

Amid the uncertainty arising from the U.S. presidential election, U.S. equities initially dipped then rebounded during November. The broad S&P 500 Index gained 0.6% for the month, while the S&P 400 MidCap and S&P 600 SmallCap Indices appreciated 2.2% and 1.0% respectively. The NASDAQ Composite was up 1.4%. In November, the North Growth U.S. Equity Fund gained 0.3%, underperforming all of the mentioned indices. Due to the strengthening of the Canadian currency, the Fund declined 0.3% in Canadian dollars versus the S&P 500 which was flat in Canadian dollars.

The majority of our monthly reports have focused on economic developments and investment news topics which we deem relevant to the U.S. Equity Fund. This month, in a departure from our usual format, we will highlight a particular holding that fits our "growth at a reasonable price" philosophy: Intel Corporation. We have taken advantage of the stock's weakness in recent weeks to add to our position—Intel, at approximately 5.9% of the U.S. Equity Fund, is currently the Fund's third largest holding.

Intel is highly recognized as the dominant designer and manufacturer of microprocessors and related chipsets for personal computers (PCs) and servers. Powering over 80% of the world's PCs, the largest semiconductor chip maker is in the midst of an industry transformation where consumers are increasingly using smartphones and tablets for computing. In fact, according to estimates by IHS iSuppli and other market forecasters, the PC market is projected to decline this year for the first time in more than a decade. Intel's tight association with PCs, along with the perception that PCs are heading toward obsolescence, seems to be at the root of the company's lagging stock price.

We do not agree with the view, "The PC market is dead". Over the past several years, global economic and fiscal uncertainty has driven many corporations to curtail capital expenditures, including slowing or delaying major investment in computer equipment and software. Businesses were also holding off on projects amid a pending refresh to the Windows operating system by Microsoft. As a result, the enterprise spending cycle is long overdue; as companies will inevitably upgrade their PCs, servers and data storage systems, Intel stands to benefit significantly.

Although the majority of corporations scaled back capital spending in the last few years, Intel was an exception as the semiconductor maker actually ramped up its manufacturing capacity. Leading-edge manufacturing capabilities form the hallmark of Intel's competitive advantage and the company's process and manufacturing gains over the rest of the industry have widened considerably. Intel is now generations ahead of its main competitor, Advanced Micro Devices, AMD, as well as other chip makers.

In addition to gaining market share in the PC and data centre space, Intel's process technology and manufacturing leadership lends itself well to extension across other segments of the computing continuum, including ultrabooks, tablets and smartphones. Windows tablets have just recently launched, representing an incremental growth opportunity for Intel. Tablet makers using Intel's Atom chip in Windows 8 tablets include Asus, Fujitsu, Dell, Lenovo and HP. Furthermore, higher-end Intel Core processors are used in the Microsoft Surface Pro and certain tablets from Acer and Lenovo. In the past year, smartphones launched with the Intel Atom include Lenovo and ZTE in China, Motorola in Latin America and Europe, MegaFon in Russia, Lava in India, and Orange in France and the UK.

Currently, the majority of tablets and smartphones contain ARM-based processors, and most investors believe that ARM-based chips offer better cost and battery life attributes over Intel's x86 (primarily Atom) chips. However, based on research by Wells Fargo Securities, a comparison of different ARM-based and Intel Atom-based tablets models from Lenovo, Asustek, and Dell showed no obvious price or battery life advantage for the ARM-based tablets over the Intel Atom-based group. Intel itself has also been adamant that as it is able to build transistors at lower and lower cost based on Moore's Law, it is able to target the transistor curve to low power applications as well as high performance markets. Increasing consumer demand for ultrabooks, tablets, and smartphones therefore provide a tremendous growth opportunity for Intel.

We believe that the investment community has been too focused on the company's near term results and largely overlooked its competitive strengths. As a consequence, Intel is trading at only 8 times trailing 12-month earnings and yielding 4.6%. Over the past five years, during a challenging period for the semiconductor industry as a whole, Intel grew its earnings per share at an average annual rate of 18%. Looking forward into the next five years, based on conservative assumptions, we believe the company could reasonably grow earnings at a minimum rate of 10% per annum. Yet at its current valuation, even if Intel were to grow profits at only 5% per year, a disappointing scenario, the stock would make a good investment. Attractively valued with a pristine balance sheet and ample ability to continue boosting its dividend payout despite an already high dividend yield, Intel presents a compelling "growth at a reasonable price" investment.

This year, December 14th is the distribution date for the North Growth U.S. Equity Fund. We anticipate that the distribution for the Fund will be approximately 1% of the current unit price or 25 cents per unit. Unitholders of the U.S. Equity Fund can expect to receive their T-3 tax slips in January.

