



JANUARY MONTHLY REPORT

February 4, 2004

The North Growth Canadian Equity Fund got off to a strong start in 2004 with a 4.07% return for the month of January. This compares favorably with the 3.75% return for the S&P TSX Composite and the 3.84% return for the 70/30 Composite. Strong performance from the Canadian equity portfolio was sufficient to offset the slightly weaker performance of the North Growth US Equity Fund which was up 2.11% in Canadian dollars compared to 4.06% for the S&P 500 Index in Canadian dollars. For the nine month period since North Growth began managing the Fund it is up 27.76% versus 31.16% for the S&P TSX Composite and 26.39% for the 70/30 Composite.

The earnings season gets off to a slightly slower start in Canada than in the US, therefore, as of the end of the month, we had received fourth quarter results from only three of our Canadian holdings. These early results were solidly in line with our expectations and provided encouraging information about the coming year. We expect solid operating results will allow for strong year over year comparisons despite the negative currency impact from US operations.

The remarkable strength of the Canadian dollar during 2003 was once again the focus of much discussion in January. On January 20th, the Bank of Canada decided to lower its overnight rate by 25 basis points to 2.50% citing weaker than expected growth with the strength of the Canadian dollar a key culprit. Two days later, this opinion was reinforced by the Bank of Canada's Monetary Policy Report Update, which cited the strong dollar once again as the primary reason for lower growth expectations. With a growing consensus that the overnight rate may be lowered again in March, the Canadian dollar has pulled back almost 5% from its January 13th highs. This is a healthy development for the economy and Canadian corporations as further significant appreciation of the Loonie would clearly hurt their competitive position.

The Fund is fully invested in solid "growth at a reasonable price" investments. We are developing good idea flows and expect to have no problem keeping the Fund fully invested in the near term. With the introduction of the North Growth RRSPs we will likely maintain the \$25,000 minimum initial investment level throughout 2004.

North Growth Management is pleased to announce that we now offer RRSP and RRIF accounts. There are no additional fees charged on these accounts. The North Growth Canadian Equity Fund and The North Growth Canadian Money Market Fund are eligible as Canadian content and the North Growth US Equity Fund is eligible as foreign content.

We have also introduced the NGM US FOCUS RRSP. This product, with a minimum initial investment of only \$85,000, is open to any British Columbian resident and to Accredited Investors in all provinces except for Quebec and New Brunswick. The minimum investment must consist of \$25,000 in the US Equity Fund and \$60,000 in the Canadian Equity Fund. Due to the 30% investment by the Canadian Fund in the US Fund this combination will permit NGM US FOCUS RRSP clients to have approximately 50% of their RRSP invested in the North Growth US Equity Fund.

Yours truly,



Rory North

WHERE TO FIND NGM FUND PRICES

Please visit www.northgrowth.com to view the Fund's daily prices or to be added to our e-mail list to receive daily notification of the Fund's prices. Alternatively, the Globe & Mail lists the Funds under the following headings: **Mutual Fund** - NGM US Equity Fund; **Pooled Fund** - NGM Cdn. Equity Fund; **Money Market Fund** - NGM Cdn. Money Market Fund.

PERFORMANCE COMPARISONS: SHORT-TERM

	<i>Year to January 31, 04</i>	<i>Six months to January 31, 04</i>	<i>Three months to January 31, 04</i>	<i>Month of January 04</i>
North Growth CDN Equity Fund \$CDN	4.07%	15.86%	11.39%	4.07%
S&P TSX \$CDN	3.75%	18.44%	10.12%	3.75%
70% TSX / 30% S&P 500 \$CDN	3.84%	15.46%	9.68%	3.84%
North Growth US Equity Fund \$CDN	2.11%	14.41%	7.36%	2.11%
S&P 500 \$CDN	4.06%	8.66%	8.63%	4.06%

PERFORMANCE COMPARISONS: LONG-TERM

	<i>1 Year</i>	<i>2 Years</i>	<i>3 Years</i>	<i>Since NGM Takeover*</i>
North Growth CDN Equity Fund \$CDN	23.55%	5.55%	6.70%	27.76%
S&P TSX \$CDN	32.20%	7.53%	-1.21%	31.16%
70% TSX / 30% S&P 500 \$CDN	27.67%	3.11%	-3.31%	26.39%
North Growth US Equity Fund \$CDN	34.27%	13.81%	11.83%	31.86%
S&P 500 \$CDN	17.17%	-7.01%	-8.43%	15.54%

** North Growth Management Ltd. took over the Fund's management contract on May 1, 2003.*

RETURN SINCE INCEPTION (ANNUALIZED), SEPTEMBER 1, 2000 - JANUARY 31, 2004 **8.40%**

NAVPS: JANUARY 31/04 **\$ 12.88** **CDN**

TOTAL ASSETS IN FUND **\$ 14.60** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF JANUARY 31, 2004

2.37%