	*	*	*	*	*
MEDIALINK	-5%	33%	4%	8%	-1%	3%	*	*	*	*	*	*
NATURE'S SUNSHINE	25%	-12%	13%	-14%	*	*	*	*	*	*	*	*
NFO WORLDWIDE	-4%	1%	7%	1%	-16%	3%	*	*	*	*	*	*
NICE SYSTEMS	-8%	34%	-12%	5%	-17%	-3%	*	*	*	*	*	*
NOBILITY HOMES	17%	-1%	19%	10%	13%	10%	*	*	*	*	*	*
ON ASSIGNMENT	3%	12%	10%	8%	5%	-10%	*	*	*	*	*	*
OPTIMAL ROBOTICS	*	*	*	*	*	9%						
ORTHODONTIC CENTERS	-1%	19%	9%	-5%	4%	0%	*	*	*	*	*	*
SCHMITT INDUSTRIES	-7%	5%	-18%	*	*	*	*	*	*	*	*	*
SPIRE	*	1%	6%	-32%	-40%	*	*	*	*	*	*	*
SYNTHETECH	2%	-10%	14%	14%	-5%	-6%	*	*	*	*	*	*
SYQUEST	-13%	0%	*	*	*	*	*	*	*	*	*	*
UNITED VIDEO SATELLITE	21%	14%	0%	16%	-10%	-7%	*	*	*	*	*	*
XETA	*	*	0%	9%	2%	-14%						
SPECIAL SITUATIONS	-2%	6%	6%	-1%	-7%	-2%	*	*	*	*	*	*
DOW JONES INDUSTRIALS	-2%	10%	5%	2%	-2%	-2%	*	*	*	*	*	*
NASDAQ NMS COMPOSITE	3%	9%	4%	4%	-5%	0%	*	*	*	*	*	*

FOR THE YEAR:	SPECIAL SITUATIONS:	-0.60%	CUMULATIVE GROWTH OF \$1.00:	SPECIAL SITUATIONS:	\$22.92
	DOW JONES INDUSTRIALS:	11.05%	(since March, 1986)	DOW JONES INDUSTRIALS:	\$5.12
	NASDAQ NMS COMPOSITE:	16.40%		NASDAQ NMS COMPOSITE:	\$5.18

(25% Cash in February)

1997 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

(Through December 13th)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN BUS. INFO.	30%	-10%	-8%	*	*	*	*	*	*	*	*	*
AMERICAN COIN	*	*	*	*	*	*	*	16%	32%	14%	-9%	-1%
AML COMMUNICATIONS	-10%	-23%	-19%	*	*	*	*	*	*	*	*	*
AMRION	-2%	-16%	-3%	1%	24%	9%	*	*	*	*	*	*
ANALYTICAL SURVEYS	11%	3%	-6%	6%	12%	-6%	55%	26%	-3%	17%	-4%	23%
AVERT	17%	-10%	-16%	8%	2%	21%	28%	-7%	-12%	24%	-23%	-3%
CHAD THERAPEUTICS	-2%	-16%	-15%	-43%	0%	77%	*	*	*	*	*	*
COGNEX	4%	1%	3%	17%	18%	-11%	37%	13%	-8%	-11%	-11%	-16%
CONCENTRA	*	*	-20%	-45%	53%	-11%	*	*	*	*	*	*
CYANOTECH	*	0%	-18%	-13%	30%	6%	-29%	3%	15%	-24%	-9%	-31%
ELBIT VISION	*	*	*	*	5%	-2%	19%	1%	-6%	7%	-22%	12%
GAME FINANCIAL	-17%	3%	-10%	21%	12%	-1%	5%	0%	4%	*	*	*
GILAT SATELLITE	*	*	*	*	*	*	*	*	*	*	*	-6%
II-VI	11%	-16%	-4%	-19%	-8%	23%	25%	-3%	-1%	-3%	-4%	-10%
KRONOS	15%	-10%	-13%	-23%	36%	1%	-8%	3%	-2%	13%	8%	2%
KVH INDUSTRIES	*	*	*	*	*	*	3%	-11%	3%	2%	-23%	*
MEDIALINK	*	*	*	*	*	*	*	*	*	*	*	-24%
NATURAL WONDERS	2%	-17%	14%	*	*	*	*	*	*	*	*	*
NATURE'S SUNSHINE	-7%	-11%	5%	-14%	18%	4%	18%	-5%	21%	0%	-8%	2%
NFO WORLDWIDE	3%	2%	-25%	6%	10%	14%	1%	7%	12%	0%	-3%	8%
NICE SYSTEMS	*	*	*	11%	22%	25%	10%	13%	35%	-13%	-7%	-12%
NOBILITY HOMES	5%	16%	-10%	-8%	-2%	12%	-8%	3%	7%	-3%	22%	2%
ON ASSIGNMENT	8%	9%	-25%	30%	20%	-2%	13%	-5%	6%	2%	3%	1%
ORTHODONTIC CENTERS	10%	-13%	-8%	-14%	29%	12%	16%	-13%	11%	-5%	-1%	-7%
SCHMITT INDUSTRIES	*	*	*	*	*	*	*	*	*	22%	-8%	-9%
SEACHANGE INT'L	*	*	*	*	*	22%	10%	-39%	-9%	-20%	*	*
SPSS	14%	-9%	-15%	3%	21%	-6%	-10%	6%	0%	-13%	1%	-20%
SYNTHETECH	39%	-28%	-14%	-16%	19%	-8%	-3%	2%	2%	-17%	-10%	7%
SYQUEST	*	*	*	*	*	*	*	*	*	*	-4%	-8%
UNITED VIDEO SATELLITE	*	*	*	*	*	*	*	*	5%	6%	-7%	4%
WORTHINGTON FOODS	0%	5%	3%	-2%	8%	5%	2%	1%	0%	-1%	-7%	*
ZOLTEK	-14%	-16%	-13%	6%	13%	3%	24%	7%	48%	*	*	*
SPECIAL SITUATIONS	6%	-7%	-10%	-4%	16%	9%	10%	1%	7%	0%	-6%	-4%
DOW JONES INDUSTRIALS	8%	1%	-2%	-1%	9%	6%	4%	-3%	0%	-2%	1%	0%
NASDAQ NMS COMPOSITE	5%	-1%	-6%	-3%	15%	4%	9%	2%	5%	-2%	-3%	-5%
FOR THE YEAR:	SPECIAL SITUATIONS:			14.05%	CUMULATIVE GROWTH OF \$1.00:			SPECIAL SITUATIONS:			\$23.06	
	DOW JONES INDUSTRIALS:			24.44%	(since March, 1986)			DOW JONES INDUSTRIALS:			\$4.61	
	NASDAQ NMS COMPOSITE:			19.41%				NASDAQ NMS COMPOSITE:			\$4.45	

