

Following a spectacular rally in October, global equity markets drifted in November as investors focused on the debt troubles in Europe. The S&P 500 Index declined 0.2% for the month, faring better than the S&P 400 MidCap and NASDAQ Composite Indices which lost 0.3% and 2.2% respectively. Of the major indices we follow, the S&P 600 SmallCap performed the best, gaining 0.6%. The North Growth U.S. Equity Fund fell 0.7% in November, underperforming all the mentioned indices but the NASDAQ. As a result of the weakening Canadian dollar, the Fund gained 1.6% in Canadian dollars last month versus the S&P 500 which was up 2.1% in Canadian dollars. The North Growth Canadian Equity Fund appreciated 1.1% in November, meaningfully outperforming the S&P/TSX Composite which declined 0.2%.

The majority of the business news headlines since last month has been concerned with Europe's ongoing "debt crisis". In spite of the threat that the financial troubles in the Euro zone poses for the U.S. economy, U.S. economic data has been strengthening since the late-summer. Most encouraging has been the continued improvement in the labor market. The unemployment rate unexpectedly declined to 8.6% in November, the lowest level of joblessness in the U.S. in more than two years. Payrolls increased by 120,000 last month after a 100,000 gain in October that was larger than previously estimated. Furthermore, in the latest week ended December 10th, new applications for unemployment benefits fell by 19,000 to 366,000, the fewest since May 2008.

Other reports that indicate the U.S. is withstanding the European slowdown include better-than-expected retail sales during the U.S. Thanksgiving weekend—an auspicious signal for holiday sales—and continued growth in manufacturing. According to the National Retail Federation, U.S. retail sales during the Thanksgiving weekend at the end of November increased 16% over a year ago to \$52.4 billion. ShopperTrak, a provider of retail and mall foot-traffic counting services, estimates that sales on Black Friday, the first day after the Thanksgiving holiday when stores reopen, rose 6.6% over the same day last year, the largest year-over-year gain since 2007.

In addition to consumer spending, manufacturing continues to support the U.S. economic expansion. The Institute for Supply Management (ISM)'s factory index increased to 52.7 last month from 50.8 in October. Both orders and production, as measured in the ISM report, grew at the fastest pace since April.

In light of a relatively favourable macroeconomic environment and consistently strong corporate earnings, valuations of U.S. equities remain attractive. Investor sentiment has

been negative for an extended period of time, making U.S. stocks very cheap compared to fixed income, Treasury bonds and other financial assets. We continue to believe that U.S. equities provide compelling investments for long term investors and recommend that Canadians re-evaluate their stock portfolios to ensure they have adequate U.S. exposure.

On December 15th, the North Growth U.S. Equity Fund distributed 0.3 cents of capital gains per unit. Distribution, if any, for the North Growth Canadian Equity Fund will be calculated on December 30th. Unitholders of the U.S. Equity Fund can expect to receive their T-3 tax slips in January.

Yours truly,

A handwritten signature in cursive script that reads "Erica Lau".

Erica Lau, CFA

NORTH GROWTH U.S. EQUITY FUND

Short Term Rates of Return (%) for Periods Ending November 30, 2011

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	1.63	8.40	-2.01	2.18
S&P 500 \$CDN	2.14	7.20	-1.25	3.69
NGM US Equity Fund \$US	-0.72	4.05	-6.97	-0.39
S&P 500 \$US	-0.22	2.90	-6.25	1.08
S&P 400 MidCap \$US	-0.30	1.40	-10.99	-1.36
S&P 600 SmallCap \$US	0.63	3.81	-8.91	-0.24
NASDAQ Composite \$US	-2.18	1.91	-7.05	-0.29

NORTH GROWTH U.S. EQUITY FUND

Annualized Rates of Return (%) for Periods Ending November 30, 2011

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
NGM US Equity Fund \$CDN	1.63	8.40	-2.01	2.18	1.63	8.40
S&P 500 \$CDN	2.14	7.20	-1.25	3.69	2.14	7.20
NGM US Equity Fund \$US	-0.72	4.05	-6.97	-0.39	-0.72	4.05
S&P 500 \$US	-0.22	2.90	-6.25	1.08	-0.22	2.90
S&P 400 MidCap \$US	-0.30	1.40	-10.99	-1.36	-0.30	1.40
S&P 600 SmallCap \$US	0.63	3.81	-8.91	-0.24	0.63	3.81
NASDAQ Composite \$US	-2.18	1.91	-7.05	-0.29	-2.18	1.91

Source: Bloomberg "Total Return Analysis" as of December 1, 2011.

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

The inception of the Fund: October 13, 1992.

Unit Price: \$24.18 CDN
\$23.70 US

Total Assets in Fund \$240.6 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending November 30, 2011

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	1.10	-0.94	-12.44	-3.18
S&P / TSX \$CDN	-0.21	-3.74	-10.37	-7.13

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending November 30, 2011

	1 Year	3 Years	5 Years	10 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	3.93	25.26	-1.33	2.26	3.37	2.84
S&P / TSX \$CDN	-3.33	12.82	1.95	7.61	10.11	3.03

*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.

