

The Canadian market, led by financials, posted a 4.4% gain for November. The North Growth Canadian Equity Fund delivered a decent 2.2% return for the month but did not keep pace with the broader Canadian market largely due to its zero weighting in financials. Year-to-date, the Fund is up 4.2% versus 18.9% for the S&P/ TSX Composite Index.

On December 15th, the Canadian Fund distributed \$1.4470 per unit comprised of \$1.3597 in capital gains and \$0.0873 in Canadian dividends. The distribution equates to 10.6% of the pre-distribution unit price. North Growth Management will mail out T3 tax forms to our clients in January or early February. Any client wanting more information on the distribution should not hesitate to call us.

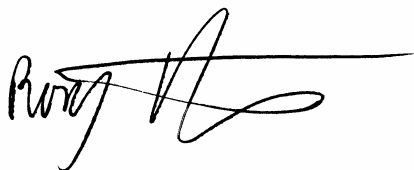
Throughout the year we made a number of fairly significant changes to the portfolio positioning, two of which account for almost all of the realized gains. In the spring, after the Federal government removed the foreign content restrictions for RRSPs and RRIFs, we decided to focus the Fund 100% on Canadian equity. The liquidation of the Canadian Fund's holdings of the North Growth US Equity Fund generated approximately \$1.4 million in gains which was roughly half of the total net realized gains for the year. Our decision to substantially reduce our energy sector exposure accounted for an additional \$1.4 million in gains. Currently, there are minimal net unrealized gains in the Fund.

The commentary coming out of OPEC's early December meeting suggests that, due to concerns that a glut of oil might cause serious weakness in the oil market, it is now likely we will see OPEC reduce its production quotas this spring. We take the need for OPEC to REDUCE production quotas to support oil prices and the ongoing growth in oil inventories as clear evidence that there currently is neither a shortage, nor any imminent shortage, of oil supply on the global markets. We are at a loss to explain why any 'rational' participant in the market can ignore this evidence, although we can recollect in the not-so-distant past a time where many 'rational' market participants chose to ignore what we felt was clear evidence of an overvalued technology market. We continue to believe that we will see substantially lower oil and gas prices in the near term.

Currently, in the Canadian marketplace, we are witnessing an interesting demonstration in market psychology. Both when it comes to energy investments and the Canadian dollar it appears that investors are very concerned about the risk of missing any further potential upside while largely ignoring the growing downside risk. This powerful desire to not miss a train that has already left always seems to reassert itself at or near market peaks.

Our confidence in the Fund's positioning continues to increase. The Fund is an actively managed portfolio, built from the bottom up on a stock-by-stock basis. Recent corporate developments at a number of our core holdings have served to reinforce our investment theses. We believe we own a number of companies that for various reasons have been substantially undervalued by the market.

Yours truly,

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

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

SHORT TERM RATES OF RETURN FOR PERIODS ENDING NOVEMBER 30, 2005

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund	2.18%	2.96%	3.69%	4.22%
S&P / TSX \$CDN	4.42%	1.88%	13.64%	18.88%
North Growth US Equity Fund \$CDN	2.76%	0.41%	-3.28%	6.90%
S&P 500 \$CDN	2.53%	1.13%	-1.57%	1.81%

ANNUALIZED RATES OF RETURN FOR PERIODS ENDING NOVEMBER 30, 2005

	1 Year	3 Years	5 Years	Since NGM Takeover	Since Inception
North Growth Canadian Equity Fund	8.06%	8.77%	7.16%	12.26%	6.48%
S&P / TSX \$CDN	22.02%	20.29%	6.02%	23.37%	0.99%
North Growth US Equity Fund \$CDN	11.58%	8.90%	9.75%	14.79%	16.22%
S&P 500 \$CDN	6.70%	1.65%	-4.75%	5.99%	10.41%

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.

The inception of the US Equity Fund: October 13, 1992

NAVPS: Nov. 30, 2005 \$ 13.44 CDN

Total Assets in Fund \$ 22.07 Million CDN

North Growth Canadian Money Market Fund**Net Current Yield****2.81%**