

**20 YEARS OF "GROWTH AT A
REASONABLE PRICE" 1992-2012**



2012 ANNUAL REPORT

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Letter to Unit Holders

Dear Unit Holder,

Before writing this, I looked back at last year's message. It was very tempting to just repeat it as it would probably address the mood and outlook of many investors this year as well.

The fact that the S&P 500 Index gained 16.0% over the year and even the S&P/TSX ended the year up 7.2% should have had a positive effect on investor expectations, but that is very hard to discern.

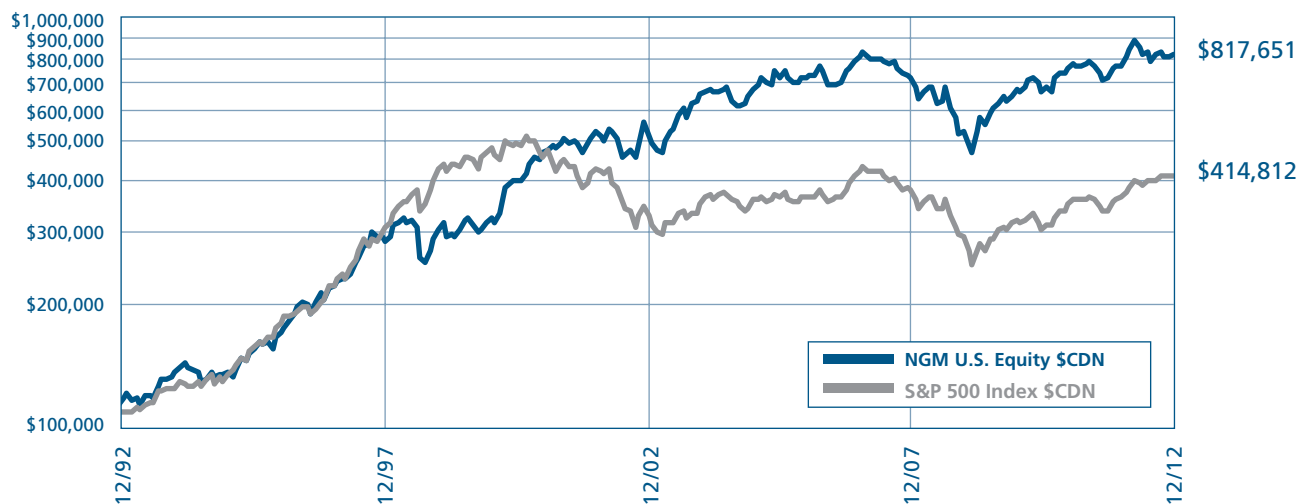
Equity mutual funds continued to experience net redemptions and large amounts of money flowed into fixed income investments (to nail down record low interest rates?!?). A low growth future became the overwhelming consensus of the general public and even sophisticated institutional investors such as endowment and pension funds. At least one large financial service company decided to get out of the annuity business. One thing is indisputable; the North American equity

markets are one year closer to a period of significant growth.

This might be hard to accept after the experiences of the past 13 years, with the two recessions and little gain since 2000 making the total decade return of the S&P 500 during the first decade of the millenium worse than the total decade return of the 1930s. It is easy to empathise with investors who have lived through this dismal period when going into 2000 they had finally become convinced that equities were the best asset class available to investors and the consensus was for continued growth of the 15% per annum returns that had been experienced in the last half of the 1990s. Now of course, the expectation is for a continuation of poor returns, which is a misinterpretation of the historical record, but completely in tune with past investor sentiment after a period of abnormally poor results.

At the end of October, the U.S. Equity Fund experienced its 20th anniversary; over the 20-year period, expressed

U.S. Equity Fund Since Inception \$CDN



If you had invested \$100,000 CDN in the U.S. Equity Fund from inception to December 31, 2012, your investment value would be \$ 817,651 —nearly double the return of the benchmark S&P 500 over the same time period.

in U.S. dollars, the Fund achieved annualised returns of 11.99% compared to 8.38% for the S&P 500 Index, 3.6% per annum outperformance. For the first 10 years, the Fund achieved annualised returns of 14.19% compared to 9.88% for the Index, 4.3% per annum outperformance. The second 10-year period, which is frequently referred to as “a lost decade”, the Fund achieved annualised returns of 9.84% compared to 6.91% for the Index, per annum outperformance of 2.93%. While the first 10-year period is better than the second in both absolute and relative terms, the second 10-year period is still very respectable especially considering the environment of the past 5 years. This is a proud record that is somewhat emotionally dampened by the recent year’s underperformance. The fact is, our excellent (some would say improbable) long term record has been accomplished despite, or more accurately because, the market is always moving to extremes, and this means that the Fund will have periods where it is not invested in the most popular stocks of the day.

During my entire 50 year career this is the pattern that sticking to our disciplined investment strategy of “growth at a reasonable price” has produced. Such periods can put us in a foul mood, but that is the price we pay for our long term record. Every time we are tested by such a period, it turns out to be the precursor to a period of above average growth.

In conclusion, the current portfolio represents all of the key measures that we look for in money making investments and I can say with absolute certainty that we are one year closer to the next big investment payoff and for a continuation of our long term record.

Yours truly,



Rudy North

Senior Portfolio Advisor, President & CEO

Performance Results

Average Annual Compound Rates of Return

It is virtually impossible to correctly judge a long term average rate of performance from looking at a series of annual results. One needs to have some sense of average annual compound rates of return in order to make financial planning decisions and to compare alternative investments.

