

The Depository Trust Company
IMPORTANT

B#: 1357
DATE: January 26, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Firststar Family Of Funds
CUSIP# VARIOUS
2000 Tax Information

The attached correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Attachment

Important 2000 Tax Information - Retain for Your Records

Firststar Family of Funds

Tax Exempt Funds

Regular monthly dividends are generally exempt from Federal income tax, as well as certain State and City taxes. The total amount of tax exempt dividends paid in 2000 can be found on your December year end statement.

U.S. Government Interest Information

During 2000, you received monthly dividends from net income. A portion of these dividends may be "Exempt Interest Dividends" (dividends which are exempt from certain state and local income taxes) because they were derived from certain federal securities.

Firststar Aggregate Bond Fund (1)	31.14%
Firststar Aggregate Bond Fund (2)	36.38%
Firststar Balanced Growth Fund (3)	8.85%
Firststar Balanced Growth Fund (4)	29.37%
Firststar Balanced Income Fund (5)	53.52%
Firststar Balanced Income Fund (6)	45.63%
Firststar Bond IMMDEX Fund	26.68%
Firststar Intermediate Bond Fund (7)	31.79%
Firststar Intermediate Bond Fund (8)	10.54%
Firststar Short-Term Bond Fund	24.07%
Firststar U.S. Government Money Market Fund	50.50%
Firststar U.S. Government Securities Fund (9)	8.17%
Firststar U.S. Government Securities Fund (10)	40.14%
Firststar U.S. Treasury Money Market Fund (11)	93.14%
Firststar U.S. Treasury Money Market Fund (12)	72.71%
Firststar U.S. Treasury Money Market Fund (13)	94.06%

As tax laws of each state vary with respect to the treatment of these dividends, you will want to check with your personal tax advisor regarding deductibility.

- (1) Use this amount if you held Mercantile Government/Corporate Bond Fund prior to the merger.
- (2) Use this amount if you held Mercantile Bond Index Fund prior to the merger.
- (3) Use this amount if you held Firststar Balanced Growth Fund prior to the merger.
- (4) Use this amount if you held Mercantile Balanced Fund prior to the merger.
- (5) Use this amount if you held Firststar Balanced Income Fund prior to the merger.
- (6) Use this amount if you held Stellar Fund prior to the merger.
- (7) Use this amount if you held Firststar Intermediate Bond Market Fund prior to the merger.
- (8) Use this amount if you held Mercantile Intermediate Corporate Bond Fund prior to the merger.
- (9) Use this amount if you held Mercantile U.S. Government Securities Fund prior to the merger.
- (10) Use this amount if you held Stellar U.S. Government Income Fund prior to the merger.
- (11) Use this amount if you held Firststar U.S. Treasury Money Market Fund prior to the merger.
- (12) Use this amount if you held Stellar U.S. Treasury Money Market Fund prior to the merger.
- (13) Use this amount if you held Mercantile U.S. Treasury Money Market Fund prior to the merger.

Firststar Strategic Income Fund

During 2000, the Firststar Strategic Income Fund paid distributions in excess of its net investment income. The excess distribution is not taxable income to shareholders, but rather a reduction of the cost basis in your investment in this Fund. 5.91% of the dividends received during 2000 are to be treated as an excess distribution and not as taxable income.

Firststar National Municipal Bond Fund

During 2000, you received monthly dividends from net income. 3.25% of these dividends are to be treated as "taxable" income due to the fact it was derived from securities which are not exempt from federal taxes. This amount is reported in **Box 1** on the enclosed Form 1099-DIV.

As tax laws of each state vary with respect to the treatment of these dividends, you will want to check with your personal tax advisor regarding deductibility.

Important Tax Information Regarding Firststar Municipal Bond Funds 2000 Income By State

The following chart provides information to assist you in determining the source of interest income earned by each Portfolio on a state-by-state basis. Of course, the tax treatment of income paid by the portfolios depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend that you consult your tax advisor.

Note: For additional help in completing your state and local tax returns, please refer to your Firststar Family of Funds 2000 year end statements that shows the non-taxable portion of your income.