1996 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

(Through December 13th)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.		
AMERICAN BUS. INFO.	-4%	-15%	6%	11%	8%	-18%	-11%	-1%	27%	2%	2%	-5%		
AML COMMUNICATIONS	*	*	*	23%	70%	-28%	-10%	8%	14%	-24%	24%	-20%		
AMRION	*	*	*	*	6%	-13%	6%	14%	18%	1%	6%	-5%		
ANALYTICAL SURVEYS	33%	26%	-14%	46%	17%	7%	-19%	20%	-19%	-13%	6%	0%		
ASPEN TECHNOLOGY	20%	8%	-4%	35%	8%	*	*	*	*	*	*	*		
CASINO DATA SYSTEMS	18%	-3%	-10%	6%	-18%	4%	*	*	*	*	*	*		
CHAD THERAPEUTICS	-21%	-4%	2%	13%	37%	-11%	-4%	8%	9%	-5%	-10%	4%		
COGNEX	-16%	-15%	6%	5%	-31%	-11%	-15%	0%	14%	-16%	11%	21%		
CORVITA	-5%	1%	*	*	*	*	*	*	*	*	*	*		
FUSION MEDICAL	*	*	*	*	*	*	*	*	*	32%	-35%	*		
GAME FINANCIAL	7%	20%	-13%	14%	52%	-14%	-14%	3%	-11%	10%	-18%	0%		
HEASURE	22%	-4%	*	*	*	*	*	*	*	*	*	*		
II-VI	*	*	*	*	*	*	-9%	32%	16%	2%	12%	11%		
INNO	-8%	25%	2%	11%	11%	-6%	-16%	14%	6%	5%	-8%	-24%		
KRONOS	-1%	-2%	-10%	4%	8%	12%	-21%	7%	6%	-7%	-12%	13%		
LUMISYS	*	*	27%	38%	-24%	-23%	-34%	6%	-1%	*	*	*		
MUSTANG SOFTWARE	-4%	50%	-5%	*	*	*	*	*	*	*	*	*		
NATURAL WONDERS	*	*	*	*	*	-12%	-7%	-5%	15%	7%	-13%	-2%		
NATURE'S SUNSHINE	12%	10%	20%	7%	10%	-16%	-2%	0%	-23%	30%	-13%	-3%		
NFO RESEARCH	*	*	*	*	*	*	*	*	*	*	3%	-6%		
NOBILITY HOMES	-25%	25%	-11%	27%	18%	5%	-6%	11%	0%	11%	-18%	-8%		
ON ASSIGNMENT	-8%	12%	15%	-15%	13%	1%	-11%	13%	-7%	-5%	3%	-16%		
ORTHODONTIC CENTERS	13%	4%	12%	41%	0%	-27%	-6%	39%	6%	-41%	9%	21%		
ORTHOLOGIC	26%	40%	0%	39%	47%	-43%	*	*	*	*	*	*		
OVID TECHNOLOGIES	2%	13%	-12%	*	*	*	*	*	*	*	*	*		
PRE-PAID LEGAL	34%	-18%	19%	45%	25%	*	*	*	*	*	*	*		
PROXIM	*	*	*	*	*	*	*	12%	-15%	-10%	*	*		
SDL	*	*	*	*	*	*	*	-23%	0%	*	*	*		
SPSS	*	*	*	*	*	*	*	*	*	*	*	0%		
SYNTHETECH	13%	11%	15%	30%	20%	-15%	2%	-13%	17%	-10%	11%	17%		
TREND-LINES	-64%	0%	3%	*	*	*	*	*	*	*	*	*		
WORTHINGTON FOODS	2%	20%	-9%	8%	2%	2%	11%	31%	6%	-9%	13%	-5%		
XATA	*	*	*	*	*	*	*	*	-16%	9%	7%	-13%		
ZOLTEK	*	41%	57%	79%	21%	-21%	-22%	23%	18%	-15%	1%	25%		
SPECIAL SITUATIONS	2%	11%	4%	23%	14%	-11%	-10%	9%	4%	-2%	-1%	0%		
DOW JONES INDUSTRIALS	2%	9%	0%	-1%	3%	-1%	-4%	3%	5%	2%	6%	-1%		
NASDAQ NMS COMPOSITE	-2%	10%	-1%	8%	5%	-6%	-8%	6%	8%	-1%	3%	2%		
FOR THE YEAR:	SPECIAL SITUATIONS:				47.44%	CUMULATIVE GROWTH OF \$1.00:				SPECIAL SITUATIONS:				\$20.22
	DOW JONES INDUSTRIALS:				23.70%	(since March, 1986)				DOW JONES INDUSTRIALS:				\$3.70
	NASDAQ NMS COMPOSITE:				23.82%					NASDAQ NMS COMPOSITE:				\$3.72

