

NORTH GROWTH US EQUITY FUND

NORTH  
GROWTH  
MANAGEMENT

NORTH GROWTH MONEY MARKET FUND



2000 SEMI-ANNUAL REPORT

The North Growth US Equity Fund  
performed exceptionally  
well during the first half of 2000.

The reasons for this performance go right to the core of our investment philosophy of “growth at a reasonable price”. While much of the US market, as measured by market capitalization and the popular indices, is dangerously overvalued, mid- and smaller-cap growth stocks representing a good cross section of the economy are attractively priced. These stocks are beginning to perform better than the big-cap sector of the market. The North Growth US Equity Fund has 7.17% of its assets invested in large-cap stocks, 24.95% in mid-cap stocks, 35.98% in small-cap stocks and 31.90% in a buying reserve of short-term fixed income securities.

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### THE OPPORTUNITY

Common stocks are the best long-term investment class despite periodic market corrections that have always been accepted as inevitable by responsible investors. Market leadership regularly changes from large-cap stocks to smaller-cap stocks when the valuation of the former becomes excessive. Large-cap stocks have never been as excessively priced as they became in 1998 both in terms of absolute P/E multiples and in terms of large-cap multiples in relation to small-cap multiples. The outlook for 2000 and beyond is a change in stock valuations which will happen regardless of the economic background.

### THE GREAT CURRENT ECONOMY

There has been much talk about the current stock market economic cycle being “different this time”. That phrase causes considerable consternation in the minds of market veterans blessed with the power of memory. In general, despite all its virtues, the “market” or at least the market’s participants are notorious for their short memory. Once a new trend gets firmly established everything becomes “different this time”. History may not repeat itself in terms of detail but in financial markets there are characteristics that re-occur cycle after cycle with just enough variation to allow the majority of investors to be over enthusiastic at the top of the cycle and panic stricken at the bottom.

Is there anything different about the current cycle that justifies the excessive multiples of large-cap growth stocks and high-tech stocks in general? The short answer is NO. These excessive multiples put investors at significant risk. Many of the companies with excessive multiples are very well managed, great companies which we expect will show above average long-term earnings growth. They deserve above average valuations as measured by price to earnings ratios. Nevertheless, we feel that many current valuations of these companies are dangerously excessive. Nothing is so “different this time” to justify these excesses.

There have been some very good reasons why this cycle has been so long. High levels of investment in rapidly developing new technology has been one factor contributing to the better productivity gains since 1995. Productivity gains have been one of the contributing factors to low rates of inflation and low interest rates. This complementary set of circumstances has reinforced the concept of the “new economy”. The economy of the internet.

The “new economy” label could have been coined during many periods since the industrial revolution that got started over 200 years ago. There was a new economy of the 20’s and a new economy of the 60’s - you can fill in the details yourself.

#### THE RISK

This economic cycle has been a good one. That it is a brave new world that is different this time, where “growth at any price” is a responsible approach to investing and top performing portfolio managers are unabashed momentum players, quite frankly points to the highest possible risk environment for investors who have committed themselves to this type of madness. The good points about this cycle do not justify the valuation levels of a large portion of the market. This cycle’s main difference has been its longevity. Over time, all previous cycles have built up excesses. With the exception of a tight labour situation, the economic imbalances and excesses currently appear remarkably absent. This might be an illusion since historically the critical excesses of past cycles are often only clearly recognized in hindsight.

Why are we ranting on like this? It is not a wise marketing strategy. The mega managers who have been raking the greatest share of the huge inflow of capital into equity mutual funds, for example, can not risk making such statements for fear of “irresponsibly” affecting investor confidence.

The irony for me, personally, is that I have been urging people to get more into equities for almost 40 years. Now, when people want to invest in the exciting potential of the new economy, I am saying, “Be careful that you are not taking on risks that could spoil your financial future.” This is exactly what the former GIC investors age 55 and over are doing when they buy overpriced stocks with the conviction that the new economy is going to provide them an affluent retirement.

Two wrongs don’t make a right – inexperienced investors beware! You can be much worse off than you ever dreamed possible.