Unit Price: \$ 11.29 CDN

Total Assets in Fund \$ 20.3Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND

Annualized Rates of Returns (%) for Periods Ending November 30, 2011

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	0.80	0.79	0.53	1.80
30 Day T-Bill	N/A	0.91	0.60	1.75

** 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.*

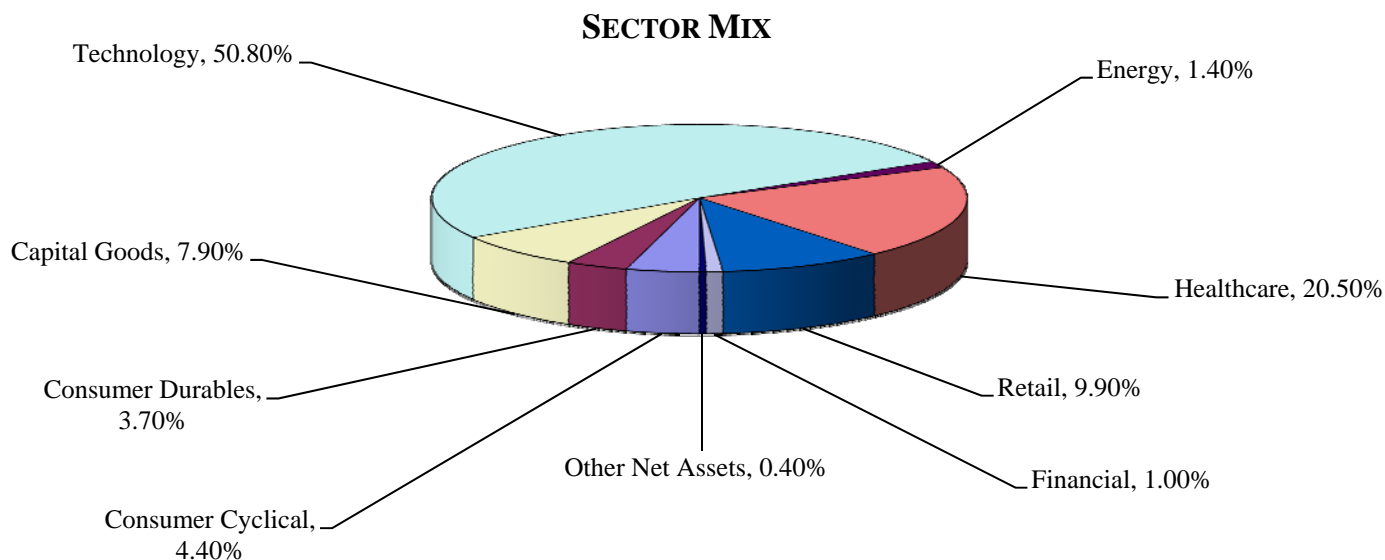
We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio never is greater than 30 days. Historically the Fund has generated very competitive yields with this simple approach 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 0.80% 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.

**U.S. EQUITY FUND
TOP 10 HOLDINGS
As of November 30, 2011**

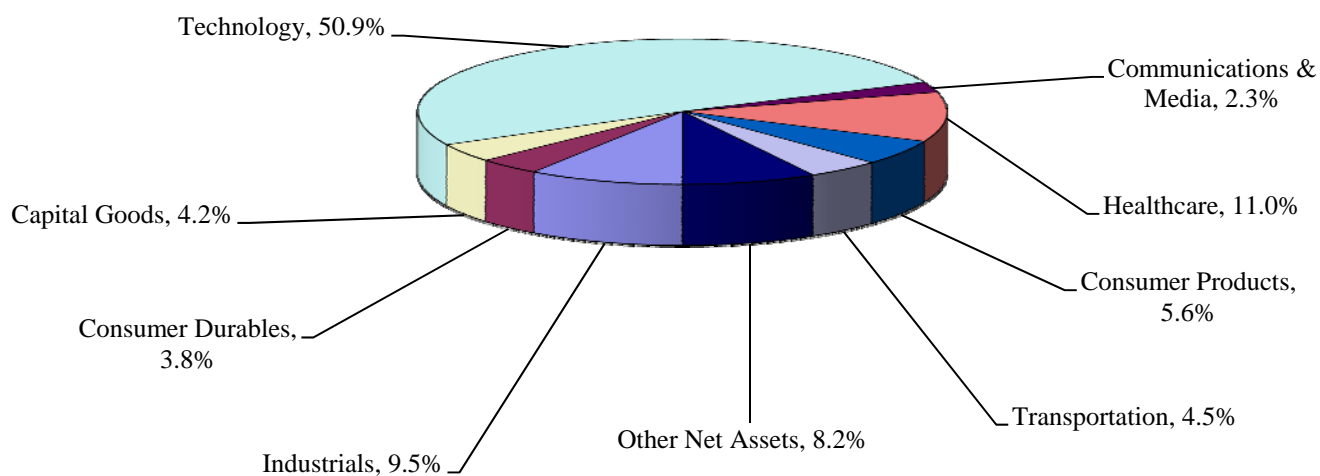
	%
Apple Inc.	10.34
Cisco Systems Inc.	9.26
Intel Corporation	6.58
Bristol-Myers Squibb Company	5.34
Pier 1 Imports Inc.	5.06
Citrix Systems Inc.	3.96
Microsoft Corporation	3.87
Texas Instruments Inc.	3.83
St. Jude Medical Inc.	3.72
Pfizer Inc.	<u>3.20</u>
Top 10	55.16
Total Equities	99.59
Cash	<u>0.41</u>
TOTAL ASSETS	100.00%



**CANADIAN EQUITY FUND
TOP 10 HOLDINGS
As of November 30, 2011**

	%
Miranda Technologies Inc.	7.31
Sandvine Corporation	6.83
EXFO Inc.	6.59
Bombardier Inc., Class B	6.06
Celestica Inc.	5.99
Valeant Pharmaceuticals International, Inc.	5.13
WestJet Airlines Ltd.	4.45
Sierra Wireless Inc.	4.29
Gennum Corporation	4.27
GSI Group Inc.	<u>4.27</u>
Top 10	55.19
Total Equities	91.81
Cash	<u>8.19</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:

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505 Burrard Street, Box 56
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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.