

The late October rally followed through to November generating solid monthly gains for all the major indices we follow. The North Growth US Equity Fund gained 4.0% for the month, modestly ahead of the 3.8% gain for the S&P 500 Index but well behind the NASDAQ Composite's 5.4% gain. The Canadian dollar strengthened during November, reducing the Canadian dollar return of the Fund to 2.8% for the month. Year-to-date, the Fund has gained 10.1%, outperforming all the indices we follow except for the S&P 400 MidCap Index which is up 11.8%.

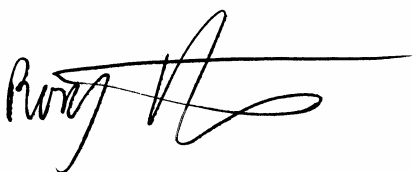
On December 15<sup>th</sup>, the Fund distributed \$2.7641 per unit in capital gains, which equates to 10.7% of the pre-distribution unit price. North Growth Management will mail out T3 tax forms to our clients in January or early February. Any client wanting more information on the distribution should not hesitate to call us.

Although we did realize some gains during the year, the only major change in the overall portfolio positioning was our move to a zero weight in energy, which accounted for approximately \$13 million in gains or slightly over a third of the net realized gains during the year. We still own the majority of our holding in Sprint/Nextel but were required for Canadian tax purposes to realize all our gains on this position when the merger was completed. The Sprint/Nextel gains also amounted to approximately \$13 million and slightly over a third of the net realized gains during the year.

After last year's distribution, following three years of exceptionally low distributions, the net unrealized gains per unit in the Fund were slightly elevated at approximately 21% of the post-distribution price. Following this year's distribution, the unrealized gains per unit are approximately 12% of this year's post-distribution unit price. The current, more normalized, level of unrealized gains increases the likelihood that next year's distribution will more closely reflect the Fund's annual Canadian dollar return.

The Fund currently owns what we believe is a very dynamic selection of “growth at a reasonable price” stocks. Over the last few years, we have been pleasantly surprised as the market provided us with opportunities to purchase shares of some of the world’s top tier companies at very attractive valuation levels. As an example, five years ago, while we recognized Cisco as one of the premier global corporations, we honestly felt we would probably never have an opportunity to own it because it traded at such high valuation levels and was so adored by the market that it was hard to imagine this premium ever disappearing. Today, with five years under our belts, we are truly convinced that Cisco is amongst the very best managed companies in the world. During its most recently completed quarter Cisco’s revenues have again reached their 2000-2001 peak levels, however earnings per share are now at record levels — almost 40% higher than they were at the previous revenue peak. We are enthused by the opportunity to make Cisco the largest holding in our portfolio at valuation levels that make it an exceptional “growth at a reasonable price” stock.

Yours truly,

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

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

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth US Equity Fund \$CDN</b>	<b>2.76%</b>	<b>0.41%</b>	<b>-3.28%</b>	<b>6.90%</b>
<b>North Growth US Equity Fund \$US</b>	<b>4.01%</b>	<b>2.15%</b>	<b>4.04%</b>	<b>10.11%</b>
S&P 500 \$US	3.78%	2.88%	5.88%	4.88%
S&P 400 MidCap \$US	4.89%	3.42%	10.14%	11.78%
S&P 600 SmallCap \$US	4.59%	2.21%	10.24%	8.68%
NASDAQ Composite \$US	5.39%	3.98%	8.39%	3.33%

**ANNUALIZED RATES OF RETURN FOR PERIODS ENDING NOVEMBER 30, 2005**

	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>North Growth US Equity Fund \$CDN</b>	<b>11.58%</b>	<b>8.90%</b>	<b>9.75%</b>	<b>15.76%</b>	<b>16.22%</b>
<b>North Growth US Equity Fund \$US</b>	<b>13.40%</b>	<b>20.09%</b>	<b>15.95%</b>	<b>17.56%</b>	<b>16.78%</b>
S&P 500 \$US	8.44%	12.10%	0.64%	9.28%	10.95%
S&P 400 MidCap \$US	16.46%	19.19%	10.07%	14.25%	14.89%
S&P 600 SmallCap \$US	11.07%	21.36%	13.58%	12.45%	N/A
NASDAQ Composite \$US*	7.27%	15.36%	-2.50%	8.18%	10.86%

Source: Bloomberg "Total Return Analysis" as of December 1, 2005.

\*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: Nov. 30, 2005**      **\$ 25.68 CDN**  
**\$ 22.01 US**

**Total Assets in Fund**      **\$ 253.4 Million CDN**

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