North Growth (NGM) Equity Funds and Market Indices Annualized Rates of Return (%) for Periods Ending December 31, 2012

U.S. Equities	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	Since Inception*
NGM U.S. Equity Fund \$CDN	6.6	6.6	2.6	4.7	7.2	10.1	11.0
S&P 500 \$CDN	13.5	8.9	1.7	2.3	2.0	6.9	7.3
NGM U.S. Equity Fund \$U.S.	8.9	8.5	2.5	9.6	9.9	11.5	12.2
S&P 500 \$U.S.	16.0	10.9	1.7	7.1	4.5	8.2	8.5
S&P 400 Mid Cap \$U.S.	17.9	13.6	5.2	10.5	9.1	11.2	11.8
S&P 600 Small Cap \$U.S.	16.3	14.1	5.1	10.5	7.7	10.0	10.8
NASDAQ Composite \$U.S.†	17.7	11.3	3.8	9.5	5.2	7.8	8.5
Canadian Equities	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	
NGM CDN Equity Fund \$CDN**	N/A	N/A	N/A	N/A	N/A	N/A	
S&P/TSX \$CDN	7.2	4.8	0.8	9.2	6.5	9.2	

* NGM U.S. Equity Fund Inception October 13, 1992

** NGM Canadian Equity Fund became a reporting issuer on June 15, 2012. It will be permitted to publish performance information again one year from that date.

Source for Index data: Bloomberg

† Return Since Inception and for the 15 year period for the NASDAQ is simple price appreciation as Total Return data is not available on Bloomberg

Annual Rates of Return

This data gives you insight into the typical annual variations in investment results. Annual results explain how long term results come about and will reveal whether a record is dependent largely on earlier results, more recent results, or more ideally a balance of both. This data also shows that our outstanding long term results were not achieved by having stellar results in every single year.

In equity investing, it should be noted that performance results will periodically fall below expected or desired

levels and this is why we emphasize the use of longer term results in the evaluation of performance. Furthermore, a year or more of exceptionally strong performance should not give rise to unreasonably high long term expectations. A superior long term record does not mean every year was or will be exceptional, but it does mean that despite some years of low returns we have delivered on our mandate to provide superior long term results.

North Growth (NGM) Equity Funds and Market Indices

Annual Rates of Return (%) for Calendar Years

U.S. Equities	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
NGM US Equity Fund \$CDN	6.6	1.7	11.6	28.2	-26.7	-10.9	12.7	6.5	3.5	25.5
S&P 500 \$CDN	13.5	4.4	8.9	9.1	-22.6	-10.3	16.0	1.5	2.8	5.8
NGM US Equity Fund \$U.S.	8.9	-0.5	17.9	48.5	-40.4	4.7	12.5	10.0	11.6	52.7
S&P 500 \$U.S.	16.0	2.1	15.1	26.5	-37.0	5.5	15.8	4.9	10.9	28.7
S&P 400 Mid Cap \$U.S.	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3	12.6	16.5	35.6
S&P 600 Small Cap \$U.S.	16.3	1.0	26.3	25.6	-31.1	-0.3	15.1	7.7	22.7	38.8
NASDAQ Composite \$U.S.*	17.7	-0.8	18.2	45.4	-40.0	10.7	10.4	2.1	9.2	50.8
Canadian Equities	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
NGM CDN Equity Fund \$CDN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S&P/TSX \$CDN	7.2	-8.7	17.6	35.1	-33.0	9.8	17.3	24.1	14.5	26.7

Source: Bloomberg "Total Return Analysis"

Unit Price (US Fund): December 31, 2012 \$25.40 CDN

\$25.53 US

Unit Price (Canadian Fund): December 31, 2012 \$13.36 CDN

2012 Performance Review

NGM U.S. Equity Fund

Resembling 2010 and 2011, 2012 was a volatile year for the U.S. equity markets. Continued worries about Europe's sovereign-debt problems, softer global economic growth and the U.S. fiscal cliff caused equities to decline sharply in May and in the latter half of October into early November. However, aside from the dips mentioned, the U.S. equity markets actually climbed higher during the majority of the year and recorded strong double-digit percentage gains in 2012. The S&P 500 Index increased 16.0%, similar to the S&P 600 SmallCap which was up 16.3% and the technology-focused NASDAQ Composite

which grew 15.9%. Of the indices we regularly track, the S&P 400 MidCap delivered the highest return for the year, gaining 17.9%.

In 2012, the North Growth U.S. Equity Fund appreciated 8.9%. Clearly, it was a disappointing year for the Fund in terms of relative performance; it lagged all the indices we follow by a magnitude of 7.0% to 9.0%. Due to the strengthening of the Canadian dollar against the U.S. dollar in 2012, the Fund gained 6.6% in Canadian dollars versus the S&P 500 Index which was up 13.5% for the year in Canadian dollars.

NGM Canadian Equity Fund

The Canadian Equity Fund had a strong year in 2012 but, because we filed a prospectus on June 15th, we are unable to publish performance data until after its first anniversary. During the year, we lost two more strong companies, Gennum and Miranda, to takeovers by larger American companies. Along a similar vein, a new holding this year, Héroux-Devtek, divested approximately half of its business for an amount close to its entire market capitalization prior to the announcement. Thankfully we recognized Héroux was being undervalued prior to the announcement although our exposure was relatively small. We feel these acquisitions validate our thesis that our holdings

are largely underappreciated by investors and this is not lost on companies seeking to grow through acquisition. Ultimately we hope that investors eventually take advantage of these opportunities rather than letting acquirers reap the benefits. As we have for the past few years, we reiterate our concern that many investors are over-exposed to commodities. The Materials and Energy sub-indices have underperformed again; Materials finished the year -5.7% and Energy was -0.6%. Despite Materials and Energy being market favourites, they were down for the second consecutive year and this makes us wonder how they might perform if sentiment deteriorates.

NGM Canadian Money Market Fund

The Money Market Fund's current yield at the end of 2012 was 0.87%, a slight increase of 0.04% or 4 basis points from the 0.83% yield at the beginning of the year. The Bank of Canada's target for the overnight rate began and ended the year at 1.00% with no variation during 2012—in other words, the central bank neither raised nor lowered the overnight rate at any of its announcement dates during the year.

Due to the short average maturities within the Money Market Fund of 30 days or less, the direction of the

Fund's current yield corresponds closely with the direction in Canadian short term interest rates. In 2012, the Fund returned 0.85%, 0.05% or 5 basis points below the 0.90% return for 30-day Treasury Bills. Over the past five years, the average annual return for the Fund was 1.06%, 0.03% or 3 basis points ahead of the 1.03% average annual return for 30-day Treasury Bills. The Fund continues to invest in a well-diversified portfolio of Canadian money market securities with an emphasis on high credit ratings.

