

Equity markets again exhibited a high degree of volatility during June. The markets fell during the first week, rallied, and then fell again during the last few trading days to end the month with the S&P 500 down 5.2% and the S&P 600 SmallCap index down 7.1%. The North Growth US Equity Fund was down 6.4% for the month basically in line with the NASDAQ Composite Index. Concern that the current slowdown in global economic growth will deteriorate into another recession is the primary reason for recent declines. Additionally a dearth of significant news seems to have generated an unusual amount of emphasis on technical analysis and not surprisingly, given the markets have been trending down for two months, most technical analysts are currently bearish.

The only technical analysis that we see any value in is that when bearish sentiment is high it often indicates that the markets are washed out and poised for a rally. Accordingly, we are encouraged by the current high readings on all bearish sentiment indicators. We do not place much emphasis on bearish sentiment indicators, but when coupled with exceedingly strong corporate fundamentals and low valuations we get pretty excited.

Second quarter earnings results have just begun to flow in and so far they have been solid. On July 13th Intel reported stunningly strong second quarter results that blew away all expectations. Additionally management's guidance for the current quarter was well ahead of any sell side forecasts. The unexpected strength is coming from renewed corporate spending on a global basis. Management commentary fits very well with our thesis that we are at the beginning of a powerful capital spending cycle for technology. Furthermore, Intel has done a fantastic job of streamlining their operations which delivers solid operating leverage to drive earnings growth well above revenue growth. Intel trades at 11.7 times trailing earnings, has a 3% dividend yield and has net cash balances that represent approximately 18% of its market value. Best of all, Intel is just one of many compelling growth at reasonable price opportunities in our portfolio.

Strong fundamentals and low valuations make for great investment opportunities. We don't know when the market will start to acknowledge these opportunities but we are confident it will. For the time being we need to stick with our time proven discipline and exercise a great deal of patience.

Yours truly,



Rory North, CFA
COO & Lead Portfolio Manager

NORTH GROWTH US EQUITY FUND

Short Term Rates of Return (%) for Periods Ending June 30, 2010

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	-5.29	-6.60	-2.50	-2.50
S&P 500 \$CDN	-4.10	-7.17	-5.45	-5.45
NGM US Equity Fund \$US	-6.41	-10.88	-3.75	-3.75
S&P 500 \$US	-5.23	-11.43	-6.65	-6.65
S&P 400 MidCap \$US	-6.55	-9.58	-1.36	-1.36
S&P 600 SmallCap \$US	-7.07	-8.73	-0.88	-0.88
NASDAQ Composite \$US	-6.49	-11.82	-6.61	-6.61

NORTH GROWTH US EQUITY FUND

Annualized Rates of Return (%) for Periods Ending June 30, 2010

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
NGM US Equity Fund \$CDN	11.61	-5.68	-1.71	5.12	10.05	11.23
S&P 500 \$CDN	4.75	-9.84	-3.55	-4.78	4.46	6.49
NGM US Equity Fund \$US	21.93	-5.65	1.10	8.64	11.92	12.21
S&P 500 \$US	14.43	-9.81	-0.79	-1.59	6.24	7.43
S&P 400 MidCap \$US	24.93	-5.90	2.21	5.31	10.35	11.06
S&P 600 SmallCap \$US	23.64	-7.64	0.82	5.56	8.74	9.92
NASDAQ Composite \$US	16.04	-5.88	1.39	-5.50	6.17	7.60*

Source: Bloomberg "Total Return Analysis" as of July 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: June 30, 2010 \$20.94 CDN
\$19.67 US**

Total Assets in Fund \$203.0 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending June 30, 2010

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	-4.46	-5.88	11.63	11.63
S&P / TSX \$CDN	-3.71	-5.51	-2.55	-2.55

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending June 30, 2010

	1 Year	3 Years	5 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	38.96	-10.91	-2.14	2.16	1.89
S&P / TSX \$CDN	11.95	-3.88	5.45	10.46	2.29

*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: June 30, 2010 \$ 9.90 CDN

Total Assets in Fund \$ 16.9 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
Annualized Rates of Returns (%) for Periods Ending June 30, 2010

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	0.30	0.10	1.86	2.54
30 Day T-Bill	N/A	0.22	1.72	2.51

