

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

Results & Performance August 1995

August was a month of consolidation, especially for the larger cap indexes (Dow Jones Index and the S&P 500). Smaller cap stocks as represented by the Russell 2000 Index have been stronger since June. This has been reflected in the performance of a number of small cap stocks in the portfolio.

Technology stocks were particularly volatile during the month. However, most technology stocks have rallied off their recent lows and the group is still in an uptrend.

As mentioned in the July report, the Fund trimmed its high tech holdings in early August. The most significant change anticipated for the Fund for the remainder of the year will be the buying of small cap stocks and the further reduction of high tech holdings.

An interesting economic note - August unit labour costs in the U.S. were unchanged year over year. This is amazing for the fifth year of an economic recovery. Overall productivity was up 3.5% year over year for the second quarter – the biggest increase since 1976.

RESULTS

NAVPS: August 31, 1995

\$14.53 (Canadian)

PERFORMANCE COMPARISONS*

	Jan. 1, 95 to Mar. 31, 95	Apr. 1, 95 to June 30, 95	Aug. 1, 95 to Aug. 31, 95	Year to Date
U.S. Special Equity Fund \$Cdn	+7.7%	+6.0%	-2.1%	+16.5%
U.S. Special Equity Fund \$U.S.	+7.9%	+8.1%	-0.6%	+21.5%
S&P 500 \$U.S.	+9.7%	+9.5%	+0.3%	+24.5%
S&P Midcap \$U.S.	+8.2%	+8.8%	+1.7%	+26.0%
Russell 2000 \$U.S.	+4.5%	+9.0%	+1.9%	+22.8%
NASDAQ Composite \$U.S.	+9.0%	+14.5%	+2.0%	+36.7%

* Including income in all cases.

PORTFOLIO FUND VALUATION - August 31, 1995

Allied Healthcare (AHPI)	0.51
Amerilink Corp. (ALNK)	0.26
AMR Corporation (AMR)	1.36
Applied Materials Inc. (AMAT)	0.33
Astec Inds Inc. (ASTE)	1.08
Aviall Inc. (AVL)	1.00
Bay Networks (BNET)	1.52
Biowhittaker Inc. (BWI)	0.24
BMC West Corp (BMCW)	0.38
Chesapeake Energy (CHK)	3.44
Clayton Homes, Inc. (CMH)	3.98
CML Group Inc. (CML)	0.28
Columbia/HCA Healthcare (COL)	7.54
CompUSA Inc. (CPU)	0.24
Covenant Transportation (CVTI)	0.51
Deere & Company (DE)	2.75
Designs Inc. (DESI)	0.83
Destec Energy (ENG)	0.51
Digital Equipment (DEC)	1.34
Dress Barn Inc. (DBRN)	1.53
DSG International (DSGIF)	1.16
Duracraft (DUCR)	3.84
EMC Corp. (EMC)	2.63
Falcon Building Prod. (FB)	0.71
Fleet Financial Group, Inc. (FLT)	2.38
Fossil Inc. (FOSL)	0.50
Fred Meyer Inc. (FMY)	0.77
Gap, Inc. (GPS)	1.03
Harnischfeger Inds. (HPH)	1.71
Hi-Lo Automotive (HLO)	0.26
Intel Corp Common (INTC)	1.58
Jones Apparel Group, Inc. (JNY)	3.90
Kellwood Co. (KWD)	1.01
Limited Inc. (LTD)	2.38
Linear Technology (LLTC)	0.26
Magma Copper Co. Class B (MCU)	1.40
Mascotech Inc. (MSX)	1.62
Maverick Tube Corp. (MAVK)	0.26
Mesa Airlines Inc (MESA)	1.36
Michaels Stores (MIKE)	0.52
Microsoft Corp (MSFT)	0.30
Mississippi Chemical (MISS)	1.14
Mohawk Industries (MOHK)	0.92
Nike, Inc. (NKE)	2.97
Nine West Group (NIN)	2.74
O'Sullivan Industries (OSU)	0.25
Owosso Corp. (OWOS)	0.35
Physician Corp. America (PCAM)	1.54
Pier 1 Imports Inc. (PIR)	1.06
Praxair Inc. (PX)	3.34
Price/Costco Inc. (PCCW)	3.31
Pyxis Corp. Common (PYXS)	0.73
Seitel Inc. (SEI)	2.52
Singer Co. (SEW)	2.81
Texas Instruments Inc. (TXN)	1.92
Top Source Tech (TPS)	0.26
TRC Companies Inc. (TRR)	0.49
Wellman Inc. (WLM)	1.31
Wellpoint Health Networks (WLP)	1.91
Wholesome & Hearty Foods (WHFI)	1.67
Total Equities	90.51%
Cash and Short Term Notes	9.49%
TOTAL ASSETS	100.00%