1995 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

(Through December 21st)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN BUS. INFO.	6%	-1%	19%	9%	7%	5%	12%	-6%	9%	-7%	-3%	3%
ANALYTICAL SURVEYS	*	*	*	6%	-14%	16%	12%	9%	0%	-2%	0%	3%
ASPEN TECHNOLOGY	*	*	*	*	*	*	*	*	*	*	*	10%
BIOSPECIFICS TECH.	-9%	3%	-6%	-6%	-22%	7%	8%	-19%	*	*	*	*
CASINO DATA SYSTEMS	*	*	*	*	*	*	*	*	-1%	-3%	12%	32%
CHAD THERAPEUTICS	*	*	*	*	*	*	39%	10%	35%	0%	-5%	11%
CHILDREN'S DISCOVERY	8%	19%	14%	-2%	8%	-1%	3%	-18%	-9%	-18%	-23%	*
COGNEX	11%	0%	10%	-1%	6%	25%	21%	13%	-4%	16%	8%	13%
GAME FINANCIAL	*	*	*	*	*	*	*	15%	25%	-3%	-22%	-1%
GEERLINGS & WADE	-17%	10%	18%	4%	-14%	7%	-10%	-21%	-23%	*	*	*
HEMASURE	*	*	*	*	*	59%	-1%	57%	36%	-22%	-5%	-11%
INNOVATIVE	16%	11%	22%	11%	10%	3%	16%	-6%	3%	0%	7%	10%
KRONOS	6%	2%	3%	4%	8%	16%	24%	3%	1%	1%	-9%	11%
LEASING SOLUTIONS	29%	-15%	45%	9%	0%	8%	18%	-12%	23%	4%	3%	-3%
MAPINFO	19%	3%	19%	-2%	10%	13%	-35%	*	*	*	*	*
MATRITECH	31%	-18%	7%	33%	-10%	0%	28%	9%	16%	-10%	23%	-6%
MEDAR	20%	-2%	-32%	-7%	-17%	*	*	*	*	*	*	*
MUSTANG SOFTWARE	*	*	*	*	*	*	*	17%	21%	-25%	39%	-41%
NATURE'S SUNSHINE	-18%	20%	-10%	4%	11%	17%	23%	20%	2%	15%	-10%	-1%
NOBILITY HOMES	22%	-13%	-6%	0%	9%	14%	13%	0%	36%	3%	17%	24%
ON ASSIGNMENT	9%	1%	10%	3%	-7%	4%	17%	4%	12%	-2%	15%	15%
ORTHODONTIC CENTERS	*	*	17%	-8%	16%	25%	4%	10%	12%	-9%	6%	37%
ORTHOLOGIC	*	*	*	*	*	*	*	*	*	*	29%	19%
OVID TECHNOLOGIES	6%	0%	-5%	-3%	13%	9%	12%	11%	-3%	-6%	-36%	-6%
POTASH SASKATCHEWAN	10%	4%	22%	2%	4%	*	*	*	*	*	*	*
PRE-PAID LEGAL	*	*	*	*	*	*	*	*	*	5%	1%	13%
QUANTUM HEALTH	-15%	-9%	-12%	*	*	*	*	*	*	*	*	*
RECOVERY ENGINEERING	-15%	13%	-12%	-13%	*	*	*	*	*	*	*	*
SCANDINAVIAN BROADCASTING	6%	9%	1%	-2%	-3%	*	*	*	*	*	*	*
SYNTHETECH	*	*	*	*	*	*	*	*	*	*	-3%	-9%
TAPISTRON	-14%	5%	-20%	-13%	7%	*	*	*	*	*	*	*
TREND-LINES	7%	-1%	4%	-3%	7%	3%	5%	38%	3%	-8%	-12%	-7%
UNITED INTERNATIONAL	9%	-3%	*	*	*	*	*	*	*	*	*	*
VIDEONICS	*	8%	1%	-22%	11%	6%	-2%	*	*	*	*	*
V-MARK SOFTWARE	15%	-6%	*	*	*	*	*	*	*	*	*	*
WONDERWARE	6%	1%	-2%	-2%	21%	6%	4%	-5%	5%	-24%	2%	-54%
WORTHINGTON FOODS	*	*	*	*	5%	5%	-3%	5%	-2%	9%	-7%	0%
SPECIAL SITUATIONS	6%	2%	4%	0%	3%	12%	9%	6%	9%	-4%	1%	3%
DOW JONES INDUSTRIALS	2%	3%	4%	3%	2%	6%	1%	-1%	4%	1%	5%	1%
NASDAQ NMS COMPOSITE	5%	4%	3%	0%	5%	9%	2%	6%	3%	-1%	-1%	1%
FOR THE YEAR:												
		SPECIAL SITUATIONS:	65.33%				CUMULATIVE GROWTH OF \$1.00:			SPECIAL SITUATIONS:	\$13.71	
		DOW JONES INDUSTRIALS:	33.88%				(since March, 1986)			DOW JONES INDUSTRIALS:	\$2.99	
		NASDAQ NMS COMPOSITE:	43.38%							NASDAQ NMS COMPOSITE:	\$3.00	

1994 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

(Through December 16th)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN BUS. INFO.	9%	8%	-1%	-11%	-7%	0%	2%	2%	0%	19%	1%	1%
BIOSPECIFICS TECH.	*	*	21%	9%	2%	-14%	-5%	-3%	1%	5%	-18%	11%
BROCK CONTROL SYSTEMS	21%	-10%	-5%	-9%	11%	0%	-59%	*	*	*	*	*
CDP TECHNOLOGIES	*	*	*	*	*	*	*	*	*	*	*	10%
CFI PROSERVICES	1%	-18%	*	*	*	*	*	*	*	*	*	*
CHILDREN'S DISCOVERY	*	*	*	*	*	*	*	*	*	*	-20%	-4%
COGNEX	32%	35%	12%	-20%	-1%	-35%	43%	5%	-4%	15%	4%	5%
DATA RESEARCH	-7%	5%	17%	-18%	*	*	*	*	*	*	*	*
GEERLINGS & WADE	*	*	*	*	*	*	*	18%	36%	4%	3%	18%
GMIS	-19%	-5%	6%	*	*	*	*	*	*	*	*	*
INFOSOFT	*	*	*	*	*	9%	-5%	19%	-5%	14%	1%	-1%
KRONOS	-9%	2%	0%	-2%	3%	-2%	8%	-4%	3%	28%	5%	11%
LEASING SOLUTIONS	22%	-24%	11%	-7%	3%	-10%	-8%	2%	-1%	-3%	-16%	-11%
LIBERTY TECHNOLOGIES	31%	-23%	*	*	*	*	*	*	*	*	*	*
MAPINFO	*	*	*	*	*	*	*	*	9%	-8%	32%	-8%
MATRITECH	*	*	*	-2%	-13%	-2%	-25%	20%	0%	0%	-11%	-19%
MEDAR	15%	28%	-8%	-11%	-7%	12%	-15%	-12%	24%	0%	8%	-7%
MICRO HEALTHSYSTEMS	5%	5%	2%	-17%	3%	*	*	*	*	*	*	*
NETWORK COMPUTING	2%	*	*	*	*	*	*	*	*	*	*	*
ON ASSIGNMENT	10%	13%	8%	-16%	-9%	19%	4%	-5%	1%	-4%	12%	11%
POTASH SASKATCHEWAN	*	*	*	*	*	*	28%	-5%	27%	-8%	-6%	1%
QUANTUM HEALTH	14%	13%	1%	-7%	-15%	1%	10%	8%	12%	-5%	2%	-8%
RAINBOW TECHNOLOGIES	11%	0%	-8%	-16%	2%	-14%	-6%	-8%	4%	*	*	*
RECOVERY ENGINEERING	6%	15%	12%	-15%	4%	-6%	4%	14%	0%	20%	11%	-10%
SCANDINAVIAN BROADCASTING	15%	10%	0%	-8%	1%	-2%	-2%	-4%	12%	-3%	-17%	-5%
SPECIAL DEVICES	30%	-10%	14%	-10%	*	*	*	*	*	*	*	*
TAPISTRON	-11%	-10%	-37%	-18%	17%	0%	5%	41%	-26%	35%	-23%	-8%
TREND-LINES	*	*	*	*	*	*	*	*	*	-4%	0%	-2%
TRO LEARNING	-14%	5%	15%	-18%	-11%	-4%	15%	30%	-14%	*	*	*
UNITED INTERNATIONAL	*	3%	6%	-17%	10%	-15%	-2%	-1%	10%	2%	-3%	12%
VETERINARY CENTERS	*	9%	15%	-16%	0%	-5%	-11%	2%	6%	*	*	*
V-MARK SOFTWARE	-3%	16%	18%	3%	0%	-5%	-5%	6%	12%	-5%	-32%	7%
WONDERWARE	*	*	*	*	*	-9%	16%	15%	25%	14%	10%	10%
ZEBRA TECHNOLOGIES	-13%	-2%	-20%	-33%	12%	12%	8%	9%	-11%	*	*	*
SPECIAL SITUATIONS	7%	3%	4%	-12%	0%	-3%	0%	7%	5%	6%	-3%	1%
DOW JONES INDUSTRIALS	4%	-1%	-3%	-3%	3%	0%	0%	0%	2%	2%	-5%	3%
NASDAQ NMS COMPOSITE	5%	-1%	-1%	-10%	1%	1%	-1%	3%	2%	1%	-3%	-2%
FOR THE YEAR:	SPECIAL SITUATIONS:			16.83%	CUMULATIVE GROWTH OF \$1.00:			SPECIAL SITUATIONS:			\$8.29	
	DOW JONES INDUSTRIALS:			1.47%	(since March, 1986)			DOW JONES INDUSTRIALS:			\$2.23	
	NASDAQ NMS COMPOSITE:			-2.99%				NASDAQ NMS COMPOSITE:			\$2.09	

