

# OCTOBER MONTHLY REPORT

November 15, 2004

Hopefully we are seeing the beginning of a trend as the North Growth Canadian Equity Fund delivered good absolute and relative performance during October. For the month, the Fund was up 2.6% versus 2.4% for the S&P TSX Index and 1.1% for the 70/30 composite. Excellent performance from the North Growth US Equity Fund combined with broadly good performance from the Canadian stocks contributed quite equally to the October results. Year-to-date the Canadian Fund's +1.3% return still lags the S&P TSX index by 8.1% but we have closed the gap with the 70/30 composite to 4.3%.

We are again referring you to the US Fund report for our current views on the key issues facing the markets. However, please note the strong Canadian dollar is a negative for the operating results of many Canadian companies, particularly for companies exporting from Canada. For example, many Canadian forestry companies who have done an admirable job of improving their productivity levels are having these gains largely offset by the rising value of the Canadian dollar.

A few of our core holdings have again attracted some negative headline attention due to what are in our opinion relatively short-term and manageable issues. We believe the noise from the intense focus on these issues is distracting investors from solid underlying core trends and very attractive valuation levels. Accordingly, we are becoming increasingly confident with the current portfolio's potential.

Yours truly,



Rory North

## WHERE TO FIND NGM FUND PRICES

Please visit [www.northgrowth.com](http://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 Oct. 31, 04</i>	<i>Six months to Oct. 31, 04</i>	<i>Three months to Oct. 31, 04</i>	<i>Month of Oct. 04</i>
<b>North Growth CDN Equity Fund \$CDN</b>	<b>1.32%</b>	<b>-2.02%</b>	<b>1.10%</b>	<b>2.64%</b>
S&P TSX \$CDN	9.41%	8.56%	5.34%	2.44%
70% TSX / 30% S&P 500 \$CDN	5.61%	3.18%	1.99%	1.11%
<b>North Growth US Equity Fund \$CDN</b>	<b>-4.67%</b>	<b>-6.22%</b>	<b>-1.16%</b>	<b>1.81%</b>
S&P 500 \$CDN	-3.18%	-8.60%	-5.60%	-1.98%

**PERFORMANCE COMPARISONS: LONG-TERM**

	<i>1 Year</i>	<i>2 Years</i>	<i>3 Years</i>	<i>4 Years</i>	<i>Since NGM Takeover*</i>
<b>North Growth CDN Equity Fund \$CDN</b>	<b>8.45%</b>	<b>10.31%</b>	<b>7.07%</b>	<b>6.39%</b>	<b>15.66%</b>
S&P TSX \$CDN	16.13%	21.37%	10.79%	-0.34%	24.13%
70% TSX / 30% S&P 500 \$CDN	11.54%	15.28%	5.99%	-3.02%	18.22%
<b>North Growth US Equity Fund \$CDN</b>	<b>0.23%</b>	<b>12.32%</b>	<b>7.70%</b>	<b>8.00%</b>	<b>14.86%</b>
S&P 500 \$CDN	1.07%	1.67%	-4.89%	-9.39%	4.94%

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

**RETURN SINCE INCEPTION (ANNUALIZED), SEPT. 1, 2000 - OCT. 31, 2004** **6.16%**

**NAVPS: OCTOBER 31, 2004** **\$ 12.54** **CDN**

**TOTAL ASSETS IN FUND** **\$ 17.4** **MILLION CDN**

**CANADIAN MONEY MARKET FUND**  
**NET CURRENT YIELD AS OF OCTOBER 31, 2004**  
**2.16%**