North Growth Prospectus Funds

NGM U.S. Equity Advisor Fund

NGM Canadian Equity Fund (Series F and Series D)

The North Growth Canadian Equity Fund became a reporting issuer on June 15, 2012. With the success of our publicly offered U.S. Equity Advisor Fund we thought that it was time to make our Canadian Equity Fund available to a wider client base. The Canadian Equity Fund now has three series: Series N, D and F. Series N is our "in-house" series that our existing clients own, and that can be purchased as units have always been purchased here: pursuant to prospectus exemptions.

Both our Canadian Equity Fund and our U.S. Equity Advisor Fund have Series D and Series F units that are available to the general public through registered dealers for a minimum investment of \$5,000 and a minimum subsequent purchase of \$1,000. Series F units of each Fund are charged the Fund's low all-inclusive management fee and no trailing fee (suitable for fee-for-service dealers), and Series D units are charged the Fund's low all-inclusive management fee and a 0.50% trailer fee.

Fund Code	Fund Series	Trailer Fee	MER (incl. trailer fee)
NGM370 (C\$) NGM371(US\$)	U.S. Equity Advisor Fund (Series F)	N/A	1.20%
NGM372 (C\$) NGM373(US\$)	U.S. Equity Advisor Fund (Series D)	0.50%	1.70%
NGM270	Canadian Equity Fund (Series F)	n/a	1.25%
NGM272	Canadian Equity Fund (Series D)	0.50%	1.75%

The U.S. Equity Advisor Fund has been available since October 2009. Performance information for the Fund is available in its publicly available documents through SEDAR, your dealer, or us. Performance information for the Canadian Equity Fund will not be made publicly available until the Fund has been offered under its prospectus for one year.

Running Five-Year Results

North Growth U.S. Equity Fund Running Five-Year Results: Expressed in U.S. Dollars

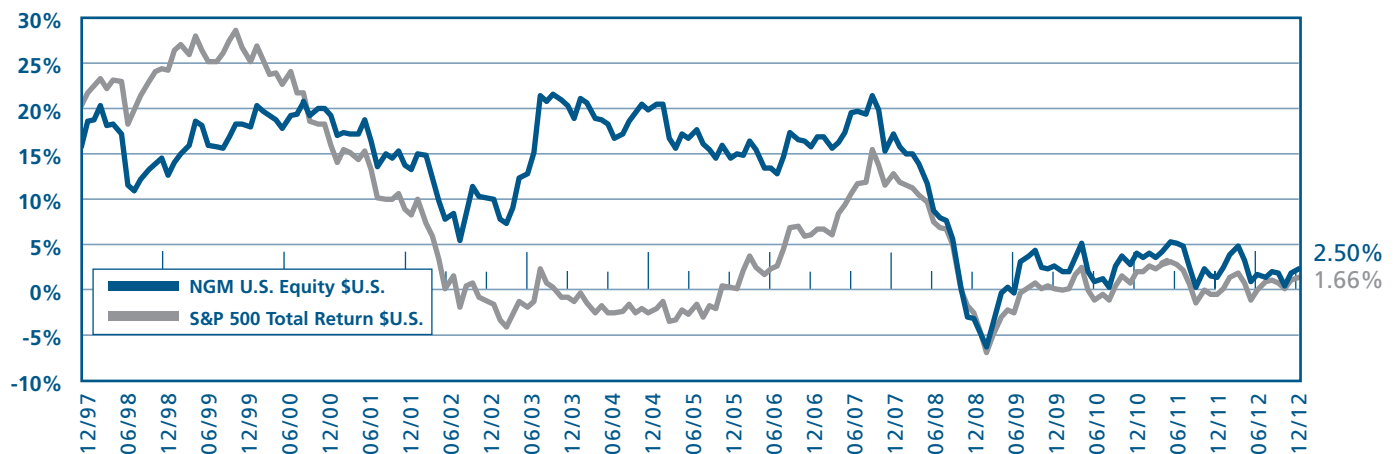
The Best Long Term Perspective of a Fund's Performance

We feel this is a measure that gives a particularly good long term perspective of a Fund's performance. Five years may be a longer period than many investors focus on, but it is the minimum meaningful period for evaluating performance. It presents longer term results in a way which are neither overly influenced by long past periods of good performance, nor by strong short term results (end date sensitivity).

The running five-year average return chart shown below effectively achieves this desired balance as it provides a complete record of the range of performance over all five-year holding periods. Moreover, looking at the complete series of consecutive five-year periods also gives a good insight into the range of five-year performance that has been typical over the long term.

U.S. Dollars

Running Five-Year Compound Average Annual Returns
The Complete Record of Every Month End Five-Year Holding Period During the Fund's Existence



This chart shows the annualized compound returns for the preceding five years from any point in time over the life of the Fund. For example, for the five-year period ending December 31, 2012 the average annual compound return for the U.S. Equity Fund in U.S. dollars is 2.5%.

