August Monthly Report

September 10, 2004

The summer doldrums were in full force during August resulting in the most notable aspect for the market being the exceptionally low trading volumes throughout the month. The low volumes contributed to an increased level of volatility as the markets continued their July tumble during the first two weeks only to rally to the end of the month to close the month basically flat. In US dollars, the North Growth US Equity Fund fell 1.2% during August, squarely in between the 2.5% decline of the NASDAQ and the 0.4% gain for the S&P 500. The strength of the Canadian dollar reduced the Fund's Canadian dollar return to -2.4% for the month. Year-to-date, in US dollars, the Fund is down 7.1% versus +0.4% for the S&P 500 and -8.0% for the NASDAQ.

Market participants continued to be highly focused on oil prices. During the first two weeks of August, oil prices continued to rise towards fifty dollars a barrel with a corresponding fall in the equity markets. When oil prices began to check back mid month the equity markets rallied. High energy prices have historically caused slower economic growth and are often associated with recessions so there is some logic to the market's obsession with oil prices over the past few months. The global nature of the recent slow down in economic growth does suggest that it is related to higher energy prices. At this point, we are not overly concerned by the slower growth for two reasons. Firstly, we do not believe the current oil supply/demand situation justifies current oil prices and, barring a major supply disruption, expect oil to move back towards the mid thirty dollar a barrel level. Secondly, we believe that early in the year global economic activity was at risk of overheating and this recent slow down was a positive outcome for a more sustainable period of growth.

At the beginning of this year there was a lot of concern that the economy was growing too fast and that the US Federal Reserve was way 'behind the curve' in its monetary policy. More recently many of these same commentators seem convinced we are heading into another recession. We continue to believe we are at the early stages of an economic expansion and would not be at all surprised if commentators soon begin to once again classify this expansion as a 'Goldilocks economy', meaning its growth rate is neither too hot nor too cold.

Recently we have fielded a number of questions regarding the upcoming US election. The US economy is the freest economy in the world, and although the government likes to take credit for positive developments or the opposition likes to cast blame for negative developments, we are of the opinion that government policies have very little impact on the economy. Accordingly, we are pretty much ambivalent with regards to the outcome of the election. Furthermore, historically there is no discernable pattern of one party or the other being better for the stock market.

We are finding many exceptionally good "Growth at a Reasonable Price" investment opportunities and believe the Fund is well positioned for growth. We are advising clients that now is one of those times to ensure they have their maximum exposure to US equities.

Yours truly,

Rory North

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Performance Comparisons: Short-Term

	Year to Aug 31, 04	Six months to Aug 31, 04	Three months to Aug 31, 04	Month of Aug 04
North Growth US Equity Fund $CDN	**-5.90%**	**-9.29%**	**-8.37%**	**-2.44%**
North Growth US Equity Fund $US	**-7.08%**	**-7.73%**	**-4.85%**	**-1.22%**
S&P 500 $US	0.42%	-2.74%	-1.03%	0.40%
S&P 400 MidCap $US	0.87%	-3.58%	-2.75%	-0.26%
Russell 2000 $US	-0.91%	-5.88%	-3.30%	-0.52%
NASDAQ Composite $US	-7.96%	-9.22%	-7.35%	-2.53%

Performance Comparisons: Long-Term

	1 Year	3 Years	5 Years	10 Years
North Growth US Equity Fund $CDN	**1.10%**	**7.40%**	**14.30%**	**16.12%**
North Growth US Equity Fund $US	**6.70%**	**13.53%**	**17.26%**	**16.58%**
S&P 500 $US	11.46%	0.80%	-2.07%	10.69%
S&P 400 MidCap $US	12.42%	6.49%	9.16%	13.91%
Russell 2000 $US*	11.40%	6.75%	6.52%	7.84%
NASDAQ Composite $US*	2.05%	1.06%	-7.32%	9.15%

Source: Bloomberg "Total Return Analysis" as of Sept. 1, 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 - Aug. 31, 2004 **16.48% CDN**
15.94% US

NAVPS: Aug. 31, 2004 **$ 21.94 CDN**
$ 16.71 US

Total Assets in Fund **$ 206.5 Million CDN**

Canadian Money Market Fund
Net Current Yield as of Aug. 31, 2004
1.77%

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