

Signs of stabilizing credit conditions and better than expected earnings reports in general propelled a broad-based US equity rally in April. Although concerns about the outlook for many global financial institutions remain, a pickup in merger and acquisition activity, along with narrowing spreads in interbank funding markets and lower-rated commercial paper since mid-March suggest that the stresses in the financial markets are abating.

The resilience of the US economy in the face of this credit crisis is remarkable. Public opinion since last year has been that the US is in a recession, but the fact is that the US economy has not experienced a negative quarter of growth since 2001 and it appears that the GDP numbers are not likely to turn negative at all in 2008.

The preliminary estimate for US economic growth in the first quarter of 2008 is 0.6%, unchanged from the gain in the fourth quarter of 2007. While consumer spending was weak and business investment and residential construction investment declined, an increase in inventories and an improvement in trade resulted in the continued expansion of the US economy. Economic data released since the preliminary GDP report—including better retail sales and employment figures—seems to indicate that first quarter GDP growth will be revised up substantially, possibly to as high as 1.5%.

Certainly, the problems of declining home values, restricted credit availability and strained financial market conditions could dampen economic activity for a considerable period of time. However, the extensive measures enacted by the Federal Reserve and the fiscal stimulus responses have yet to affect the economy fully and should boost growth in the second half of the year.

Furthermore, the US economy has so far been able to withstand the headwinds of rising, record energy prices and other commodity prices. The concern over increasing inflation and its pressure on economic growth is real even though recent core inflation readings have remained generally benign. Given the current slowdown in global economic growth and supply/demand fundamentals, we continue to anticipate a weakening in the prices of oil and other commodities.

As we have stressed in our recent monthly reports, it is paramount that investors maintain a long term perspective in these times of market uncertainty. US equity valuations remain very attractive, discounting an economic recession as a foregone conclusion. At the same time, corporate earnings, with the exception of financial institutions, continue to advance at a healthy pace. The North Growth US Equity Fund is fully invested in keeping with our “growth at a reasonable price” philosophy and accordingly the portfolio is well-positioned to deliver solid long term performance.

Yours truly,

A handwritten signature in black ink that reads "Erica Lau". The signature is written in a cursive, flowing style.

Erica Lau, CFA

NORTH GROWTH US EQUITY FUND

Short Term Rates of Return (%) for Periods Ending April 30, 2008

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	1.98	-0.13	-7.86	-5.47
S&P 500 \$CDN	2.90	1.37	-3.66	-3.51
NGM US Equity Fund \$US	3.93	-0.47	-13.57	-6.96
S&P 500 \$US	4.87	1.03	-9.64	-5.03
S&P 400 MidCap \$US	7.71	4.62	-6.95	-1.83
S&P 600 SmallCap \$US	4.01	1.20	-11.60	-3.75
NASDAQ Composite \$US	5.90	1.17	-15.26	-8.80

NORTH GROWTH US EQUITY FUND

Annualized Rates of Return (%) for Periods Ending April 30, 2008

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
NGM US Equity Fund \$CDN	-14.91	-0.34	6.18	7.67	12.60	13.13
S&P 500 \$CDN	-13.51	0.49	3.08	0.31	8.29	8.74
NGM US Equity Fund \$US	-6.21	7.34	13.95	11.51	14.36	14.67
S&P 500 \$US	-4.68	8.23	10.62	3.89	9.98	10.22
S&P 400 MidCap \$US	-2.76	11.20	15.20	9.64	13.17	13.63
S&P 600 SmallCap \$US	-9.04	8.76	14.73	7.41	11.46	12.21
NASDAQ Composite \$US	-3.67	8.71	11.24	3.11	9.00*	9.64*

Source: Bloomberg "Total Return Analysis" as of May 1, 2008.

*These returns are a simple price appreciation because total return data is not available on Bloomberg.
The inception of the Fund: October 13, 1992.

NAVPS: April 30, 2008 \$21.67 CDN
\$21.52 US

Total Assets in Fund \$230.1 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending April 30, 2008

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	5.78	3.71	-10.50	-2.40
S&P / TSX \$CDN	4.59	6.65	-3.42	1.62

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending April 30, 2008

	1 Year	3 Years	5 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	-16.45	1.54	5.26	5.26	3.82
S&P / TSX \$CDN	6.58	16.83	18.65	18.65	4.87

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

**The inception of the Canadian Equity Fund: September 1, 2000.

NAVPS: April 30, 2008 \$ 10.98 CDN

Total Assets in Fund \$ 18.4 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
Annualized Rates of Returns (%) for Periods Ending April 30, 2008

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	3.14	4.19	3.68	3.13
30 Day T-Bill	N/A	3.87	3.66	3.20

** The Current Yield for the Money Market Fund is the average of the annualized daily yield for the most recent seven day period. This measure is no longer available for the 30 day T-Bill Index.*

The North Growth Canadian Money Market Fund is consistently one of the highest yielding money market funds in Canada – not because we waste any time searching for basis points along the yield curve but because at **0.25%** the Fund's management fee is one of the **lowest in Canada**. We manage the Fund simply by creating a well-diversified portfolio of very short term, top credit quality notes and believe the product is a good proxy for the risk free rate*. We maintain the average maturity of the Fund at near 15 days, meaning that we essentially roll over the entire portfolio every 30 days. As a result, the Fund's current yield will rapidly follow any changes (up or down) in the Bank of Canada's overnight rate.

The accountant's fees for the annual audit are greater than the annual management fees, so North Growth Management takes a small loss on the product. We don't mind because we offer the product as a service to our clients. We also believe an inflation protected liquidity product, such as our money market fund is an underutilized asset class that could improve the overall financial planning of many of our clients. This may seem strange coming from a firm notorious for its opinion that bonds are essentially an inferior asset class that offer inadequate returns for their inherent risk, but we can lay out a strong theoretical argument that you can create a superior portfolio using equities and money market than you can using equities and mid to long term bonds.

For retirees living off their financial assets, we believe that using a client's own personal cash requirements and risk tolerance to determine their appropriate mix of money market and equities, can, in most instances, create a superior portfolio to the all too pervasive industry staple 60/40 equity/bond split. For clients seeking a truly personalized retirement plan we encourage you to make an appointment to come in and get a fresh look at your plan from the North Growth Management investment professionals.

*The risk free rate is the theoretical rate of return of an investment with zero risk. The North Growth Canadian Money Market is not a risk free investment and is not covered by the CDIC (Canadian Deposit Insurance Corporation).

INVESTING WITH NORTH GROWTH MANAGEMENT:

North Growth Management is a focused firm. Our objective is consistent, superior, long term returns on our equity funds based on our “growth at a reasonable price” investment philosophy.

CONDUCTING TRANSACTIONS:

The cut-off time for same-day transactions is 4 p.m. Eastern time or 1 p.m. Pacific time. Orders received after that time will be processed on the next business day. Cheques must be made payable to **RBC Dexia Investor Services Trust**. For security reasons, instructions can only be accepted by mail or by fax to:

North Growth Management Ltd.
Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

Fax: 604-688-5402

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 reports prices on www.globefund.com.