

March was a good month for US equity markets. The S&P 500 Index gained 6.0% while the other major indices we follow advanced at rates over 7%. The North Growth US Equity Fund delivered strong relative performance, appreciating 7.1% for the month. Year-to-date, the Fund has gained 8.0% versus the S&P 500 which is up 5.4%.

March 9th marked the anniversary of the market lows—from March 9, 2009 to March 31, 2010, the S&P 500 rallied 73%. Not only have the equity markets improved dramatically from a year ago, but so too have corporate earnings along with the broad macroeconomic environment. Over the past four consecutive quarters, business commentary from various management teams has become increasingly positive as earnings results have generally been better than expected.

It now appears that the US economic recovery is gaining momentum. On the heels of a +5.6% expansion in GDP for the fourth quarter of 2009, recent economic data indicate further strengthening in economic activity. In March, US manufacturing as measured by the Institute for Supply Management's (ISM's) factory index grew at the fastest pace since July 2004, while the ISM's gauge of exports rose to the highest level in over a decade.

Given that the majority of companies went too far in slashing capital spending in reaction to the financial crisis-induced 2008/2009 recession, it is not surprising that business equipment investment has picked up substantially; in the final three months of 2009, sales advanced at a 19% annual rate. Inventories remain lean despite companies' efforts to boost stockpiles. Because current increases in production are mainly satisfying rising demand, businesses will need to raise output further to replenish inventories, consequently fueling additional economic growth. Clearly, manufacturing-driven growth and export-driven growth are leading the US economic recovery.

At the same time, however, the recovery is visibly spreading beyond manufacturing. The ISM's index of non-manufacturing businesses expanded in March at the fastest pace since May 2006. The pace of orders to service industries rose to the highest level in five years and backlogs were the highest since August 2007. As indicators point to a broad-based expansion, job growth should be reasonably expected to follow.

In addition to capital expenditures, employment was cut substantially by corporations following the last recession; hence, the better than anticipated pickup in earnings over the past year will stimulate hiring. Although not yet evident in the reported 9.7% unemployment rate, companies are beginning to signal that they plan to increase headcount as their confidence in the business outlook strengthens. Such anecdotal indication of imminent employment gains have been articulated by companies that include Cisco, Caterpillar, and Home Depot. Notably, employers increased payrolls by 162,000 workers in March, the biggest gain since March 2007.

In our opinion, despite the spectacular run-up in stock prices over the past year, US equities in general are still attractively valued. The markets had sold off excessively in late-2008 and early-2009, discounting dire economic circumstances that mirror the 1930s depression. As the financial turmoil subsided and a steady economic recovery took hold, equity prices ascended and essentially eliminated much of the fear and panic that had gripped the markets. However, in most cases, stocks are currently trading at levels below those prior to the market sell-off after the Lehman bankruptcy in the fall of 2008.

We remain constructive on the outlook for US equities, and in particular, are very pleased with the holdings of the US Equity Fund. Many of the companies are reporting near-record earnings that are poised to accelerate in the quarters ahead against a strengthening macroeconomic backdrop. The portfolio comprises of compelling “growth at a reasonable price” investment opportunities and we continue to encourage long term investors to take advantage of the strong Canadian currency to increase their US equity exposure.

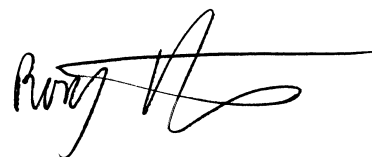
Yours truly,



Erica Lau, CFA

On Tuesday, March 30th, 2010, North Growth Management was shaken by the sudden death of our long time friend and colleague, John Jackman. John joined our team in 2002 as our Accounting Manager with primary responsibility for fund accounting. John introduced me to fund accounting in 1999 and all of my knowledge on the topic is derived from his training and mentorship.

Over the years, working with John we have built what I believe is the best mutual fund back office system in the industry. John literally never missed a day of work and every day we deeply miss his warm friendly presence. We are very fortunate to have had the opportunity to know John and work closely with him over the past 8 years.



