

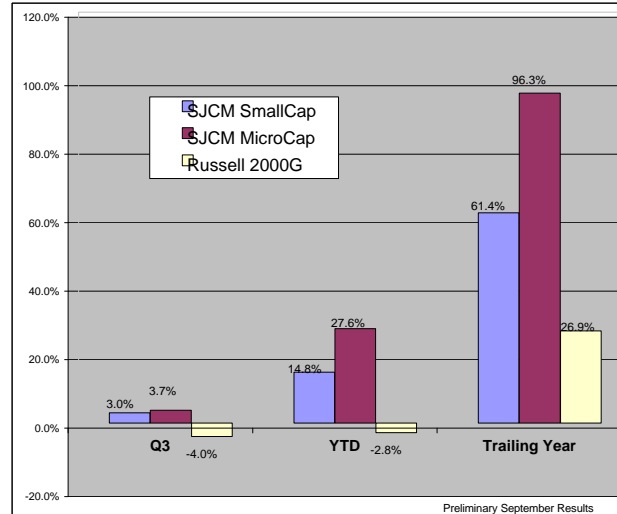
Sterling Johnston Capital Management, Inc.

Summer Recap September 2000

STERLING JOHNSTON FUNDS \$35 MILLION ERISA ACCOUNT

Sterling Johnston Capital Management, Inc., an SEC-registered investment adviser, specializes in micro and small capitalization growth equity management for institutional clients. As of quarter-end, the firm had \$235 million in assets under management and a staff of seven investment professionals.

	Q3	YTD	Trailing Year
SJCM SmallCap (gross)	2.99%	14.83%	61.39%
SJCM MicroCap (gross)	3.73%	27.55%	96.32%
Sterling LP (net)	5.22%	23.49%	66.72%
Russell 2000G:	-3.97%	-2.80%	29.67%
Russell 2000:	1.11%	4.18%	23.39%
S & P 500:	-1.24%	-2.23%	11.98%



Sterling Johnston Summer Performance Update

Sterling Johnston's Newest Account Funds at \$35 mm

Sterling Johnston Capital Management, Inc. was pleased to accept full funding of 35 million dollars from its newest corporate pension plan account. The allocation is part of the firm's Small Cap Emerging Growth Equity product, representing the product's fifth tax - exempt institutional account. This latest account pushed the firm's assets under management well over \$200 million dollars and has already improved the firm's marketing efforts. At present, the firm is a finalist in two major corporate searches that represent \$110 million in potential assets.

Assets Under Management - 9/30/00

Small Cap Emerging Growth Assets:	\$165 million
Micro Cap Aggressive Growth Assets:	\$ 15 million
Sterling Equity Partners, LP Assets:	\$ 55 million
Total	\$235 million

Sterling's Investment Products

Sterling Johnston Capital Management offers three different products for institutional investors. The Small Capitalization Emerging Growth Equity product is the firm's premier investment vehicle for institutional investors, concentrating on identifying under-covered small capitalization stocks on the verge of explosive earnings growth. The firm's Micro Capitalization Aggressive Growth Equity product focuses on similar stocks with micro market capitalizations. Sterling Equity Partners LP, and Sterling Offshore Partners, Ltd. are conservative Jones model hedge funds that use a combination of micro cap longs and small cap shorts to produce superior risk-adjusted returns.

Riding Out a Volatile Summer

The summer of 2000 has been a difficult time to make money in U.S. equities markets. However, by avoiding the trap of market timing and by relying on the firm's trademark stock - picking expertise, Sterling Johnston managed to minimize risk and asset losses during the fickle summer months. The firm's reliance on picking the best stocks produced returns that beat the benchmark Russell 2000 Growth index during June's jump, July's dive, August's ascent, and September's slide.

Sterling's faith in sectors with high relative strength combined with a strict adherence to the firm's buy criteria, and economic outlook allowed the firm to consistently outperform the market during this difficult period. Year-to-date, even the firm's most conservative product, Small Cap Emerging Growth, has outperformed the Russell 2000 Growth by more than 16%.

Asset Allocation

Economic Sector:	3/31/00	6/30/00	9/30/00
Energy	23.3%	23.9%	23.8%
Capital Goods & Services	6.9%	0.7%	2.3%
Technology	44.1%	43.2%	30.8%
Consumer Goods & Serv.	2.2%	3.5%	6.9%
Healthcare	15.7%	20.5%	24.9%
Transportation	2.4%	1.7%	0.7%
Financials	0.0%	0.0%	3.1%
Cash Equivalents	5.4%	6.5%	7.5%
Total	100.0%	100.0%	100.0%

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