

NOVEMBER MONTHLY REPORT

December 2, 2002

Since October 9th, 2002, US equities have staged a broad and powerful rally – the type of rally that has historically been associated with the early stages of a new bull market. The technology sector led the pack with the NASDAQ Composite Index rising 32.8% from October 9th to November 30th while the S&P 500 Index rose 20.8%. The North Growth US Equity Fund participated fully in this rally with a 32.3% appreciation over the same period. During the month of November the Fund beat all the indices we follow by a healthy margin with a 12.8% return versus 5.9% for the S&P 500 Index and 11.2% for the NASDAQ Composite Index. We are very pleased to report that, for the 11 month period to the end of November, the North Growth US Equity Fund has outperformed the S&P 500 Index by over 24%, with a positive 7.2% performance versus the S&P 500 which was down 17.2% during this period.

Despite the fact that the market has had a strong move off of its lows we are maintaining our position that **Now is the Time to Buy Equities!** Waiting for a dip to buy in a bull market is equivalent to waiting for a spike to sell in a bear market. Recently we came across an article written by Warren Buffet and originally published in Forbes Vol. 124, No. 3 August 6, 1979 titled **“You Pay a High Price in the Stock Market for a Cheery Consensus”**. A few quotes from this article should help reinforce our stance:

“A second argument is made that there are just too many question marks about the near future; wouldn’t it be better to wait until things clear up a bit? You know the prose: ‘Maintain buying reserves until current uncertainties are resolved,’ etc. Before reaching for that crutch, face up to two unpleasant facts: The future is *never* clear; you pay a very high price in the stock market for a cheery consensus. Uncertainty actually is the friend of the buyer of long-term values.

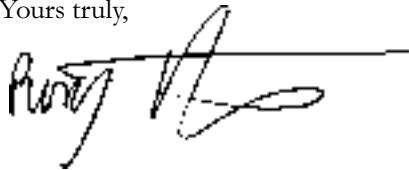
... There may well be some period in the near future when financial markets are demoralized and much better buys are available in equities; that possibility exists at all times. But you can be sure that at such a time the future will seem neither predictable nor pleasant. Those now awaiting a ‘better time’ for equity investing are highly likely to maintain that posture until well into the next bull market.”

Although this was written over twenty years ago we believe it is very relevant today. North Growth Management does not try to emulate Warren Buffet’s investment philosophy, but we do however recognize him as one of the great investors of our times. We only reverted to quoting him here because we are somewhat frustrated with our inability to convincingly communicate our opinions to our clients. We hope that these words of wisdom from the Oracle of Omaha might ring true to some of our regular readers.

At this time of year it is common for us to field questions regarding the Fund's distribution. This year we are changing the distribution date to December 15th. As of today, December 3, 2002, we expect a distribution of under \$0.15 per unit – or less than 0.75% of the current unit value. With eight trading days left until the distribution date we can not say for certain what the distribution will be; however, we are convinced it will be small enough to be insignificant to even the short term after-tax returns of our unit holders.

The North Growth US Equity Fund is fully invested with less than 1% in cash. We are very encouraged with the recent earnings results from our companies and believe the outlook for continued earnings growth is solid. We continue to focus on stock selection and believe there are currently great opportunities for our “Growth at a Reasonable Price” philosophy.

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 visit www.northgrowth.com.

PERFORMANCE COMPARISONS: SHORT-TERM

	<i>Year to November 30, 02</i>	<i>Six months to November 30, 02</i>	<i>Three months to November 30, 02</i>	<i>Month of November 02</i>
North Growth US Equity Fund \$CDN	5.31%	9.32%	16.22%	13.31%
North Growth US Equity Fund \$US	7.19%	6.74%	15.76%	12.77%
S&P 500 \$US	-17.24%	-11.49%	2.69%	5.89%
S&P 400 MidCap \$US	-10.85%	-14.64%	1.48%	5.78%
Russell 2000 \$US	-15.80%	-16.04%	4.34%	8.92%
NASDAQ Composite \$US	-23.92%	-8.29%	12.58%	11.29%

PERFORMANCE COMPARISONS: LONG-TERM

	1 Year	3 Years	5 Years	10 Years
North Growth US Equity Fund \$CDN	9.80%	20.76%	13.68%	17.23%
North Growth US Equity Fund \$US	10.35%	18.38%	11.55%	14.95%
S&P 500 \$US	-16.54%	-11.12%	0.97%	10.13%
S&P 400 MidCap \$US*	-6.27%	3.33%	8.11%	11.17%
Russell 2000 \$US*	-10.62%	-2.25%	0.26%	6.63%
NASDAQ Composite \$US*	-23.16%	-23.53%	-1.25%	8.52%

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

** The ten 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 - NOVEMBER 30, 2002 **18.48%**

NAVPS: NOVEMBER 30/02 **\$ 20.22** **CDN**

TOTAL ASSETS IN FUND **\$ 130.91** **MILLION CDN**

CANADIAN MONEY MARKET FUND

NET CURRENT YIELD AS OF NOVEMBER 30, 2002:

2.52%