

U.S. Equity Fund Performance

U.S. equities rallied strongly in October as U.S. lawmakers reached an 11th-hour deal that ended the 16-day partial government shutdown and averted a debt default. United States borrowing authority is now extended until February 7th while government agencies are funded until January 15, 2014.

The S&P 500 gained 4.6% for the month, followed by the NASDAQ Composite which advanced 4.0%, and the S&P 400 MidCap and S&P 600 SmallCap indices which were up 3.7% and 3.6% respectively. In October, the North Growth U.S. Equity Fund appreciated 3.5%, lagging all the indices we regularly track. A weaker Canadian currency resulted in the Fund gaining 4.7% in Canadian dollars versus the S&P 500 which was up 5.9% in Canadian dollars. Notably, the inclusion of the Fund's positive performance this October and the drop-off of the 2.7% decline in October last year lifted the Fund's one-year return (in Canadian dollars) to 37.4% from 27.7% at the end of September. By comparison, the S&P 500's one-year return as of October 31st is 32.7%.

Canadian Equity Fund

Canadian equities had another strong month despite weakness in some commodity prices. The S&P/TSX Composite Index, determined to be not left behind, advanced 4.7% in October putting its year-to-date return at 10.3%. The North Growth Canadian Equity Fund outperformed with a 5.1% gain resulting in its year-to-date return of 39.2%. Generally the operational results for the Fund's holdings have been encouraging and we feel valuations are attractive for investors who are seeking to diversify their concentrated Canadian equity exposure.

Third Quarter Earnings

The majority of the corporate earnings reports for the July-to-September period has been better than expected. As of November 8th, 446 companies of the S&P 500 have reported earnings for the third quarter. With 89% of the S&P 500 Index results in, 73% of the reporting companies have beaten analysts' earnings estimates while 52% have surpassed revenue forecasts. At the sector level, the Information Technology, Consumer Discretionary and Health Care sectors have had the highest percentages of companies reporting profits above expectations. According to Bloomberg Analysis, earnings and revenues in the third quarter are projected to increase 5% and 3% respectively year-over-year.

We have been pleased with the results of all the companies in the portfolio so far.

Microsoft's latest quarterly report was particularly noteworthy as earnings and revenue surprised on the upside by 17% and 5% respectively. Given a challenging consumer PC environment and the perception that the Windows operating system is the predominant driver of the company's results, investors and analysts had genuinely low expectations for Microsoft prior to the earnings release. The latest quarter demonstrates that in fact Microsoft is diverse and continues to benefit from its strength in the enterprise market. Among the constructive management commentary of the earnings conference call are a solid indication that companies are embracing Microsoft's cloud services which include Azure and Office 365, as well as signs of stabilization in the PC business. Moreover, the company's execution is strong across its entire organization.

Another holding in the U.S. Fund worth highlighting is GT Advanced Technologies (GTAT). In conjunction with its earnings release on November 4th, the company also announced a multi-year sapphire materials agreement with Apple whereby Apple will prepay \$578 million for furnaces to make sapphire materials and receive some exclusive rights. The agreement is overwhelmingly positive for GTAT—not only does it provide a significant boost to revenues and earnings over the next several years, but importantly it underscores the company's technological positioning in advanced materials and supports management's strategic, long term diversification strategy.

Finally...

Nearly five years into the current bull market, investor sentiment towards U.S. equities appears to be turning more favourable. We remain constructive in our outlook for the U.S. stock market and continue to identify “growth at a reasonable price” investment opportunities as the U.S. Fund stays fully invested.

Administrative News

This year, the distribution date for the North Growth U.S. Equity Fund is December 13th, and for the Canadian Equity Fund is December 31st. We do not yet have a firm number on the magnitude of the distribution amounts; however, we expect them to be low relative to the Funds' year-to-date performance returns. For further information, please feel free to give us a call.

Additionally, please be advised that the cut-off time for conducting same-day transactions in both the U.S. Equity and Canadian Equity Funds is now 12 noon Pacific time (3 pm Eastern time). Orders received after that time will be processed on the next business day.

