

A better than expected earnings season propelled a broad based US equity rally during April. The S&P 500 Index lead the way with a 4.4% gain for the month, with the tech-heavy NASDAQ Composite trailing closely with a 4.3% gain. The S&P 400 MidCap and the S&P 600 SmallCap indices delivered solid but not quite as impressive gains of 3.0% and 2.2% respectively. The North Growth US Equity Fund was in the middle of the pack with a 3.9% gain. The Canadian dollar appreciated by just over 4% during April, bringing the monthly return of the US Fund expressed in Canadian dollars down to -0.1%. Year-to-date, in Canadian dollar terms, the North Growth US Fund is down 1.1% compared to the S&P 500 Index's Canadian dollar return of +0.1%.

Canadian equities were also quite strong during April with the S&P/TSX Composite Index gaining 2.1%. Driven by strong earnings and some takeover activity, the North Growth Canadian Equity Fund outperformed with a solid monthly gain of 3.4%. Year-to-date the Canadian Fund is up 3.9% versus 4.7% for the Index.

The Canadian Fund's current trailing one year results reflect the very difficult four month period last year that spanned from May through August. During this period of poor performance a number of our core holdings were hit with what we believed were unjustified negative reactions to short term issues and we did not make any significant adjustments to the Fund's holdings. During the subsequent eight month period ending April 30, 2007, the Canadian Fund gained 16.9% versus 13.0% for the Index. The long term fundamentals of our core holdings are becoming more evident to the market and we believe these holdings will more than make up for the losses they incurred last year.

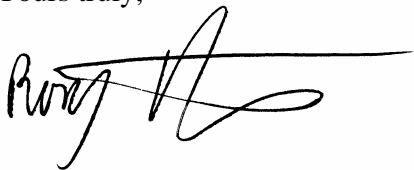
The first quarter reporting season is now largely complete and as a whole earnings came in much better than expected. For the North Growth US Equity Fund, with 85% of the portfolio reported, first quarter earnings per share grew by 19.8% versus last year, well above the 11.6% expectations.

Commentary from a number of the top technology companies provided us with increased confidence of an emerging technology spending cycle that will drive technology sector earnings growth for the next few years. We believe many sell side analysts and other market participants have great difficulty looking past the next quarter and as a result of this short term orientation are missing the signs of this emerging trend. The following quote from the closing remarks made by Cisco's CEO, John Chambers, during Cisco's most recent quarterly earnings conference call says it best: "In addition, I would not underestimate the potential that collaboration enabled by Web 2.0 technologies could have on Cisco's and the entire IT and communications industry's growth over the next five to ten years."

Those of you who are Globe & Mail readers will now be thoroughly used to the full scale change in format that the paper has undergone in the past month. One of the changes that may affect you is the reporting of mutual fund prices. The Globe & Mail has decided that most people no longer use newspapers to track mutual fund prices and accordingly they will no longer publish them in the paper format of the Globe & Mail. These prices will continue to be available on GLOBEfund.com and on our website at www.northgrowth.com.

The Budget 2007 proposal that the age limit for contributing to an RRSP be increased from 69 to 71 will probably be enacted this year. We would like to remind our RRSP clients who are turning 70 next year that they will not be required to convert their RRSP to a RRIF until the end of the year in which they turn 71 and that they can make contributions to their RRSP until this date as long as they have contribution room.

Yours truly,

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

Rory North, CFA

**NORTH GROWTH US EQUITY FUND
SHORT TERM RATES OF RETURN FOR PERIODS ENDING APRIL 30, 2007**

| | 1 Month | 3 Months | 6 Months | YTD |
|---------------------------------|---------------|---------------|--------------|---------------|
| NGM US Equity Fund \$CDN | -0.09% | -4.06% | 5.99% | -1.06% |
| S&P 500 \$CDN | 0.40% | -2.35% | 7.34% | 0.11% |
| NGM US Equity Fund \$US | 3.92% | 1.73% | 7.23% | 3.87% |
| S&P 500 \$US | 4.43% | 3.53% | 8.60% | 5.10% |
| S&P 400 MidCap \$US | 3.04% | 5.19% | 11.98% | 9.02% |
| S&P 600 SmallCap \$US | 2.23% | 3.38% | 8.41% | 5.51% |
| NASDAQ Composite \$US | 4.30% | 2.67% | 7.09% | 4.76% |