The scenario outlined above is meant to scare investors who are exposed to the overpriced market favorites of the past few years. I am not suggesting that investors get out of equities

in general. This is my best advice based on sincere concern about the risks of excessive valuations. I hope it will be received in the spirit that it has been offered and not misinterpreted. The best investment opportunities are still to be found in the equity market. The equity market is the best place to invest for long-term growth. **Still, the RISK inherent in grossly overvalued stocks has never been higher in my entire 38-year career.**

#### THE APPROPRIATE ACTION

Despite the concern expressed above, the stock market is the best long-term financial asset class available to investors. Despite periodic market setbacks, stock selection is more important than market timing. Getting out of excessively valued stocks when they are enjoying overly optimistic expectations and buying companies with good growth characteristics at historically reasonable prices is a very effective style of stock selection.

Many well-managed mid- and smaller-cap growth companies have reasonable valuations relative to their growth rates. This is the perfect environment for our “growth at a reasonable price” philosophy. Changes in market leadership alternate between large-cap stocks and small-cap stocks on a regular basis. After years of large-cap market leadership, valuation relationships are making a change back to smaller-cap market leadership both rational and consistent with the normal pattern. We believe the US equity markets are in the early stages of a change in market leadership.

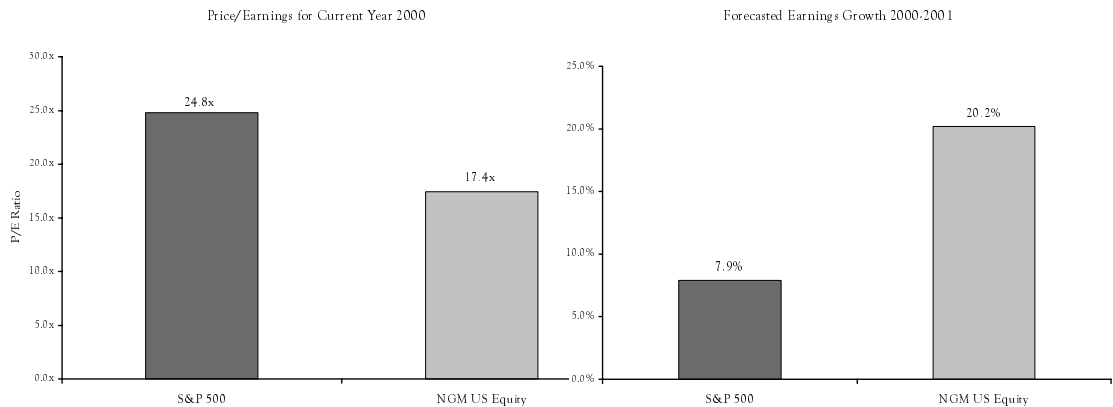
The appropriate action is to stay clear of the overvalued stocks that make up over 50% of the current market capitalization and concentrate on reasonably priced growth stocks. The current market has become so polarized that it has been feasible for us to implement this policy completely. As mentioned before, our current portfolio is 7.17% large-cap, 24.95% mid-cap, 35.98% small-cap, and 31.90% cash. That’s decisive, active management and it’s producing good investment results.

#### ALL YOU REALLY NEED TO KNOW ABOUT STOCK VALUATION

We believe that excessive stock valuation levels for much of the US equity market by market capitalization, which of course translates to investor exposure, is the most important investment issue currently and into the foreseeable future.

Exhibits I and II present this from two different viewpoints. In both cases the S&P 500 figures are compared to NGM's portfolio. Exhibit I also emphasizes the lower P/E multiple of the NGM portfolio holdings is not due to low expected growth rates. This is our "growth at a reasonable price" philosophy as we have applied it to the Fund's equity holdings.

## EXHIBIT I- GROWTH

*Valuation Analysis of the North Growth US Equity Fund*

As of July 31<sup>st</sup>, 2000, the Price/Earnings ratio using the current year IBES consensus earnings estimate for the S&P 500 Index is 24.8. Based on the IBES Street estimates for 2000 and 2001 operating earnings for the S&P 500, the forecasted growth rate for the market is 7.9%.

By contrast, again based on IBES consensus estimated earnings, the North Growth US Equity Fund is trading at 17.4 times estimated current year 2000 earnings as of July 31<sup>st</sup>, and the estimated one-year growth rate in earnings for the portfolio is 20.2%.

Both the P/E ratio and growth rate for the Fund are measured on a weighted average basis and exclude our cash position. The numbers also exclude one holding in our portfolio, Nextel Communications, that is growing at a very fast pace but has negative earnings.

