

NORTHSTAR RESEARCH ENHANCED INDEX FUND

Managed by J.P. Morgan Investment Management



NORTHSTAR
THE NORTHSTAR FUNDS

THE INVESTMENT ACUMEN OF J.P. MORGAN

Since it was founded in 1861, J.P. Morgan & Co. has been a leader in global finance. From capitalizing leading corporations to helping finance governments in times of crisis, J.P. Morgan has built lasting relationships by putting the needs of its clients first. Today, investors have entrusted J.P. Morgan with more than \$278 billion of assets. The firm operates in 35 countries, giving it the cross-border expertise it needs to participate in major markets worldwide.

The firm's investment management division, J.P. Morgan Investment Management Inc., has developed a research-driven investment process designed to deliver consistently superior performance while controlling risks. Unlike other investment managers who rely on

JP Morgan

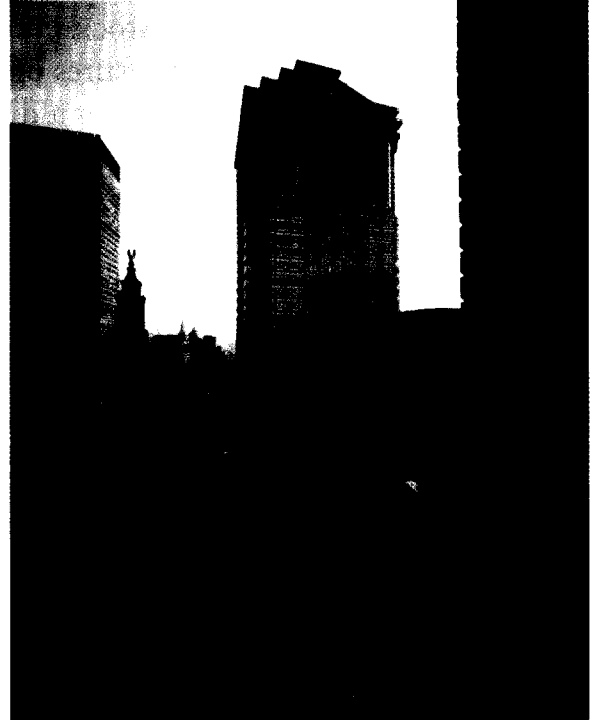
third-party sources for information, J.P. Morgan Investment

has over 170 in-house research analysts on its staff. These career professionals strive to create a proprietary information advantage, looking beyond consensus research to independently assess the fundamental prospects of individual securities and markets. This approach was one of the reasons why J.P. Morgan Investment Management was named "Best Global Equity Manager" in *Global Investor* magazine's 1998 Awards for Investment Excellence.

J.P. Morgan Investment's research-intensive discipline underlies the success of the firm's research enhanced index equity strategy. This innovative approach combines the best of active and passive

investment management. The strategy's passive component seeks to replicate the risk characteristics of the Standard & Poor's 500 stock market index. The strategy's active component takes advantage of short-term pricing inefficiencies to enhance the potential for superior long-term returns. This sophisticated and proven strategy is available to individuals through Northstar's Research Enhanced Index Fund.

Not part of the prospectus.



THE S&P 500: HARNESSING THE POWER OF THE STOCK MARKET

The Standard & Poor's 500 stock index is one of the most closely watched measures of U.S. stock market performance. It replicates a diversified portfolio containing the stocks of many of America's largest and most successful corporations. In fact, the S&P 500 represents more than 70% of the total domestic U.S. equity market capitalization, making it the benchmark against which most U.S. stock mutual funds are measured.

