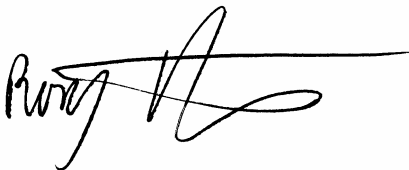


The Canadian equity market ended a strong year on a strong note with the S&P/ TSX Composite Index gaining 4.4% for the month of December to bring its 2005 total return to 24.1%. The North Growth Canadian Equity Fund, in contrast, ended a mediocre year in mediocrity with a 1.5% return for December bringing the Fund's total return for 2005 to 5.8%. The Fund's performance for the year was disappointing and even frustrating given that we are very encouraged by the improving fundamentals of many of the Fund's individual holdings. Despite the recent underperformance we firmly believe the Fund is very well-positioned and are actively encouraging our US Equity Fund clients to add the Canadian Fund to their holdings.

We are increasingly concerned that Canadian investors are being lulled into complacency by the strong performance of the very concentrated Canadian market. We believe that Canadians should currently be taking advantage of the opportunity presented by an extended commodity cycle, an overvalued Canadian financial sector and a record high Canadian dollar, by selling mainstream Canadian equity portfolios and buying US equities. Alternatively, selling mainstream Canadian equities and buying a portfolio of non-financial and non-commodity Canadian equities can accomplish a similar amount of downside risk reduction. Now is an opportune time to overcome the well documented home country investment bias by insuring that, as a Canadian, you are not overexposed to our overvalued Canadian market.

Over the past few months we have experienced a significant acceleration in positive news flows from many of the Fund's holdings. During this time, in fits and bursts, the Fund has shown signs of its potential. Most recently, after just six trading days in 2006, the Fund is up 6.7% versus 2.9% for the S&P/ TSX Composite Index. Hopefully this is the start of a long overdue period of meaningful outperformance for the North Growth Canadian Equity Fund.

Yours truly,



Rory North

SHORT TERM RATES OF RETURN FOR PERIODS ENDING DECEMBER 31, 2005

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund	1.47%	-1.59%	5.39%	5.76%
S&P / TSX \$CDN	4.41%	2.86%	14.83%	24.13%
North Growth US Equity Fund \$CDN	-0.40%	2.01%	-0.16%	6.47%
S&P 500 \$CDN	-0.30%	2.11%	0.38%	1.51%

ANNUALIZED RATES OF RETURN FOR PERIODS ENDING DECEMBER 31, 2005

	1 Year	3 Years	5 Years	Since NGM Takeover	Since Inception
North Growth Canadian Equity Fund	5.76%	9.24%	6.53%	12.47%	6.66%
S&P / TSX \$CDN	24.13%	21.66%	6.63%	24.56%	1.80%
North Growth US Equity Fund \$CDN	6.47%	11.40%	8.86%	14.12%	16.07%
S&P 500 \$CDN	1.51%	3.34%	-4.44%	5.68%	10.32%

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: Dec. 31, 2005 \$ 12.18 CDN

Total Assets in Fund \$ 22.4 Million CDN

North Growth Canadian Money Market Fund
Net Current Yield
2.98%