

AUGUST MONTHLY REPORT

September 2, 2003

The North Growth Canadian Equity Fund maintained its recent trend of modest outperformance of a strong equity market during August. For the month, the Fund was up 4.27% versus 3.63% for the S&P Toronto Stock Exchange Composite Total Return Index (“S&P TSX”). Three consecutive months of modest outperformance were sufficient to offset the slow start we had in May, and as a result during the first 4 months since North Growth Management took over the management of the Fund, it is up 14.98% vs. 14.75% for the S&P TSX. We believe we are on the right track and will continue to work to align the Fund with our core “Growth at a Reasonable Price” philosophy.

In this monthly report we introduce an additional index to consider when evaluating the Fund’s performance. From now on we will include a composite that represents a 70% weight of the S&P TSX and a 30% weight in the S&P 500 Total Return Index expressed in Canadian dollars. For the month of August and the four months since the NGM takeover this composite was up 2.71% and 12.43% respectively. This performance shows that the broad US market in Canadian dollar terms has underperformed the S&P TSX over these periods. Despite this, the Fund benefited from its exposure to the US Market due to the very strong performance of the North Growth US Equity Fund during this period.

In August, we continued to make significant changes to the Fund as we work to align the portfolio with our core investment philosophy. These decisions are made on a stock by stock basis and it is the cumulative effect of these individual decisions that will generate a core North Growth Management style portfolio. During August, Rudy and I made one additional important decision that is relevant to the future management of the Fund. Effective September 2nd, 2003, Mark Stevens no longer works with North Growth Management. We have greatly appreciated Mark’s assistance during this transition period. Going forward I will be the sole manager of the Fund with support from other members of the NGM investment team.

During August, the Canadian GDP numbers for the second quarter were released showing that economic activity was weaker than most expectations at -0.3%. With this data confirming the well documented weakness in the Canadian economy during the second quarter, most economists are now expecting the Bank of Canada to lower interest rates again on September 3rd. While the series of negative events (SARS, Mad Cow, forest fires, blackout) probably gives the Bank of Canada some room to fulfill these predictions, such a move would likely prove to be unnecessary and only need to be reversed in fairly short order.

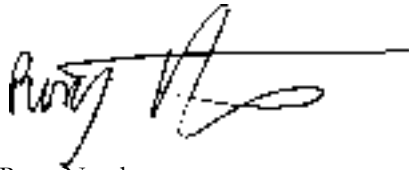
A key element to the Bank of Canada’s expectations of accelerating economic activity in the second half of this year is a pick up in the economies of our key trading partners, most important of which is, of course, the US. Recent economic data out of the US suggest that economic activity is trending well above the levels implied in the Bank of Canada’s July monetary policy update. Additionally, other economies such as Japan are showing surprising signs of

renewed growth. Rate cut or no rate cut, the Canadian economy is well positioned for accelerating economic growth.

The improving macroeconomic environment provides a positive backdrop for Canadian equities. To achieve above average returns in this environment it will be as important as ever to focus on stock selection based on company fundamentals and reasonable valuation levels.

We are asking our US Equity Fund client base to give us the opportunity to manage a small portion of their Canadian equity holdings. In order to facilitate this, we have temporarily reduced the minimum initial investment level for the North Growth Canadian Equity Fund to \$25,000.

Yours truly,

A handwritten signature in black ink, appearing to read "Rory North", is written over a horizontal line.

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 August 31, 03</i>	<i>Six months to August 31, 03</i>	<i>Three months to August 31, 03</i>	<i>Month of August 03</i>
North Growth CDN Equity Fund \$CDN	9.57%	15.13%	12.87%	4.27%
S&P TSX \$CDN	15.03%	15.68%	9.99%	3.63%
70% TSX / 30% S&P 500 \$CDN	11.07%	14.94%	8.96%	2.71%
North Growth US Equity Fund \$CDN	16.81%	26.50%	13.66%	4.28%
S&P 500 \$CDN	1.84%	12.87%	6.39%	0.56%

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	6.59%	2.21%	5.85 %	14.98%
S&P TSX \$CDN	15.91%	2.63%	-11.10 %	14.75%
70% TSX / 30% S&P 500 \$CDN	11.01%	-0.99%	-11.59%	12.43%
North Growth US Equity Fund \$CDN	26.32%	10.70%	12.93%	20.18%
S&P 500 \$CDN	-0.38%	-9.38%	-13.18%	6.93%

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

NAVPS: AUGUST 31/03

\$ 11.71 **CDN**

TOTAL ASSETS IN FUND

\$ 10.27 **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF AUGUST 31, 2003

2.70%