Why is the S&P 500 the standard of performance for professional investors? Because of the quality of the companies that comprise the index. The stocks are selected according to industry representation, liquidity, and stability in order to capture returns within many different sectors of the U.S. economy. Composed of a diversified array of industrial, utility, financial, and transportation stocks, the index includes some of the most widely followed stocks in America:

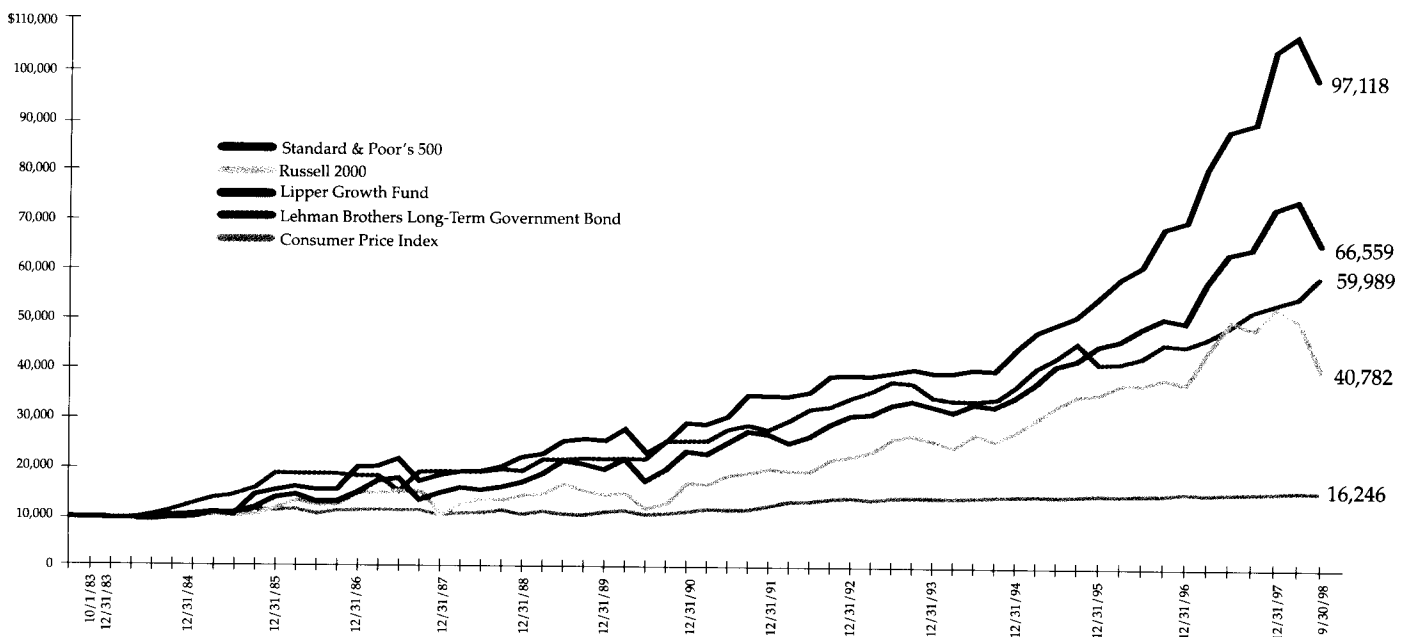
TEN LARGEST STOCKS IN THE S&P 500

(as of December 31, 1998)

Microsoft	3.48%	Wal-Mart	1.84%	Coca-Cola	1.66%
General Electric	3.36	Exxon	1.79	Pfizer	1.63
Intel	1.99	Merck	1.77	Cisco	1.47
		IBM	1.73		

Source: Standard & Poor's

GROWTH OF \$10,000 ♦ 15 Years: 1983-1998



Source: Towers Data Services, Inc.

The Standard & Poor's Index of 500 Stocks is an unmanaged index that measures the performance of securities of large companies. The Russell 2000 Index is an unmanaged index that measures the performance of securities of small companies. The Lipper Growth Fund Index is an unmanaged index that measures the performance of growth funds (funds that seek capital appreciation). The Lehman Brothers Long-Term Government Bond Index is an unmanaged index that measures the performance of U.S. Treasury bonds and U.S. government agency bonds. The Consumer Price Index is an unmanaged index that measures change in the prices of a fixed group of goods bought by a typical consumer.

Past performance cannot guarantee future results. Unmanaged indices are not indicative of the performance of any Northstar Fund. An investment cannot be made in an index.