State	Firststar National Municipal Bond Fund		Firststar Missouri Tax-Exempt Bond Fund	Firststar Ohio Tax-Exempt Money Market Fund
	(a)	(b)		
Alabama	0.30%	3.98%		
Alaska	0.76%	4.37%		
Arizona				0.01%
Arkansas				
California	6.28%	0.24%		
Colorado	4.87%	1.38%		
Connecticut	4.42%	0.21%		
Delaware				
Dist of Columbia	1.52%	1.00%		
Florida	7.31%	2.26%		
Georgia				
Hawaii	4.49%	0.60%		
Idaho				
Illinois	13.28%	19.83%		0.09%
Indiana	2.04%	2.78%		0.90%
Iowa		0.72%		
Kansas				
Kentucky	0.13%	1.46%		
Louisiana		2.93%		
Maine	0.10%	3.68%		
Maryland				
Massachusetts	7.10%	1.49%		
Michigan	0.10%	5.10%		
Minnesota	5.53%	0.78%		
Mississippi	2.39%	0.32%	0.33%	
Missouri			98.51%	
Montana	0.16%	1.40%		
Nebraska	0.05%	0.64%		
Nevada	5.62%	4.90%		
New Hampshire				
New Jersey	3.83%	0.59%		
New Mexico				
New York	1.75%	0.24%		
North Carolina				
North Dakota	1.72%	0.25%		
Ohio	3.00%	13.11%		98.62%
Oklahoma				
Oregon	2.13%	0.30%		
Pennsylvania	3.34%	2.45%		
Puerto Rico			0.39%	
Rhode Island	1.81%	0.24%		
South Carolina				
South Dakota				
Tennessee		0.82%		
Texas	7.58%	7.36%		
Utah	0.12%	1.93%		
Vermont				
Virginia	2.05%	0.83%		
Washington	5.39%	4.20%		
West Virginia	0.27%	1.45%		
Wisconsin	0.42%	4.02%	0.77%	
Wyoming				

- (a) Use this column if you held shares of Mercantile National Municipal Bond Fund prior to the merger.
- (b) Use this column if you held shares of Stellar Insured Tax-Free Bond Fund prior to the merger.

Important Tax Information Regarding Firststar Municipal Bond Funds 2000 Income By State

The following chart provides information to assist you in determining the source of interest income earned by each Portfolio on a state-by-state basis. Of course, the tax treatment of income paid by the portfolios depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend that you consult your tax advisor.

Note: For additional help in completing your state and local tax returns, please refer to your Firststar Family of Funds 2000 year end statements that shows the non-taxable portion of your income.

State	Firststar Tax Exempt Intermediate Bond Fund		Firststar Tax-Exempt Money Market Fund		
	(c)	(d)	(e)	(f)	(g)
Alabama	1.86%	0.29%	5.54%	0.03%	
Alaska	1.75%	0.27%	0.09%	0.16%	0.30%
Arizona	13.34%	2.07%	0.38%	0.16%	3.05%
Arkansas			2.54%		
California	0.84%	0.14%			0.48%
Colorado	2.94%	5.93%	1.77%	0.42%	2.79%
Connecticut					
Delaware	5.48%	0.86%		2.47%	
Dist of Columbia			0.12%		0.62%
Florida			5.43%	1.51%	1.34%
Georgia	2.37%	0.76%	1.46%	2.96%	0.32%
Hawaii			0.14%	0.07%	0.96%
Idaho	0.07%			1.62%	
Illinois	21.03%	3.80%	23.93%	12.77%	17.94%
Indiana	1.85%	5.84%	14.01%	4.65%	13.16%
Iowa				0.61%	
Kansas	1.24%	0.19%	0.45%		0.59%
Kentucky	4.05%	0.63%	2.95%	2.85%	1.01%
Louisiana	1.92%	0.30%	0.75%	4.66%	0.54%
Maine					
Maryland					
Massachusetts	0.41%	5.98%	3.65%	2.55%	1.86%
Michigan	0.24%	13.67%	0.50%	0.26%	0.95%
Minnesota	5.19%	4.47%	3.29%	5.94%	1.98%
Mississippi					0.04%
Missouri			1.29%	14.28%	0.56%
Montana					
Nebraska	1.31%	0.20%	0.48%	0.10%	0.13%
Nevada	0.97%	9.49%	0.24%	0.05%	0.06%
New Hampshire			0.29%	0.93%	0.72%
New Jersey	0.93%	0.15%	0.45%	0.21%	2.91%
New Mexico	5.42%	0.84%		0.83%	
New York	0.49%	5.50%	2.80%	1.02%	3.61%
North Carolina			1.71%	0.73%	0.87%
North Dakota					
Ohio	1.49%	4.82%	4.55%	1.04%	13.58%
Oklahoma	1.16%	0.14%	1.22%	4.02%	1.35%
Oregon			0.32%	3.17%	0.18%
Pennsylvania	3.59%	0.56%	1.75%	1.01%	
Puerto Rico					
Rhode Island	0.22%	8.81%	1.06%	0.38%	0.46%
South Carolina			0.31%	0.05%	0.31%
South Dakota	0.41%	6.41%			
Tennessee	3.51%	0.49%	0.92%	1.25%	2.39%
Texas	3.91%	6.14%	6.40%	22.41%	14.95%
Utah			0.28%	1.25%	0.20%
Vermont					
Virginia	2.45%	4.26%	0.84%	0.04%	0.24%
Washington	3.12%	1.00%	3.70%	1.20%	2.63%
West Virginia					
Wisconsin	1.24%	4.16%	4.40%	1.24%	5.48%
Wyoming					