Rory North, CFA
COO & Lead Portfolio Manager

NORTH GROWTH US EQUITY FUND

Short Term Rates of Return (%) for Periods Ending March 31, 2010

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	3.33	4.38	9.01	4.38
S&P 500 \$CDN	2.34	1.86	6.02	1.86
NGM US Equity Fund \$US	7.06	8.00	14.90	8.00
S&P 500 \$US	6.03	5.39	11.75	5.39
S&P 400 MidCap \$US	7.14	9.09	15.16	9.09
S&P 600 SmallCap \$US	7.78	8.61	14.17	8.61
NASDAQ Composite \$US	7.19	5.91	13.54	5.91

NORTH GROWTH US EQUITY FUND

Annualized Rates of Return (%) for Periods Ending March 31, 2010

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
NGM US Equity Fund \$CDN	32.57	-4.12	0.17	6.23	10.98	11.83
S&P 500 \$CDN	20.62	-8.17	-1.58	-4.12	5.48	7.04
NGM US Equity Fund \$US	64.61	0.07	3.73	10.07	13.37	13.14
S&P 500 \$US	49.77	-4.17	1.92	-0.65	7.75	8.28
S&P 400 MidCap \$US	64.07	-0.83	5.17	6.02	11.72	11.87
S&P 600 SmallCap \$US	64.00	-3.16	3.48	6.63	10.07	10.65
NASDAQ Composite \$US	58.35	0.59	4.60	-5.65	8.03	8.50*

Source: Bloomberg "Total Return Analysis" as of April 1, 2010.

*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: Mar. 31, 2010 \$22.42 CDN
\$22.07 US**

Total Assets in Fund \$219.2 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending March 31, 2010

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	6.52	18.60	27.35	18.60
S&P / TSX \$CDN	3.81	3.14	7.12	3.14

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending March 31, 2010

	1 Year	3 Years	5 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	81.86	-6.12	-0.81	3.13	2.58
S&P / TSX \$CDN	42.15	-0.03	7.41	11.77	2.95

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

**The inception of the Canadian Equity Fund: September 1, 2000.

NAVPS: Mar. 31, 2010 \$ 10.52 CDN

Total Assets in Fund \$ 19.3 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
Annualized Rates of Returns (%) for Periods Ending March 31, 2010

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	0.08	0.14	2.18	2.65
30 Day T-Bill	N/A	0.19	2.15	2.62

** The Current Yield for the Money Market Fund is the average of the annualized daily yield for the most recent seven day period. This measure is no longer available for the 30 day T-Bill Index.*

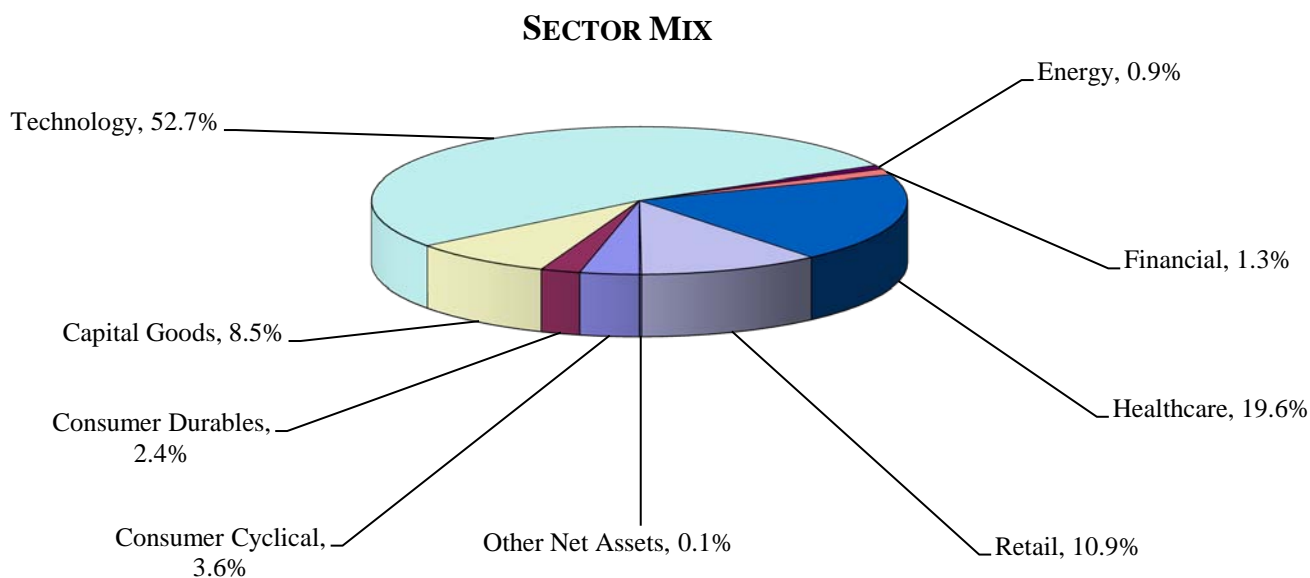
We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio never is greater than 30 days. Historically the Fund has generated very competitive yields with this simple approach because the management fee is, and always has been, 0.25%. In today's low rate environment most other money market funds in Canada have cut their management fees and extended their maturities in order to improve yields, as a result the North Growth Canadian Money Market Fund's yields are now below the industry average.

