

FEBRUARY MONTHLY REPORT

March 16th, 2000



DEAR INVESTOR...

Although US equity markets continued to sell off during February, the Fund advanced 5.16%. The Globe and Mail report card also shows respectable one year results.

One important factor contributing to the favourable one month and one year results is due to the Fund not holding any non-tech large-cap growth stocks. These stocks went to excessively high multiples in 1998. Much of the investment community called them "must own" stocks. Our analysis of the situation was that at 30-50x earnings they did not have the growth potential to justify such rich valuations. Unfortunately it was impossible to keep up with the S&P 500 during 1998 without them. For the past year or so they have been in downtrends. We are feeling vindicated for not owning stocks that we could not claim to be reasonable value just because they were going up. Coke, Colgate, Gillette, and McDonalds are all impressive, well-managed companies but they are not good investments when their valuations are too high. The market is in the process of correcting the valuation excesses of these stocks that developed during 1998.

Another factor contributing to the Fund's performance of the past 2 months has been the resistance to the falling market of some of our mid- and small-cap "Growth at a reasonable price" stocks. They have also been responding better in rising markets. We expect these stocks to outperform the market this year and beyond.

The Fund's high-tech holdings have been exceptional performers. This continued during January and February when they rose while the rest of the market was falling. The Fund purchased these stocks when they were reasonably priced and positioned to achieve strong earnings gains. Earnings growth continues to be strong but these stocks have become very expensive. We have been cutting back holdings in this group because of their high valuations.

The U.S. Equity market is currently experiencing an internet/technology boom. Some of the activity is excessively speculative and risky. The result is the biggest speculative boom that any of us has ever experienced. Like all booms it will ultimately crash.

This boom is also affecting the valuation of fine companies with good future outlooks. Two such companies, Oracle and Sun Microsystems, are no longer held by the Fund. They were bought at around 20 times earnings. Even given their consensus 5-year future growth rates of 25% and 21% per annum we didn't think the current multiples of 141 x and 108x 2000 anticipated earnings could be justified.

We continue to redeploy the Fund's assets by buying stocks that represent growth at a reasonable price and which have been virtually ignored by the market for the past 2 years.

North Growth Canadian Money Market Fund

As we mentioned in last month's report our money market fund is now available.

The money market fund reflects our view that quality and liquidity are the most important characteristics for investments in this area. Disciplined management and a low management fee allow us to produce a competitive yield while maintaining quality credits and minimizing any interest rate risk. Add to this quick settlement and the convenience of redemptions of any size, and the Fund is suitable for not only investors, but also to businesses with significant working capital surpluses from time to time.

If you want to know the current yield or other features of the Fund contact Rory North at (604)688-5440 or by e-mail at rory@northgrowth.com.

Yours truly,



Rudy North
Fund Manager



PERFORMANCE RESULTS

AS OF FEBRUARY 29, 2000

PERFORMANCE COMPARISONS*

	Year to Feb. 29, 00	Six Months to Feb. 29, 00	Three to Feb. 29, 00	Month of Feb. 29, 00
North Growth US Equity Fund	1.98%	6.23%	5.38%	5.14%
North Growth US Equity Fund \$US	1.54%	9.36%	7.19%	4.85%
S&P 500 \$US	-6.82%	4.11%	-1.33%	-1.89%
S&P 400 MidCap \$US	3.99%	18.09%	10.16%	7.00%
Russell 2000 \$US	14.64%	35.96%	27.62%	16.53%
NASDAQ Composite \$US	15.44%	71.64%	40.84%	19.21%

* Source: Bloomberg "Total Return Analysis" as of Feb. 29, 2000.

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	13.87%	3.34%	12.94%	16.36%	19.04%
Median U.S. Equity Fund \$CDN **	7.00%	12.70%	18.30%	--	20.00%
Average U.S. Equity Fund \$CDN **	10.80%	13.70%	19.30%	--	20.80%

Results are after all management fees and other expenses

** reported by the Globe & Mail, Report on Mutual Funds, Mar. 16, 2000

Return Since Inception (Annualized), Oct. 13, 1992 - Feb. 29, 2000

NAVPS: FEBRUARY 29ND/00 \$16.48 (CDN)

TOTAL ASSETS IN FUND \$47,930,974 (CDN)

CANADIAN MONEY MARKET FUND

Net Current Yield as of February 29, 2000:

4.88%



PORTFOLIO HOLDINGS

AS OF FEBRUARY 29, 2000

Symantec Corp	4.02
Brinker International Inc	3.44
American Power Conversion	3.13
BJ's Wholesale Club	3.03
Nextel Communications Corp	2.90
Louis Dreyfus Natural Gas	2.74
St Jude Medical Inc	2.63
Del Haize American	2.58
Wellpoint Health Networks	2.47
Universal Health Services CL B	2.43
Jones Apparel Group Inc	2.39
3Com Corp	2.34
LSI Logic	2.25
Michaels Stores Inc	2.13
Timberland	2.02
Precision Castparts	1.97
Analog Devices	1.95
Manor Care Inc	1.79
Wesley Jessen Vision	1.78
Cardinal Health Inc	1.76
Kellwood Co	1.63
Compaq Computer Corp	1.53
O Charleys Inc	1.48
Clayton Homes Inc	1.45
Synopsys Inc	1.43
Schnitzer Steel	1.34
TJX Companies Inc	1.33
Mesa Airlines Inc	1.27
Dentsply International	1.02
Ralcorp Holdings Inc	0.95
Technitrol Inc	0.81
Diamond Offshore Drilling	0.80
FirstMerit Corp	0.70
Oracle Corp	0.67
Stone Energy Corp	0.57
Devon Energy Corp	0.53
Texas Instruments	0.30
Sun Microsystems Inc	0.23
City National Corp	<u>0.15</u>
Total Equities	67.94
Cash and Short Term Notes	<u>32.06</u>
TOTAL ASSETS	<u>100.00%</u>