



Interim Management Report of Fund Performance

For the six months ended June 30, 2011

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the unaudited interim or audited annual financial statements at your request, and at no cost, by calling collect 1-604-688-5440, by writing to us at North Growth Management Ltd., Suite 830 One Bentall Centre, 505 Burrard Street, Box 56, Vancouver, BC V7X 1M4 or by visiting our website at www.northgrowth.com or SEDAR at www.sedar.com

Securityholders may also contact us by using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. The Fund's Simplified Prospectus and Annual Information Form are similarly available.

North Growth U.S. Equity Advisor Fund

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A Note on Forward-Looking Statements

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the risks detailed from time to time in the Fund's simplified prospectus. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. The manager of the Fund does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

North Growth U.S. Equity Advisor Fund
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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the North Growth U.S. Equity Advisor Fund (the “Fund”) is to provide long-term capital growth by investing in common shares of United States-based corporations. In order to achieve this objective, we invest in companies that are undervalued in relation to their expected growth potential. In assessing which companies fit within our “growth at a reasonable price” strategy, we look for superior growth trends, companies within industries that should provide a positive environment for future growth, companies that are dominant within an industry or that have a niche within an industry, and companies with management teams that are likely to guide their companies to superior growth.

RISK

There were no material changes to the Fund over the reporting period that affected its overall level of risk. This Fund is ideally suited for investors looking for long-term capital appreciation through investment in equity securities of U.S. corporations. Investors should have a medium tolerance for risk and a minimum investment horizon of five years.

RESULTS OF OPERATIONS

During the six-month period ending June 30, 2011 (expressed in Canadian dollars) the Series F units of the Fund rose 1.40% and the Series D units rose 1.17%; the difference in performance is attributed to the 0.50% per annum trailer commission on the Series D units. When expressed in Canadian dollars, both series of the Fund underperformed the S&P 500 Total Return Index which rose 2.82% for the six-month period. The Canadian dollar, as per the Bank of Canada closing rate, appreciated approximately 3.10% during the period which negatively affected returns when expressed in Canadian dollars. Expressed in U.S. dollars, the Series F and Series D units rose 4.57% and 4.33% respectively compared to 6.02% for the S&P 500.

There were no deletions during the period ended June 30, 2011. The sole new addition to the portfolio consisted of Savient Pharmaceuticals Inc. which now comprises a relatively small proportion of the portfolio at 0.58%. Sector exposures did not change materially during this period.

Strength and weakness were fairly balanced in the portfolio and underperformance was solely due to the large weight in Cisco Systems which was down almost 23%. Despite this, the portfolio slightly outperformed the technology heavy NASDAQ Composite Index as the rest of the portfolio performed well. We took advantage of price movements to add to Cisco, Citigroup, First Solar, Flow International, Intel, Johnson Controls, Micron, Microsoft, Varian Medical, Zimmer Holdings, in addition to the previously mentioned addition of Savient Pharmaceuticals. These incremental purchases were funded through trims of Apple, Applied Materials, Cerner, Citrix, Pfizer, Precision Castparts, St. Jude Medical, and Wal-Mart.

RECENT DEVELOPMENTS

Markets got off to a good start but gyrated from February to June. Similar to last year, investors have been concerned about government deficits and debts in Europe and the United States in addition to a potential slowdown in China. An additional twist is that politicians in the United States are debating how to incorporate an increase to the authorized debt ceiling with deficit reductions. While this is causing some uncertainty, investors are generally confident that policy makers will make the required increase to the debt ceiling in order to avoid default. Although economic growth and jobs growth have slowed, monetary policy is still very stimulative and corporations have been reporting strong results.

In the time between June 30, 2011 and the date of this report, volatility in the U.S. markets increased. The U.S. government agreed to raise the debt ceiling just prior to the August 2nd default deadline and on August 5th, the Standard & Poor's rating agency downgraded the U.S. credit rating.

RELATED PARTY TRANSACTIONS

North Growth Management Ltd. is the manager and portfolio advisor of the Fund. It provides investment and portfolio management services to the Fund and is responsible for the overall operations of the Fund. The Fund pays to North Growth Management Ltd. for services provided (see *Management Fee*).

During the six months ended June 30, 2011 North Growth Management Ltd. neither purchased nor redeemed units of the Fund.

As at June 30, 2011, affiliates, officers and directors of North Growth Management Ltd. owned 87.05% (2010 – 96.68%) units of the Fund.

On June 30, 2011 the Fund carried an outstanding payable to North Growth Management Ltd. for management fees in the amount of \$16,850 (2010 – \$13,574).

