

Equity markets across the globe continued to struggle during November. Volatility was extremely high with daily moves of greater than 3% on 58% of the trading days. The S&P 500 plummeted by approximately 22% to new lows on November 20<sup>th</sup>, only to subsequently post the strongest 5-day rally since 1932 with a gain of 19%. Coincidentally, the summer of 1932 marked the end of the worst bear market in history and the beginning of the fastest and, in percentage terms, second biggest, bull market of the Dow Jones Industrials since 1900.

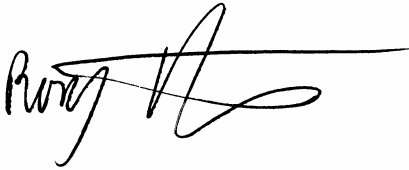
According to research published by The Leuthold Group, the November 20<sup>th</sup> lows are also historically significant in that the 10-year total return for the S&P 500 to November 20<sup>th</sup>, 2008 of negative 2.66% per year match the worst 10-year performance in US market history: 1929 to 1939. (For the record, the 10-year performance for the North Growth US Equity Fund over the same 1998 to 2008 period was positive 6.93% per annum.) Leuthold provided further analysis showing that after each of the worst 10-year performance periods on record, performance during the subsequent 10-year period was strong.

We continue to believe that equity markets will start to improve while the macro economic conditions continue to deteriorate. People won't believe the markets are turning because all of the corporate and economic news will be negative, which certainly fits with the current situation. Currently, across the globe, all economic data is negative and deteriorating. In the US, recent data suggests that GDP for the fourth quarter will likely contract by a stunning 5 to 6%. Corporate news is dominated by downwardly revised earnings guidance, reductions in capital spending and layoffs. With the daily barrage of negative news, it is no surprise that investor sentiment is at negative extremes. While it is counterintuitive and hard to stomach, all of this negativity is setting us up for much stronger markets going forward.

The global recession is significantly reducing current demand and future expectations for demand for commodities — particularly oil. With economic activity slowing across the globe, demand for commodities will most likely continue to decline despite falling prices. Currently, we believe that expectations for demand and prices for most commodities remain too high. In Canada, investors seem much too willing to view today's prices as too low rather than this summer's prices as too high.

On December 15<sup>th</sup>, the North Growth US Equity Fund distributed 3 cents of income per unit. The income distribution is due to the fact that the increasing dividend yields of the US Fund's holdings has reached the point that management fee expenses are now less than total income within the Fund. There was no distribution from the North Growth Canadian Equity Fund.

Yours truly,

A handwritten signature in black ink, appearing to read 'Rory North', with a long horizontal flourish extending to the right.

Rory North, CFA

## NORTH GROWTH US EQUITY FUND

## Short Term Rates of Return (%) for Periods Ending November 30, 2008

	1 Month	3 Months	6 Months	YTD
<b>NGM US Equity Fund \$CDN</b>	<b>-9.30</b>	<b>-22.74</b>	<b>-22.87</b>	<b>-27.36</b>
S&P 500 \$CDN	-4.67	-18.05	-19.27	-22.21
<b>NGM US Equity Fund \$US</b>	<b>-11.68</b>	<b>-33.67</b>	<b>-38.08</b>	<b>-41.79</b>
S&P 500 \$US	-7.18	-29.65	-35.20	-37.66
S&P 400 MidCap \$US	-9.27	-36.60	-41.16	-39.18
S&P 600 SmallCap \$US	-11.68	-34.24	-35.36	-35.04
NASDAQ Composite \$US	-10.61	-34.95	-38.84	-41.60

## NORTH GROWTH US EQUITY FUND

## Annualized Rates of Return (%) for Periods Ending November 30, 2008

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
<b>NGM US Equity Fund \$CDN</b>	<b>-28.28</b>	<b>-10.11</b>	<b>-3.72</b>	<b>6.11</b>	<b>9.48</b>	<b>10.80</b>
S&P 500 \$CDN	-23.42	-6.88	-2.35	-3.04	5.93	6.97
<b>NGM US Equity Fund \$US</b>	<b>-42.02</b>	<b>-11.84</b>	<b>-2.77</b>	<b>8.40</b>	<b>10.04</b>	<b>10.84</b>
S&P 500 \$US	-38.09	-8.67	-1.39	-0.93	6.47	7.01
S&P 400 MidCap \$US	-39.30	-9.98	-0.69	5.16	9.04	9.80
S&P 600 SmallCap \$US	-35.55	-9.60	0.04	5.21	7.62	9.05
NASDAQ Composite \$US	-41.76	-11.01	-4.05	-1.83	4.85*	6.26*

Source: Bloomberg "Total Return Analysis" as of December 1, 2008.

\*These returns are a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

**NAVPS: Nov. 30, 2008 \$16.66 CDN**  
**\$13.47 US**

**Total Assets in Fund \$180.7 Million CDN**