1993 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN BUS. INFO.	-20%	5%	-12%	-6%	6%	-2%	-10%	2%	17%	4%	-1%	3%
APPLIANCE RECYCLING	*	5%	1%	-24%	*	*	*	*	*	*	*	*
BROCK CONTROL SYSTEMS	*	*	*	*	*	*	11%	12%	36%	8%	-17%	19%
BROOKTROUT TECHNOLOGY	*	*	-30%	3%	3%	15%	*	*	*	*	*	*
CITATION COMPUTER	*	*	*	-10%	2%	-7%	-27%	7%	-3%	*	*	*
COGNEX	30%	-11%	10%	-2%	23%	6%	6%	0%	9%	-5%	-14%	-7%
DATA RESEARCH	14%	-1%	1%	-4%	-6%	2%	16%	12%	-7%	5%	-20%	-4%
GMIS	9%	-15%	9%	-1%	1%	1%	-4%	-1%	13%	-26%	3%	3%
i-STAT	7%	-3%	-35%	-11%	24%	-5%	*	*	*	*	*	*
INPUT/OUTPUT	-4%	27%	25%	-5%	16%	-6%	-10%	19%	28%	-11%	-2%	*
INTEGRATED SYSTEMS	-17%	*	*	*	*	*	*	*	*	*	*	*
KRONOS	-6%	-10%	12%	-21%	10%	-5%	8%	3%	7%	-3%	-10%	9%
LEASING SOLUTIONS	*	*	*	*	*	*	*	*	*	0%	59%	-20%
MEDAR	2%	-9%	-12%	-5%	0%	29%	11%	12%	19%	-10%	6%	14%
MICRO HEALTHSYSTEMS	-7%	-2%	0%	-20%	8%	*	*	*	*	*	*	*
MICRO TOUCH SYSTEMS	18%	-31%	21%	-12%	-8%	13%	*	*	*	*	*	*
MODERN CONTROLS	24%	-5%	-4%	*	*	*	*	*	*	*	*	*
NETWORK COMPUTING	4%	12%	-24%	-20%	8%	-7%	-30%	11%	-10%	18%	-9%	-5%
ON ASSIGNMENT	*	*	*	*	*	*	*	*	*	*	*	0%
QUANTUM HEALTH	5%	-17%	-6%	6%	0%	-8%	26%	7%	-6%	12%	6%	1%
RAINBOW TECHNOLOGIES	-9%	-4%	8%	4%	11%	18%	-6%	10%	-12%	-13%	0%	-14%
RECOVERY ENGINEERING	*	*	*	*	*	*	*	*	*	*	0%	-6%
SCANDINAVIAN BROADCASTING	*	*	*	*	*	*	*	*	22%	8%	-1%	10%
SEITEL	16%	-8%	-5%	-37%	23%	27%	*	*	*	*	*	*
SPECIAL DEVICES	11%	5%	2%	-5%	5%	-5%	-12%	8%	-38%	13%	-6%	24%
SYMIX SYSTEMS	-27%	*	*	*	*	*	*	*	*	*	*	*
SYNTRO	0%	-15%	-3%	9%	-16%	3%	-16%	0%	4%	4%	-3%	*
TAPISTRON	*	*	*	*	*	*	*	0%	-12%	-8%	-8%	0%
TRO LEARNING	*	*	*	*	3%	6%	-5%	-6%	18%	-8%	11%	-20%
VERDIX	-15%	-6%	-13%	*	*	*	*	*	*	*	*	*
VERIFONE	14%	-8%	9%	2%	13%	-3%	-6%	6%	5%	-36%	*	*
V-MARK SOFTWARE	*	*	*	*	*	-5%	25%	28%	-3%	6%	-12%	1%
ZEBRA TECHNOLOGIES	9%	-17%	8%	34%	21%	9%	-14%	13%	16%	15%	0%	9%

SPECIAL SITUATIONS	3%	-5%	-2%	-6%	7%	4%	-2%	8%	5%	-1%	-1%	1%
DOW JONES INDUSTRIALS	-2%	2%	5%	-1%	3%	-1%	1%	3%	-2%	3%	0%	2%
NASDAQ NMS COMPOSITE	6%	-5%	3%	-3%	6%	-1%	2%	4%	4%	2%	-3%	1%

FOR THE YEAR:

SPECIAL SITUATIONS: 14.20%
DOW JONES INDUSTRIALS: 13.25%
NASDAQ NMS COMPOSITE: 13.95%

CUMULATIVE GROWTH OF \$1.00:
(since March, 1986)