- (c) Use this column if you held shares of Firststar Intermediate Bond Market Fund prior to the merger.
- (d) Use this column if you held shares of Mercantile Intermediate Corporate Bond Fund prior to the merger.
- (e) Use this column if you held shares of Firststar Tax-Exempt Money Market Fund prior to the merger.
- (f) Use this column if you held shares of Mercantile Tax-Exempt Money Market Fund prior to the merger.
- (g) Use this column if you held shares of Stellar Tax-Free Money Market Fund at the beginning of the year.

**ADDITIONAL IMPORTANT TAX INFORMATION
FOR SHAREHOLDERS OF THE
LEGACY MINNESOTA MUNICIPAL BOND FUND**

Alternative Minimum Tax (AMT)

The following percentage of dividends received subject to the Federal Alternative Minimum Tax (AMT) is provided for those individuals subject to the Federal Alternative Minimum Tax (AMT):

Legacy Minnesota Municipal Bond Fund	1.22%
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**WE SUGGEST THAT YOU CONTACT YOUR TAX ADVISOR IF YOU HAVE ANY
QUESTIONS REGARDING FEDERAL ALTERNATIVE MINIMUM TAX (AMT).**

The Hennessy Funds

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Hennessy Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Income Attributable to Direct U.S. Govt. Obligation</u>
Hennessy Balanced Fund	58.61 %
Hennessy Leveraged Dogs Fund	51.56

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

The Prudent Bear Funds, Inc.

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Prudent Bear Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
Prudent Bear Fund	60.38%
Prudent Safe Harbor Fund	71.53

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

T.O. Richardson Funds

January 5, 2001

Enclosed is the 2000 annual transaction statement for your T.O. Richardson Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Income Attributable to Direct U.S. Govt. Obligation</u>
T.O. Richardson Focused Trend Fund	66.16%
T.O. Richardson Sector Rotation Fund	4.48

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

The Badgley Balanced Fund

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Badgley Balanced Fund. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
Badgley Balanced	20.03%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Baird Funds, Inc.

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Baird Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
Baird Aggregate Bond Fund	17.77%
Baird Core Bond Fund	22.87
Baird Intermediate Bond Fund	15.42

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Bearguard Funds, Inc.

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Bearguard Fund. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
Bearguard Fund	50.91%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Bremer Bond Fund

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Bremer Bond Fund. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligations
Bremer Bond Fund	33.38%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Chaconia Income & Growth Fund

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Chaconia Income & Growth Fund. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Income Attributable to Direct U.S. Govt. Obligation</u>
Chaconia Income & Growth	13.24%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Country Funds

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Country Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Income Attributable to Direct U.S. Govt. Obligation</u>
Country Asset Allocation Fund	13.56%
Country Long-Term Bond Fund	11.41
Country Short-Term Government Bond Fund	48.98

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Frontegra Total Return Bond Fund

January 5, 2001

Enclosed is the 2000 annual transaction statement for your Frontegra Total Return Bond Fund. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
Frontegra Total Return Bond Fund	14.70%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

LKCM Funds

January 5, 2001

Enclosed is the 2000 annual transaction statement for your LKCM Funds. The statement also indicates your year-end share balance and provides 2000 dividend information. Please note that all dividend information has been provided to the Internal Revenue Service.

Some states do not tax their residents on income received from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends that was attributable to interest earned from direct U.S. Government Obligations:

Fund Name	% of Income Attributable to Direct U.S. Govt. Obligation
LKCM Balanced Fund	22.95%
LKCM Fixed Income Fund	28.13

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2000 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.