Yours truly,



Erica Lau, CFA

NORTH GROWTH U.S. EQUITY FUND

Short Term Rates of Return (%) for Periods Ending November 30, 2012

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	-0.27	-1.99	-1.24	4.83
S&P 500 \$CDN	0.04	2.36	5.16	12.31
NGM US Equity Fund \$US	0.28	-2.77	2.67	7.30
S&P 500 \$US	0.58	1.55	9.32	14.96
S&P 400 MidCap \$US	2.20	3.54	8.93	15.36
S&P 600 SmallCap \$US	1.00	1.38	8.65	12.61
NASDAQ Composite \$US	1.38	-1.44	7.29	17.00

NORTH GROWTH U.S. EQUITY FUND

Annualized Rates of Return (%) for Periods Ending November 30, 2012

	1 Year	3 Years	5 Years	10 Years	15 Years	20years
NGM US Equity Fund \$CDN	4.34	7.39	1.98	3.73	6.95	10.28
S&P 500 \$CDN	13.09	9.02	1.21	1.63	2.05	6.84
NGM US Equity Fund \$US	7.15	9.58	2.11	8.55	9.54	11.71
S&P 500 \$US	16.13	11.25	1.34	6.36	4.53	8.23
S&P 400 MidCap \$US	14.93	15.12	4.65	9.83	9.26	11.31
S&P 600 SmallCap \$US	14.02	16.00	4.29	9.72	7.62	10.03
NASDAQ Composite \$US	16.40	13.22	3.59	8.29	5.01	7.94

Source: Bloomberg "Total Return Analysis" as of Nov 1, 2012.

*These returns are a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

Unit Price: \$25.23 CDN
\$25.39 US

Total Assets in Fund \$243.3 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending November 30, 2012

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	N/A	N/A	N/A	N/A
S&P / TSX \$CDN	-1.28	3.40	7.95	5.14

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending November 30, 2012

	1 Year	3 Years	5 Years	10 Years	*Since Takeover	**Since Inception
NGM Canadian Equity Fund	N/A	N/A	N/A	N/A	N/A	N/A
S&P / TSX \$CDN	3.35	5.13	0.69	9.11	9.39	3.06

*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.

Series N Unit Price: \$ 13.03CDN

Total Assets in Fund \$ 22.7 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
Annualized Rates of Returns (%) for Periods Ending November 30, 2012

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	0.87	0.85	0.66	1.12
30 Day T-Bill	N/A	0.90	0.72	1.08

** The Current Yield for the Money Market Fund is the average of the annualized daily yield for the most recent seven day period. This measure is no longer available for the 30 day T-Bill Index.*

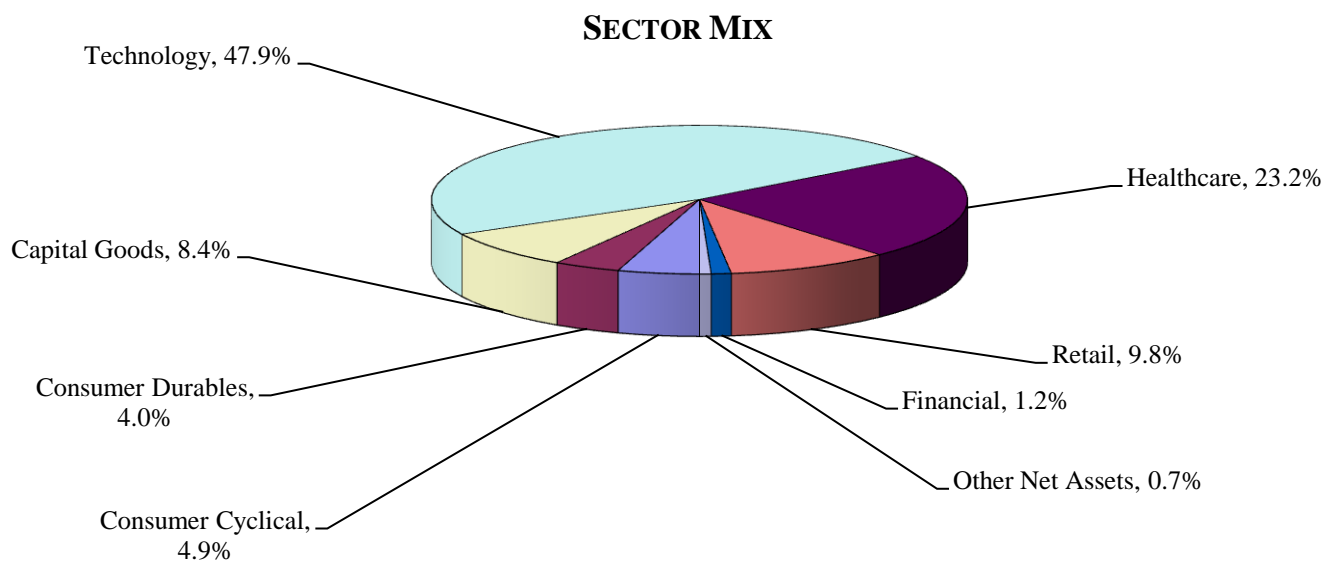
We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio never is greater than 30 days. Historically the Fund has generated very competitive yields with this simple approach because the management fee is, and always has been, 0.25%. In today's low rate environment most other money market funds in Canada have cut their management fees and extended their maturities in order to improve yields, as a result the North Growth Canadian Money Market Fund's yields are now below the industry average.