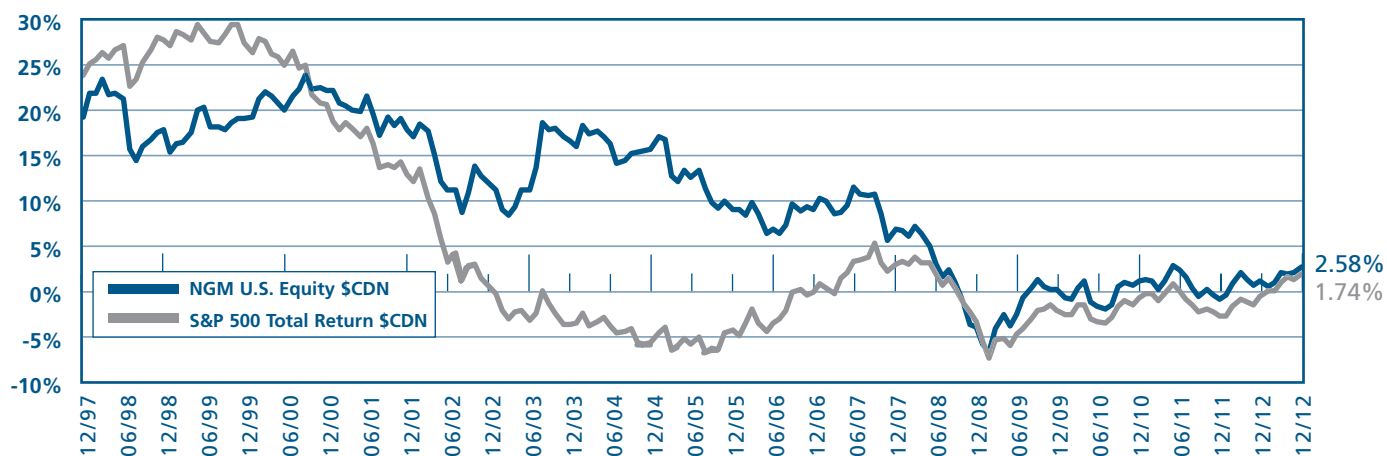
North Growth U.S. Equity Fund Running Five-Year Results: Expressed in Canadian Dollars

As Canadian investors, it is important to understand the impact foreign exchange volatility can have on Canadian dollar denominated returns from our foreign investments. Comparing the running five-year compound average annual returns for the North

Growth U.S. Equity Fund in both Canadian and U.S. dollars should help investors better understand the currency impact. As of December 31, 2012, the Fund's five-year average annual return in Canadian dollars was 2.6% versus 2.5% in U.S. dollars

Canadian Dollars

Running Five-Year Compound Average Annual Returns,
The Complete Record of Every Month End Five-Year Holding Period During the Fund's Existence



This chart shows the annualized compound returns for the preceding five years from any point in time over the life of the Fund. For example, for the five-year period ending December 31, 2012, the average annual compound return for the U.S. Equity Fund in CDN dollars is 2.6%.

Economic Commentary and Outlook for 2013

Despite ongoing worries throughout the year about Europe's sovereign debt crisis, softer global economic data and the U.S. fiscal cliff, 2012 was for the most part favourable for U.S. equities. Similar to their pattern in the previous two years, equities got off to a strong start with the S&P 500 Index gaining 12.6% in the first quarter of 2012. By May, however, renewed concerns about Europe and signs of slowing global economic growth weighed down on U.S. stocks and the S&P 500 had lost over half of its first quarter appreciation. Contrary to popular opinion at the time, a summer sell-off in equities did not ensue as the U.S. economy remained remarkably resilient and the U.S. Federal Reserve engaged in further quantitative easing. During the latter half of the year, uncertainty surrounding the outcomes of the U.S. presidential election and U.S. fiscal cliff dominated business news coverage; in spite of this, U.S. equities continued to perform well even after taking into account a brief dip from mid-October through early-November. By the end of 2012, the S&P 500 had advanced 16.0%, well above what market forecasters had been looking for going into the year.

In 2012, the U.S. economy continued to grow at a moderate pace. Based on final estimates released by the U.S. Department of Commerce, U.S. gross domestic product or GDP grew at an annualized rate of 2.0% in the first quarter, 1.3% in the second quarter, and 3.1% in the third quarter. In the fourth quarter, based on the Commerce Department's preliminary estimate announced on January 30th, the economy unexpectedly shrank 0.1%. However, this number was driven by the largest drop in defense spending in four decades as well as a slowdown in inventory growth. As the fourth quarter GDP report indicated significant increases in housing and capital spending, in addition to a pickup in consumer spending, most economists forecast an acceleration in first quarter GDP in 2013.

Undoubtedly, Europe's debt troubles and economic woes, combined with the slowdown in emerging markets such as China and political uncertainty in the U.S., had a negative impact on the U.S. economy during 2012. By mid-year, business confidence had decreased markedly as corporate executives became more cautious, companies across various industries lowered their earnings expectations for 2012, and as a result, U.S. GDP growth decelerated in the second quarter from the first quarter. However, while the momentum of the recovery had slowed, the U.S.

economy held up well and key indicators continued to expand despite the negative headwinds.

Bank loans remained in an upward trend throughout 2012, and household balance sheets in the U.S. likewise showed improvement as indebtedness decreased. Manufacturing activity contributed to growth for most of the year, aided by robust vehicle sales. The competitive position of the United States in a global context improved dramatically over the past several years, and as such, the emergence of a "U.S. manufacturing renaissance"—the re-shoring of production from places like China back to the U.S.—was seen in 2012. Impressive productivity growth in the U.S., rapidly increasing wages in foreign countries, and an attractively valued U.S. currency gave rise to the trend to return manufacturing to the United States. During the year, a mounting list of companies which included Airbus, GE, Honda, Caterpillar and Master Lock, announced plans to shift some manufacturing to the U.S.

The housing sector was also consistently a bright spot for the U.S. economy in 2012. Housing data across the board pointed to visible signs of improvement: pending home sales climbed during the year, applications for new building permits reached a four-year high, and housing prices increased. In fact, 2012 represented the first year of growth across all of the core housing metrics since 2008: housing turnover, single-family starts, and median home prices. Supported by the positive trends in housing, consumer confidence remained at healthy levels throughout most of the year and consumer spending generally came in better than expected. The U.S. labour market continued its slow yet steady pace of recovery in 2012 with the unemployment rate ending the year at 7.8%, down from 8.5% at the beginning of the year.

Importantly, corporate earnings continued to grow resulting in the further financial strengthening of U.S. companies. Generating tremendous amounts of cash flow and having exceptional balance sheets flush with cash, U.S. corporations continued to increase their dividend payouts and share repurchases in 2012. The number of S&P 500 Index companies paying dividends rose to the highest level in 12 years; dividends increased 20% year-over-year in the third quarter and were well above their prior peak.

