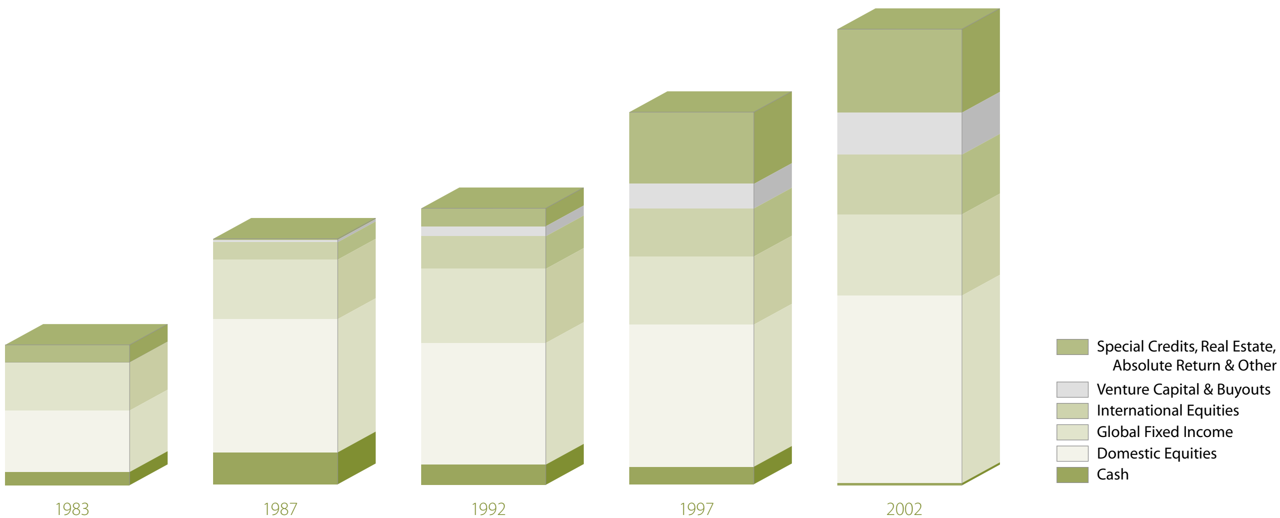
The Trust’s financial performance >

When the Trust started in 1982, the assets establishing the Trust were valued at approximately $120 million. During the next two decades the Trust had investment returns of $678 million. After expending $328 million for grants and expenses, the Trust had assets of $475.2 million at the close of its 20th fiscal year on March 31, 2002. Trust investment returns have averaged 13.4% a year over this period compared to an annualized inflation rate of 3.2%. Thus, the Trust has earned returns that have exceeded inflation on average by more than 10% per annum during its existence. The Trust's long-term performance has ranked in the top quartile in the Independent Consultants Cooperative Universe.

This investment performance is due to several factors: close attention by trustees and staff, asset allocation, selecting good investment managers, monitoring their results carefully—and having liquid assets to invest at the beginning of a long bull market. Before any investment managers were hired, the trustees engaged Cambridge Associates to advise them. During the first year, the trustees also hired R.V. Kuhns to regularly measure the performance of the Trust's managers.

Initially, the Trust hired three U.S. equity managers, one fixed income manager, and one balanced fund manager that invested in both U.S. equities and fixed income. The assets were allocated in the following manner: 43.8% U.S. equities,