SPECIAL SITUATIONS: \$7.10
DOW JONES INDUSTRIALS: \$2.20
NASDAQ NMS COMPOSITE: \$2.16

1992 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN BUS. INFO.	*	*	*	*	*	*	22%	1%	-13%	15%	9%	17%
AURA SYSTEMS	18%	-9%	-26%	4%	-22%	*	*	*	*	*	*	*
COGNEX	8%	8%	-21%	-30%	-15%	-10%	-9%	2%	36%	-10%	30%	-1%
DATA RESEARCH	*	*	*	*	*	*	*	7%	-3%	0%	35%	2%
GMIS	*	-6%	-24%	-1%	-4%	-7%	19%	-9%	7%	13%	17%	13%
GROUP 1 SOFTWARE	18%	22%	-14%	-17%	-11%	11%	6%	-9%	0%	-5%	*	*
i-STAT	*	*	*	*	*	*	*	*	-10%	34%	-10%	20%
INPUT/OUTPUT	27%	19%	-12%	-3%	6%	-2%	-5%	-11%	7%	-16%	-11%	6%
INTEGRATED SYSTEMS	14%	0%	0%	-14%	0%	-24%	-6%	-7%	-18%	4%	13%	6%
INTEGRATED WASTE	28%	-5%	-18%	*	*	*	*	*	*	*	*	*
KNOWLEDGWARE	32%	*	*	*	*	*	*	*	*	*	*	*
KRONOS	*	*	*	*	*	*	*	*	*	23%	8%	-9%
LANDMARK GRAPHICS	-11%	-11%	-32%	1%	-9%	-4%	-5%	*	*	*	*	*
LIFELINE SYSTEMS	7%	-12%	-56%	*	*	*	*	*	*	*	*	*
MEDAR	*	*	*	*	*	11%	-3%	-2%	-8%	4%	-9%	6%
MICRO HEALTHSYSTEMS	-9%	8%	0%	-8%	14%	7%	-11%	6%	5%	-1%	-7%	2%
MICRO TOUCH SYSTEMS	*	*	*	*	*	*	*	*	*	*	*	-2%
MODERN CONTROLS	8%	-20%	-7%	-4%	4%	-4%	*	*	*	*	29%	-6%
NYTEST ENVIRONMENTAL	*	*	*	5%	5%	-4%	-14%	*	*	*	*	*
QUANTUM HEALTH	8%	-2%	-6%	-17%	4%	1%	20%	-3%	-16%	10%	11%	-3%
RAINBOW TECHNOLOGIES	16%	5%	-24%	-21%	-8%	-18%	43%	-14%	9%	31%	-6%	-7%
SEITEL	8%	-8%	-31%	-7%	-1%	-20%	12%	12%	13%	3%	15%	13%
SPECIAL DEVICES	-5%	29%	2%	-15%	2%	-41%	-12%	14%	0%	9%	-14%	16%
STRUCTURAL DYNAMICS	-17%	-1%	-19%	-8%	-10%	-5%	3%	-12%	-30%	19%	5%	1%
SYMIX SYSTEMS	20%	-3%	2%	-6%	25%	-8%	4%	0%	-4%	29%	6%	-15%
SYNTRO	*	*	-21%	-12%	-5%	-20%	18%	-9%	3%	16%	6%	8%
ULTRA PAC	41%	-7%	-11%	-23%	5%	0%	4%	-5%	-8%	10%	-9%	*
VERDIX	*	*	*	*	9%	-9%	-6%	13%	-12%	10%	12%	8%
VERIFONE	18%	7%	-12%	-7%	0%	-6%	6%	-16%	16%	-15%	20%	0%
VIVIGEN	3%	*	*	*	*	*	*	*	*	*	*	*
ZEBRA TECHNOLOGIES	*	*	*	*	*	*	*	*	*	*	11%	10%

SPECIAL SITUATIONS	3%	0%	-8%	-5%	0%	-4%	4%	-2%	-1%	9%	7%	4%
DOW JONES INDUSTRIALS	1%	1%	-1%	3%	2%	-3%	3%	-4%	-1%	-1%	2%	1%
NASDAQ NMS COMPOSITE	4%	2%	-7%	-2%	1%	-7%	6%	-3%	2%	5%	7%	2%

(Cash Position: 75%, January; 50%, February - June; 0%, July - December)

FOR THE YEAR:	SPECIAL SITUATIONS: 5.65%	CUMULATIVE GROWTH OF \$1.00:	SPECIAL SITUATIONS: \$6.22
	DOW JONES INDUSTRIALS: 3.50%	(since March, 1986)	DOW JONES INDUSTRIALS: \$1.94
	NASDAQ NMS COMPOSITE: 11.79%		NASDAQ NMS COMPOSITE: \$1.89

1991 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

(Through January 3rd)

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
ALIAS RESEARCH	*	*	17%	-3%	0%	-11%	-13%	11%	-62%	*	*	*
AURA SYSTEMS	*	*	*	38%	-13%	0%	-2%	18%	-11%	13%	10%	-3%
CHIEFTAIN INTERNATIONAL	-24%	*	*	*	*	*	*	*	*	*	*	*
COGNEX	18%	14%	20%	0%	0%	5%	6%	16%	3%	2%	-30%	16%
CONSILIUM	-14%	7%	*	*	*	*	*	*	*	*	*	*
CONVEX COMPUTER	24%	38%	-11%	2%	-2%	-4%	-4%	-29%	2%	7%	*	*
CYPRESS SEMICONDUCTOR	58%	*	*	*	*	*	*	*	*	*	*	*
DIAGNOSTIC PRODUCTS	11%	17%	-10%	14%	0%	-5%	-4%	13%	5%	0%	9%	-7%
GROUP 1 SOFTWARE	5%	58%	49%	-10%	1%	-15%	0%	9%	8%	-5%	-24%	-8%
HEALTHSOUTH REHABILITATION	23%	3%	23%	-7%	0%	-14%	21%	1%	4%	4%	10%	31%
INPUT/OUTPUT	*	*	*	*	*	*	*	*	*	28%	-6%	-6%
INTEGRATED SYSTEMS	-13%	18%	16%	-6%	7%	0%	-11%	0%	7%	3%	-33%	5%
INTEGRATED WASTE	*	*	*	*	*	*	*	-15%	4%	-3%	1%	-4%
INTERTRANS	1%	*	*	*	*	*	*	*	*	*	*	*
KNOWLEDGWARE	19%	33%	21%	-2%	-24%	-15%	-3%	14%	-32%	-42%	14%	23%
LANDMARK GRAPHICS	20%	16%	21%	-4%	-8%	-1%	11%	-1%	-8%	0%	0%	11%
LIFELINE SYSTEMS	30%	8%	-3%	1%	30%	-8%	14%	-26%	4%	-15%	0%	22%
MICRO HEALTHSYSTEMS	38%	21%	60%	-25%	9%	-3%	-7%	-4%	-15%	32%	-12%	2%
MODERN CONTROLS	-3%	27%	1%	-1%	12%	5%	15%	-1%	-4%	4%	15%	2%
PICTURETEL	31%	47%	20%	-16%	18%	-2%	26%	4%	7%	16%	-4%	28%
PREFERRED HEALTHCARE	7%	43%	18%	-4%	7%	-10%	*	*	*	*	*	*
QUANTUM HEALTH	*	*	*	*	*	*	*	*	*	*	*	14%
RAINBOW TECHNOLOGIES	42%	-9%	3%	41%	-7%	-4%	23%	-7%	35%	10%	7%	31%
SEITEL	9%	21%	11%	-2%	-1%	-5%	3%	2%	-5%	-1%	-9%	-7%
SIERRA ON-LINE	-17%	56%	*	*	*	*	*	*	*	*	*	*
SILICON GRAPHICS	21%	28%	0%	-6%	-15%	-9%	15%	16%	10%	-3%	10%	2%
STRUCTURAL DYNAMICS	25%	4%	26%	-7%	-7%	4%	4%	11%	13%	5%	-5%	26%
SYMIX SYSTEMS	*	*	*	*	*	0%	0%	-18%	-11%	-14%	-9%	-14%
TIMBERLINE SOFTWARE	-18%	*	*	*	*	*	*	*	*	*	*	*
ULTRA PAC	*	*	*	*	*	*	10%	6%	4%	3%	12%	18%
VERIFONE	29%	9%	8%	12%	19%	6%	0%	-12%	14%	3%	-3%	14%
VIVIGEN	*	*	27%	-9%	1%	29%	-16%	1%	-8%	-24%	-3%	2%
SPECIAL SITUATIONS	13%	23%	16%	0%	1%	-1%	2%	0%	-2%	1%	-2%	9%
DOW JONES INDUSTRIALS	3%	9%	1%	0%	0%	2%	2%	-2%	1%	0%	-4%	11%
NASDAQ NMS COMPOSITE	7%	14%	7%	2%	0%	-1%	3%	3%	2%	0%	0%	14%