Continuing on the positive trend that began several

years ago, a number of holdings in the North Growth U.S. Equity Fund boosted their dividend payouts during the year. Two prominent examples include Texas Instruments and Microsoft which, in September, announced increases to their quarterly dividends by 24% and 15% respectively. The companies had raised their dividends by 31% and 25% respectively in the prior year; the stocks currently yield around 2.6% and 3.4% respectively. Given the financial strength of companies such as Texas Instruments and Microsoft, it is likely that there is still much room for dividends to grow.

With the intense level of macroeconomic concerns, the heightened uncertainty about fiscal policy and continued low long term inflation expectations in the financial markets, the U.S. Federal Reserve maintained a highly accommodative monetary policy throughout 2012. The Fed kept the target range for the federal funds rate at 0 to 1/4 percent and currently anticipates that “exceptionally low levels for the federal funds rate are likely to be warranted at least through mid-2015.” Consistent with this date-based guidance given in October, the Fed, on December 12th, outlined the following thresholds under which the exceptionally low range for the federal funds rate is appropriate: “at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored”.

Moreover, following its completion of “Operation Twist” in June 2012, the Federal Open Market Committee decided to continue to extend the average maturity of its holdings of Treasury securities via an open-ended quantitative easing program. Specifically, the Fed will continue purchasing additional agency mortgage-backed securities at a pace of \$40 billion per month, purchase longer-term Treasury securities, reinvest principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and, in January, will resume rolling over maturing Treasury securities at auction. Taken together, these actions should maintain downward pressure on longer term interest rates and ultimately stimulate economic growth.

Investor sentiment remained largely negative throughout 2012 and even after a double-digit

percentage appreciation in the S&P 500 Index, expectations for U.S. equity returns are still muted. The markets appear to be focused singularly on macro risks. Economic activity in the Euro zone continues to be weak and the sovereign debt issues will not be resolved in short order. Uncertainty about U.S. fiscal policy remains, affecting sentiment in both the household and business sectors.

The Business Roundtable CEO Economic Outlook Survey—a composite index of CEO expectations for the next six months of sales, capital spending and employment—registered a significant drop in CEO expectations in the third quarter of 2012 from the second quarter and was essentially unchanged in the fourth quarter from the third quarter. While the survey signals a continuing economic expansion, being at the lowest level since the third quarter of 2009 and well below its long term average level, it reflects deep uncertainty about the future overall economic climate and frustration among the top corporate executives in the U.S. over Washington’s inability to resolve fiscal issues.

We believe that the risks to equity investments are well understood and adequately discounted by the financial markets. At the same time, corporate earnings are at record highs, the valuations of U.S. equities remain attractive, and the long term prospects of U.S. corporations have continued to improve. The U.S. economy has demonstrated remarkable resilience, despite all the challenges over the past several years. Therefore, given continued moderate U.S. economic growth, the Fed’s accommodative monetary policy, and strong corporate profits coupled with low equity valuations, we remain constructive in our outlook for U.S. stocks going into 2013. We continue to focus on identifying strong fundamentals and attractive valuations of individual companies, adhering to our “growth at a reasonable price” investment philosophy.

North Growth U.S. Equity Fund Portfolio

AS OF DECEMBER 31, 2012

American Eagle Outfitters, Inc... is a leading lifestyle retailer that designs, markets, and sells its own brand of casual clothing targeted at 15 to 25 year olds. Its collection includes modern basics like jeans, sweaters, and graphic t-shirts, fleece, outerwear and accessories at affordable prices. The company's other store concept, *aerie*, offers dorm wear, intimates and personal care products for the AE girl. The company recently sold *77kids*, its childrens business.

Apple, Inc... is a leading designer, manufacturer, and marketer of mobile communication and media devices, personal computers, portable digital music players as well as a variety of related software, services, peripherals, networking solutions and third-party digital content and applications. The company's products and services include the *iPhone*, *iPad*, *Mac*, *iPod*, *Apple TV*, the *iOS* and *OS X* operating systems, *iCloud* and a variety of other accessory service and product offerings. The company's products are sold through its retail stores, online stores, direct sales force and third party wholesalers, cellular network carriers, retailers and value added resellers.

Applied Materials, Inc... is the world's largest supplier of products and services to the global semiconductor, flat panel display, and solar photovoltaic industries. In its Silicon Systems Group, the company provides manufacturing equipment that performs most of the steps in the chip fabrication process. In its Display segment, it provides equipment that makes liquid crystal displays (LCDs) commonly found in notebook computers, tablets, desktop monitors and televisions. Its Energy and Environmental Solutions segment supplies solutions to produce solar photovoltaic panels. Applied Materials also provides products and services through its Applied Global Services segment to help improve the performance and productivity of its semiconductor, LCD and solar customers.

Bristol-Myers Squibb Company... is a global biopharmaceutical company. Its prescription drugs cover key areas in cardiovascular; virology, including human immunodeficiency virus infection; oncology; neuroscience; immunoscience; and metabolic. Some of its key products include: *Plavix* (for heart attacks and strokes), *Baraclude* (for hepatitis B), *Reyataz* (for HIV), *Sustiva* (for HIV), *Orencia* (for rheumatoid arthritis),

Sprycel (for cancer), *Yervoy* (for melanoma), *Ixempra* (for breast cancer), *Avapro* (for hypertension), *Abilify* (for schizophrenia and bipolar disorders), *Onglyza* (for diabetes), and *Erbix* (for cancer).

Cerner Corporation... designs, develops, markets, installs, and supports information technology and content solutions for healthcare organizations and consumers. These solutions, which can be implemented as stand-alone, combined or enterprise-wide systems, are designed to supply the appropriate health information and knowledge to providers on a real-time basis. Cerner is among the largest healthcare information technology companies in the United States.

Cheesecake Factory, Inc... is a full-service dining concept that offers an extensive evolving menu of over 200 menu items in an upscale, high-energy casual setting. Its second concept, *Grand Lux Café*, is an upscale, casual dining restaurant that offers unique American and international cuisine selections in an elegant but relaxed atmosphere. The company also operates *RockSugar Pan Asian Kitchen* and two bakery production facilities that produce about 40 varieties of cheesecakes and other baked products for its restaurants and other foodservice operators, retailers, and warehouse clubs.

