

SEPTEMBER MONTHLY REPORT

October 3, 2003

For the month of September, the North Growth CDN Equity Fund fell by 2.04%, underperforming the S&P TSX Composite Index by just over 1%. The S&P TSX was down 1.0% during September while the composite of 70% S&P TSX & 30% S&P 500 was down 1.78%. The North Growth US Equity Fund underperformed the S&P 500 by 1.16% with a negative 4.78% Canadian dollar return for the month. Analysis of the monthly returns shows that the entire underperformance of the Canadian Fund versus the S&P TSX Composite Index resulted from the weakness of the North Growth US Equity Fund and just over half of this weakness can be attributed to the appreciation of the Canadian dollar during the month. For the five-month period since North Growth Management began managing the Canadian Fund, it is up 12.63% versus 13.60% for the S&P TSX composite.

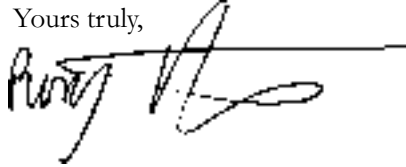
Having now actively managed the Canadian Fund for five months, I am becoming quite comfortable with the portfolio's structure. During September, the Fund received a small amount of net new money. Despite this cash inflow, we reduced the cash balances from 4.9% to 1.5% at month-end. Three additional legacy holdings were eliminated completely from the Fund and two new positions were established. We are encouraged by the opportunities within the existing portfolio and by the quality of prospective investment we are finding. The Fund is now well positioned to easily deploy new cash flows in attractive "growth at a reasonable price" investment opportunities.

Last month's report was written one day prior to the Bank of Canada policy meeting. As expected the Bank of Canada chose to reduce its overnight rate by 0.25% to 2.75% citing one time events that generated unforeseen slack in the economy. With the recently reported strength in the Canadian economy during July (GDP +0.6% versus expectations of +0.4%), it still seems likely that this last move will prove to have been unnecessary and result in the Bank of Canada having to change policy again in the near future. These knee jerk type reactions by the Bank of Canada are unfortunate because they undermine the markets' confidence in the Central Bank's decision making process.

Canada's macro economic performance stands out at the top of the pack when measured against the majority of the industrialized world. Going forward, there is every reason to believe that our economy will continue to shine. The macro economy is simply the sum of its parts. Corporate Canada is a major component of the economy and it stands to reason that there will be many attractive investment opportunities within this sector of our economy. We believe that our stock-by-stock analysis process is ideally suited to generate solid long-term investment opportunities within the Canadian market-place.

We are encouraged by our experience to date with the Canadian Fund and are actively encouraging our core US Fund client base to give us the opportunity to manage at least a portion of their Canadian investments. The minimum initial investment is still only \$25,000 and will probably remain at this level for another six months.

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 September 30, 03</i>	<i>Six months to September 30, 03</i>	<i>Three months to September 30, 03</i>	<i>Month of September 03</i>
North Growth CDN Equity Fund \$CDN	7.33%	16.82%	6.90%	-2.04%
S&P TSX \$CDN	13.88%	18.04%	6.70%	-1.00%
70% TSX / 30% S&P 500 \$CDN	9.09%	15.34%	5.58%	-1.78%
North Growth US Equity Fund \$CDN	11.23%	21.78%	6.93%	-4.78%
S&P 500 \$CDN	-1.84%	8.93%	2.83%	-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	11.25%	6.26%	5.55%	12.63%
S&P TSX \$CDN	22.45%	6.10%	-9.03%	13.60%
70% TSX / 30% S&P 500 \$CDN	17.47%	1.81%	-10.19%	10.44%
North Growth US Equity Fund \$CDN	25.98%	10.57%	9.26%	14.44%
S&P 500 \$CDN	5.80%	-8.03%	-13.30%	3.06%

Source: Bloomberg "Total Return Analysis" as of October 1, 2003.

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

RETURN SINCE INCEPTION (ANNUALIZED), SEPTEMBER 1, 2000 - SEPTEMBER 30, 2003 **4.98%**

NAVPS: SEPTEMBER 30/03 **\$ 11.47** **CDN**

TOTAL ASSETS IN FUND **\$ 10.25** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF SEPTEMBER 30, 2003

2.48%