

The North Growth Canadian Equity Fund was down 2.75% during March versus down 0.38% for the Canadian equity markets as represented by the S&P/TSX Composite Index. The Fund's March results were equally impacted by weakness in its Canadian equity portfolio and its holdings of the North Growth US Equity Fund, which was down 2.65% in Canadian dollars.

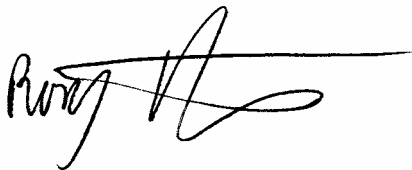
As discussed in the February report we have begun to eliminate the holdings of the North Growth US Equity Fund in the North Growth Canadian Equity Fund. So far the position has already been reduced from over 30% to just under 13%. We anticipate completing this transition by the end of June at the latest.

The original impetus for the change to a 100% Canadian Fund came from the Federal Budget which will, if enacted, eliminate the foreign content restrictions on RRSP and RRIF accounts. Early in March, with only the budget implementation bill remaining to be passed for the budget to become law, we felt there was a high probability that the elimination of the foreign content restrictions was imminent. Today, with the increased likelihood that we may head to the polls for a federal election prior to the passage of the budget implementation bill, the timing of this change is becoming more uncertain. Nonetheless, now that the ice has been broken with regard to the elimination of these restrictions, we would expect these changes to be included in the next budget to become law. In the near term, investors need to be careful because if the budget does not get passed, the existing 30% foreign content restrictions will remain in place and penalties will be applied to excess foreign content in RRSP or RRIF accounts.

In May 2003, when we originally took over the management of the Fund, we inherited a portfolio with a substantial foreign content component that we simply replaced with a position in the North Growth US Equity Fund. However, over the past two years we have come to recognize the merits of a purely Canadian portfolio. We have now built up our knowledge of the Canadian markets to the point where we have identified numerous "growth at a reasonable price" investment opportunities and feel we can easily manage a 100% Canadian portfolio.

We are building the Canadian Equity portfolio with our traditional individual stock selection process and are excited by the Fund's potential to deliver superior growth for our investors. In the US we have previously experienced the frustration of delivering okay absolute results but unsatisfactory relative results in a hot equity market environment. Sticking to our investment discipline during periods of unsatisfactory relative performance has been the key to our excellent US results and we believe, with a bit of patience, our strategy should work equally well in Canada.

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 MARCH 31, 2005**

	1 Month	3 Months	6 Months	YTD
<b>North Growth Canadian Equity Fund</b>	<b>-2.75%</b>	<b>-0.31%</b>	<b>6.42%</b>	<b>-0.31%</b>
S&P 500 / TSX \$CDN	-0.38%	4.36%	11.86%	4.36%
<b>North Growth US Equity Fund \$CDN</b>	<b>-2.65%</b>	<b>3.87%</b>	<b>14.76%</b>	<b>3.87%</b>
S&P 500 \$CDN	-3.67%	-1.53%	2.48%	-1.53%

**ANNUALIZED RATES OF RETURN FOR PERIODS ENDING MARCH 31, 2005**

	1 Year	2 Years	3 Years	4 Years	Since Inception
<b>North Growth Canadian Equity Fund</b>	<b>2.21%</b>	<b>15.66%</b>	<b>3.24%</b>	<b>5.27%</b>	<b>6.42%</b>
S&P 500 / TSX \$CDN	13.93%	25.27%	8.94%	7.91%	-1.70%
<b>North Growth US Equity Fund \$CDN</b>	<b>6.17%</b>	<b>21.51%</b>	<b>9.37%</b>	<b>9.70%</b>	<b>16.89%</b>
S&P 500 \$CDN	-1.58%	9.00%	-6.29%	-4.43%	10.71%

*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: March 31, 2005      \$ 12.85 CDN**

**Total Assets in Fund      \$ 25.3 Million CDN**

**North Growth Canadian Money Market Fund****Net Current Yield****2.27%**