Cisco Systems, Inc... is a leading provider of networking equipment and services. The company's broad portfolio of products is grouped into several categories: switching, next-generation networking routing, collaboration, service provider video, wireless, security, data center and other products. Cisco sells its products to a wide range of customers, including large and small businesses, internet service providers, public sector entities and governments as well as consumers.

Citigroup, Inc... is a diversified financial services company with operations across the globe. It operates two segments: Citicorp and Citi Holdings. Citicorp provides consumers services such as retail banking, local commercial banking, and Citi-branded credit cards and, for its institutional clients, services for debt and equity securities, investment banking and treasuries. The Citi Holdings segment consists of businesses and assets that are not core to the company's long term strategy and are being managed to optimize their value over time.

Citrix Systems, Inc... is a leading supplier of software and services that enable enterprise applications to be managed and delivered securely through its virtual

computing infrastructure on demand, without regard to location, network connection, or device. The company markets and licenses its products primarily to enterprise customers.

DSP Group, Inc... is a fabless semiconductor company that provides a broad portfolio of wireless chipset solutions that integrate DECT/CAT-iq, DECT ULE, Wi-Fi, PSTN, BoneTone, video and VoIP/CoIP technologies. These products enable converged voice, audio, video and data connectivity across diverse consumer and business products including connected multimedia screens, mobile devices, home automation and security, cordless phones, VoIP systems and home gateways.

Electronic Arts, Inc... is a leading global interactive entertainment software company. The company develops, publishes and distributes video game software and content for various video game consoles, personal computers, tablets and electronic readers, mobile devices and for the Internet, including social networking. Some of its well-known franchises include: *The Sims*, *Bejeweled*, *Plants vs. Zombies*, *Madden NFL*, *Need for Speed*, *Battlefield*, *Mass Effect*, *FIFA* and *Star Wars: The Old Republic*.

Ethan Allen Interiors, Inc... is a leading manufacturer and retailer of stylish, high-quality home furnishings and accessories. Through a global retail network of approximately 300 design centers, the company offers a range of home decorating and design solutions through in-house interior decorators. Its products are also sold through the wholesale channel, which includes sales to its retail segment and their independent retailers.

Flow International Corporation... develops and manufactures waterjet cutting and cleaning tools. Its products, which include ultrahigh-pressure water pumps that generate pressures from 40,000 to over 94,000 pounds per square inch (PSI), are sold in over 45 countries and are used by various industries including aerospace, metalworking, automotive, stone and tile, job shop and industrial surface preparation and cleaning.

Gilead Sciences, Inc... is a leading biopharmaceutical company that targets therapeutic areas such as HIV/AIDS, liver disease (hepatitis B and C), and serious cardiovascular/metabolic and respiratory conditions.

“We’ve been delivering upon driving a competitive top line and strengthening margins, instilling inventory principles, repositioning our store fleet and accelerating growth in e-commerce. This work has enabled us to achieve growth in both sales and earnings, and delivered a higher return to shareholders, yet we are still in early stages of driving improvements.”

American Eagle Outfitters, Inc.

Nov. 28, 2012, Third Quarter earnings conference call,

Robert Hanson, CEO

GT Advanced Technologies, Inc... is an equipment supplier to the solar, light emitting diode (LED) and electronics industries. Its products accelerate the adoption of new advanced materials that improve performance and lower the cost of manufacturing.

Herman Miller, Inc... designs, manufactures, and distributes interior furnishings and provides related services primarily for workplace environments. Its products are mainly used in corporate offices, healthcare facilities, educational institutions, and residential settings. The company markets its products primarily through a dealer base of independent businesses in the U.S. and various countries around the world.

Intel Corporation... is the world’s largest semiconductor company that designs and manufactures microprocessors and chipsets for use in a variety of devices including desktop PCs, notebooks, ultrabooks, data centers, tablets, smartphones, automobiles, automated factory systems and medical devices.

Itron, Inc... provides end-to-end smart metering solutions to electric, natural gas and water utilities worldwide.

Jacobs Engineering Group Inc... is one of the world's largest and most diverse engineering and construction companies. The company serves customers in the oil and gas, refining, chemicals, mining, infrastructure, aerospace and defense, automotive, industrial, consumer, technology, environmental, buildings, government and pharmaceutical/biotech end markets. The company's success has revolved around establishing and maintaining long-term relationships with its clients to gain market share.

Johnson Controls, Inc... is a global leader in automotive interior systems, automotive batteries, and commercial building management systems. The company's automotive interior systems division primarily sells seating and overhead systems. While its batteries division primarily sells lead-acid automotive batteries to both original equipment manufacturers and the aftermarket industry, the company also offers other technologies, such as lithium-ion batteries to power hybrid vehicles. Its division focused on building management systems sells a variety of products and services such as heating, ventilating, and air condition (HVAC) systems, controls and security solutions.

Microsoft Corporation... develops, licenses and supports a wide range of software products, services and hardware. The company has a dominant franchise in desktop software with its *Windows* operating system and *Office* productivity suite and has recently adapted those products to capitalize on recent mobile and virtualization trends. The company also offers server software and tools, online advertising services, gaming entertainment platforms, and mobile devices.

Nike, Inc... is the world's lead designer, marketer, and distributor of authentic athletic footwear, apparel, equipment, and accessories. Wholly-owned subsidiaries include *Converse* (athletic footwear, apparel and accessories) and *Hurley International LLC* (action sports, youth lifestyle footwear and apparel). The company recently announced its divestiture of *Umbro* and is in the process of selling its *Cole Haan* division. The company sells its products through various retail accounts, company-owned retail stores, and independent distributors and licensees.