We manage the portfolio to ensure high liquidity and have no intention to extend maturities in order to chase a few basis points and we do not have any room to reduce our management fees because we already take a loss on the product. We still believe our money market fund has superior liquidity characteristics due to its very low average maturity but our current yield is 0.08% as compared to 0.20% to 0.40% for many other mainstream money market funds and even short term GICs at top tier Canadian banks.

The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

**US EQUITY FUND
TOP 10 HOLDINGS
As of March 31, 2010**

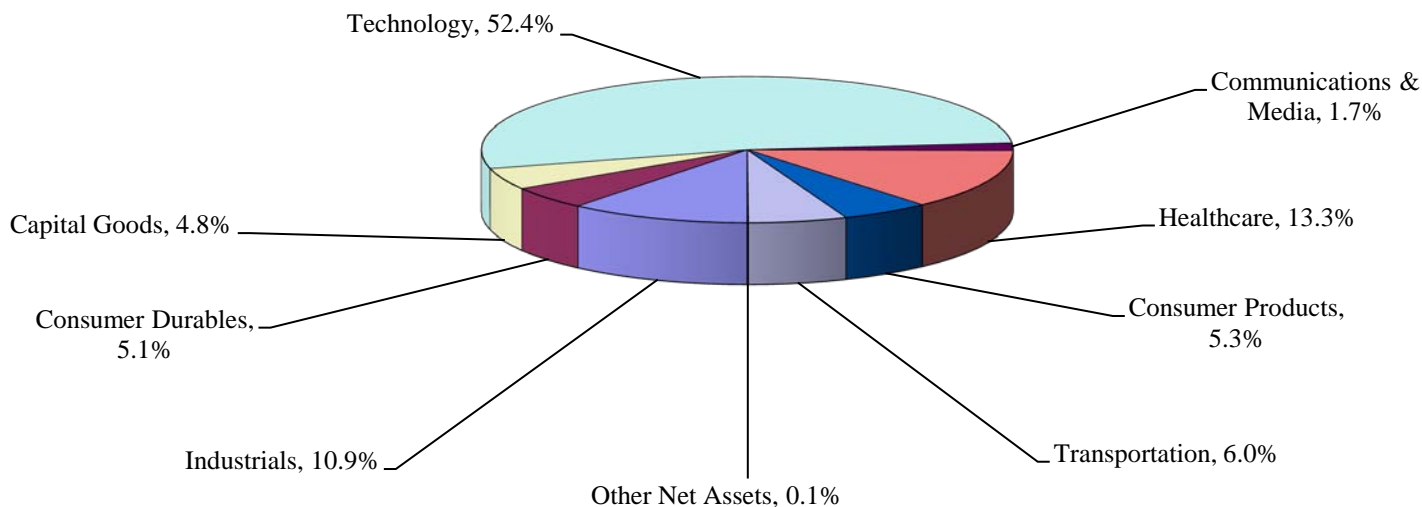
	%
Apple Inc.	10.25
Cisco Systems Inc.	9.79
Intel Corporation	5.10
Bristol-Myers Squibb Company	5.05
Microsoft Corporation	4.68
Sybase Inc.	4.11
General Electric Company	4.08
Precision Castparts Corp.	4.01
Applied Materials Inc.	3.92
Pier 1 Imports Inc.	<u>3.75</u>
Top 10	54.74
Total Equities	99.86
Cash	<u>0.14</u>
TOTAL ASSETS	100.00%



**CANADIAN EQUITY FUND
TOP 10 HOLDINGS
As of March 31, 2010**

	%
Zarlink Semiconductor Inc.	10.84
Bombardier Inc., Class B	7.92
EXFO Electro-Optical Engineering Inc.	6.62
WestJet Airlines Ltd.	5.95
Biovail Corporation	5.29
Dorel Industries Inc., Class B	5.05
ATS Automation Tooling Systems Inc.	4.76
Gennum Corporation	4.72
QLT Inc.	4.61
Sierra Wireless Inc.	<u>4.31</u>
Top 10	60.08
Total Equities	<u>99.37</u>
Cash	0.63
TOTAL ASSETS	100.00%

SECTOR MIX



INVESTING WITH NORTH GROWTH MANAGEMENT:

North Growth Management is a focused firm. We are Canada's U.S. Equity Specialist. Our objective is consistent, superior, long term returns on our equity funds based on our "growth at a reasonable price" investment philosophy.

CONDUCTING TRANSACTIONS:

The cut-off time for same-day transactions is 4 p.m. Eastern time or 1 p.m. Pacific time. Orders received after that time will be processed on the next business day. Cheques must be made payable to **RBC Dexia Investor Services Trust**. For security reasons, instructions can only be accepted by mail or by fax to:

North Growth Management Ltd.
Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

Fax: 604-688-5402

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 reports prices on www.globefund.com.