



FEBRUARY MONTHLY REPORT

March 11, 2005

During February, the North Growth Canadian Equity Fund rose a respectable 2.4%, but trailed the 5.2% gain for the S&P/TSX Index and the 4.1% gain for the 70/30 Composite. The Fund's lack of exposure to materials and financials contributed to the underperformance. The Canadian Fund benefited from the 4% gain delivered by the North Growth US Equity Fund during February.

The biggest surprise during the month was delivered in the Federal Government's budget. As part of the budget the Federal Government announced that "effective immediately" the foreign investment limit on pensions, RRSPs and RRIFs has been eliminated. There had been some speculation the limit might be raised but no one expected it to be eliminated completely.

Although the wording "effective immediately" seems pretty unambiguous there was some uncertainty that this change would in fact take place due to the Liberal government's minority status. With the budget now having passed the House of Commons vote, it is very likely that the foreign content rules will be eliminated. However, our understanding is that for this change to officially become law, the budget implementation bill must also be passed. We are operating under the assumption that this final vote is more of a technicality and that the foreign content limit has been eliminated.

With the elimination of the foreign content rule, there is no longer any reason for the North Growth Canadian Equity Fund to own any units of the North Growth US Equity Fund. Over the next few months we will be moving the Fund to be 100% invested in Canadian equities. Accordingly, this will be the last monthly report in which we reference the 70/30 Composite when discussing performance numbers.

The fundamentals of our portfolio holdings continue to meet our expectations and we believe the portfolio is well-positioned to deliver solid performance. As always, we remain focused on stock selection to identify "growth at a reasonable price" investment opportunities.

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 Feb. 28, 05</i>	<i>Six months to Feb. 28, 05</i>	<i>Three months to Feb. 28, 05</i>	<i>Month of Feb. 05</i>
North Growth CDN Equity Fund \$CDN	2.51%	12.80%	6.28%	2.42%
S&P / TSX \$CDN	4.75%	16.40%	7.52%	5.17%
70% TSX / 30% S&P 500 \$CDN	4.00%	12.41%	7.43%	4.06%
North Growth US Equity Fund \$CDN	6.70%	17.31%	11.37%	3.97%
S&P 500 \$CDN	2.23%	3.33%	7.13%	1.47%

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>
North Growth CDN Equity Fund \$CDN	1.50%	15.24%	4.88%	6.02%	16.64%
S&P / TSX \$CDN	11.95%	23.62%	10.17%	6.46%	25.47%
70% TSX / 30% S&P 500 \$CDN	7.99%	19.85%	5.84%	3.18%	20.38%
North Growth US Equity Fund \$CDN	6.40%	22.49%	12.43%	9.91%	21.33%
S&P 500 \$CDN	-1.21%	10.98%	-4.09%	-4.48%	8.78%

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

RETURN SINCE INCEPTION (ANNUALIZED), SEPT. 1, 2000 - FEB. 28, 2005 **7.21%**

NAVPS: FEBRUARY 28, 2005 **\$ 13.22** **CDN**

TOTAL ASSETS IN FUND **\$ 26.9** **MILLION CDN**

CANADIAN MONEY MARKET FUND
NET CURRENT YIELD AS OF FEBRUARY 28, 2005
2.26%