NORTH GROWTH U.S. EQUITY FUND

Short Term Rates of Return (%) for Periods Ending October 31, 2013

	1 Month	3 Months	6 Months	YTD
NGM US Equity Fund \$CDN	4.72	6.12	19.38	35.53
S&P 500 \$CDN	5.86	6.33	15.03	31.32
NGM US Equity Fund \$US	3.47	4.54	15.35	29.31
S&P 500 \$US	4.60	4.75	11.14	25.30
S&P 400 MidCap \$US	3.72	5.03	11.95	27.81
S&P 600 SmallCap \$US	3.61	7.38	19.54	33.30
NASDAQ Composite \$US	3.99	8.44	18.57	31.15

NORTH GROWTH U.S. EQUITY FUND

Annualized Rates of Return (%) for Periods Ending October 31, 2013

	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception
NGM US Equity Fund \$CDN	37.41	14.84	13.96	5.99	11.26	12.11
S&P 500 \$CDN	32.74	17.41	11.89	4.96	7.66	8.40
NGM US Equity Fund \$US	31.65	14.01	17.29	8.51	12.58	13.05
S&P 500 \$US	27.18	16.56	15.17	7.46	8.93	9.31
S&P 400 MidCap \$US	33.48	17.55	19.63	10.44	12.01	12.62
S&P 600 SmallCap \$US	39.08	20.43	18.41	10.61	10.70	11.90
NASDAQ Composite \$US	33.78	17.51	19.29	8.50	8.40	9.53*

Source: Bloomberg "Total Return Analysis" as of Nov. 1, 2013.

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

Unit Price: \$34.42 CDN
\$33.01

Total Assets in Fund \$328.8 Million CDN

NORTH GROWTH CANADIAN EQUITY FUND

Short Term Rates of Return (%) for Periods Ending October 31, 2013

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	5.10	10.29	20.71	39.17
S&P / TSX \$CDN	4.72	7.83	8.98	10.29

NORTH GROWTH CANADIAN EQUITY FUND

Annualized Rates of Return (%) for Periods Ending October 31, 2013

	1 Year	3 Years	5 Years	10 Years
NGM Canadian Equity Fund	45.02	N/A*	N/A*	N/A*
S&P / TSX \$CDN	11.00	N/A*	N/A*	N/A*

**The Canadian Equity Fund became a reporting issuer on June 15, 2012. It is not permitted to publish performance data prior to the date it became a reporting issuer.*

Series N Unit Price: \$ 18.59 CDN

Total Assets in Fund \$ 32.7 Million CDN

NORTH GROWTH CANADIAN MONEY MARKET FUND
Annualized Rates of Returns (%) for Periods Ending October 31, 2013

	*CURRENT YIELD	1 Year	3 Years	5 Years
NGM CDN Money Market Fund	0.87	0.87	0.84	0.69
30 Day T-Bill	N/A	0.98	0.93	0.75

** 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.*

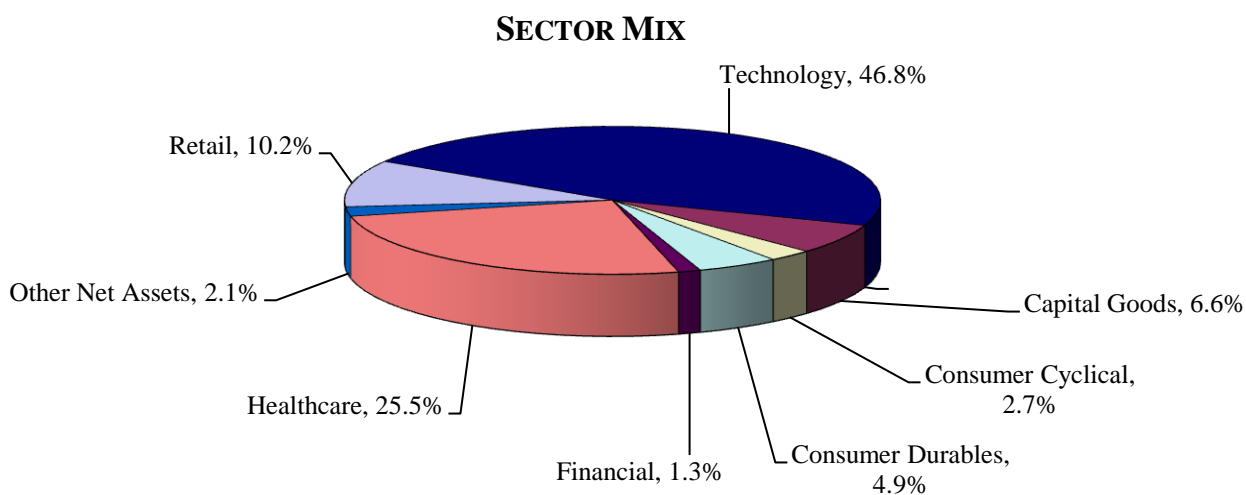
We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio never is greater than 30 days. Historically the Fund has generated very competitive yields with this simple approach 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 October 31, 2013

