

Across the board, July was a very strong month for equities. Technology shares lead the market with the NASDAQ Composite rising 6.2% versus the 3.7% gain for S&P 500 Index. The North Growth US Equity delivered a very solid 4.5% return for the month. We are pleased with the Fund's current one-year return of 29.7% which compares favorably to the S&P 500's 14.1% gain during the same period.

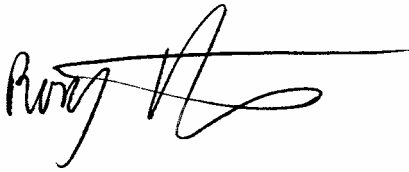
While short term results are gratifying, we always emphasize that a five-year holding period should be the minimum time horizon for our investors. It is encouraging that the Fund's short term results line up nicely with its compound average annual five-year return of 17.6% versus the -1.4% compound average annual five-year return for the S&P 500. This magnitude of outperformance over five years generates a dramatic compounding benefit that is clearly demonstrated when we consider that an investment of US\$100,000 in the North Growth US Equity Fund on July 31, 2000 would have grown to US\$225,246 by July 31, 2005, while the same investment in the S&P 500 Index would have shrunk to \$93,439. Although going forward it will obviously be a challenge to continue to deliver such exceptionally strong results, we believe that by diligently applying our stock-by-stock, "growth at a reasonable price", investment process we should be able to continue to deliver superior results to our investors over the long term.

The second quarter reporting period is now pretty much over. Better than expected corporate earnings more than offset concerns regarding rising oil prices. The S&P 500 is on track to deliver 11.5% year-over-year earnings growth for the second quarter, which is much better than expectations of approximately 8%. For the quarter, the Fund's holdings posted average earnings growth of 16.4% year-over-year versus analyst expectations of 9.4%. We continue to expect growth in capital spending to be the key driver of US economic growth over the next few years and believe that many of the Fund's technology holdings will benefit from this trend.

When we look at current US equity valuations in terms of P/E multiples and compare them to historic numbers, the valuations appear to be unremarkable and possibly at the higher end of a fair value range. However, once we take into consideration the relatively low level of inflation and interest rates, low expectations for growth, and the exceptional strength of corporate balance sheets, we conclude that the market is actually quite cheap. The current investment climate is further enhanced by the fact that many of the best quality companies are trading at the low end of their historic valuation ranges.

Over the last few years many Canadian investors have benefited from substantial exposure to the commodity cycle. We are reminding investors that commodities are inherently cyclical. With commodity prices and the Canadian dollar at multi-year highs, we are encouraging investors to take advantage of the relative outperformance of the commodity sector by reducing their exposure to Canadian equities and increasing their exposure to US equities.

Yours truly,

A handwritten signature in black ink, appearing to read 'Rory North', with a long horizontal flourish extending to the right.

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

SHORT TERM RATES OF RETURN FOR PERIODS ENDING JULY 31, 2005

	1 Month	3 Months	6 Months	YTD
North Growth US Equity Fund \$CDN	4.37%	9.03%	8.46%	11.30%
North Growth US Equity Fund \$US	4.48%	12.09%	9.97%	9.30%
S&P 500 \$US	3.72%	7.17%	5.45%	2.88%
S&P 400 MidCap \$US	5.25%	14.18%	12.17%	9.30%
S&P 600 SmallCap \$US	6.02%	16.72%	10.42%	7.93%
NASDAQ Composite \$US	6.24%	13.90%	6.30%	0.80%

ANNUALIZED RATES OF RETURN FOR PERIODS ENDING JULY 31, 2005

	1 Year	3 Years	5 Years	10 Years	Since Inception
North Growth US Equity Fund \$CDN	19.38%	17.07%	13.14%	16.46%	17.04%
North Growth US Equity Fund \$US	29.66%	27.54%	17.63%	17.72%	17.19%
S&P 500 \$US	14.05%	12.61%	-1.35%	9.98%	11.08%
S&P 400 MidCap \$US	25.89%	19.08%	9.27%	14.67%	15.10%
S&P 600 SmallCap \$US	27.25%	22.24%	12.37%	12.76%	N/A
NASDAQ Composite \$US*	16.50%	18.69%	-9.93%	8.54%	10.97%

Source: Bloomberg "Total Return Analysis" as of Aug 2, 2005.

*The return since inception for this index is a Simple Price Appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

NAVPS: July 31, 2005 **\$ 26.74 CDN**
\$ 21.84 US

Total Assets in Fund **\$ 256.2 Million CDN**

North Growth Canadian Money Market Fund
Net Current Yield
2.25%