

APRIL MONTHLY REPORT

May 18th, 2000

DEAR INVESTOR...

April was another good month for the North Growth U.S. Equity Fund. While the NAVPS of the Fund fell 0.5% in US dollars this was significantly less than all of the indices we follow in these reports. The NASDAQ Composite index was the big loser, down 15.6%. EXTREME DAY-TO-DAY VOLATILITY best describes the market's behavior during the month.

When I considered myself one of the young guys in the business – back in the time that is pre-historic in the minds of the vast majority of today's money management professionals – we used the term “trading market” to describe the volatility that followed a sustained uptrend in the market. Today we are told that volatility is the characteristic of the beginning of a new bull market. It is true that there is also volatility at the beginning of a new bull market but that volatility occurs after a decisive downturn in the market when the prevailing sentiment is fear and the last thing the majority of investors are thinking about is buying more stock. This doesn't seem to be the case at the present time. This is all very subjective but we see no reason to interpret the extreme daily volatility of the markets as positive.

Stock selection is much more important to our results than overall market timing. The stocks that are performing well for us represent “growth at a reasonable price” by historic standards. The multiples that apply to the earnings of the NASDAQ, S&P 500 and Dow Indices are all high by historic standards. Technology stocks which are generally believed to have the best long-term earnings growth outlook also have P/E multiples that far exceed past peak levels. Peak levels in the past have not been good investment opportunities for the intermediate term (usually meaning 2 to 3 years). That is why we have sold down our technology stocks.

Sorry, but we just can't avoid saying it once more. On a capitalization weighted basis much of the market is at excessively high valuations. There is, however, a huge difference between the high valuations of large-cap growth and technology stocks, and the valuations being placed on mid- and small-cap non-technology stocks. These latter groups were in the equivalent of a bear market in 1998 and much of 1999 while large-cap growth stocks, high-tech stocks and internet related IPOs were making record highs. This unprecedented degree of divergence in equity prices is beginning to correct. This is the main reason why the Fund continues to perform well.

Much of the market's volatility during the past two months has revolved around speculation of what the Federal Reserve Board would announce at the May 16 regular meeting. The three days before the announcement saw the market rise presumably on speculation that some sign might be given that the expected 0.5% rise in rates might be the last tightening. This did not seem probable to us given the balance of recent economic news and, in fact, did not happen. The Fed raised interest rates and was quite aggressive in stating the need for restraint. The market immediately checked down then came back up. We expect the volatility to continue. Rising interest rates continue to be the prospect. Historically the market does not move into a sustained uptrend on the belief that the last interest rate hike has been made. The positive signal from the Fed is lowering interest rates. In 1995 the Fed Funds Target was lowered some months before a sustained uptrend in stock prices developed. We believe that as long as the Fed continues to raise rates, the broad market will not exhibit a sustained rally.

Over the next 1, 2 or more years we believe that reasonably priced mid- and small-cap stocks will be the best sectors of the U.S. Equity market. We keep repeating this but it's best to be boring when you are onto something that is working. Overall market weakness should be viewed as an opportunity to purchase the undervalued portion of the market.

Yours truly,



Rudy North
Fund Manager

North Growth Canadian Money Market Fund Update

The North Growth Canadian Money Market Fund currently has a yield of 5.21% (May 16/00) net all expenses. We don't believe this can be beaten given the quality and convenience that the Fund provides.

Where the minimum of \$100,000 can be accommodated, the Fund is eligible for self-administered RRSPs.

Where to Find NGM Fund Prices

NGM funds are listed in the *Globe & Mail* and the *Vancouver Sun* under the heading "pooled funds". They can also be found on globefund.com and morningstar.ca. For those who prefer, we can e-mail our daily summary sheet to you every day that the market is open. To be added to our list please contact Caroline North at caroline@northgrowth.com or 688-5440.

PERFORMANCE RESULTS

AS OF APRIL 30, 2000

PERFORMANCE COMPARISONS*

	Year to Apr. 30, 00	Six Months to Apr. 30, 00	Three Months to Apr. 30, 00	Month of April 00
North Growth US Equity Fund \$CDN	19.72%	27.76%	23.43%	1.57%
North Growth US Equity Fund \$US	16.74%	27.00%	20.55%	-0.53%
S&P 500 \$US	-0.78%	7.20%	4.46%	-3.01%
S&P 400 MidCap \$US	8.75%	21.26%	11.90%	-3.50%
Russell 2000 \$US	0.65%	18.86%	2.31%	-6.02%
NASDAQ Composite \$US	-5.08%	30.26%	-1.99%	-15.57%

* Source: Bloomberg "Total Return Analysis" as of May 01, 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 US Equity Fund \$CDN	32.56%	9.75%	18.30%	18.67%	21.84%
Median U.S. Equity Fund \$CDN **	9.30%	-	20.20%	--	21.10%
Average U.S. Equity Fund \$CDN **	11.61%	-	21.25%	--	21.67%

Results are after all management fees and other expenses

** reported by the Globe & Mail, Report on Mutual Funds, May 18, 2000

Return Since Inception (Annualized), Oct. 13, 1992 - Apr. 30, 2000 **19.83%**

NAVPS: APRIL 30ST/00 **\$19.34 (CDN)**

TOTAL ASSETS IN FUND **\$56,639,495 (CDN)**

CANADIAN MONEY MARKET FUND

Net Current Yield as of May 17, 2000:

5.23%

PORTFOLIO HOLDINGS

AS OF APRIL 30, 2000

Brinker International Inc	4.36
Jones Apparel Group Inc	4.35
Wesley Jessen Vision	3.28
St Jude Medical	3.25
Louis Dreyfus Natural Gas	3.22
Symantec Corp	3.03
BJ's Wholesale Club	2.99
Universal Health Services CL B	2.96
Timberland	2.83
American Power Conversion	2.81
Precision Castparts	2.75
Michaels Stores Inc	2.68
Delhaize America Inc	2.36
Wellpoint Health Networks	2.33
Manor Care Inc	2.12
Cardinal Health Inc	2.03
Compaq Computer Corp	1.56
Nextel Communications Inc	1.54
Clayton Homes Inc	1.47
O'Charleys Inc	1.44
TJX Companies	1.38
Synopsys Inc	1.30
Sigma-Aldrich	1.23
Schnitzer Steel	1.21
Mesa Airlines Inc	1.21
Albertson's Inc	1.19
Federal Signal Corp	1.10
Alza Corp	1.04
Technitrol Inc	1.01
Dentsply International	1.00
Snap-On Inc	0.94
Diamond Offshore Drilling	0.87
Ralcorp Holdings Inc	0.73
FirstMerit Corp	0.70
Devon Energy Corp	0.59
Stone Energy Corp	0.57
3Com Corp	0.47
City National Corp	<u>0.17</u>
Total Equities	70.07
Cash and Short Term Notes	<u>29.93</u>
TOTAL ASSETS	100.00%