**NORTH GROWTH US EQUITY FUND
ANNUALIZED RATES OF RETURN FOR PERIODS ENDING APRIL 30, 2007**

| | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|---------------------------------|--------------|---------------|---------------|---------------|-----------------|
| NGM US Equity Fund \$CDN | 7.68% | 6.51% | 8.57% | 12.95% | 15.36% |
| S&P 500 \$CDN | 14.42% | 4.59% | 1.29% | 5.59% | 10.47% |
| NGM US Equity Fund \$US | 8.45% | 14.31% | 16.34% | 15.59% | 16.27% |
| S&P 500 \$US | 15.24% | 12.25% | 8.54% | 8.05% | 11.33% |
| S&P 400 MidCap \$US | 10.19% | 15.77% | 11.47% | 14.34% | 14.85% |
| S&P 600 SmallCap \$US | 7.65% | 16.03% | 11.56% | 12.68% | N/A |
| NASDAQ Composite \$US* | 9.49% | 10.33% | 9.04% | 7.69% | 10.69% |

Source: Bloomberg "Total Return Analysis" as of May 1, 2007.

*The return since inception for this index is a Simple Price Appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

**NAVPS: April 30, 2007 \$ 25.47 CDN
\$ 22.95 US**

Total Assets in Fund \$ 284.7 Million CDN

**NORTH GROWTH CANADIAN EQUITY FUND
SHORT TERM RATES OF RETURN FOR PERIODS ENDING APRIL 30, 2007**

| | 1 Month | 3 Months | 6 Months | YTD |
|---------------------------------|--------------|--------------|---------------|--------------|
| NGM Canadian Equity Fund | 3.38% | 1.52% | 11.23% | 3.91% |
| S&P / TSX \$CDN | 2.07% | 3.53% | 10.03% | 4.72% |

**NORTH GROWTH CANADIAN EQUITY FUND
ANNUALIZED RATES OF RETURN FOR PERIODS ENDING APRIL 30, 2007**

| | 1 Year | 3 Years | 5 Years | *Since Takeover | **Since Inception |
|---------------------------------|---------------|--------------|--------------|--------------------|----------------------|
| NGM Canadian Equity Fund | -3.94% | 6.80% | 5.71% | 11.52% | 7.26% |
| S&P / TSX \$CDN | 12.72% | 20.08% | 14.10% | 21.87% | 4.61% |

**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: April 30, 2007 \$ 13.14 CDN

Total Assets in Fund \$ 26.4 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
ANNUALIZED RATES OF RETURNS FOR PERIODS ENDING APRIL 30, 2007

| | * CURRENT YIELD | 1 Year | 3 Years | 5 Years |
|----------------------------------|--------------------|--------------|--------------|--------------|
| NGM CDN Money Market Fund | 4.04% | 4.09% | 2.97% | 2.80% |
| 30 Day T-Bill | 4.11% | 4.21% | 3.12% | 2.95% |

* The *Current Yield* for the Money Market Fund is the average of the annualized daily yield for the most recent seven day period.

The North Growth Canadian Money Market Fund is consistently one of the highest yielding money market funds in Canada – not because we waste any time searching for basis points along the yield curve but because at **0.25%** the Fund's management fee is one of the **lowest in Canada**. We manage the Fund simply by creating a well-diversified portfolio of very short term, top credit quality notes and believe the product is a good proxy for the risk free rate*. We maintain the average maturity of the Fund at near 15 days, meaning that we essentially roll over the entire portfolio every 30 days. As a result, the Fund's current yield will rapidly follow any changes (up or down) in the Bank of Canada's overnight rate.

The accountant's fees for the annual audit are greater than the annual management fees, so North Growth Management takes a small loss on the product. We don't mind because we offer the product as a service to our clients. We also believe an inflation protected liquidity product, such as our money market fund is an underutilized asset class that could improve the overall financial planning of many of our clients. This may seem strange coming from a firm notorious for its opinion that bonds are essentially an inferior asset class that offer inadequate returns for their inherent risk, but we can lay out a strong theoretical argument that you can create a superior portfolio using equities and money market than you can using equities and mid to long term bonds.

For retirees living off their financial assets, we believe that using a client's own personal cash requirements and risk tolerance to determine their appropriate mix of money market and equities, can, in most instances, create a superior portfolio to the all too pervasive industry staple 60/40 equity/bond split. For clients seeking a truly personalized retirement plan we encourage you to make an appointment to come in and get a fresh look at your plan from the North Growth Management investment professionals.

*The risk free rate is the theoretical rate of return of an investment with zero risk. The North Growth Canadian Money Market is not a risk free investment and is not covered by the CDIC (Canadian Deposit Insurance Corporation).

INVESTING WITH NORTH GROWTH MANAGEMENT:

North Growth Management is a focused firm. 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.