North Growth Management Ltd.

April Monthly Report

May 22nd, 1998

Commentary

The Fund did better during April. The improvement didn't start until after the first week of the month but the remainder of the month was very encouraging. During the first week of May the Fund actually came within 0.2% of the S&P 500 index. We were feeling pretty good about that considering that the market is still being led by big-cap stocks.

The reason this report is being written a full 3 weeks into the month is that the Globe & Mail Report on Mutual Fund performance comes out on the third Thursday of the month and May started on a Friday. In two short weeks we have seen the S&P 500 index scoot ahead of the Fund again. Earlier in the month when the Fund's performance was coming on so strong, we were going to play it down and just produce a pot-pourri of interesting observations that we had collected from various economic commentators. Under the current circumstances that still seems to be appropriate.

From H.C. Wainright & Co.: " Throughout time and across borders inflation has nearly always been a sign of economic distress, not success. Nations with the lowest inflation have tended to grow the most, and those with inflation to grow the least".

Couple this with ISI's observation that " paradoxically the first round effects of the Asian flu have been to accelerate growth in the US and Europe via lower rates (of inflation and interest) and higher stock prices (which boost consumer confidence)."

We don't feel comfortable with this "new paradigm" school that seems to be developing but the factors that have kept this bull market going for so long are still in place. We are also hearing people respond to the high valuation being placed on the market by pointing out that the Japanese Market was very expensive for a four year period before it broke down in 1989! They are evidently interpreting that as a reason why the US market might be expected to continue to advance. Others might feel very uneasy by this type of observation. To us it all reinforces our belief that market timing is like reading tea leaves and our efforts are better spent on stock selection.

We will continue to invest in stocks that we feel represent reasonable value relative to our perception of their earnings growth potential. This seems to be keeping us out of the large cap “reliable growth” stocks that have been leading the market. A continued bull market will most likely continue to be led by these pricey big-cap stocks.

Remember that market tops are caused by excesses which often take the form of a blow off in the most expensive stock groups. This means that for a time the most expensive stocks are actually the best performers.

Leadership changes usually take place during and after a bear market. We intend to continue to make stock selections targeting long-term growth potential. While it is possible that mid- and small-cap stocks could come back into fashion before the end of the current bull market, it is more likely that their relative value will be recognized more fully at the beginning of the next bull market. In the meantime, continued cross-currents in the market may allow us to close in on the S&P 500 again. The bigger relative pay off for our investment strategy will most likely take longer to develop. We choose to interpret this statement as a realistic and positive outlook.

Yours truly,

Rudy North

Rudy North

PERFORMANCE RESULTS

AS OF APRIL 30, 1998

PERFORMANCE COMPARISONS*

	Dec. 31, 97 to Mar. 31, 98	Mar. 31, 98 to Apr. 30, 98	Year to Date
North Growth US Equity Fund $CDN	**10.9%**	**2.1%**	**13.3%**
North Growth US Equity Fund $US	**11.8%**	**1.2%**	**13.2%**
S&P 500 $US	13.9%	1.0%	15.1%
S&P 400 MidCap $US	11.0%	1.8%	13.0%
Russell 2000 $US	10.3%	0.5%	10.9%
NASDAQ Composite $US	17.0%	1.8%	19.1%

** Source: Bloomberg "Total Return Analysis" as of May 01, 1998 .*
Note - Including income in all cases.

AVERAGE ANNUAL COMPOUND RATE OF RETURN

	1 Year	2 Years	3 Years	4 Years	5 Years
North Growth U.S. Equity Fund $CDN	**37.5%**	**28.3%**	**30.6%**	**23.7%**	**23.2%**
Average U.S. Equity Fund $CDN **	38.7%	25.3%	25.8%	--	19.4%
Median U.S. Equity Fund $CDN **	39.2%	25.9%	27.0%	--	19.9%

Results are after all management fees and other expenses
*** reported by the Globe & Mail, Report on Mutual Funds, May 22, 1998*

NAVPS: APRIL 30TH/98 $17.84 (CDN)

PORTFOLIO HOLDINGS

AS OF APRIL 30, 1998

Inacom Corp (ICO)	4.34
Mesa Airlines Inc. (MESA)	4.01
Compaq Computer Corp (CPQ)	3.70
Xerox Corp. (XRX)	3.69
AMR Corporation (AMR)	3.39
Greenbrier Cos Inc (GBX)	3.03
Whirlpool Corp (WHR)	2.91
Dress Barn Inc. (DBRN)	2.90
Northwest Pipe Co. (NWPX)	2.74
Precision Castparts (PCP)	2.71
Nextel Communications (NXTL)	2.64
Clayton Homes, Inc. (CMH)	2.64
Barrett Business Services (BBSI)	2.61
Tommy Hilfiger Corp (TOM)	2.55
Toll Brothers Inc (TOL)	2.52
Greyhound Lines Inc. (BUS)	2.43
Kellwood Co. (KWD)	2.39
Wellpoint Health Networks(WLP)	2.28
Adobe Systems (ADBE)	2.24
Sun MicroSystems (SUNW)	2.21
CompUSA Inc. (CPU)	2.15
Integrated Health (IHS)	2.13
Nucor Corp (NUE)	2.11
The Limited Inc. (LTD)	2.11
BJ’S Wholesale Club(BJ)	2.05
Symantec Corp (SYMC)	1.99
Aluminum Company of America (AA)	1.97
FDX Corporation (FDX)	1.83
Comcast Corp CL A Special(CMCSK)	1.76
Axent Technologies (AXNT)	1.74
SBS Technologies(SBSE)	1.70
Owosso Corp. (OWOS)	1.58
Costco Companies (COST)	1.57
Praxair Inc (PX)	1.46
O’Sullivan Industries (OSU)	1.46
Cox Communications (COX)	1.40
Carnival Corp (CCL)	1.34
Pier 1 Imports Inc. (PIR)	1.25
Diamond Offshore Drilling (DO)	1.23
Costilla Energy (COSE)	1.10
M/I Schottenstein Homes (MHO)	1.07
Alaska Airlines (ALK)	1.00
Omnipoint Corp(OMPT)	0.95
Chesapeake Energy (CHK)	0.92
Fred Meyer Inc. (FMY)	0.53
International Specialty Products (ISP)	0.50
Paul Harris Stores (PAUH)	0.46
Texas Instruments Inc. (TXN)	0.23
Cisco Systems (CSCO)	0.21
LSI Logic (LSI)	0.20
Ford Motor Company (F)	0.20
National Data Corp (NDC)	0.18
APS Holding (APSIQ)	0.16
Total Equities	**98.47**
Cash and Short Term Notes	**1.53**
TOTAL ASSETS	**100.00%**