



AUGUST MONTHLY REPORT

September 10, 2004

August was a lack luster month for equities, with exceptionally low trading volumes and little news flow. Performance from the North Growth Canadian Equity Fund was again disappointing, falling 4.5% for the month versus a drop of only 0.8% for both the S&P TSX Composite Index and the 70/30 composite. Many of the Fund's Canadian holdings contributed to the Fund's underperformance during the month in addition to a modest negative contribution from the North Growth US Equity Fund.

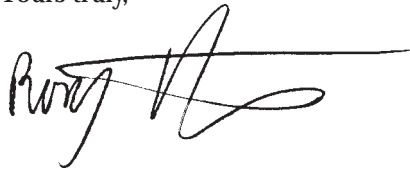
The Canadian Fund appreciated by only 2.3% during the 1 year period ending August 31st as compared to 13.5% for the S&P TSX index and 11.2% for the 70/30 Composite. It took some time for me to reposition the portfolio after taking over its management in May of last year. I believe by the end of August of last year the Fund's transformation to a North Growth style portfolio was largely complete, and as such the current one year performance figures fairly reflect our first year performance record on the Fund. I am disappointed by the performance during this period. Two months ago, I was quite satisfied with the Fund's early performance but July and August proved to be difficult months for the Fund.

Despite the recent performance setbacks, I am increasingly confident with the Fund's positioning and am working hard towards the goal of reporting much better performance over the mid-term (3 to 5 years) investment horizon. Recently I have been concentrating the Fund's holdings in what I believe are its best "Growth at a Reasonable Price" investments. I see opportunities to further concentrate the portfolio's holdings in addition to adding few new holdings.

One situation that is particularly intriguing in Canada is the oil field service sector. The Canadian stocks in this sector are trading at multiples that are up to half those of their larger US comparables. Certainly there are greater seasonal and weather related issues facing the Canadian companies, but the key macro factors driving the strong earnings growth and improving near term outlook for these companies on both sides of the border are the same. If this valuation differential continues I would not be at all surprised to see some US companies make some highly accretive acquisitions of their Canadian counterparts.

The Canadian economy continues to grow remarkably well and, in addition, we believe the US economy will continue its more modest rate of growth. The solid macro economic backdrop should support continued stability or modest growth in consumer spending with more dynamic growth expected to come from corporate capital spending. In this context we feel that many Canadian and US equities are trading at very attractive valuation levels that should provide for solid long term equity returns going forward. We are encouraging clients to take the recent market weakness as an opportunity to ensure they are fully invested in equities.

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 Aug 31, 04</i>	<i>Six months to Aug 31, 04</i>	<i>Three months to Aug 31, 04</i>	<i>Month of Aug 04</i>
North Growth CDN Equity Fund \$CDN	-4.24%	-10.01%	-7.01%	-4.45%
S&P TSX \$CDN	3.02%	-3.82%	-0.03%	-0.81%
70% TSX / 30% S&P 500 \$CDN	2.70%	-3.93%	-1.44%	-0.82%
North Growth US Equity Fund \$CDN	-5.90%	-9.29%	-8.37%	-2.44%
S&P 500 \$CDN	1.70%	-4.39%	-4.69%	-0.84%

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	2.25%	4.40%	2.22%	12.90%
S&P TSX \$CDN	13.50%	14.69%	6.13%	21.91%
70% TSX / 30% S&P 500 \$CDN	11.17%	11.09%	2.91%	18.21%
North Growth US Equity Fund \$CDN	1.10%	13.01%	7.40%	15.73%
S&P 500 \$CDN	5.61%	2.57%	-4.64%	9.54%

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

RETURN SINCE INCEPTION (ANNUALIZED), SEPTEMBER 1, 2000 - AUGUST 31, 2004 **4.93%**

NAVPS: AUG. 31/04 **\$ 11.85** **CDN**

TOTAL ASSETS IN FUND **\$ 15.6** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF AUGUST 31, 2004

1.77%