The bottom line is that, upon examination of the equity holdings of the Fund, the North Growth US Equity Fund trades at a substantially lower multiple to the market, but is projected to grow at a much higher rate. This, we believe, is evidence of our "growth at a reasonable price" philosophy.

## EXHIBIT II- REASONABLE PRICE

## Summary of Weight Representation by S&amp;P 500 P/E Quintile

Based on Current Year IBES Earnings Estimates, as at July 31, 2000

S&P 500 P/E Quintile	P/E Range (on IBES current year estimates) <sup>1</sup>	S&P 500 Weight <sup>2</sup>	NGM Portfolio Weight Excluding Cash
Top P/E Quintile	Greater than or equal to 32.2	50%	5%
Second P/E Quintile	Greater than or equal to 19.0, but less than 32.2	23%	23%
Third P/E Quintile	Greater than or equal to 12.9, but less than 19.0	15%	46%
Fourth P/E Quintile	Greater than or equal to 9.7, but less than 12.9	7%	16%
Bottom P/E Quintile	Less than 9.7	5%	10%
Total		100%	100%

<sup>1</sup> Companies with negative earnings are included in the Top P/E Quintile

<sup>2</sup> Source: Bloomberg; S&P 500 weight is based on market capitalization

This table provides a description of weights within certain valuation ranges for both the S&P 500 and the North Growth US Equity Fund. Price/Earnings (P/E) multiples are one way to assess the “reasonable price” component of the “growth at a reasonable price” philosophy.

By ranking the companies in the S&P 500 in descending order of their individual P/E multiples, we can create five categories, or quintiles, each containing 100 companies. The first category, or Top P/E Quintile, contains the 100 companies with the highest P/E multiples. The second P/E Quintile represents the 100 companies that fall into the second highest P/E multiple range, and so on.

This framework clearly demonstrates how exposed the S&P 500 is to companies with lofty valuations. The Top P/E Quintile represents approximately 50% of the overall market capitalization of the S&P 500! By contrast, the North Growth US Equity Fund has only 5% of the portfolio invested in companies with P/E multiples of 32.2 or greater. Furthermore, the S&P 500 has only a 27% weight in the bottom

three quintiles of P/E multiples, while 72% of the North Growth US Equity Fund falls into these lower P/E multiple categories.

We are avoiding companies that trade at exorbitant P/E multiples. Many of the companies in the S&P 500 that are in the Top P/E Quintile exhibit decent growth characteristics, but are priced well above appropriate P/E multiples for their already-optimistic expected growth rates. By adhering to the “reasonable price” component of the “growth at a reasonable price” philosophy, the North Growth US Equity Fund has a significantly higher exposure to the lower three categories of P/E multiples than the S&P 500.

We hope you will agree that we have practiced what we preach. We also are pleased that this approach is currently producing good results and we expect we will experience both good relative performance during any market correction and strong absolute performance during the next significant market advance.

#### ECONOMIC OUTLOOK

We have purposely left this discussion for the end of the report because we don't think there is much that can be gained from micro-analyzing the economy at this time. Nevertheless, this does not mean that we have closed our minds to the developments of the economy.

The market's concern as to whether or not the economy is showing signs of slowing has been greatly overdone. Ultimately, the Fed should be able to slow the economy down. This might already be beginning to happen. This is what the market thinks it wants to see. When a slowdown actually arrives, there will almost certainly be an abundance of disturbing economic and company specific news. Investors will change their views and begin to worry that maybe the economic outlook is deteriorating dangerously.

Historically, the last Fed increase of the discount rate has NOT been the signal of a new bull market and, of course, is impossible to verify. It can only be definitively verified when we experience the first rate cut. THE FIRST FED RATE CUT IS THE MOST SIGNIFICANT ECONOMIC SIGNAL THAT WE EVER GET. It is a very positive indicator even if it comes during a period of bad economic news.

Obviously, lower interest rates would make many interest rate sensitive investments attractive and set off a whole succession of positive opportunities. This would be in addition to the upward market move that we foresee due to increasing valuation levels of the small- and mid-cap growth stock portion of the US equity market.