Pfizer, Inc... is one of the world's largest research-based biopharmaceutical companies. Its global healthcare portfolio includes human and animal biologic

and small molecule medicines and vaccines, as well as consumer health care products. Products within its Biopharmaceutical segment include those that prevent and treat cardiovascular and metabolic diseases, central nervous system disorders, arthritis and pain, infectious diseases, cancer, eye disease and endocrine disorders, among others. Pfizer recently sold its nutritional business and is looking to sell a minority stake in its animal health division.

Pier 1 Imports, Inc... is a specialty retailer of imported decorative home furnishings, dining and kitchen goods, bath and bedding accessories, and gifts. The company currently operates more than 1,000 stores in North America.

Precision Castparts Corporation... is a manufacturer of complex metal components and products and provides high quality investment castings, forgings, fasteners and fastener systems for a wide variety of industrial, power generation and aerospace applications.

Rite Aid Corporation... operates more than 4,600 retail drugstores throughout the United States. It sells prescription drugs and a wide range of front end products like health and beauty aids, over-the counter medications, convenience foods, and photo processing products.

Safeway, Inc... is one of the largest North American food and drug retailers with over 1,700 stores throughout the U.S. and Canada. Stores operate under the Safeway, *Dominick's*, *Vons*, *Randall's*, *Tom Thumb*, and *Carrs banners*.

Savient Pharmaceuticals, Inc... is a specialty biopharmaceutical company focussed on the commercialization of its FDA-approved drug, *KRYSTEXXA*. The drug targets chronic gout patients who do not respond to conventional therapy and often exhibit severe symptoms, frequent flares and multiple tophi (deposits of crystallized uric acid in the joints). *KRYSTEXXA* is currently approved in the US and in Europe.

St. Jude Medical, Inc... develops, manufactures and distributes medical devices with an emphasis on cardiovascular products and services. St. Jude has four major focus areas that include cardiac rhythm management, atrial fibrillation, cardiovascular,

and neuromodulation. The company's products are sold in more than 100 countries and include implantable cardioverter defibrillators (ICDs), cardiac resynchronization therapy (CRT) devices, pacemakers, electrophysiology catheters, mapping and visualization systems, vascular closure devices, heart valve replacement and repair products, and neurostimulation devices.

Texas Instruments, Inc... designs and makes semiconductors that are in turn sold to electronics designers and manufacturers worldwide. Its Analog segment produces analog chips that serve an array of industries and can be found in products such as portable ultrasound equipment, set-top boxes, robotics and LED streetlights. Its Embedded Processing segment includes digital signal processors (DSPs) and microcontrollers. The company recently restructured its Wireless segment to focus its OMAP application processors and wireless connectivity products on the embedded processing market (automotive infotainment, radar, robotic visioning) and away from mobile devices (smartphones, tablets). Other products that the company makes include calculators, DLP products, and custom ASIC products.

Varian Medical Systems, Inc... is the world's leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, proton therapy and brachytherapy. The company supplies informatics software for managing comprehensive cancer clinics, radiotherapy centers and medical oncology practices. Varian is also a supplier of tubes and digital detectors for x-ray imaging in medical, scientific and industrial applications and also supplies x-ray imaging products for cargo screening and industrial inspection.

WellPoint, Inc... provides health care benefits to approximately 33.5 million medical members through its licensed *Blue Cross or Blue Cross Blue Shield* operations in 14 states and through *Unicare* and *CareMore*, for its non-Blue branded operations, in other states. The company offers a broad portfolio of integrated health care plans and services, along with a wide range of specialty products such as life and disability insurance benefits, dental, vision, behavioral health benefit services, and long-term care insurance and flexible spending accounts. The company is active in the commercial market as well as the Medicare, Medicaid, and Federal Employee programs. It recently announced

“...Intel has a history of navigating the industry's transitions and emerging better and stronger. With a hardware and software roadmap that spans the smallest portable devices to the most powerful data center servers and world leading silicon process technology, we're excited about the future and confident in our strategy and prospects in all the markets we serve.”

Intel Corporation

Oct. 26, 2012 Third Quarter earnings conference call,

Paul Otellini, President and CEO

its intention to acquire Amerigroup Corporation to capitalize on the growth of the Medicaid and Medicare population.

Zimmer Holdings, Inc... designs, manufactures and markets orthopaedic reconstructive, spinal and trauma devices, dental implants, and related surgical products. Its products are sold in more than 100 countries and are sold directly to health care institutions, distributors, and dental facilities.

Top 10 Holdings (%)

1.	Cisco Systems Inc.	10.44
2.	Apple Inc.	9.10
3.	Intel Corporation	6.03
4.	Pier 1 Imports Inc.	5.92
5.	Bristol-Myers Squibb Company	5.07
6.	St. Jude Medical Inc.	4.86
7.	Microsoft Corporation	4.34
8.	Texas Instruments Inc.	3.75
9.	Pfizer Inc.	3.56
10.	Citrix Systems Inc.	3.55

Sector Mix (%)

Technology	47.45
Healthcare	24.33
Retail	10.23
Capital Goods	7.70
Consumer Cyclical	4.79
Consumer Durables	3.82
Financial	1.38
Other Net Assets	0.31

North Growth Canadian Equity Fund Portfolio

AS OF DECEMBER 31, 2012

ATS Automation Tooling Systems, Inc... is a world-leading industrial automation company dedicated to designing and manufacturing advanced factory automation systems, custom or standard automation equipment, turn-key assembly machinery, as well as high-volume precision components and sub-assemblies. ATS provides services to companies in industries such as energy, medical, consumer, automotive, computer, and electrical. ATS is in the process of exiting its Canadian solar cell and module manufacturing business.

Ballard Power Systems, Inc... is recognized as the world leader in the design, development, and manufacture of zero-emission proton exchange membrane (PEM) fuel cells for automobiles, materials handling vehicles such as forklifts, and stationary power generation.

Bombardier, Inc... is a world-leading manufacturer of innovative transportation solutions such as regional jets, business jets, and rail transportation equipment.

CAE, Inc... is a world leader in providing simulation and modelling technologies and integrated training

solutions and flight schools for the civil aviation industry and defense forces around the globe. The company is leveraging its training expertise into fields such as mining and healthcare.