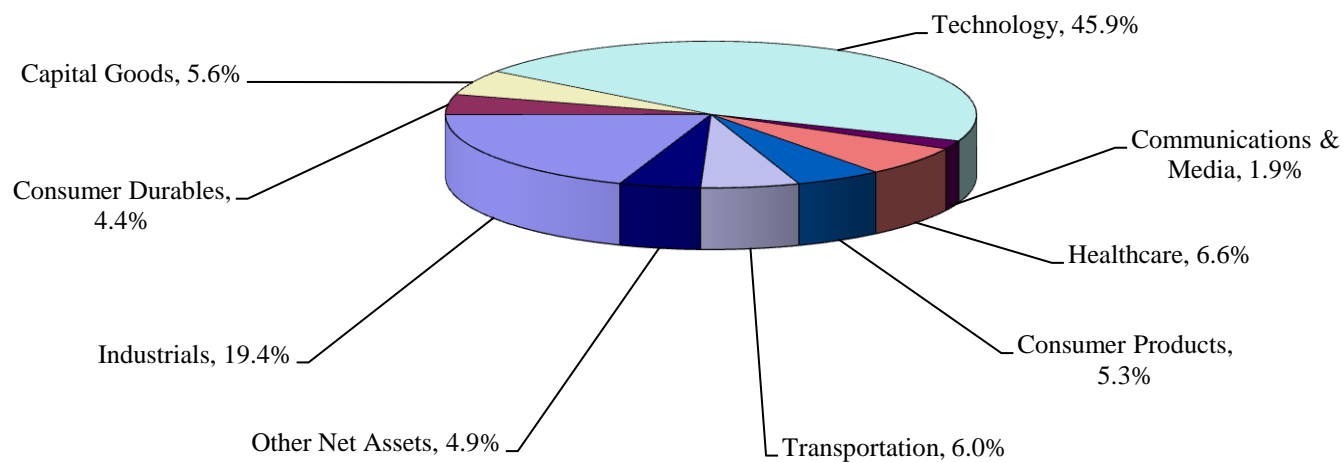
	%
Cisco Systems Inc.	9.40
Apple Inc.	9.17
Intel Corporation	5.15
St. Jude Medical Inc.	4.73
Microsoft Corporation	4.19
Bristol-Myers Squibb Company	4.16
Texas Instruments Inc.	3.70
WellPoint Inc.	3.64
Pier 1 Imports Inc.	3.62
Cerner Corporation	<u>3.55</u>
Top 10	51.31
Total Equities	97.94
Cash	<u>2.06</u>
TOTAL ASSETS	100.00%



CANADIAN EQUITY FUND
TOP 10 HOLDINGS
As of October 31, 2013

	%
Sandvine Corporation	9.84
Bombardier Inc., Class B	7.33
Celestica Inc.	7.01
Sierra Wireless Inc.	6.07
WestJet Airlines Ltd.	5.99
ATS Automation Tooling Systems Inc.	5.63
COM DEV International Ltd.	4.88
Open Text Corporation	4.57
CAE Inc.	4.49
Dorel Industries Inc.	<u>4.45</u>
Top 10	60.26
Total Equities	95.07
Cash	<u>4.93</u>
TOTAL ASSETS	100.00%

SECTOR MIX



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 3 p.m. Eastern time or 12 p.m.(noon) 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