(Cash Position: 0%, January - March; 50%, April - August; 75%, September - October; 100%, November - December)

FOR THE YEAR:	SPECIAL SITUATIONS:	64.39%	CUMULATIVE GROWTH OF \$1.00:	SPECIAL SITUATIONS:	\$5.89
	DOW JONES INDUSTRIALS:	23.40%	(since March, 1986)	DOW JONES INDUSTRIALS:	\$1.88
	NASDAQ NMS COMPOSITE:	61.35%		NASDAQ NMS COMPOSITE:	\$1.69

1990 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
APPLIED BIOSCIENCE INT'L	-3%	0%	-3%	-9%	22%	4%	2%	-13%	-1%	8%	*	*
BHA GROUP "B"	-10%	*	*	*	*	*	*	*	*	*	*	*
CHIEFTAIN INTERNATIONAL	*	*	*	*	11%	-2%	4%	7%	-1%	-12%	-7%	-5%
COGNEX	-7%	-8%	10%	-1%	59%	-1%	9%	-29%	5%	5%	-1%	8%
CONVEX COMPUTER	1%	-3%	13%	-4%	15%	-3%	-3%	-21%	-20%	-16%	3%	16%
CYPRESS SEMICONDUCTOR	-5%	0%	27%	8%	12%	8%	-23%	-17%	-11%	13%	5%	2%
DIAGNOSTIC PRODUCTS	-13%	0%	19%	0%	9%	-2%	8%	-18%	6%	-28%	3%	13%
GROUP 1 SOFTWARE	*	*	*	*	*	*	*	*	*	*	15%	8%
HEALTHSOUTH REHABILITATION	-12%	-1%	15%	9%	21%	0%	2%	-19%	4%	-3%	3%	14%
HURCO	-9%	-7%	*	*	*	*	*	*	*	*	*	*
INTEGRATED SYSTEMS	*	*	*	0%	8%	6%	-7%	-24%	1%	-1%	5%	27%
INTELLICORP	*	*	0%	7%	14%	-4%	-28%	-23%	-10%	*	*	*
INTERTRANS	-18%	-1%	-1%	-12%	13%	4%	0%	-19%	7%	0%	2%	0%
KNOWLEDGWARE	10%	4%	-4%	-3%	23%	2%	0%	-33%	-5%	6%	17%	8%
LANDMARK GRAPHICS	*	5%	13%	-23%	9%	-5%	-3%	-10%	18%	-10%	-9%	-6%
LIFELINE SYSTEMS	*	*	*	*	*	*	*	*	*	26%	18%	20%
MEDICINE SHOPPE INT'L	-7%	0%	11%	17%	-15%	*	*	*	*	*	*	*
MEDSTAT SYSTEMS	-12%	2%	11%	*	*	*	*	*	*	*	*	*
MENTOR GRAPHICS	9%	-7%	10%	5%	19%	-2%	-30%	*	*	*	*	*
MICRO HEALTHSYSTEMS	-8%	13%	6%	13%	16%	-2%	41%	-28%	9%	14%	10%	8%
MODERN CONTROLS	-14%	8%	20%	-8%	12%	4%	5%	-15%	0%	19%	-3%	17%
N.E. CRITICAL CARE	-6%	14%	5%	2%	13%	1%	6%	-23%	-10%	-7%	22%	5%
PICTURETEL	*	*	*	*	*	*	*	*	*	*	*	5%
PREFERRED HEALTHCARE	*	*	*	*	*	*	*	-19%	8%	-2%	8%	26%
RAINBOW TECHNOLOGIES	9%	-4%	19%	-6%	22%	20%	-5%	-24%	-15%	-12%	-2%	-4%
SEITEL	0%	19%	29%	-10%	16%	5%	19%	-21%	-2%	-3%	-8%	-9%
SIERRA ON-LINE	*	*	*	*	*	*	-6%	-33%	-14%	-13%	25%	37%
SILICON GRAPHICS	1%	6%	10%	-10%	12%	6%	-6%	-31%	9%	-20%	8%	13%
STRUCTURAL DYNAMICS	1%	18%	7%	5%	20%	5%	5%	-22%	-6%	3%	16%	1%
TIMBERLINE SOFTWARE	*	*	*	*	*	2%	-24%	-3%	-13%	-15%	-11%	-2%
UNO RESTAURANT	-24%	-5%	33%	-11%	8%	8%	-4%	-10%	-1%	4%	*	*
VERIFONE	*	*	*	*	*	*	*	*	-61%	10%	14%	6%
XOMA	-5%	-5%	*	*	*	*	*	*	*	*	*	*

SPECIAL SITUATIONS	-6%	2%	12%	-1%	15%	2%	-2%	-19%	-4%	-1%	6%	9%
DOW JONES INDUSTRIALS	-7%	0%	6%	-2%	7%	1%	1%	-14%	-1%	-1%	4%	3%
NASDAQ NMS COMPOSITE	-8%	-1%	4%	-4%	9%	1%	-3%	-19%	-4%	-3%	5%	6%

FOR THE YEAR:	SPECIAL SITUATIONS:			8.35%	CUMULATIVE GROWTH OF \$1.00:				SPECIAL SITUATIONS:			\$3.58
	DOW JONES INDUSTRIALS:			-5.78%	(since March, 1986)				DOW JONES INDUSTRIALS:			\$1.52
	NASDAQ NMS COMPOSITE:			-18.09%					NASDAQ NMS COMPOSITE:			\$1.05

