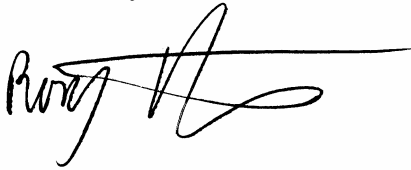


US Equities continued to rally in October with the S&P 500 Index up 3.3% and the NASDAQ Composite gaining 4.8%. The North Growth US Equity Fund lagged all the major indices for the month with a 1.1% gain. Canadian dollar returns were approximately 0.5% higher due to a modestly weaker Canadian dollar for the month. Year-to date (October 31st), The US Fund is up 5.2% in Canadian dollars versus the 8.2% Canadian dollar gain for the S&P 500.

Canadian equities were also strong in October with the S&P/TSX Composite Index gaining 5.1%. The materials sub index was up approximately 10% for the month, in light of which the North Growth Canadian Equity Fund's 3.1% gain was respectable. Year-to-date (October 31st), the Canadian Fund is up 1.6% versus 11.6% for the S&P/TSX Composite Index.

A busy first two weeks of November with reporting season in full force combined with a short family vacation resulted in a delay in getting a monthly report out. Due to the timing of this report I am going to skip any additional commentary this month.

Yours truly,



Rory North, CFA

NORTH GROWTH US EQUITY FUND
SHORT TERM RATES OF RETURN FOR PERIODS ENDING OCTOBER 31, 2006

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	1.62%	10.01%	1.60%	5.22%
S&P 500 \$CDN	3.76%	7.63%	6.60%	8.22%
NGM US Equity Fund \$US	1.13%	10.84%	1.14%	8.96%
S&P 500 \$US	3.26%	8.44%	6.11%	12.06%
S&P 400 MidCap \$US	4.16%	6.06%	-1.59%	7.40%
S&P 600 SmallCap \$US	4.95%	7.73%	-0.70%	12.03%
NASDAQ Composite \$US	4.82%	13.35%	2.24%	7.98%

NORTH GROWTH US EQUITY FUND
ANNUALIZED RATES OF RETURN FOR PERIODS ENDING OCTOBER 31, 2006

	1 Year	3 Years	5 Years	10 Years	Since Inception
NGM US Equity Fund \$CDN	7.69%	6.81%	8.72%	13.80%	15.47%
S&P 500 \$CDN	10.62%	5.64%	0.07%	6.75%	10.30%
NGM US Equity Fund \$US	13.26%	12.68%	16.53%	15.81%	16.31%
S&P 500 \$US	16.34%	11.44%	7.26%	8.64%	11.10%
S&P 400 MidCap \$US	13.43%	14.01%	13.03%	13.80%	14.49%
S&P 600 SmallCap \$US	16.10%	16.05%	14.97%	11.96%	N/A
NASDAQ Composite \$US*	12.48%	7.69%	7.57%	7.31%	10.57%

Source: Bloomberg "Total Return Analysis" as of November 1, 2006.

*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: Oct. 31, 2006 \$ 24.03 CDN
\$ 21.40 US

Total Assets in Fund \$ 275.5 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND
SHORT TERM RATES OF RETURN FOR PERIODS ENDING OCTOBER 31, 2006

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	3.12%	2.63%	-13.64%	1.63%
S&P / TSX \$CDN	5.09%	4.98%	2.45%	11.60%

NORTH GROWTH CANADIAN EQUITY FUND
ANNUALIZED RATES OF RETURN FOR PERIODS ENDING OCTOBER 31, 2006

	1 Year	3 Years	5 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	5.39%	6.63%	6.53%	9.88%	6.02%
S&P / TSX \$CDN	21.67%	18.95%	14.54%	21.98%	3.38%

*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: Oct. 31, 2006 \$ 12.38 CDN

Total Assets in Fund \$ 24.5 Million CDN

**NORTH GROWTH CANADIAN MONEY MARKET FUND
ANNUALIZED RATES OF RETURNS FOR PERIODS ENDING OCTOBER 31, 2006**

	* CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	4.03%	3.63%	2.67%	2.59%
30 Day T-Bill	4.10%	3.76%	2.84%	2.74%

** 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).

US EQUITY FUND
PORTFOLIO HOLDINGS
As of October 31, 2006

	(%)
Cisco Systems Inc.	9.33
Microsoft Corporation	6.88
General Electric Company	6.63
Applied Materials Inc.	5.16
Pfizer Inc.	4.69
Apple Computer Inc.	4.41
St. Jude Medical Inc.	4.30
Bank of America Corporation	4.17
DSP Group Inc.	3.96
Bristol-Myers Squibb Company	3.85
Citrix Systems Inc.	3.73
American Eagle Outfitters Inc.	3.26
Biomet Inc.	3.25
Sybase Inc.	3.23
NIKE Inc., Class B	3.10
Wal-Mart Stores Inc.	3.04
Texas Instruments Inc.	3.01
Safeway Inc.	2.77
Adobe Systems Inc.	2.42
Ethan Allen Interiors Inc.	2.31
Dell Inc.	2.19
Chico's FAS Inc.	2.15
WellPoint Inc.	2.00
Cheesecake Factory Inc.	1.96
Intel Corporation	1.83
Timberland Company, Class A	1.56
Dionex Corporation	1.06
Federal Signal Corporation	0.94
Trinity Industries Inc.	0.91
Mesa Air Group Inc.	0.73
Checkpoint Systems Inc.	0.56
Total Equities	99.39
Cash	<u>0.61</u>
TOTAL ASSETS	100.00%

CANADIAN EQUITY FUND
PORTFOLIO HOLDINGS
As of October 31, 2006

	(%)
Tundra Semiconductor Corporation	6.71
ATS Automation Tooling Systems Inc.	6.15
Sierra Wireless Inc.	5.92
GSI Group Inc.	5.88
Dorel Industries Inc., Class B	5.87
Biovail Corporation	5.83
Cognos Inc.	5.68
WestJet Airlines Ltd.	5.39
Bombardier Inc., Class B	5.14
BCE Inc.	5.10
Angiotech Pharmaceuticals Inc.	4.64
QLT Inc.	4.14
Zarlink Semiconductor Inc.	4.03
Sobeys Inc.	3.73
Saputo Inc.	3.38
DataMirror Corporation	3.33
MacDonald, Dettwiler and Associates Ltd.	3.09
EXFO Electro-Optical Engineering Inc.	2.51
Emergis Inc.	2.40
Nortel Networks Corporation	2.31
Jean Coutu Group (PJC) Inc., Class A	2.26
Ballard Power Systems Inc.	2.25
Compton Petroleum Corporation	1.69
Viceroy Homes Limited, Class A	1.24
Cossette Communication Group Inc.	1.09
Total Equities	99.76
Cash	<u>0.24</u>
TOTAL ASSETS	100.00%

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 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.

