

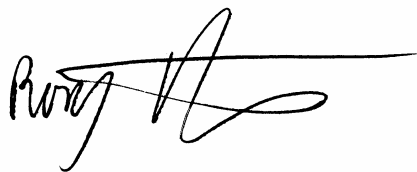
Falling energy prices triggered a 5.7% drop in the S&P Toronto Composite Index (S&P/TSX) during October. In this environment, it was disappointing that the North Growth Canadian Equity Fund was only able to modestly outperform the Index for the month with a 5.1% decline. The Fund did not outperform the Index by a greater margin due to our zero exposure to the financial sector, which outperformed the Composite Index by 2.9%. Year-to-date, the Fund is now up 4.0% versus 13.9% for the S&P/TSX.

Since we began managing the Fund, in May of 2003, the Fund has delivered an average annualized return of 11.7%. While 2½ years is a short time frame to judge by, nonetheless, these are good absolute returns. However, our long term goal is to beat the overall Canadian market by 2%. With the S&P/TSX delivering an average annualized return of 22.1% over the same 2½-year period, we obviously have not yet accomplished our long term goal. While I would rather already be ahead of the Index, I am confident that the Fund is currently very well-positioned to outperform the Canadian market.

The Fund's largest holding, Biovail, is probably the most controversial mainstream public company in Canada. We built up our position during a period of extremely negative sentiment towards the name. Our investment thesis, which relied heavily on the company's strong reported operating cash flows to dispel some of the harshest criticism by some of the sell side analysts, has thus far played out very nicely. In fact, the Vioxx/Cox-II inhibitor fiasco, that changed the dynamics of the pain management market, has substantially improved the Biovail story. Although most of the negative views about this name have so far been proven wrong, there is still a lack of conviction in the name. Recently, the shares took back some of their gains on the concern that a long shot legal maneuver by Abrika, a generic drug company trying to bring a generic version of Wellbutrin XL to the market, might prevail in court. This company has petitioned a Florida court for a summary judgment against Biovail in their pending patent infringement case. Undoubtedly, if Abrika prevails there will be a material negative change in the Biovail story. However, I consider the likelihood of a summary judgment to be very low and accordingly continue to believe Biovail has significant upside from current levels.

The Fund has evolved into a relatively concentrated stock picker's portfolio. Over 55% of the Fund is invested in our top ten holdings. The fundamental stories of these holdings are developing nicely and I believe they are significantly undervalued. Furthermore, the Fund is not invested in sectors that represent approximately 70% of the Canadian market. I believe that this combination has the Fund nicely positioned to outperform the Canadian market going forward. We recognize that investors often like to see outperformance before buying a fund, but we would be much happier if our clients bought the North Growth Canadian Equity Fund before it begins to outperform. (Keeping in mind, of course, that there can be no assurance the Fund will outperform).

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 OCTOBER 31, 2005

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund	-5.09%	-0.07%	6.90%	2.00%
S&P / TSX \$CDN	-5.65%	0.01%	11.76%	13.85%
North Growth US Equity Fund \$CDN	-0.33%	-6.53%	1.90%	4.03%
S&P 500 \$CDN	-0.10%	-5.22%	-1.20%	-0.70%

ANNUALIZED RATES OF RETURN FOR PERIODS ENDING OCTOBER 31, 2005

	1 Year	3 Years	5 Years	Since NGM Takeover	Since Inception
North Growth Canadian Equity Fund	6.08%	8.88%	6.33%	11.73%	6.14%
S&P / TSX \$CDN	19.13%	20.62%	3.28%	22.11%	0.17%
North Growth US Equity Fund \$CDN	12.89%	12.51%	8.96%	14.07%	16.09%
S&P 500 \$CDN	5.44%	2.91%	-6.60%	5.14%	10.27%

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: Oct. 31, 2005 \$ 13.15 CDN

Total Assets in Fund \$ 21.6 Million CDN

North Growth Canadian Money Market Fund**Net Current Yield****2.68%**