



# NOVEMBER MONTHLY REPORT

*December 5, 2003*

The momentum in the markets carried through into November as US equity markets showed broad strength again and the North Growth US Equity Fund continued to outperform the markets. During November, the Fund was up 3.61%, with the best performing Index we follow this month being the Russell 2000 which was up 3.55% and the worst performing Index being the S&P 500 which was up only 0.88%. For the calendar year to the end of November, in US dollars, the Fund was up 47.97%, just under 26% ahead of the S&P 500 Index and edging ahead of the NASDAQ Composite for the first time since the summer. The appreciation in the Canadian dollar reduces the Canadian dollar year-to-date performance of the Fund to 21.85% versus the S&P 500 Canadian dollar year-to-date performance of only 0.69%.

Evidence of the strength of the US economic expansion and more signs of strength from Europe and Japan continued to dominate the news throughout the month. The exceptionally strong third quarter GDP number from the US was revised up by a full percentage point from 7.2% to 8.2%. The largest single contributor to this revision, contributing 0.83% of the 1% revision, was lower than initially estimated inventory draw downs. Instead of the initially estimated 0.67% drag to growth, inventories added 0.16% to GDP after the revisions. Additional positive revisions to growth were seen in business investments, residential fixed investments and exports, offset partially by slightly slower personal consumption, government spending and higher imports. The higher capital spending numbers are very encouraging as they suggest that, after a long wait, corporate America is finally starting to spend again and should now take over as the engine of growth for the next leg up in the current economic expansion.

During November, the weekly data series of new applications for unemployment insurance also began to improve significantly. If this trend continues, we should see a significant drop in unemployment levels, helping to sustain consumer demand. Over the past year many economic commentators have been questioning the sustainability of this "jobless recovery". We suspect with the economy set to begin to create substantial new jobs, even the most ardent bears on the US economy will find it difficult not to acknowledge the robust economic expansion we are currently witnessing.

Although November is the tail end of the reporting season for the third quarter, it was still a very important month for the Fund. Of the five companies in the Fund that reported during the month two were very significant. Cisco reported a very strong quarter and importantly gave the most upbeat outlook on corporate demand since the spring of 2000. During the first few weeks of December a number of key technology companies, including Cisco, will provide mid quarter updates, from which we anticipate an improving outlook that will likely cause many analysts to increase their growth expectations for 2004. Gap also reported strong third quarter results providing further evidence that this company is rapidly regaining its lost luster.



The Fund will pay out its annual distribution on December 15<sup>th</sup>. Despite the very strong performance from the Fund, we expect to only distribute a very small amount of realized capital gains. Currently the distribution would only amount to around 10 cents of capital gains per unit, but by December 15<sup>th</sup> we could easily see a distribution at somewhere around 50 cents per unit or about 2% to 2.25% of the unit value of the Fund. We will have a very accurate estimate of the distribution on December 10<sup>th</sup>.

We are encouraged by the trends in corporate earnings and the economy and believe that this is a good environment for our “Growth at a Reasonable Price” investment style. The North Growth US Equity Fund remains fully invested and positioned for long-term growth.

Yours truly,

Rory North

#### WHERE TO FIND NGM FUND PRICES

Please visit [www.northgrowth.com](http://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.



**PERFORMANCE COMPARISONS: SHORT-TERM**

	<i>Year to November 30, 03</i>	<i>Six months to November 30, 03</i>	<i>Three months to November 30, 03</i>	<i>Month of November 03</i>
<b>North Growth US Equity Fund \$CDN</b>	<b>21.85%</b>	<b>18.56%</b>	<b>4.31%</b>	<b>2.07%</b>
<b>North Growth US Equity Fund \$US</b>	<b>47.97%</b>	<b>24.90%</b>	<b>11.27%</b>	<b>3.61%</b>
S&P 500 \$US	22.27%	10.80%	5.45%	0.88%
S&P 400 MidCap \$US	33.37%	20.15%	9.61%	3.48%
Russell 2000 \$US	44.35%	24.66%	10.17%	3.55%
NASDAQ Composite \$US	47.38%	23.08%	8.38%	1.49%

**PERFORMANCE COMPARISONS: LONG-TERM**

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>
<b>North Growth US Equity Fund \$CDN</b>	<b>13.38%</b>	<b>11.82%</b>	<b>16.94%</b>	<b>16.74%</b>
<b>North Growth US Equity Fund \$US</b>	<b>36.58%</b>	<b>18.24%</b>	<b>20.87%</b>	<b>17.06%</b>
S&P 500 \$US	15.13%	-5.53%	-0.47%	10.63%
S&P 400 MidCap \$US	27.95%	6.86%	11.35%	14.24%
Russell 2000 \$US*	36.43%	8.59%	8.08%	8.12%
NASDAQ Composite \$US*	33.27%	-8.62%	0.44%	10.02%

*Source: Bloomberg "Total Return Analysis" as of December 1, 2003*

*\* The ten year average for these indices is a Simple Price Appreciation because total return data is not available on Bloomberg.*

**RETURN SINCE INCEPTION (ANNUALIZED), OCT. 13, 1992 - NOV. 30, 2003**      **17.55% US**  
**18.01% CDN**

**NAVPS: Nov. 30, 2003**      **\$ 22.76** **CDN**  
**\$ 17.52** **US**

**TOTAL ASSETS IN FUND**      **\$ 188.90** **MILLION CDN**

**CANADIAN MONEY MARKET FUND**  
**NET CURRENT YIELD AS OF NOV. 30, 2003**  
**2.49%**