

JUNE MONTHLY REPORT

July 2, 2003

The North Growth Canadian Equity Fund is now fully integrated into the North Growth Management system. The Fund has been valued on a daily basis since May 1st, the results are published daily on our website www.northgrowth.com and can also be found under the pooled fund category in the Globe and Mail. Going forward, we will publish a monthly report instead of quarterly reports. We aim to keep the commentary in these reports to under two pages. The reports will consist of a brief summary of the current results followed by some general comments related to the Fund or the Canadian market. Each report will also include a page with detailed historical results and a portfolio list. This report is designed to be our primary communication with the Fund's unitholders.

The North Growth Canadian Equity Fund delivered strong performance during the month of June, up 3.43% versus 2.05% for the S&P TSX index. Since North Growth Management took over the management of the Fund on May 1st of this year the Fund is up 5.37%, approximately 1.1% behind the S&P TSX index for the comparable period. Year-to-date the Fund is still lagging the market as it is up only 0.41% versus 6.73% for the S&P TSX index (please see page 3 for a more detailed performance summary).

The composition of the Fund has changed significantly over the past two months. Among the more significant changes for the Fund was the addition of three million dollars of new capital in early May. This capital was money that North Growth Management had planned to use to start its own Canadian Equity Fund. As a result of this 50% increase in capital, the Fund had a significant cash position during May and most of June. As of June 30th, the Fund is essentially fully invested with only 3.6% cash.

As explained in the proxy materials, with the change in management, the North Growth Canadian Equity Fund immediately sold all of its foreign holdings and replaced them with units of the North Growth US Equity Fund. The Canadian Fund now has approximately 29% of its market value invested in the North Growth US Equity Fund. We plan to maintain this position in the North Growth US Equity Fund at very close to 30% of book value, the maximum foreign content permitted for a Canadian fund to be considered as Canadian content under the Income Tax Act. The North Growth US Equity Fund is our flagship product. It is our single best effort at creating a US Equity portfolio and is currently one of the top five funds of all funds in Canada tracked by Globe Fund over the past 10 years. Obviously there is no double counting of fees on these interfund holdings, unitholders of the North Growth Canadian Equity Fund pay an "all in" management fee of 1.25% only.

The North Growth Canadian Equity Fund is now managed according to North Growth Management's core "growth at a reasonable price" investment philosophy. While we continue to believe that there is little other than semantics that separate true growth at a reasonable price investing from true value investing, there are nonetheless differences. I am working with Mark Stevens to fully comprehend the make up of the existing portfolio and to

make the changes necessary for it to become a typical North Growth portfolio. Together we have already made significant changes to the portfolio and expect this evolution to continue.

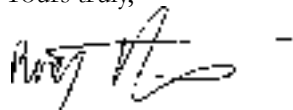
The single most significant event during the past few months for the Canadian economy is, without a doubt, the persistent strengthening of the Canadian dollar. During the last three months alone, the Canadian dollar has appreciated by almost 9% versus its American counterpart and by almost 20% from its lows of last year. From a macro economic standpoint this move has a significant tightening effect that should significantly reduce the amount of work necessary by the Bank of Canada to keep inflation within its 1% to 3% target level. As a result of the strong currency, we no longer expect the Bank of Canada to raise rates again this year unless we see a stronger than expected acceleration in the US economy.

The strong Canadian dollar will be a significant factor in the upcoming earnings reports from Canadian corporations. For companies with significant US dollar revenues and not a lot of US dollar expenses the currency effect will be a drag on earnings. Companies with significant US dollar denominated debt will see a positive currency adjustment as the Canadian dollar value of these liabilities decreases. At these currency levels we see nothing that compromises the long term competitiveness of Canadian corporations and expect that the recent foreign exchange fluctuations will turn out to be little other than noise in the economic picture.

We are excited about the long term prospects for Canada and believe Canadian equity investors will be the primary beneficiaries of the strength of our economy. We believe that North Growth Management's disciplined stock by stock, "growth at a reasonable price" investing style should work very well in the Canadian market over the long-term.

In an effort to raise the number of unitholders to over 150 by the end of this year, North Growth Management has decided to temporarily reduce the minimum initial investment level to \$25,000. We are hoping that at least some of our US Equity Fund clients will consider using us to manage some of their Canadian investments.

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, 03</i>	<i>Six months to June 30, 03</i>	<i>Three months to June 30, 03</i>	<i>Month of June 03</i>
North Growth CDN Equity Fund \$CDN	0.41%	0.41%	9.29%	3.43%
S&P TSX \$CDN	6.73%	6.73%	10.62%	2.05%
North Growth US Equity Fund \$CDN	4.02%	4.02%	13.90%	1.22%
S&P 500 \$CDN	-4.54%	-4.54%	5.94%	-0.28%

PERFORMANCE COMPARISONS: LONG-TERM

	<i>1 Year</i>	<i>2 Years</i>	<i>3 Years</i>	<i>Since Inception*</i>
North Growth CDN Equity Fund \$CDN	-10.54%	-2.11%	- %	2.98%
S&P TSX \$CDN	-0.27%	-3.24%	- %	-14.02%
North Growth US Equity Fund \$CDN	17.44%	4.43%	10.49%	8.65%
S&P 500 \$CDN	-10.90%	-14.46%	-13.94%	-15.97%

Source: Bloomberg "Total Return Analysis" as of July 1, 2003

** Inception of the North Growth CDN Equity Fund September 1, 2000.*

NAVPS: JUNE 30/03 **\$ 10.73** **CDN**

TOTAL ASSETS IN FUND **\$ 8.57** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF JUNE 30, 2003

2.99%