FINANCIAL HIGHLIGHTS – SERIES F UNITS

For the six months ended June 30, 2011 and for the comparative periods ended December 31, 2010, June 30, 2010 and from inception on May 7, 2009 to December 31, 2009

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the selected periods identified. The interim information at June 30, 2011 and 2010 is derived from the unaudited financial statements for the periods then ended, and financial information dated December 31, 2010 and 2009 is derived from the audited financial statements for the periods then ended.

Net Assets per unit ¹	June 30, 2011	December 31, 2010	June 30, 2010	December 31, 2009
Net Assets, beginning of period ²	\$13.28	\$11.87	\$11.87	\$10.00
Increase (Decrease) from Operations				
Total revenue.	0.08	0.12	0.06	0.07
Total expenses	(0.08)	(0.15)	(0.07)	(0.08)
Net investment loss	-	(0.03)	(0.01)	(0.01)
Realized gains/(losses) for the period	0.23	0.49	0.47	(0.04)
Unrealized gains/(losses) for the period	(0.04)	0.98	(0.73)	1.92
Transaction costs	-	(0.01)	-	-
Net gains/losses for the period	0.19	1.46	(0.26)	1.88
Total Increase/decrease from Operations ³	0.19	1.43	(0.27)	1.87
Annual Capital Gains Distribution ⁴	-	0.34	-	-
Net Assets, End of Period	\$13.47	\$13.28	\$11.60	\$11.87

1 This information is derived from the Fund's unaudited financial statements for the interim 6 month periods ended June 30 and audited annual financial statements for periods ended December 31. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the Net Assets, End of Period balance.

2 Inception for Series F was May 7, 2009.

3 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from investment operations is based on the weighted average number of units outstanding over the financial period.

4 The distribution is calculated for taxation purposes only. Subsequent to the distribution it is the Fund's policy to consolidate the units outstanding to ensure there is no impact on unit price resulting from the distribution.

Ratios and Supplemental Data	June 30, 2011	December 31, 2010	June 30, 2010	December 31, 2009
Net asset value (000's)	\$16,388	\$15,620	\$12,641	\$12,634
Number of units outstanding (000's)	1,217	1,176	1,090	1,064
Management expense ratio ⁵	1.20%	1.20%	1.20%	1.20%
Pre-absorption management expense ratio ⁶	1.27%	1.29%	n/a	n/a
Trading expense ratio ⁷	0.02%	0.08%	0.06%	0.10%
Portfolio turnover rate ⁸	4.37%	13.26%	24.04%	2.66%
Net asset value per unit	\$13.47	\$13.29	\$11.60	\$11.87

5 Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

6 The manager pays the IRC fee; the pre-absorption management fee represents what the management fee would be if the manager did not pay this expense. This ratio was not calculated for the periods ended June 30, 2010 and December 31, 2009.

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

8 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

FINANCIAL HIGHLIGHTS – SERIES D UNITS

For the six months ended June 30, 2011 and for the comparative periods ended December 31, 2010, June 30, 2010 and from inception on September 17, 2009 to December 31, 2009

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the selected periods identified. The interim information at June 30, 2011 and 2010 is derived from the unaudited financial statements for the periods then ended, and financial information dated December 31, 2010 and 2009 is derived from the audited financial statements for the periods then ended.

Net Assets per unit ¹	June 30, 2011	December 31, 2010	June 30, 2010	December 31, 2009
Net Assets, beginning of period ²	\$13.21	\$11.86	\$11.86	\$11.18
Increase (Decrease) from Operations				
Total revenue.	0.08	0.12	0.06	0.07
Total expenses	(0.11)	(0.21)	(0.10)	(0.08)
Net investment loss	(0.03)	(0.09)	(0.04)	(0.01)
Realized gains/(losses) for the period	0.23	0.49	0.47	(0.04)
Unrealized gains/(losses) for the period	(0.05)	0.98	(0.73)	0.73
Transaction costs	-	(0.01)	-	-
Net gains/losses for the period	0.18	1.46	(0.26)	0.69
Total Increase from Operations ³	0.15	1.37	(0.30)	0.68
Annual Capital Gains Distribution	-	0.24	-	-
Net Assets, End of Period	\$13.36	\$13.21	\$11.56	\$11.86

1 This information is derived from the Fund's unaudited financial statements for the interim 6 month period ended June 30 and audited annual financial statements for periods ended December 31. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the Net Assets, End of Period balance.

2 Inception for Series D was September 17, 2009.

3 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from investment operations is based on the weighted average number of units outstanding over the financial period.

4 The distribution is calculated for taxation purposes only. Subsequent to the distribution it is the Fund's policy to consolidate the units outstanding to ensure there is no impact on unit price resulting from the distribution.