** 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.*

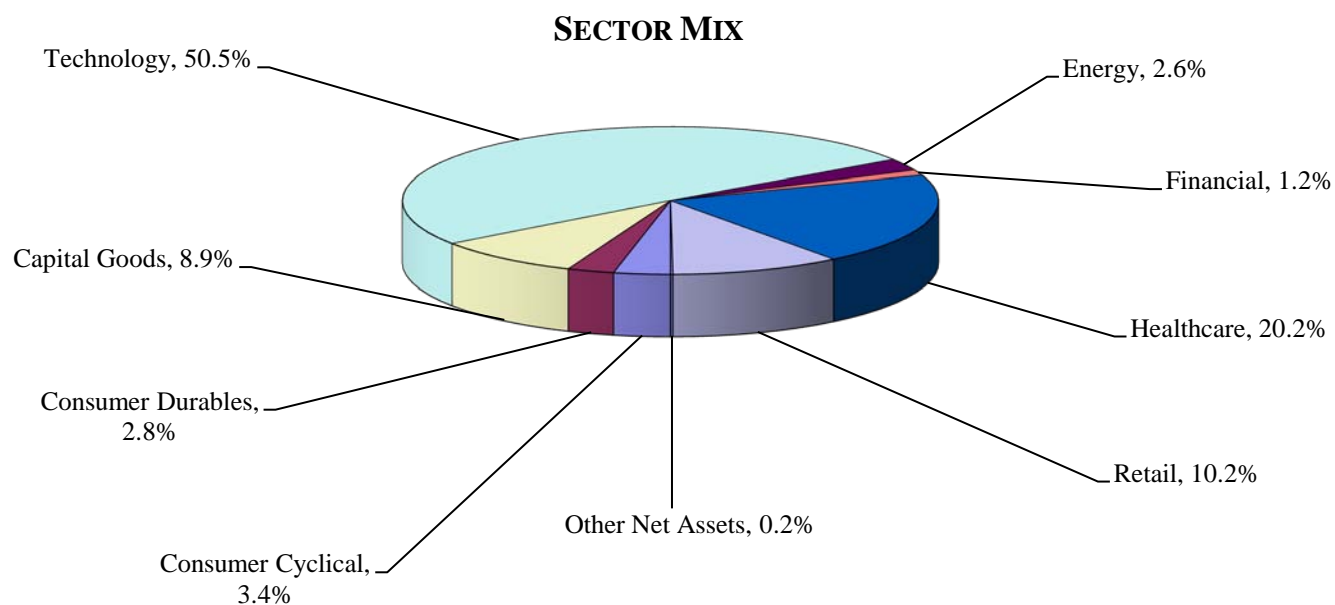
We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio never is greater than 30 days. Historically the Fund has generated very competitive yields with this simple approach 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 0.30% which is lower than 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 June 30, 2010**

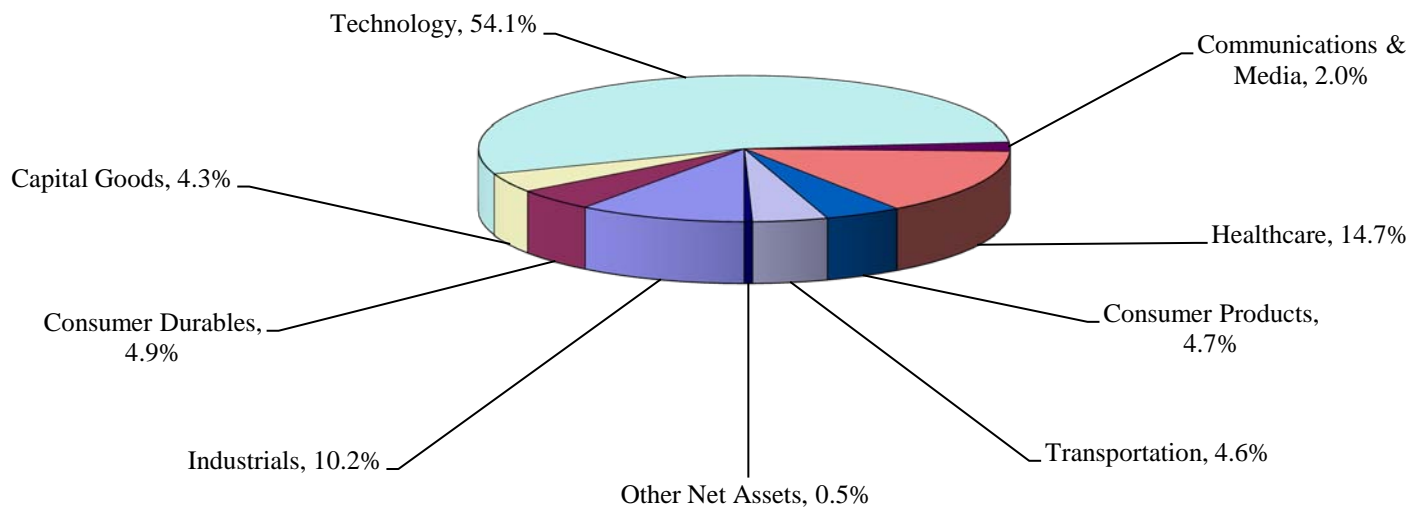
	%
Apple Inc.	11.89
Cisco Systems Inc.	9.75
Bristol-Myers Squibb Company	5.33
Intel Corporation	5.04
Microsoft Corporation	4.16
Pfizer Inc.	3.97
Applied Materials Inc.	3.96
Citrix Systems Inc.	3.75
St Jude Medical Inc.	3.73
Precision Castparts Corp.	<u>3.69</u>
Top 10	55.26
Total Equities	99.84
Cash	<u>0.16</u>
TOTAL ASSETS	100.00%



CANADIAN EQUITY FUND
TOP 10 HOLDINGS
As of June 30, 2010

	%
Zarlink Semiconductor Inc.	11.98
Bombardier Inc. Class B	7.02
Biovail Corporation	6.68
EXFO Inc.	6.54
Sierra Wireless Inc.	5.53
QLT Inc.	4.98
Dorel Industries Inc., Class B	4.93
Westjet Airlines Ltd.	4.57
ATS Automation Tooling Systems Inc.	4.30
Miranda Technology Inc.	<u>4.18</u>
Top 10	60.69
Total Equities	99.51
Cash	<u>0.49</u>
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.