



JANUARY MONTHLY REPORT

February 4, 2004

The North Growth US Equity Fund got off to a slow start for 2004. In January the Fund fell 0.07% in US Dollars, underperforming all the indices we follow by between 2 and 4 ½%. The weaker Canadian dollar resulted in a positive 2.11% Canadian dollar return for the Fund.

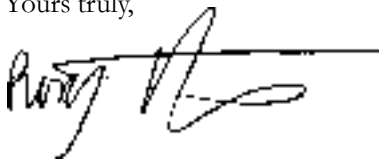
Earnings season is well under way in the US and, contrary to the market reaction, it has not disappointed. Well over half of the S&P 500 companies have already reported their fourth quarter results, and the average earnings on a year-over-year basis are set to increase by well over 20%. Approximately two thirds of the earnings reported so far have come in ahead of expectations despite the fact that expectations increased substantially throughout the quarter. Although the outlook for 2004 earnings growth is clearly improving, most management teams are providing cautious guidance - choosing to err on the side of caution is the norm after the excesses of the late 90's. We are convinced that Wall Street is underestimating the strength of the economy and the earnings cycle.

One of the most striking aspects of the recent financial reports is the - possibly unprecedented - health of the balance sheets of corporate America. The past few years of cost cutting and low capital expenditures have created huge net cash positions for a broad swath of corporate America. This trend is exaggerated in our portfolio as our stock selection process places emphasis on low debt and strong cash flow. We believe the strength of corporate America's balance sheets will play a key role in the next phase of this economic expansion. For well over a year, we have been of the opinion that increased capital spending from the private sector will be the key to the continuation of the current expansion. Over the past two quarters there has been mounting evidence of increasing capital spending. We anticipate an acceleration of capital spending and job creation as corporations gain confidence to deploy their healthy balance sheets for future growth.

From a number of conversations we have had with clients recently, we believe there is a general misconception regarding the state of the US economy. Many people seem to be interpreting the media focus on the US federal budget deficit as an indication that the US economy is floundering. We strongly disagree with this opinion and believe the US economy is in the early stages of a vigorous economic expansion. The federal budget deficit is large and left unchecked could eventually cause significant problems to the health of the economy. However, with tax revenues growing and some evidence of newly found spending restraint, we would not be surprised if we have already seen the peak in the federal budget deficit. In support of this view we note the quiet improvements in US state and local operating budgets during the past year, which have rebounded from record deficits to surplus' during the past year.

We continue to believe our portfolio is well positioned to benefit from the continuing economic expansion. The strength of the broad equity markets during the past year has resulted in some overvalued equities but it is in this environment when careful stock selection becomes ever more important. As always, North Growth Management will focus on identifying solid “growth at a reasonable price” investment opportunities for our funds.

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 US Equity Fund \$CDN	2.11%	14.41%	7.36%	2.11%
North Growth US Equity Fund \$US	-0.07%	21.32%	6.86%	-0.07%
S&P 500 \$US	1.84%	15.23%	8.12%	1.84%
S&P 400 MidCap \$US	2.17%	19.03%	7.51%	2.17%
Russell 2000 \$US	4.35%	22.70%	10.26%	4.35%
NASDAQ Composite \$US	3.15%	19.39%	7.04%	3.15%

PERFORMANCE COMPARISONS: LONG-TERM

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>
North Growth US Equity Fund \$CDN	34.27%	11.83%	15.86%	16.74%
North Growth US Equity Fund \$US	54.20%	16.53%	18.94%	16.77%
S&P 500 \$US	34.57%	-4.58%	-1.02%	10.89%
S&P 400 MidCap \$US	42.84%	4.82%	10.53%	13.90%
Russell 2000 \$US*	58.23%	6.05%	7.84%	8.10%
NASDAQ Composite \$US*	57.41%	-8.97%	-3.45%	9.94%

Source: Bloomberg "Total Return Analysis" as of February 2, 2004

** The ten year average for these indices is a Simple Price Appreciation because total return data is not available on Bloomberg.*

RETURN SINCE INCEPTION (ANNUALIZED), OCT. 13, 1992 - JAN. 31, 2004

18.24% CDN

17.58% US

NAVPS: JAN. 31, 2004

\$ 23.81 CDN

\$ 17.97 US

TOTAL ASSETS IN FUND

\$ 207.32 MILLION CDN

**CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF JAN. 31, 2004
2.37%**