The most recent short-term economic news, released on August 8<sup>th</sup>, was a very strong productivity gain of 5.1% for the manufacturing sector, a strong showing at any time, but quite amazing so late in the business cycle. The manufacturing productivity gains came entirely from the durable goods sector where productivity rose by 9.6% reflecting output growth of 13.3% and a 3.4% rise in hours for all persons. This is good stuff even if it doesn't get any better. We will keep you up to date on changing economic issues in our monthly reports.

From the point of view of economic outlook, it is important to keep in mind that the stock market leads the economic cycle. It (along with interest rates) is probably the only leading economic indicator with much of a batting average. This being the case, we should keep in mind that analyzing the progression of economic data is much more useful in providing insights into our fundamental company and industry research.

#### CONCLUSION

We believe that the investment outcome for the foreseeable future is going to be driven by an adjustment of the excessively high P/E multiples of many large-cap growth stocks including high-tech stocks. This will result in a typical cyclical change in market leadership to reasonably priced mid- and smaller-cap stocks which could extend over a number of years. Based on the performance of the mid-cap index and of the North Growth US Equity Fund since the beginning of the year it is likely that this change in market leadership has begun to take place.

The majority of investment dollars which are represented by the large-cap indices, which now includes the NASDAQ, as well as the S&P 500, will almost certainly not experience the rates of return that have been obtained during the past decade. Investors who have been chasing the performance leaders of the past few years are, in our opinion, exposed to the risk of losing significant capital.

On the other hand, a smaller sector of the market is reasonably priced relative to both historical standards and to likely earnings growth rates. These mid- and smaller-cap stocks represent a well-diversified cross section of the US economy. A concrete example of this type of divergence in performance took place between 1975 and 1985. This was a very good period for our “growth at a reasonable price” investment style.

The tendency during the past few years for many investment managers and brokerage firm analysts to adopt momentum investing and instant reaction to short-term company guidance is, we believe, creating an advantage for managers concentrating on doing their own fundamental analysis. The Fund has four analysts/managers concentrating on this one \$60 million portfolio. This is intense management focused on staying invested in stocks with the fundamentals to support significant intermediate to long-term appreciation potential.

The Fund is performing well based on what we believe are the “right” reasons. Any general market weakness will be considered a buying opportunity to add stocks that we feel represent good value and strong earnings growth potential.

#### THE NORTH GROWTH CANADIAN MONEY MARKET FUND

The North Growth Canadian Money Market Fund was introduced in 2000 as a low cost liquidity product for our clients. The Fund’s positioning as a true liquidity product with a very short average duration obviously benefited investors during the first half of 2000 as increases in short-term rates were rapidly captured by the Fund. The current yield increased from 4.80% at the end of December to 5.61% at the end of June. Needless to say, should rates begin to fall the Fund’s current yield would decrease in a similar manner.

With its well diversified portfolio of high quality Canadian money market instruments and very low 0.25% all-in-one management fee, the North Growth Canadian Money Market is a very competitive short-term investment product. We believe it is very suitable for holding cash to meet relatively near term liabilities or in conjunction with equity investments as part of a long-term investment portfolio. The Fund is RRSP eligible for self-directed RRSPs.

PERFORMANCE FIGURES

*Our Recommendation for Assessing Investment Performance*

There are many ways to report and analyse past results. We provide the three sets of performance data that we believe are most relevant.

*Annual Results*

A history of annual returns shows investors how long the long-term results have been attained on a year-to-year basis.

	<i>Annual Returns (Jan. 01 to Dec. 31)</i>							
	2000 <small>(to June 30)</small>	1999	1998	1997	1996	1995	1994	1993
NGM US Equity Fund \$Cdn	22.29%	7.2%	6.3%	29.1%	29.5%	25.0%	0.4%	15.1%
NGM US Equity Fund \$ US	19.21%	13.9%	-0.8%	23.7%	28.9%	28.5%	-5.4%	10.8%
S&P 500 \$US	-1.0%	21.0%	28.6%	33.1%	22.7%	37.1%	1.3%	9.9%
S&P Midcap \$US	8.34%	14.7%	19.1%	32.0%	19.1%	30.7%	-3.6%	13.8%
Russell 2000 \$US	2.47%	21.4%	-2.2%	22.1%	16.4%	27.4%	-1.8%	18.9%
NASDAQ Composite \$US	-2.54%	86.1%	40.1%	22.1%	23.0%	40.8%	-3.2%	14.8%