1989 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.		
AMRE	-53%	0%	4%	10%	-5%	3%	-10%	*	*	*	*	*		
APPLIED BIOSCIENCE INTL	*	1%	10%	12%	5%	0%	1%	-3%	6%	12%	-2%	2%		
BHA GROUP "B"	*	*	*	*	*	*	*	-5%	4%	13%	-13%	-1%		
COGNEX	*	*	*	*	*	*	*	*	*	17%	-7%	27%		
CONVEX COMPUTER	5%	7%	-11%	11%	30%	-8%	4%	-5%	-4%	22%	0%	1%		
CYPRESS SEMICONDUCTOR	1%	19%	-14%	20%	13%	-12%	-4%	1%	7%	-4%	-3%	-13%		
DATA I/O	0%	18%	*	*	*	*	*	*	*	*	*	*		
DIAGNOSTIC PRODUCTS	6%	2%	-8%	5%	17%	6%	7%	-3%	28%	8%	-8%	2%		
EXCELAN	21%	12%	-6%	34%	*	*	*	*	*	*	*	*		
HEALTHSOUTH REHABILITATION	*	*	*	*	*	*	*	*	*	*	4%	-3%		
HURCO	*	*	*	*	*	*	*	*	2%	-6%	1%	-3%		
INTERTRANS	15%	-8%	4%	2%	23%	-2%	8%	5%	-6%	-6%	8%	8%		
LANDMARK GRAPHICS	*	*	*	*	*	-1%	17%	0%	-17%	*	*	*		
LIPOSOME CO.	15%	-13%	-10%	-11%	*	*	*	*	*	*	*	*		
MEDICINE SHOPPE INTL	15%	5%	-4%	9%	5%	-2%	6%	-2%	4%	5%	-1%	-1%		
MEDSTAT SYSTEMS	*	*	7%	-2%	2%	-4%	-9%	10%	13%	9%	11%	-12%		
MENTOR GRAPHICS	3%	15%	-8%	19%	9%	-9%	-5%	-3%	3%	-11%	2%	6%		
MICRO HEALTHSYSTEMS	*	*	*	*	*	*	*	*	*	*	*	8%		
MODERN CONTROLS	5%	-2%	0%	4%	7%	11%	1%	-11%	3%	0%	2%	2%		
N.E. CRITICAL CARE	9%	2%	-2%	16%	9%	-6%	4%	32%	6%	-2%	13%	-6%		
PHOENIX MEDICAL	-6%	-2%	6%	-38%	-19%	-16%	*	*	*	*	*	*		
RAINBOW TECHNOLOGIES	*	*	*	*	*	*	39%	15%	-1%	-40%	14%	-3%		
SEITEL	*	*	*	*	-6%	-10%	6%	0%	42%	-21%	-6%	16%		
SILICON GRAPHICS	-3%	6%	-15%	2%	29%	-11%	3%	14%	11%	7%	-4%	21%		
STRUCTURAL DYNAMICS	4%	10%	-6%	17%	5%	-8%	14%	4%	7%	-6%	-1%	18%		
THRIFTY RENT-A-CAR	20%	8%	-14%	7%	*	*	*	*	*	*	*	*		
UNO RESTAURANT	3%	-2%	-8%	13%	24%	10%	10%	12%	-3%	-11%	5%	0%		
VERIFONE	*	*	*	38%	73%	-7%	18%	-11%	5%	23%	-1%	*		
XOMA	4%	2%	25%	-7%	17%	-3%	1%	1%	3%	9%	-1%	5%		
SPECIAL SITUATIONS	4%	4%	-3%	8%	13%	-4%	6%	3%	6%	1%	1%	4%		
DOW JONES INDUSTRIALS	4%	4%	-4%	7%	4%	2%	3%	5%	-1%	-4%	3%	3%		
NASDAQ NMS COMPOSITE	4%	4%	-2%	6%	5%	1%	0%	4%	1%	-4%	1%	-1%		
FOR THE YEAR:	SPECIAL SITUATIONS:				50.19%	CUMULATIVE GROWTH OF \$1.00:				SPECIAL SITUATIONS:				\$3.30
	DOW JONES INDUSTRIALS:				27.99%	(since March, 1986)				DOW JONES INDUSTRIALS:				\$1.61
	NASDAQ NMS COMPOSITE:				22.09%					NASDAQ NMS COMPOSITE:				\$1.28

1988 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMRE	21%	36%	3%	1%	-5%	-10%	23%	8%	3%	-5%	-11%	14%
ASHTON-TATE	18%	7%	7%	0%	-8%	-2%	3%	*	*	*	*	*
CADNETIX	*	*	*	*	*	24%	-28%	-21%	59%	1%	-1%	*
COLOROCS	-8%	37%	-4%	-4%	5%	*	*	*	*	*	*	*
COMFED SAVINGS BANK	10%	2%	-4%	*	*	*	*	*	*	*	*	*
CONVEX COMPUTER	8%	-11%	2%	-2%	7%	13%	-17%	4%	8%	16%	-5%	13%
CYPRESS SEMICONDUCTOR	*	*	*	*	*	13%	-1%	-7%	-9%	7%	-22%	26%
CYTOGEN	62%	-13%	15%	-13%	2%	0%	0%	-20%	-8%	-5%	-31%	*
DATA I/O	*	*	*	*	*	*	*	*	6%	-1%	-7%	1%
DIAGNOSTIC PRODUCTS	21%	10%	14%	3%	3%	7%	5%	-8%	-2%	5%	-5%	1%
EXCELAN	*	*	*	*	*	*	*	-6%	-4%	4%	-14%	11%
GOTAAS-LARSON SHIPPING	7%	9%	18%	5%	7%	9%	-3%	11%	19%	*	*	*
HHB SYSTEMS	*	11%	3%	0%	-6%	74%	-30%	-18%	59%	-3%	18%	*
HOVNANIAN ENTERPRISES	28%	14%	-9%	*	*	*	*	*	*	*	*	*
LIPOSOME CO.	41%	-13%	7%	-3%	0%	-7%	0%	0%	-8%	4%	-40%	33%
MEDICINE SHOPPE INT'L	7%	10%	19%	-3%	-11%	11%	0%	-8%	9%	2%	-20%	5%
MENTOR GRAPHICS	*	*	*	*	*	*	*	*	*	*	-7%	10%
MODERN CONTROLS	*	*	*	*	*	*	12%	-1%	-2%	6%	11%	2%
MSI DATA	18%	11%	16%	-6%	-13%	7%	-29%	-13%	150%	-1%	*	*
N.E. CRITICAL CARE	-15%	24%	5%	-9%	5%	12%	3%	-4%	-9%	6%	-11%	14%
PACER	-7%	2%	4%	16%	-5%	9%	*	*	*	*	*	*
PATTEN	11%	3%	25%	-4%	-10%	2%	-7%	-15%	3%	0%	-14%	-10%
PHOENIX MEDICAL	*	*	*	*	*	*	*	*	*	15%	-1%	6%
SCIENTIFIC LEASING	61%	1%	*	*	*	*	*	*	*	*	*	*
SILICON GRAPHICS	-10%	-6%	8%	14%	14%	7%	-28%	-11%	17%	0%	-9%	15%
STRUCTURAL DYNAMICS	*	*	*	*	*	*	*	*	*	*	*	9%
THRIFTY RENT-A-CAR	*	*	18%	-11%	6%	14%	20%	-3%	-4%	11%	-8%	16%
UNO RESTAURANT	10%	-7%	-7%	0%	6%	-1%	4%	-10%	14%	12%	-4%	13%
XOMA	17%	-6%	-3%	-6%	-7%	18%	15%	4%	2%	-4%	-11%	8%
X-RITE	3%	21%	13%	-1%	7%	34%	-7%	-29%	11%	-11%	-3%	*
S & P 500 Futures Hedge	*	*	*	0%	4%	*	*	*	*	*	*	*
SPECIAL SITUATIONS	15%	7%	7%	-1%	2%	12%	-3%	-7%	15%	3%	-9%	10%
DOW JONES INDUSTRIALS	0%	7%	-3%	0%	-3%	10%	-1%	-3%	5%	1%	-5%	4%
NASDAQ NMS COMPOSITE	5%	6%	0%	0%	-1%	9%	-1%	-4%	3%	1%	-5%	3%
FOR THE YEAR:	SPECIAL SITUATIONS:			60.69%	CUMULATIVE GROWTH OF \$1.00:			SPECIAL SITUATIONS:			\$2.20	
	DOW JONES INDUSTRIALS:			10.93%	(since March, 1986)			DOW JONES INDUSTRIALS:			\$1.26	
	NASDAQ NMS COMPOSITE:			13.99%				NASDAQ NMS COMPOSITE:			\$1.05	