Mutual Funds are not deposits or obligations of any bank, are not guaranteed by any bank, and are not insured by the FDIC, the Federal Reserve Board, or any other government agency. Investing in mutual funds involves risk, including possible loss of principal.

Not part of the prospectus.

NORTHSTAR RESEARCH ENHANCED INDEX FUND: ADDING VALUE THROUGH FUNDAMENTAL RESEARCH

PROPRIETARY RESEARCH

INFORMATION ADVANTAGE

- ★ 25 dedicated senior equity “buy-side” analysts
- ★ Intermediate and long-term forecasts from industry specialists
- ★ J.P. Morgan’s global information network

COMPANY VALUATION

TIME TESTED SELECTION PROCESS

- ★ Traditional and proprietary valuation tools
- ★ Stocks ranked from most attractive to least attractive

PORTFOLIO CONSTRUCTION

DISCIPLINED APPROACH

- ★ The industry sector allocations and market cap weightings in the portfolio are similar to the S&P 500
- ★ Seek excess return through disciplined stock selection

RESEARCH IS THE CORNERSTONE

J.P. Morgan has a team of 25 “buy-side only” analysts that tracks approximately 550 domestic large and mid-cap stocks, mostly from the S&P 500. The companies are then ranked by industry group in quintiles (5 sets of 20%), from the most undervalued, attractive stocks at the top to the most overvalued, unattractive stocks at the bottom. Utilizing similar industry weightings as the S&P 500, J.P. Morgan portfolio managers modestly overweight stocks that are ranked as undervalued or fairly valued while modestly underweighting or eliminating stocks that appear overvalued.

	<i>JPM Research Universe</i>	<i>Northstar Research Enhanced Index Fund</i>	
<i>Most Undervalued</i>	20%	30%	↑ <i>Overweight</i> ↓
<i>Undervalued</i>	20%	30%	
<i>Fairly Undervalued</i>	20%	30%	
<i>Overvalued</i>	20%	10%	<i>Underweight</i>
<i>Most Overvalued</i>	20%	0%	<i>Eliminate</i>

THE BENEFITS OF INVESTING IN THE NORTHSTAR RESEARCH ENHANCED INDEX FUND

LARGE-CAP GROWTH – the Northstar Research Enhanced Index Fund offers a sound foundation of conservative, large-cap equities, the building blocks of any quality, long-term investment portfolio.

FUNDAMENTAL RESEARCH – J.P. Morgan Investment Management's team of 25 "buy-side" equity research analysts conduct exhaustive fundamental research to identify those stocks most likely to outperform their peers.

"INDEX-LIKE" BENEFITS – due to the Northstar Research Enhanced Index Fund's investment strategy, the Fund may provide many of the benefits of index investing, including broad diversification, index-like risk and no market timing or style "drift."

WORLD RENOWNED MANAGER – with more than \$278 billion in assets, the fund's sub-advisor J.P. Morgan Investment Management is one of the most respected, widely known investment management firms in the world.

INVESTOR SERVICES – Ready Liquidity, Automatic Investment Plans, Systematic Withdrawal Plans, Retirement Plans, Exchange Privileges, Telephone Redemption.

THE NORTHSTAR FAMILY OF FUNDS

OBJECTIVE	FUND
<i>Aggressive Growth</i>	Northstar Special Fund Northstar Emerging Markets Value Fund
<i>Growth</i>	Northstar Mid-Cap Growth Fund Northstar Growth + Value Fund Northstar International Value Fund Northstar Research Enhanced Index Fund
<i>Income & Growth</i>	Northstar Income and Growth Fund
<i>High Current Income</i>	Northstar Government Securities Fund Northstar High Yield Fund Northstar High Total Return Fund II
<i>Current Income & Stability with Preservation of Capital</i>	Cash Management Fund



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ADVICE

For more information on any Northstar Fund, including investment objectives and policies, sales charges, expenses and risks and other matters of importance to prospective investors, call your financial representative or call or write Northstar for a current prospectus. Please read it carefully before you invest or send money.