



JUNE MONTHLY REPORT

July 13, 2004

The North Growth Canadian Equity Fund's was up 2.38% during June versus 1.73% for the S&P TSX index and 1.13% for the 70/30 composite. For the first half of the year the Fund has delivered a respectable performance of 5.44%, which is basically inline with the 5.37% for the 70/30 composite and modestly ahead of the 4.83% from the S&P TSX Composite total return. Year-to-date, solid performance from our Canadian holdings has been sufficient to offset the slight underperformance of the North Growth US Equity Fund.

As we stated in our February report, we have felt for some time that many energy stocks do not adequately reflect this strong commodity price environment. Recently, prompted by the ongoing strength in oil and gas prices, numerous sell side analysts increased their estimates for energy prices for the next few years. The improving sentiment towards the sector is now starting to be reflected in stock prices. Our Canadian portfolio is well exposed to the energy sector, and year-to-date this has been the primary contributor to the Fund's out performance.

With little corporate or economic news to comment on it seems appropriate to comment on the big news in Canada during June, which of course was the Federal election.

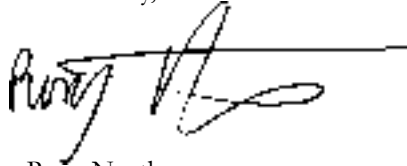
Following the surprisingly strong Liberal victory the Canadian dollar has continued to rally to three month highs. The ongoing strength in the loonie is at least partly a sigh of relief from international investors who, when looking at the fiscal turnaround Canada has accomplished under the Liberal government policies, were finding it very hard to understand why Canadians would vote for change.

From an economic viewpoint, over the past ten years Canada has gone from the basket case of the industrialized world to its shining star. Although there are many economic statistics to back up this claim the most obvious has to be that according to the OECD Canada's total government debt burden moved from being the second highest in the G-7 in 1995 to the second lowest in 2003. Between 1995 and 2002, Canada's total government debt-to-GDP ratio fell from 68% to 40.4% - an impressive 27.6% drop. In combination with lower interest rates, the key impact of this change is that in 1995 37.6 cents out of each government revenue dollar went to service the debt. Today this number is down to 21 cents out of each dollar.

Based on the current federal budget projections and assuming the Contingency Reserve in the budget is applied to debt reduction the debt-to-GDP ratio should fall to 31.5% over the next five years. Clearly sticking to this prudent fiscal path for a few more years will put Canadians in the enviable position of being able to afford such priorities as increased healthcare, social and military spending or potentially even further tax cuts.

For any one wanting more facts on Canada's remarkable economic story, it is well documented in the November 2003, Economic and Fiscal Update which I would be happy to e-mail to you.

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 June 30, 04</i>	<i>Six months to June 30, 04</i>	<i>Three months to June 30, 04</i>	<i>Month of June 04</i>
North Growth CDN Equity Fund \$CDN	5.44%	5.44%	2.58%	2.38%
S&P TSX \$CDN	4.83%	4.83%	-0.02%	1.73%
70% TSX / 30% S&P 500 \$CDN	5.37%	5.37%	1.07%	1.13%
North Growth US Equity Fund \$CDN	4.27%	4.27%	3.03%	1.54%
S&P 500 \$CDN	6.42%	6.42%	3.47%	-0.27%

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	22.85%	4.83%	5.59%	24.75%
S&P TSX \$CDN	24.48%	11.42%	5.24%	27.30%
70% TSX / 30% S&P 500 \$CDN	22.61%	8.84%	2.25%	23.77%
North Growth US Equity Fund \$CDN	25.80%	21.55%	11.12%	29.04%
S&P 500 \$CDN	17.90%	2.49%	-4.80%	15.38%

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

RETURN SINCE INCEPTION (ANNUALIZED), SEPTEMBER 1, 2000 - JUN. 30, 2004 **7.83%**

NAVPS: JUN. 30/04 **\$ 13.04** **CDN**

TOTAL ASSETS IN FUND **\$ 17.40** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF JUN. 30, 2004
1.76%