

APRIL MONTHLY REPORT

DEAR INVESTOR...

The big cap, high multiple dominance of the market that we discussed in our last monthly report broke down during the second week of April. Market breadth improved and new market leadership is beginning to take place. This change was not picked up in our April performance figures but the Fund has improved significantly during May. As I write this report (May 25), the Fund has caught up to within 1.14 % of the S&P 500 in US Funds.

The current economic situation is in some ways without precedent. The most striking example being the low level of capacity utilization in the US after over 8 years of economic expansion and the continuing productivity gains being achieved despite these low levels of capacity utilization. An impressive result stemming, it seems, from the effectiveness of high levels of spending on new technology over the past 5 years.

The better than expected first quarter earnings results have extended the market advance which started in October, 1998. That's the good news. Our biggest concern about the recent economic strength in the US is that it is likely being fueled to a considerable extent by the strength of equity markets lifting consumer confidence. This "wealth effect" could reverse quickly if equity prices were to fall.

The not so good news is that the market is at an all time high price to earnings multiple. Peak P/E multiple levels have never been sustained in the past. This suggests to us that we shouldn't rationalize paying up for stocks based on a "new era" type interpretation of the current US economic strength. Two past periods of peak market valuations: 1962 and 1987, corrected even though no economic problems were developing.

We are pretty sure we know what would happen if inflation and interest rates were to rise. Let's call it a buying opportunity.

We have made a number of significant changes to the portfolio over the past 2 months. First, our growth at a reasonable price philosophy has resulted in the portfolio holding between 25 and 30% cash recently. We have reduced the potential volatility of the Fund by dropping the size of our largest positions. Also, through the addition of new companies, the Fund has created a better balance in terms of industry diversity. Our current cash position is being put to work as we identify investments that make sense to us as reasonably priced growth opportunities. We have also done extensive work on a number of companies that should become attractive investments if prices pull back. The Fund's cash will be used decisively on market weakness.

Yours truly,



Rudy North

PERFORMANCE RESULTS

AS OF APRIL 30, 1999

PERFORMANCE COMPARISONS*

	<i>Dec. 31, 98 to Mar. 31, 99</i>	<i>Mar. 31, 99 to Apr. 30, 99</i>	<i>Year to Date</i>
North Growth US Equity Fund \$CDN	-2.5%	-0.6%	-3.2%
North Growth US Equity Fund \$US	-1.0%	2.9%	1.9%
S&P 500 \$US	5.0%	3.9%	9.0%
S&P 400 MidCap \$US	-6.4%	7.9%	1.0%
Russell 2000 \$US	-5.4%	9.0%	3.0%
NASDAQ Composite \$US	12.3%	3.3%	16.1%

* Source: Bloomberg "Total Return Analysis" as of May 01, 1999.

Note - Including income in all cases.

AVERAGE ANNUAL COMPOUND RATE OF RETURN

	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>	<u>5 Years</u>
North Growth U.S. Equity Fund \$CDN	-9.1%	11.8%	14.4%	19.3%	16.3%
Average U.S. Equity Fund \$CDN **	16.4%	26.0%	22.2%	--	19.7%
Median U.S. Equity Fund \$CDN **	16.8%	24.1%	21.7%	--	19.4%

Results are after all management fees and other expenses

** reported by the Globe & Mail, Report on Mutual Funds, May 27, 1999

Return Since Inception (Annualized), Oct. 13, 1992 - April 30, 1999 **18.0%**

NAVPS: APRIL 30TH /99

\$15.57 (CDN)

PORTFOLIO HOLDINGS

AS OF APRIL 30, 1999

Xerox Corp (XRX)	5.01
BJ's Wholesale Club (BJ)	4.42
US Filter Corp (USF)	3.66
National Data Corp (NDC)	3.04
Louis Dreyfus (LD)	2.76
Brinker Int'l (EAT)	2.61
Tommy Hilfiger Corp (TOM)	2.59
Symantec Corp (SYMC)	2.45
O'Sullivan Industries (OSU)	2.36
AMR Corp (AMR)	2.33
LSI Logic (LSI)	2.25
Kellwood Co (KWD)	2.09
Northwest Pipe Co (NWPX)	1.97
Wellpoint Health Networks (WLP)	1.96
Sun Microsystems (SUNW)	1.94
Compaq Computer Corp (CPQ)	1.90
Jones Apparel Group Inc.(JNY)	1.86
Greenbrier Companies Inc (GBX)	1.78
Nextel Communications Inc (NXTL)	1.74
Pier 1 Imports Inc (PIR)	1.64
Analog Devices (ADI)	1.63
Clayton Homes Inc (CMH)	1.61
Mesa Airlines Inc (MESA)	1.57
The Limited Inc (LTD)	1.42
O'Charley's Inc (CHUX)	1.39
Oracle (ORCL)	1.36
Precision Castparts (PCP)	1.16
Food Lion Inc (FDLNA)	1.16
Texas Instruments Inc (TXN)	1.14
Timberland (TBL)	1.04
Diamond Offshore Drilling (DO)	0.90
Owosso Corp (OWOS)	0.87
SBS Technologies Inc (SBSE)	0.85
Alaska Air Group (ALK)	0.71
Michaels Stores (MIKE)	0.70
Southtrust (SOTR)	0.61
Gateway 2000 Inc (GTW)	0.56
Ralcorp Holdings Inc (RAH)	0.46
Aluminum Company of America (AA)	0.41
3Com Corp (COMS)	0.38
Altera Corp (ALTR)	0.31
M/I Schottenstein Homes (MHO)	0.27
Stone Energy (SGY)	0.23
City National Corp (CYN)	0.23
Firstmerit Corp (FMER)	0.22
Devon Energy (DVN)	0.22
Universal Health Services (UHS)	0.20
DSP Group (DSPG)	<u>0.08</u>
Total Equities	72.05
Cash and Short Term Notes	<u>27.95</u>
TOTAL ASSETS	100.00%