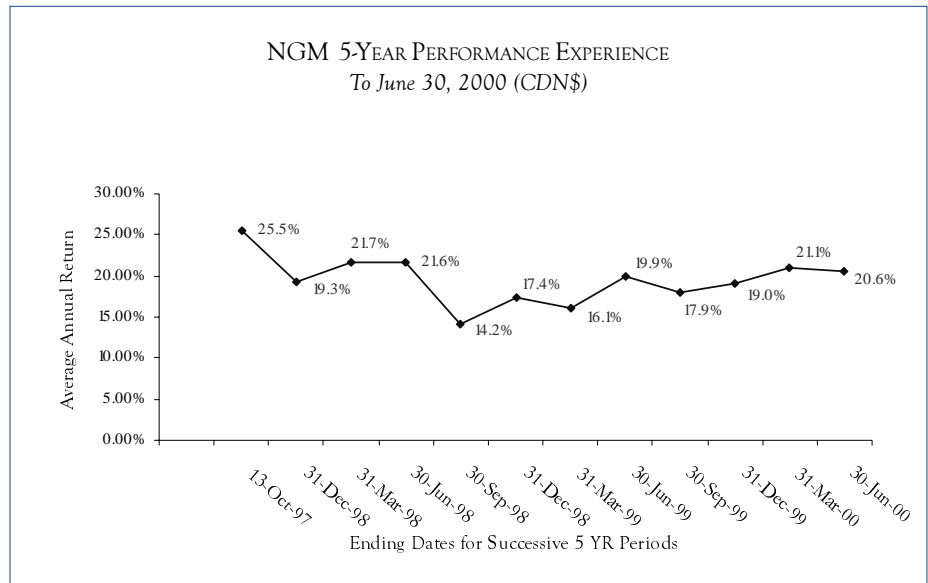
*Cumulative Average Annual Rate of Return*

Providing the cumulative average rate of return for every year right back to the inception of the Fund allows easy comparisons with other US equity funds as reported by the Globe & Mail on a 1, 2, 3 and 5-year basis.

	<i>Average Annual Compound Rate of Return to June 30, 2000</i>						
	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
NGM US Equity Fund \$Cdn	24.46%	11.84%	15.34%	18.70%	20.61%	20.64%	18.75%

*Running 5-year Average Annual Return (CDN\$)*

This measurement in our opinion, can give the best insight into an investment manager's performance.



Historical 5-year average annual returns, examined quarterly, provide the long-term investor with appropriate insight into a fund's past performance. Performance results presented in this way show every 5-year period in the Fund's history and the extent to which short-term market fluctuations have affected the results of each 5-year holding period.

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## STATEMENTS OF NET ASSETS

As of June 30, 2000 and 1999 (unaudited) (in thousands of CDN dollars)	2000	1999
<b>ASSETS</b>		
Investments - at market value	\$ 39,226	\$ 34,293
Cash and short-term notes	18,562	13,915
Accrued interest and dividends receivable	72	44
	18,634	13,959
	\$ 57,860	\$ 48,252
<b>LIABILITIES</b>		
Accounts payable and accrued charges	\$ 307	\$ 131
<b>NET ASSETS</b>	<b>\$ 57,553</b>	<b>\$ 48,121</b>
<b>NET ASSET VALUE PER UNIT</b>	<b>\$ 19.76</b>	<b>\$ 16.94</b>

## STATEMENTS OF INVESTMENT INCOME

As of six months ended June 30, 2000 and 1999 (unaudited) (in thousands CDN dollars)	2000	1999
<b>INVESTMENT INCOME</b>		
Dividends - net of withholding taxes	\$ 67	\$ 69
Interest	478	243
	545	312
<b>EXPENSES</b>		
Management Fees	303	249
Trusteeship Fees	16	4
Audit Fees	-	3
	319	256
<b>NET INVESTMENT INCOME</b>	<b>\$ 226</b>	<b>\$ 56</b>

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## STATEMENTS OF CHANGES IN NET ASSETS