We manage the portfolio to ensure high liquidity and have no intention to extend maturities in order to chase a few basis points and we do not have any room to reduce our management fees because we already take a loss on the product. We still believe our money market fund has superior liquidity characteristics due to its very low average maturity but our current yield is 0.87% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

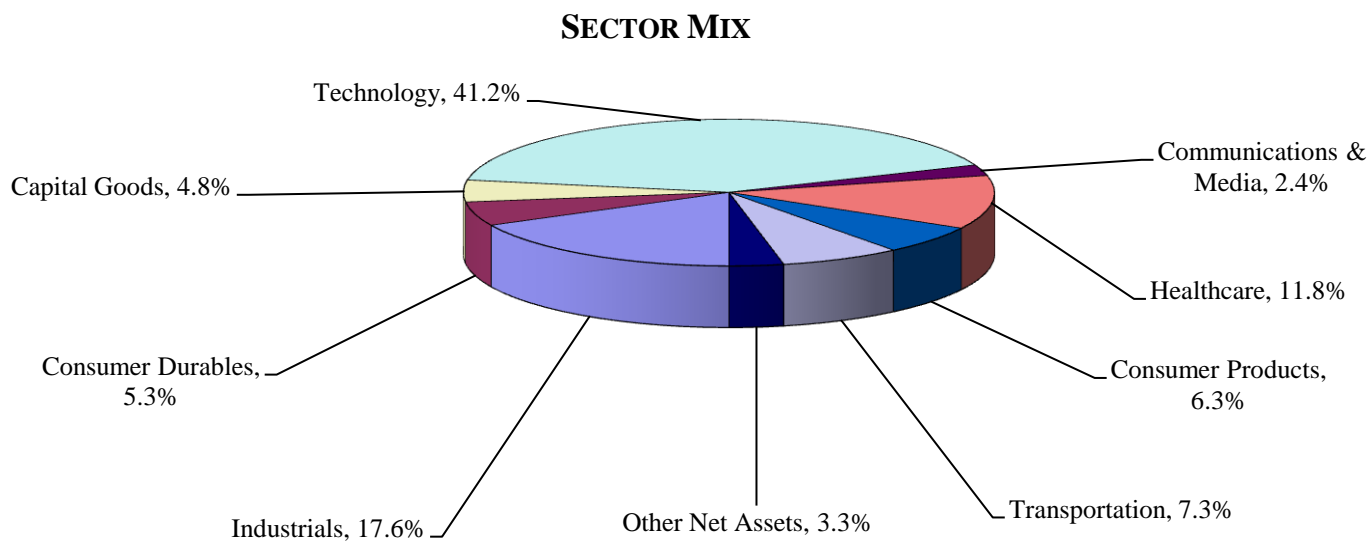
U.S. EQUITY FUND
TOP 10 HOLDINGS
As of November 30, 2012

	%
Cisco Systems Inc.	10.15
Apple Inc.	10.11
Intel Corporation	5.78
Pier 1 Imports Inc.	5.74
Bristol-Myers Squibb Company	5.13
St. Jude Medical Inc.	4.65
Microsoft Corporation	4.37
Texas Instruments Inc.	3.62
Pfizer Inc.	3.59
American Eagle Outfitters Inc.	<u>3.47</u>
Top 10	56.61
Total Equities	99.31
Cash	<u>0.69</u>
TOTAL ASSETS	100.00%



CANADIAN EQUITY FUND
TOP 10 HOLDINGS
As of November 30, 2012

	%
WestJet Airlines Ltd.	7.34
Celestica Inc.	6.97
Sandvine Corporation	6.78
Bombardier Inc., Class B	6.64
Valeant Pharmaceuticals International, Inc.	5.36
CAE Inc.	5.34
Dorel Industries Inc., Class B	5.27
Sierra Wireless Inc.	5.07
COM DEV International Ltd.	5.03
EXFO Inc.	<u>4.80</u>
Top 10	58.60
Total Equities	96.72
Cash	<u>3.28</u>
TOTAL ASSETS	100.00%



INVESTING WITH NORTH GROWTH MANAGEMENT:

North Growth Management is a focused firm. We are Canada's U.S. Equity Specialist. Our objective is consistent, superior, long term returns on our equity funds based on our "growth at a reasonable price" investment philosophy.

CONDUCTING TRANSACTIONS:

The cut-off time for same-day transactions is 4 p.m. Eastern time or 1 p.m. Pacific time. Orders received after that time will be processed on the next business day. Cheques must be made payable to **RBC Investor Services Trust**. For security reasons, instructions can only be accepted by mail or by fax to:

North Growth Management Ltd.
Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

Fax: 604-688-5402

WHERE TO FIND NGM FUND PRICES

Please visit 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 reports prices on www.globefund.com