Ratios and Supplemental Data	June 30, 2011	December 31, 2010	June 30, 2010	December 31, 2009
Net asset value (000's)	\$978	\$1,228	\$838	\$691
Number of units outstanding (000's)	73	93	72	58
Management expense ratio ⁴	1.70%	1.70%	1.70%	1.70%
Pre-absorption management expense ratio ⁵	1.77%	1.79%	n/a	n/a
Trading expense ratio ⁶	0.02%	0.08%	0.06%	0.10%
Portfolio turnover rate ⁷	4.37%	13.26%	24.04%	2.66%
Net asset value per unit ⁸	\$13.36	\$13.21	\$11.56	\$11.86

- 5 Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- 6 The manager pays the IRC fee; the pre-absorption management fee represents what the management fee would be if the manager did not pay this expense. This ratio was not calculated for the periods ended June 30, 2010 and December 31, 2009.
- 7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- 8 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

MANAGEMENT FEE

North Growth Management Ltd. is the portfolio advisor and manager of the Fund and receives a management fee from the Fund for these services. The Fund has two series: Series D and Series F. The management fee for both series is 1.20% of assets under administration, calculated daily and paid monthly based on the daily net asset value of each series.

The manager pays all operating costs of the Fund except for brokerage fees, any taxes payable, interest charges if any, and trailer fees. It is not reimbursed for these costs.

The Fund is distributed by registered dealers. Series D pays a trailing commission of 0.50%, and Series F units are available through dealers who are generally compensated by their clients on a fee-for-service basis.