As of six months ended June 30, 2000 and 1999 (unaudited) (in thousands of CDN dollars)	2000	1999
<b>ADDITIONS TO NET ASSETS</b>		
Proceeds from sale of investments	\$ 16,520	\$ 19,133
Investments at average cost, beginning of period	23,148	32,448
Cost on investments purchased	13,317	9,631
	36,465	42,079
Investments at average cost, end of period	(27,669)	(25,074)
Cost of investments sold	8,796	17,005
Net realized gain on sale of investments	7,724	2,128
Net investment income	226	56
Sale of Fund units	776	1,357
Fund units issued on reinvestment of distributions	2,911	1,754
Increase in unrealized appreciation of investments	2,546	357
	14,183	5,652
<b>DEDUCTIONS FROM NET ASSETS</b>		
Payments on redemption of Fund units	635	872
<b>INCREASE IN NET ASSETS</b>	<b>13,548</b>	<b>4,780</b>
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>\$ 44,005</b>	<b>\$ 43,341</b>
<b>NET ASSETS, END OF PERIOD</b>	<b>\$ 57,553</b>	<b>\$ 48,121</b>

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## STATEMENT OF INVESTMENTS

As at June 30, 2000 (unaudited) (in thousands of CDN dollars)

Number of Shares	Foreign Common Shares	Average Cost (\$)	Market Value (\$)	% of Total Assets
39,900	St. Jude Medical	1,805,243	2,710,109	4.71
44,000	Louis Dreyfus Natural Gas Corp.	970,828	2,039,896	3.54
20,700	Universal Health Services Cl B	828,517	2,007,471	3.49
56,100	Jones Apparel Group Inc.	2,193,308	1,951,949	3.39
31,900	Wesley Jessen VisionCare Inc.	1,263,594	1,774,120	3.08
40,600	Brinker International Inc.	1,250,400	1,773,314	3.08
26,000	Michaels Stores Inc.	1,009,222	1,763,580	3.06
25,200	Precision Castparts Company	935,005	1,688,328	2.93
15,600	Timberland Company	762,804	1,635,581	2.84
32,300	BJ's Wholesale Club Inc.	860,416	1,578,171	2.74
14,100	Cardinal Health Inc.	913,880	1,544,858	2.68
51,000	Delhaize America Inc. Cl A	1,337,320	1,335,594	2.32
12,100	WellPoint Health Networks Inc.	1,232,610	1,297,737	2.25
20,500	American Power Conversion	626,475	1,238,753	2.15
13,000	Symantec Corporation	370,971	1,038,178	1.80
10,800	Nextel Communication Inc. Cl A	166,869	978,417	1.70
20,400	Compaq Computer Corporation	870,117	917,454	1.59
43,500	O'Charley's Inc.	803,672	877,533	1.52
16,800	Synopsys Inc.	984,774	859,710	1.49
67,190	Clayton Homes Inc.	742,969	795,852	1.38
9,000	Alza Corporation	482,576	787,864	1.37
27,600	TJX Companies	716,166	766,210	1.33
68,000	Manor Care Inc.	713,083	704,765	1.22
16,000	Sigma-Aldrich Corporation	498,156	692,921	1.20
14,000	Albertson's Inc.	513,508	689,219	1.20
28,600	Schnitzer Steel Industries, Inc.	694,937	672,229	1.17
11,100	Biomet Inc.	577,155	631,707	1.10
13,200	Dentsply International	461,144	602,197	1.05
71,000	Mesa Air Group Inc.	641,780	581,459	1.01
14,500	Snap-On Inc.	541,592	571,604	0.99
16,400	FirstMerit Corporation	442,943	519,024	0.90
20,800	Federal Signal Corporation	541,987	508,142	0.88
8,300	Diamond Offshore Drilling Inc.	283,203	431,650	0.75
4,600	Stone Energy Corporation	206,472	406,943	0.71
4,700	Devon Energy Corporation	202,715	387,954	0.67
2,600	Technitrol	134,192	372,926	0.65
1,800	City National Corporation	88,055	92,611	0.16
	TOTAL INVESTMENTS	\$ 27,668,658	\$ 39,226,030	68.16
	OTHER INVESTMENTS		18,326,984	31.84
	TOTAL NET ASSETS		\$ 57,553,014	100.00

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## STATEMENT OF NET ASSETS

As of June 30, 2000 (unaudited) (in thousands of dollars)	2000
<b>ASSETS</b>	
Investments - at market value	\$ 9,029
Cash and short-term notes	1
Accrued interest and dividends receivable	23
	24
	\$ 9,053
<b>LIABILITIES</b>	
Accounts payable and accrued charges	\$ 6
<b>NET ASSETS</b>	\$ 9,047
<b>NET ASSET VALUE PER UNIT</b>	\$ 10.00