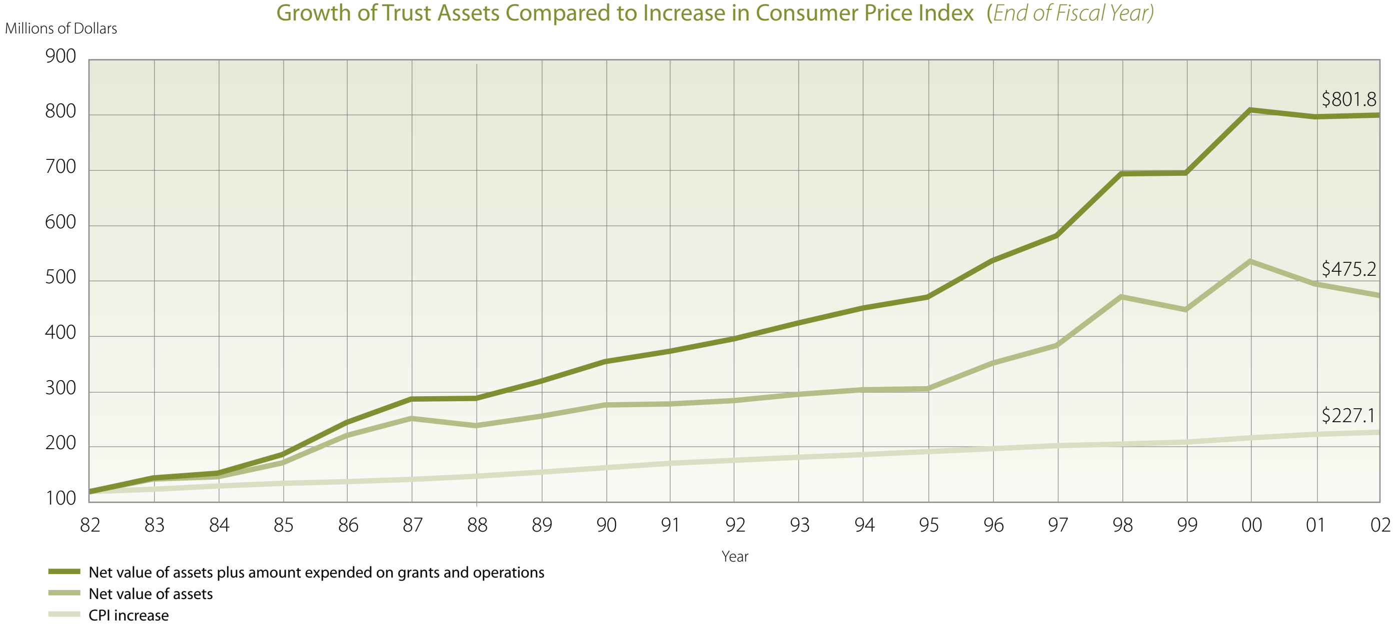
Trust Asset Allocation Comparative Changes



34.3% fixed income, 12.5% other, and 9.4% cash equivalents, with the latter managed by the Trust's treasurer. During the next several years, the Trust increasingly diversified its asset allocation. The first change was to place funds with an international equity manager. Next came investments in venture capital and real estate limited partnerships. By the tenth year, the allocation was: U.S. equities, 44.0%; international equities, 11.8%; global fixed income, 26.8%; special credits, real estate, absolute return and other, 6.5%; and venture capital and buyouts, 3.6%, with the remainder in cash equivalents.

During its second decade, the Trust continued to add managers and diversify, adding investments in special credits, hedge funds, leveraged buyouts, and international emerging markets. At the end of the 20th year, the percentage allocation of the $475.2 million portfolio was: U.S. equities, 41.1%; international equities (developed and emerging), 13.1%; fixed income, 17.6%; and alternative investments, 27.3%. The latter category included: hedge funds, 10.2%; venture capital, 5.3%; real estate, 4.4%; buyouts, 3.9%; and special credits, 3.5%.

Growth of Trust Assets Compared to Increase in Consumer Price Index (*End of Fiscal Year*)



The Trust now has relationships with 21 investment firms; 10 of these are active managers of equity and fixed income portfolios, and 11 firms manage limited partnerships. With some of these firms, the Trust is invested in multiple partnerships. In 2000 the Trust hired CTC Consulting to replace Cambridge Associates as an investment consultant. Another change in recent years was to reduce the bias toward value equities and establish a more balanced overall equity style. The Trust has maintained long-term relationships with most of its management; on average the Trust has replaced a manager only every other year during the first two decades.

During the headiest days of the "new economy" the Trust began questioning the wisdom of its broad investment diversification, which was lagging the spectacular performance of growth—especially technology—stocks. Since mid-1999, however, the efficacy of a diversified portfolio has become apparent again, as the Trust's assets have not fallen nearly as much as the broader markets. For the most recent three-year period ended March 2002, the Trust's returns compounded at 7.9% per year compared to the S & P 500 losing 2.5% and the NASDAQ index losing 9.2%.

During the last fiscal year, the Trust had a positive return of 1.3%, while the S & P 500 registered a gain of 0.25% and the NASDAQ was up 0.28%. The best performing sector of the Trust portfolio was small cap equities, led by T. Rowe Price Small Cap Value with a gain of 39.0%, followed by Kalmar with 19.0%, and Lee Munder with 16.3%. Hedge funds also had good returns, with Perry Partners European up 15.0% and Adamas Partners up almost 11.7%.

The Trust typically holds an annual investment roundtable conference attended by all of the investment managers to discuss current market conditions and future strategy. Because of the uncertainties of travel and the volatility of financial markets shortly after September 11, the 2001 meeting was canceled, but the roundtable will resume in 2002.

The Meyer Memorial Trust is intended to operate in perpetuity, and this influences the Trust's spending and investment policies. In order to provide as much benefit to the community for the longest possible time, the Trust maintains a grant spending level that qualifies for the lowest federal excise tax and allows the Trust a strong probability of exceeding the rate of inflation. Fortunately, in most of the first 20 years, this approach also resulted in significant real growth of the Trust's assets, which means the Trust is able to provide even greater benefits over the long run.