1987 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
ASHTON-TATE	24%	-5%	-9%	5%	4%	-3%	-6%	2%	0%	-25%	3%	9%
BRIDGE COMMUNICATION	*	*	-7%	17%	-7%	2%	4%	6%	*	*	*	*
CADNETIX	43%	8%	28%	-6%	18%	-9%	-16%	10%	0%	0%	0%	*
COLOROCS	*	*	*	0%	18%	0%	15%	2%	-2%	-30%	-26%	19%
COMFED SAVINGS BANK	18%	9%	22%	-18%	-28%	8%	-12%	3%	-21%	-37%	-6%	0%
CONVEX COMPUTER	*	*	*	*	*	*	*	*	*	*	*	9%
CYTOGEN	36%	-3%	15%	-15%	-4%	12%	17%	-4%	-10%	-30%	-20%	-2%
DIAGNOSTIC PRODUCTS	12%	4%	22%	-9%	9%	6%	-6%	-3%	0%	0%	0%	-1%
GOTAAS-LARSON SHIPPIN	3%	0%	2%	-2%	9%	8%	1%	-2%	-3%	-24%	-5%	-3%
HOVNANIAN ENTERPRISE	*	*	*	*	-4%	-7%	16%	6%	-21%	-24%	-11%	-19%
LIPOSOME CO.	*	12%	33%	-12%	-13%	-4%	-9%	-2%	8%	-50%	-12%	-4%
MEDICINE SHOPPE INT'L	11%	6%	1%	3%	-10%	8%	-1%	-3%	9%	-22%	-1%	0%
MSI DATA	*	*	*	*	*	*	*	*	13%	-33%	-1%	13%
NETWORK SYSTEMS	6%	0%	-7%	-17%	-27%	*	*	*	*	*	*	*
N.E. CRITICAL CARE	*	*	*	*	*	*	-1%	18%	0%	0%	0%	32%
PACER	*	*	*	*	*	*	*	*	*	-29%	0%	9%
PATTEN	-7%	10%	35%	-1%	-30%	8%	-6%	-11%	-12%	-41%	-14%	-8%
SCIENTIFIC LEASING	*	*	*	1%	-16%	26%	-3%	-13%	-2%	-23%	21%	-11%
SILICON GRAPHICS	*	*	*	*	*	-7%	-14%	8%	0%	0%	0%	16%
UNO RESTAURANT	*	*	*	*	*	*	*	*	*	*	*	23%
WORLDS OF WONDER	13%	0%	1%	*	*	*	*	*	*	*	*	*
X-RITE	6%	-8%	0%	-6%	18%	0%	9%	14%	9%	-18%	-2%	3%
XOMA	*	*	*	*	*	*	*	17%	-13%	-52%	16%	-5%
SPECIAL SITUATIONS	15%	3%	10%	-4%	-4%	3%	-1%	3%	-3%	-24%	-3%	4%
DOW JONES INDUSTRIALS	9%	2%	2%	-2%	3%	7%	5%	4%	-4%	-22%	-7%	5%
NASDAQ NMS COMPOSITE	3%	7%	1%	-4%	1%	3%	1%	5%	-1%	-26%	-8%	9%

(Cash Position: 0%, January - July; 100%, August - October; 50%, November; 0%, December)

FOR THE YEAR:	SPECIAL SITUATIONS: -6.35%	CUMULATIVE GROWTH OF \$1.00:	SPECIAL SITUATIONS:	\$1.37
	DOW JONES INDUSTRIALS: -3.49%	(since March, 1986)	DOW JONES INDUSTRIALS:	\$1.14
	NASDAQ NMS COMPOSITE: -13.33%		NASDAQ NMS COMPOSITE:	\$0.92

1986 FRC SPECIAL SITUATIONS LETTER MODEL PORTFOLIO PERFORMANCE

Security Name	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
AMERICAN INTEGRITY	*	*	6%	11%	-10%	-7%	-16%	-3%	-13%	*	*	*
ASHTON-TATE	*	*	7%	31%	6%	-7%	-16%	25%	5%	23%	14%	-1%
AST RESEARCH	*	*	2%	11%	-21%	*	*	*	*	*	*	*
CADNETIX	*	*	*	*	*	*	*	*	*	-2%	27%	7%
COMFED SAVINGS BANK	*	*	*	*	*	*	*	13%	-9%	3%	-2%	-3%
CYTOGEN	*	*	*	*	*	*	*	*	-3%	-3%	0%	-10%
DIAGNOSTIC PRODUCTS	*	*	*	*	*	*	*	*	*	*	-3%	14%
GOTAAS-LARSON SHIPPING	*	*	*	*	17%	0%	-5%	-5%	-5%	10%	-15%	9%
MEDICINE SHOPPE INT'L	*	*	*	*	*	9%	-3%	2%	-2%	-8%	2%	5%
PATTEN	*	*	*	39%	-10%	26%	2%	4%	-9%	24%	8%	2%
WORLDS OF WONDER	*	*	*	*	*	*	-10%	30%	-11%	17%	-3%	-21%
X-RITE	*	*	*	*	*	*	*	*	*	*	*	11%
SPECIAL SITUATIONS	*	*	5%	23%	-4%	4%	-8%	9%	-6%	8%	3%	1%
DOW JONES INDUSTRIALS	*	*	2%	3%	4%	0%	-5%	7%	-6%	6%	1%	5%
NASDAQ NMS COMPOSITE	*	*	1%	4%	4%	-1%	-8%	1%	-5%	3%	-1%	8%
FOR THE YEAR:	SPECIAL SITUATIONS: 46.16%				CUMULATIVE GROWTH OF \$1.00:				SPECIAL SITUATIONS: \$1.46			
	DOW JONES INDUSTRIALS: 17.97%				(since March, 1986)				DOW JONES INDUSTRIALS: \$1.18			
	NASDAQ NMS COMPOSITE: 6.45%								NASDAQ NMS COMPOSITE: \$1.06			