

JULY MONTHLY REPORT

August 9, 2004

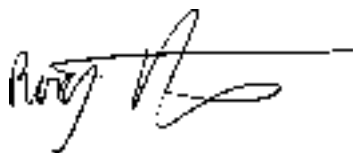
Canadian equities were down slightly during July, as strength in energy and financial stocks offset the broader market weakness seen in the US. The North Growth Canadian Equity Fund did not perform well during July. The Fund was down 4.9% for the month, underperforming both the S&P TSX index and the 70/30 composite, which were down 0.9% and 1.7% respectively. Year-to-date the Fund is now up only .2% versus 3.9% for the S&P TSX index and 3.6% for the 70/30 composite. During July, approximately half of the Fund's underperformance was caused by the weak performance of the North Growth US Equity Fund and the other half was primarily from weakness in the share price of two core holdings: Biovail and Zarlink.

The shares of both Biovail and Zarlink were down substantially in July. Both of these companies are out of favor with the market and have recently experienced considerable volatility. We are fully aware of the concerns surrounding these companies; however, we believe the current valuation on these stocks fully reflects these concerns. We believe that both companies are executing on business plans that will deliver solid returns to their shareholders. Subsequent to their June quarter earnings releases, we purchased additional shares in both companies.

During July, two of our smaller energy holdings, Cavell Energy and Esprit Exploration, were subject to market value enhancing corporate actions. Cavell Energy was acquired by Paramount Energy Trust for consideration that was equivalent to an approximate 20% premium over the pre-deal share price. Cavell's share had appreciated considerably in the months prior, presumably due to speculation on a deal. Cavell's operational performance since our initial purchase had been somewhat disappointing. This transaction provided us with reasonable returns on our investment by recognizing the value of the underlying assets. We sold our position in Esprit Exploration after the Company announced the details of its reorganization that will see the company split into an income trust and a much smaller exploration company. We were happy with both transactions as we felt the consideration received adequately reflected fair value.

Over 60% of our Canadian holdings had reported 2nd quarter results by the end of June. Overall results have been in line with expectations. With many stock prices not reacting to positive results, stock valuations continue to improve. As of the first week of August the Fund is effectively 100% invest.

Yours truly,



Rory North

PERFORMANCE COMPARISONS: SHORT-TERM

	<i>Year to July 31, 04</i>	<i>Six months to July 31, 04</i>	<i>Three months to July 31, 04</i>	<i>Month of July 04</i>
North Growth CDN Equity Fund \$CDN	0.22%	-3.69%	-3.08%	-4.94%
S&P TSX \$CDN	3.87%	0.11%	3.06%	-0.92%
70% TSX / 30% S&P 500 \$CDN	3.55%	-0.29%	1.16%	-1.73%
North Growth US Equity Fund \$CDN	-3.55%	-5.54%	-5.12%	-7.50%
S&P 500 \$CDN	2.57%	-1.43%	-3.18%	-3.62%

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	11.58%	5.24%	3.59%	18.04%
S&P TSX \$CDN	18.57%	15.29%	5.10%	24.34%
70% TSX / 30% S&P 500 \$CDN	15.13%	11.49%	1.76%	20.33%
North Growth US Equity Fund \$CDN	8.07%	15.93%	7.52%	19.20%
S&P 500 \$CDN	7.11%	2.55%	-6.04%	10.96%

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

RETURN SINCE INCEPTION (ANNUALIZED), SEPTEMBER 1, 2000 - JULY 31, 2004 **6.27%**

NAVPS: JULY 31/04 **\$ 12.40** **CDN**

TOTAL ASSETS IN FUND **\$ 16.49** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF JULY 31, 2004
1.75%