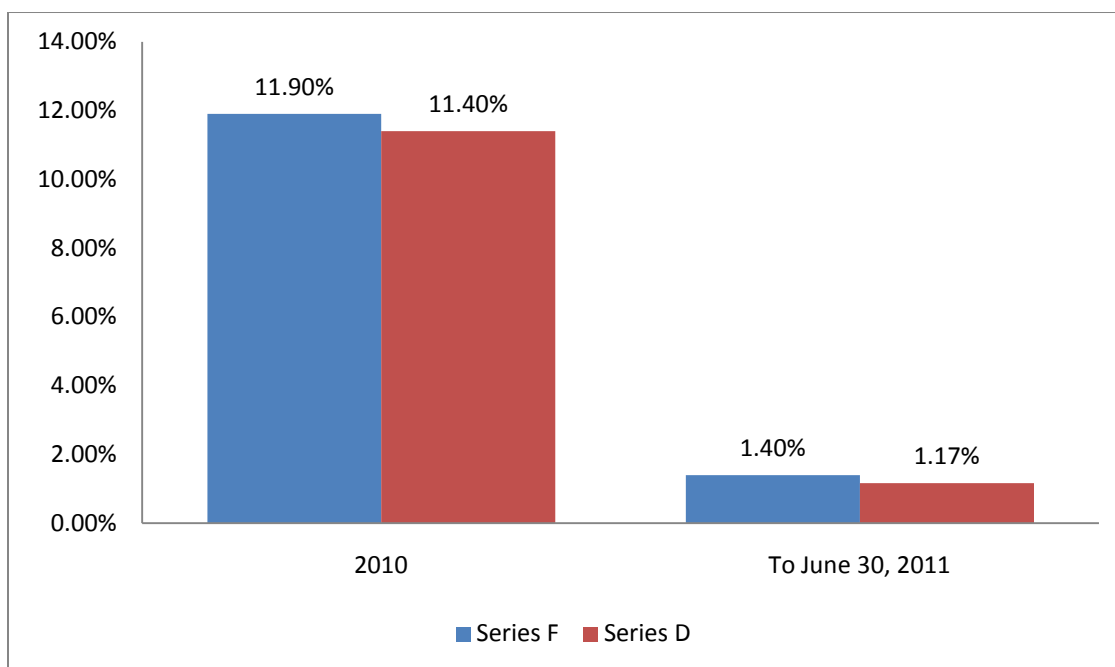
PAST PERFORMANCE

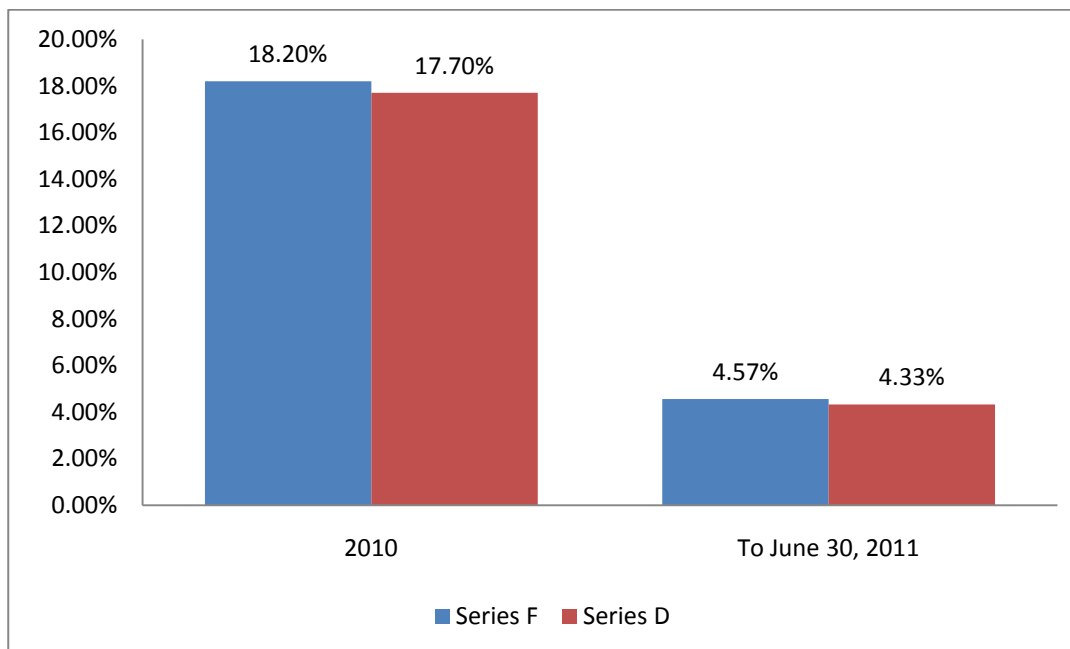
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the fund. Past performance does not necessarily indicate how the fund will perform in the future.

Interim and Year-by-Year Returns

The bar charts indicate the Fund's performance for the 6 months ended June 30, 2011, and for the year ended December 31, 2010. The bar charts show in percentage terms how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year in Canadian dollars and in U.S. dollars.

Summary of Performance Expressed in Canadian Dollars



Summary of Performance Expressed in United States Dollars**Annual Compound Returns and Interim Return**

The S&P 500 Index is widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. It has over US\$ 4.83 trillion benchmarked, with index assets comprising approximately US\$ 1.1 trillion of this total. It is comprised of 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

The table below compares the historical compound returns for each series, as well as disclosure of the performance during the six-month period to June 30, 2011, with the S&P 500 Total Return Index in Canadian dollar terms.

Compounded Returns \$CDN (%)	6 Months to June 30, 2011	Year Ended December 31, 2010	*Since Inception
Series F	1.40	11.90	10.51
Series D	1.17	11.40	10.00
S&P 500 \$CDN	2.82	8.9	9.22

The table below compares the historical compound returns for each series, as well as disclosure of the performance during the six-month period to June 30, 2011, with the S&P 500 Total Return Index in U.S. dollar terms.

Compounded Returns \$U.S. (%)	6 Months to June 30, 2011	Year Ended December 31, 2010	*Since Inception
Series F	4.57	18.20	16.34
Series D	4.33	17.70	15.81
S&P 500 \$U.S.	6.02	15.10	14.98

**The Fund filed its initial prospectus on October 23, 2009. For purpose of reporting performance this is the date used for inception for both Series F & D units.*

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2011

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. It is updated quarterly, within 60 days of quarter end, and is available as indicated on the front cover of this report.

Top 25 Holdings **% of NAV**

1	Apple Inc.	9.39
2	Cisco Systems Inc.	7.53
3	Intel Corporation	5.70
4	Microsoft Corporation	4.74
5	Bristol-Myers Squibb Company	4.68
6	Pier 1 Imports Inc.	4.61
7	St. Jude Medical Inc.	4.38
8	Texas Instruments Inc.	3.93
9	Pfizer Inc.	3.87
10	Precision Castparts Corp.	3.86
11	General Electric Company	3.63
12	Applied Materials Inc.	3.52
13	First Solar Inc.	3.12
14	Herman Miller Inc.	3.09
15	WellPoint Inc.	3.09
16	Citrix Systems Inc.	2.94
17	Cerner Corporation	2.88
18	DSP Group Inc.	2.61
19	Varian Medical Systems Inc.	2.55
20	Zimmer Holdings Inc.	2.35
21	Safeway Inc.	1.95
22	Wal-Mart Stores Inc.	1.95
23	Micron Technology Inc.	1.89
24	Electronic Arts Inc.	1.85
25	NIKE Inc. Class B	1.60

Sector Allocation **% of NAV**

Technology	48.19
Healthcare	21.49
Retail	10.03
Capital Goods	9.92
Energy	3.11
Consumer Durables	3.09
Consumer Cyclical	2.92
Financial	0.91
Other Net Assets	0.34



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