



JUNE MONTHLY REPORT

July 4, 2002

June was a difficult month for investors in the US equity markets – us included. During June, the S&P 500 index fell 7.1%, putting it down 13.2% for the first six months of the year. The NASDAQ Composite fell 9.4% during June and was down 24.8% for the first half. The North Growth US Equity Fund was not able to buck the trend in June as it lost 2.1% relative to the S&P 500 with a 9.2% monthly decline. For the first half of the year, the Fund was down a disappointing 8.8%, although still a respectable 4.4% outperformance versus the S&P 500 and 16.0% versus the NASDAQ Composite. Year to date, the Fund continues to lag the small and mid cap indices by approximately 4% and 5% respectively.

While it is definitely frustrating to be down during the first six month of the year, our outlook for many of our individual holdings is quite constructive. High overall market valuations still concern us, but on a stock by stock basis we are finding more opportunities to invest while adhering to our growth at a reasonable price philosophy.

Currently, some of the investor sentiment indicators we follow are showing decreased bullish sentiment and increased bearish sentiment. This relationship is approaching levels that have marked previous market bottoms. We may not yet have experienced an outright market capitulation, but we are definitely seeing some name specific capitulations.

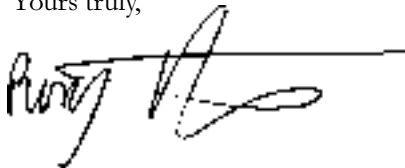
During the second quarter the US economy continued to grow, albeit at a much slower rate than the amazing 6.1% in the first quarter. Monetary and fiscal policy are providing the economy with substantial stimulus. With no signs of inflation, the Fed is likely to leave rates unchanged until renewed growth in final demand is well established. The consumer continues to spend, and with the surge in layoffs slowing, the threat to future spending seems to be diminishing. Dramatic cost cutting by corporate America has laid the foundation for solid earnings growth even on modest revenue growth. Earnings growth should translate into renewed capital spending, which, at this point, is critical for a sustainable economic recovery.

With all this in mind we are actively investing our cash. At December 31, 2001 the Fund owned 48 stocks and held 38% cash. As of June 30, 2002 the Fund owned 40 stocks and cash levels were down to 19.5%. As a result of these changes, the volatility of the Fund has increased. Increased volatility is bad when the market is going down and good when the market is going up. While we are not trying to call a market bottom and recognise that we are likely to be fully invested prior to the ultimate bottom, we do believe there are currently very attractive investment opportunities.

Not only were we busy in the first half of the year managing the Fund, but we have also been busy at North Growth Management building our management organization. During June, we were very pleased to have John Jackman join our team. John will take on the daily fund accounting functions as well as a controller type role for North Growth Management. John has 15 years of experience running and developing the asset and client management system that now runs our back office. We are excited by this development as it signals North Growth Management's increased commitment to provide superior client services through internal systems development.

Please note we will not be publishing a semi-annual report this year. We have enclosed a copy of the Fund's semi-annual financial statements.

Yours truly,

A handwritten signature in black ink, appearing to read 'Rory North', is written over a horizontal line.

Rory North

WHERE TO FIND NGM FUND PRICES

The NGM US Equity Fund is listed under the **Mutual Funds heading** in the Globe & Mail. The NGM Cdn. Money Market Fund can be found under the **Money Market Fund heading** in the Globe & Mail. Both funds can be found on **globefund.com** and **morningstar.ca**. For those who prefer, we can e-mail our daily summary sheet to you every day that the market is open. To be added to our list please contact Erica Lau at erica@northgrowth.com or 688-5440.

PERFORMANCE COMPARISONS: SHORT-TERM

	Year to June 30, 02	March 31, 01 to June 30, 02	Month of June 02
North Growth US Equity Fund \$CDN	-13.20%	-14.06%	-9.90%
North Growth US Equity Fund \$US	-8.81%	-9.64%	-9.19%
S&P 500 \$US	-13.16%	-13.40%	-7.12%
S&P 400 MidCap \$US	-3.21%	-9.31%	-7.32%
Russell 2000 \$US	-4.69%	-8.36%	-4.97%
NASDAQ Composite \$US	-24.84%	-20.64%	-9.40%

PERFORMANCE COMPARISONS: LONG-TERM

	1 Year	3 Years	5 Years	9 Years
North Growth US Equity Fund \$CDN	-7.13%	12.65%	12.00%	16.08%
North Growth US Equity Fund \$US	-7.27%	11.31%	9.92%	13.92%
S&P 500 \$US	-18.02%	-9.18%	3.67%	11.18%
S&P 400 MidCap \$US	-4.73%	6.67%	12.57%	14.23%
Russell 2000 \$US*	-8.44%	1.80%	4.57%	7.90%
NASDAQ Composite \$US*	-32.13%	-18.12%	0.61%	8.47%

Source: Bloomberg "Total Return Analysis" as of June 30, 2002.

** The nine year average for these indices is a Simple Price Appreciation because total return data is not available on Bloomberg.*

RETURN SINCE INCEPTION (ANNUALIZED), OCT. 13, 1992 - JUNE 30, 2002 **17.00 %**

NAVPS: JUNE 30/02 **\$ 16.66** CDN

TOTAL ASSETS IN FUND **\$ 100.06** MILLION CDN

CANADIAN MONEY MARKET FUND

NET CURRENT YIELD AS OF JUNE 30, 2002:

2.27%

PORTFOLIO HOLDINGS*As of June 30, 2002*

Chesapeake Energy Corp	5.15
Sunrise Assisted Living Inc	4.97
Universal Health Services Cl B	4.38
Ocular Sciences Inc	4.34
Nextel Communications Inc Cl A	4.30
Watson Pharmaceuticals	3.63
Citrix Systems Inc	3.56
Manor Care Inc	3.50
Jacobs Engineering Group Inc	3.10
St Jude Medical Inc	2.95
Wellpoint Health Networks Cl A	2.85
Safeway Inc	2.80
Borland Software Corp	2.38
Clayton Homes Inc	2.26
Biogen Inc	2.20
American Greetings Corp Cl A	2.11
Trinity Industries	2.04
Bristol-Myers Squibb Co	1.91
Apple Computer Inc	1.88
Timberland Co Cl A	1.77
Dionex Corp	1.70
LSI Logic Corp	1.65
Cardinal Health Inc	1.65
Mettler-Toledo International Inc	1.48
Scientific-Atlanta Inc	1.25
Toy "R" Us Inc	1.11
Synopsys Inc	1.06
Checkpoint Systems Inc	1.05
Transocean Inc	1.04
Diamond Offshore Drilling Inc	0.99
Schnitzer Steel Industries Cl A	0.90
Jones Apparel Group Inc	0.84
Sun Microsystems Inc	0.80
Biomet Inc	0.77
Columbia Sportswear Co	0.76
Maverick Tube Corp	0.70
Devon Energy Corp	0.25
Stone Energy Corp	0.22
American Power Conversion Corp	0.08
BJ Services Co	<u>0.08</u>
Total Equities	80.46
Cash and Short Term Notes	<u>19.54</u>
TOTAL ASSETS	100.00%