## STATEMENT OF INVESTMENT INCOME

As of six months ended June 30, 2000 (unaudited) (in thousands of dollars)	2000
<b>INVESTMENT INCOME</b>	
Dividends - net of withholding taxes	\$ -
Interest	216
	216
<b>EXPENSES</b>	
Management Fees	11
	11
<b>NET INVESTMENT INCOME</b>	\$ 205

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## STATEMENT OF CHANGES IN NET ASSETS

As of six months ended June 30, 2000 (unaudited) (in thousands of dollars) 2000

## ADDITIONS TO NET ASSETS

Proceeds from sale of investments	\$ 41,140
Par Value of Investments, beginning of period	8,633
Par Value of Investments purchased	41,585
	<u>50,218</u>
Par Value of Investments, end of period	(9,078)
	<u>41,140</u>
Cost of investments sold	41,140
Net Realized gain on sale of investments	-
Sale of Fund units	4,368
Fund units issued on reinvestment of investment Income	205
Decrease in unrealized appreciation of investments	-
	<u>4,573</u>

## DEDUCTIONS FROM NET ASSETS

Payments on redemption of Fund units	4,150
	<u>423</u>
INCREASE IN NET ASSETS	423
NET ASSETS, BEGINNING OF PERIOD	\$ 8,624
	<u>\$ 9,047</u>
NET ASSETS, END OF PERIOD	\$ 9,047

NORTH GROWTH CANADIAN MONEY MARKET FUND  
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## STATEMENT OF INVESTMENTS

As at June 30, 2000 (unaudited) (in thousands of dollars)

Security	Book Value(\$)	Face Value (\$)	% of Total Book Value
King Street Funding 5.85% July 05, 2000	345,620	348,000	3.83
Suncor Energy Inc. 5.88% July 05, 2000	397,820	400,000	4.40
George Weston Limited 5.86% July 05, 2000	397,828	400,000	4.40
Clarica Trust Company 5.84% July 05, 2000	398,596	400,000	4.40
Foothills Pipeline 5.88% July 06, 2000	397,628	400,000	4.40
Telus Communications 5.85% July 10, 2000	437,826	440,000	4.84
Noranda Forest Inc 5.86% July 10, 2000.	403,445	405,000	4.45
Toyota Credit Canada 5.86% July 11, 2000	442,726	445,000	4.89
Coca-Cola Enterprises 5.92% July 12, 2000	398,256	400,000	4.40
Bank of Nova Scotia BA 5.80% July 17, 2000	99,447	100,000	1.10
John Deere Credit 5.85% July 19, 2000	397,768	400,000	4.40
Enbridge Inc. 5.86% July 19, 2000	303,539	305,000	3.35
Weyerhaeuser Company Ltd. 5.86% July 19, 2000	403,315	405,000	4.45
BC Gas Inc. 5.87% July 20, 2000	398,016	400,000	4.40
Loblaws Companies Limited 5.85% July 21, 2000	298,518	300,000	3.30
Ford Credit Canada 5.86% July 21, 2000	253,738	255,000	2.80
Ryder Trucks Rental 5.88% July 21, 2000	308,509	310,000	3.41
Daimler Chrysler Canada Finance 5.87% July 24, 2000	298,464	300,000	3.30
Household Finance 5.88% July 24, 2000	397,948	400,000	4.40
GE Funding Co. 5.84% July 25, 2000	397,772	400,000	4.40
BCE Inc. 5.88% July 26, 2000	302,950	305,000	3.35
General Motors Acceptance Corp. 5.84% July 31, 2000	298,377	300,000	3.30
Caterpillar Inc. 5.84% August 01, 2000	298,329	300,000	3.30
Storm King Funding Trust 5.87% August 01, 2000	318,208	320,000	3.52
Canadian Pacific Securities Ltd. 5.90% August 14, 2000	396,664	400,000	4.40
Associates Capital 5.88% August 16, 2000	238,120	240,000	2.64
TOTAL INVESTMENTS	\$ 9,029,428	\$ 9,078,000	99.80
OTHER INVESTMENTS	18,000	18,000	0.20
TOTAL NET ASSETS	\$ 9,047,428	\$ 9,096,000	100.00

US EQUITY FUND

PERFORMANCE FIGURES

FINANCIAL INFORMATION

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