January Monthly Report

February 6, 2003

January 2003 was an exceptionally volatile month for equities. The markets were up very strongly during the first two weeks of the month, followed by two weeks of exceptionally weak market action. By the end of the month all the major indices were down modestly with the S&P 500 Index down 2.74% and the NASDAQ Composite down 1.09%. The North Growth US Equity Fund slightly outperformed all of the major indices we follow with a negative 1.03% return for the month in US dollars. During January the Canadian dollar appreciated by over 3% versus the US dollar, causing the North Growth US Equity Fund to be down 4.55% in Canadian dollars.

With the war drums pounding loudly in the US, investors across the globe have become very focused on the risks associated with a war with Iraq. This renewed focus on geopolitical risks appears to have overridden the flow of modestly better economic and corporate news that we saw in January. We believe that a significant portion of the downside often associated with the beginning of a large scale military conflict has already occurred. While we have no great insight or ability to quantify the risks associated with a war with Iraq, we believe that the current market weakness and any additional weakness that may come in the weeks or months before the war begins will most likely prove to be a great opportunity for long term equity investors to buy more equities.

After 3 years of down markets the investing public is losing its conviction of the superiority of equities for long term growth. January will mark the 10th month in a row of net mutual fund redemptions in Canada. Remember that in the first three months of 2000, just prior to the onset of the bear market, mutual fund purchases hit all time records. It is very frustrating to watch the investing public commit the same errors it has made time and time again. As evidenced by the flow of funds to and from mutual funds the investing public has an incredible tendency to buy when it should be selling and to sell when it should be buying. Don't make the same mistake. Historically, equities have provided by far the best long term returns and the best time to buy equities is when they are down. There is no reason to believe that these historical trends have changed.

The US economy is showing signs of a gradual recovery. Initial unemployment claims appear to have stabilized and are trending lower. The manufacturing sector, which led the economic slowdown as it began to contract early in 1999, is beginning to grow again. The service sector is growing. Inventories are at very low levels and will likely need to be increased in the face of growing demand. Even corporate capital expenditures are beginning to tick up. It appears that the massive amounts of macro economic stimulus, that have been injected into the US economy through unprecedented interest rate cuts and tax cuts, are finally beginning to take hold.

By the end of January, approximately half of the Fund's holdings had reported their most recent quarterly earnings. By and large, we were very encouraged with the results. It is very clear that much of corporate America is poised to post very strong earnings growth when revenues begin to grow again. Most of our companies are better positioned within their industries than they have been in a number of years. It is frustrating to listen to and to read bearish reports from sell side analysts who only last year were basing their bullish forecasts for equity prices on optimistic growth outlooks 2 to 3 years out, but now seem to have difficulty even seeing to the end of the next quarter. We believe that expectations have come full circle from overly optimistic to excessively pessimistic and we know that upside earnings surprises are almost always good for equity prices.

We continue to believe that stock selection is the key to superior growth. The Fund is fully invested and we believe poised to provide our clients solid long term growth.

Please note that effective April 1, 2003 the minimum initial investment in the North Growth US Equity Fund will be increased to C$250,000.

Yours truly,

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

	Year to January 31, 03	*Six months to January 31, 03*	*Three months to January 31, 03*	*Month of January 03*
North Growth US Equity Fund $CDN	**-4.55%**	**5.96%**	**0.64%**	**-4.55%**
North Growth US Equity Fund $US	**-1.03%**	**10.24%**	**3.02%**	**-1.03%**
S&P 500 $US	-2.62%	-5.26%	-2.95%	-2.62%
S&P 400 MidCap $US	-2.92%	-5.06%	-1.53%	-2.92%
Russell 2000 $US	-2.76%	-4.42%	0.03%	-2.76%
NASDAQ Composite $US	-1.07%	-0.35%	-0.57%	-1.07%

PERFORMANCE COMPARISONS: LONG-TERM

	1 Year	3 Years	5 Years	10 Years
North Growth US Equity Fund $CDN	**-3.53%**	**15.99%**	**11.06%**	**15.02%**
North Growth US Equity Fund $US	**0.64%**	**14.03%**	**10.07%**	**12.93%**
S&P 500 $US	-23.01%	-13.82%	-1.32%	8.95%
S&P 400 MidCap $US*	-16.58%	-0.08%	6.18%	11.46%
Russell 2000 $US*	-21.86%	-7.81%	-1.47%	5.01%
NASDAQ Composite $US*	-31.44%	-30.30%	-3.68%	6.60%

Source: Bloomberg "Total Return Analysis" as of January 31, 2003.
** 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 - JANUARY 31, 2003 **16.81%**

NAVPS: JANUARY 31/03 **$ 17.83** CDN
$ 11.72 US

TOTAL ASSETS IN FUND **$ 123.69** MILLION CDN

CANADIAN MONEY MARKET FUND

NET CURRENT YIELD AS OF JANUARY 31, 2003:

2.53%