

Phillips, Hager & North U.S. Special Equity Fund

Results & Performance

February 28, 1993

After a very good January, the U.S. Special Equity Fund sold off sharply during the February market correction. Daily volatility remained high, both on the downside and fortunately, also on the upside. It is interesting that both in the up month of January and down month of February, the fund most closely tracked the Russell 2000 and the NASDAQ Indexes.

RESULTS

NAVPS: February 28, 1993

\$11.65 (Canadian)

PERFORMANCE COMPARISONS*

	Oct 13/92 to Dec 31/92	Jan 31/93	Feb 28/93	YTD
US Special Equity Fund \$CDN	18.80%	2.90%	-4.50%	-1.80%
US Special Equity Fund \$US	16.30%	3.20%	-3.10%	0.00%
S&P 500 \$Cdn	9.80%	0.60%	-0.10%	0.50%
S&P 500 \$U.S.	7.30%	0.80%	1.40%	2.20%
S&P Midcap \$Cdn	15.70%	1.00%	-2.90%	-1.90%
S&P Midcap \$U.S.	13.20%	1.20%	-1.40%	-0.10%
Russell 2000 \$Cdn.	19.30%	3.10%	-3.80%	-0.70%
Russell 2000 \$U.S.	16.80%	3.30%	-2.30%	1.00%
Wilshire 5000 \$Cdn	11.80%	1.00%	-1.10%	-0.30%
Wilshire 5000 \$U.S.	9.30%	1.20%	0.40%	1.50%
NASDAQ Composite \$Cdn	20.30%	2.80%	-5.00%	-2.20%
NASDAQ Composite \$U.S.	17.70%	3.00%	-3.40%	-0.40%

* includes income in all cases.

PORTFOLIO HOLDINGS — February 28, 1993

<u>Common</u>	(%)	<u>Special</u>	(%)
Carnival Cruise Lines (CCL)	6.79	Andros Inc. (ANDY)	0.46
Federal Ntl. Mtge. Asst (FNM)	7.06	Applied Materials Inc. (AMAT)	0.35
Franklin Resources Inc. (BEN)	2.65	Bic Corp Common (BIC)	1.15
Fruit of the Loom Inc. (FTL)	2.62	BMC West Corp (BMCW)	0.51
Health Trust Inc. (HTI)	5.68	Charming Shoppes Inc. (CHRS)	1.74
Intel Corp. (INTC)	9.00	Clayton Homes, Inc. (CMH)	4.21
Jones Apparel Group (JNY)	3.54	CML Group Inc. (CML)	2.86
Torchmark Corp. (TMK)	4.35	Conner Peripherals (CNR)	0.15
Tyco Labs (TYC)	1.89	Cooper Tire & Rubber (CTB)	2.50
Unifi Inc. (UFI)	3.13	Costco Wholesale Corp. (COST)	0.17
UNUM Corp. (UNM)	2.99	Diceon Electrics (DICN)	0.38
		Digital Equipment Corp. (DEC)	8.70
		DSG International (DSGIF)	2.27
		EKCO Group Inc. (EKO)	0.47
		Fisher-Price Inc. (FPP)	0.32
		Healthcare Compare (HCCC)	1.56
		Intl Dairy Queen (INDQA)	0.76
		Johnston Industries Inc. (JII)	0.97
		Kellwood Co. (KWD)	1.19
		Magma Copper Co. Class B (MCU)	2.58
		Magnetek Inc.	0.61
		Masco Inds Inc. (MASX)	2.39
		Merrill Lynch & Co. (MER)	5.53
		Phillips Van Huesen (PVH)	0.24
		Pier 1 Imports Inc. (PIR)	0.97
		Read-Rite Corp. (RDRT)	0.86
		Seitel Inc. (SEI)	0.26
		Shoneys Inc. (SHN)	0.19
		Singer Co. (SEW)	2.04
		Verifone Inc. (VFIC)	0.69
		Vishay Intertechnology (VSH)	2.25

Summary of Positions

		<u>% of Names</u>	<u>% of Assets</u>
11	Common	26.19	46.70
<u>31</u>	<u>Special</u>	<u>73.81</u>	<u>50.30</u>
42	Total Stocks	<u>100.00</u>	<u>100.00</u>