Celestica, Inc... is a global electronics manufacturing services company whose solutions span the entire product lifecycle – from design to supply chain management and aftermarket support. The company has a diverse customer base from industries such as enterprise, communications, consumer, aerospace and defense, industrial, alternative energy, and healthcare.

COM DEV International, Ltd... is a leading global designer and manufacturer of space hardware subsystems. With facilities in Canada, the United Kingdom, and the United States, the company manufactures advanced products and subsystems that are sold to major satellite prime contractors for use in communications, space science, remote sensing, and military satellites. Through its subsidiary, *exactEarth*, the company is developing a global space-based Automatic Identification System for marine traffic for government and commercial purposes.

Dorel Industries, Inc... is a global manufacturer of consumer products. The company operates in three

business segments: Juvenile, Home Furnishings, and Recreational/Leisure. Some of Dorel's brand names are *Cosco*, *Safety 1st*, *Maxi-Cosy*, *Ameriwood*, *Ridgewood*, *Cannondale*, *Sugoi*, *Schwinn*, *GT Bicycle*, and *Mongoose*.

EXFO, Inc... is a recognized test and measurement expert in the global telecommunications industry. The company offers a full suite of test solutions and monitoring systems to network service providers, cable TV operators, telecom system vendors, and component manufacturers in approximately 70 countries.

GSI Group, Inc... designs, develops, manufactures, and sells laser-based solutions, optical control devices, and associated precision motion technologies to electronics, industrial, medical, and scientific markets. The company is in the process of divesting its semiconductor systems business.

Héroux-Devtek, Inc... is the third-largest landing gear company in the world, supplying both the commercial and military sectors of the aerospace market with new landing gear systems and components, as well as aftermarket products and services. During the year, the company divested its aerostructures division which unlocked significant value for shareholders.

IMRIS, Inc... is an emerging provider of an optimized fully integrated image guided therapy environment that delivers timely information to clinicians for use during surgical or interventional procedures. The *VISIUS Surgical Theatre* incorporates magnetic resonance imaging, CT and fluoroscopy into multi-purpose surgical suites to provide truly intra-operative imaging for specific medical applications. Their products are sold globally to hospitals that deliver clinical services to patients in the neurosurgical, interventional neurovascular, and cardiovascular markets.

Jean Coutu Group (PJC), Inc... operates a network of 405 franchised drugstores in Canada located in Quebec, New Brunswick, and Ontario and employs more than 17,000 people. The company holds a significant interest in Rite Aid Corporation, a leading U.S. drugstore chain with over 4,700 drugstores in 31 states and the District of Columbia.

MacDonald, Dettwiler & Associates, Ltd... designed and built the *Canadarm* and is a world leader in information and technology. Its Information Systems group provides mission critical information systems for

“Celestica’s Business Analytics Center of Excellence is a key IT program that delivers strategic value to our customers by helping them make faster and more informed decisions,” said Mary Gendron, Chief Information Officer, Celestica. **“We are pleased to be named a Computerworld Best of BI Editor’s Choice Awards honouree for driving business value through the use of innovative information technology.”**

Press Release, Sept 6, 2012

robotics, defense, and satellites for governments and businesses worldwide. Recently, MDA acquired Space Systems/Loral, the leading provider of satellites for commercial and government customers.

Martinrea International, Inc... is a leader in the production of quality steel and aluminum metal parts, assemblies, modules, and fluid management systems primarily for the automotive sector.

OpenText Corporation... provides Enterprise Information Management (EIM) software that enables companies of all sizes and industries to manage, secure, and leverage their unstructured business information, either in their data center or in the cloud. EIM enables organizations to grow their business, lower costs of operations, and reduce information governance and security related risks.

QLT, Inc... is a biotechnology company dedicated to the development and commercialization of innovative ocular products that address the unmet medical needs of patients and clinicians worldwide. After divesting its commercial product, *Visudyne*, and halting development

of its punctal plug program, the company is focused on developing its synthetic retinoid program for the treatment of certain inherited retinal diseases.

Sandvine Corporation... is focused on protecting and improving the quality of experience on the Internet. The company's award-winning network solutions help network operators better understand network traffic, increase customer satisfaction, mitigate the proliferation of malicious traffic, manage network congestion, and prioritize the delivery of multimedia services while maintaining a high quality of service.

Saputo, Inc... is a leading manufacturer of cheese, fluid milk, yogurt, dairy ingredients and snack-cakes. Saputo is the 12th largest dairy processor in the world, the largest in Canada, the third largest in Argentina, among the top three cheese producers in the United States, and the largest snack-cake manufacturer in Canada. The company's products include brand names such as *Saputo*, *Armstrong*, *Dairyland*, and *Neilson*. Recently the company acquired Morningstar Foods, a U.S. producer of creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, as well as cultured products such as sour cream and cottage cheese.

Sierra Wireless, Inc... offers industry-leading mobile computing and machine-to-machine communications products and solutions that connect people, devices, and applications over cellular networks.

Stantec, Inc... provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. In simple terms, the world of Stantec is the water we drink, the routes we travel, the buildings we visit, the industries in which we work, and the neighborhoods we call home.

TELUS Corporation... is a leading Canadian telecommunications company that provides wireline, wireless, internet, entertainment, and video services.

Valeant Pharmaceuticals International, Inc... is a multinational specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. Recently, Valeant acquired Medicis, a leading competitor in dermatology.

WestJet Airlines, Ltd... is Canada's leading low-cost airline offering scheduled service to 81 destinations in North America, Central America and the Caribbean. The company strives to be the number one choice for travelers by operating a modern fleet of Boeing Next-Generation 737 aircraft. In 2013, WestJet will be launching its low-cost regional airline, *WestJet Encore*, to serve smaller markets with the Bombardier Q400 turboprop.

Top 10 Holdings (%)

1. Bombardier Inc., Class B	7.94
2. WestJet Airlines Ltd.	7.33
3. Celestica Inc.	7.27
4. Sandvine Corporation	6.70
5. Valeant Pharmaceuticals Int'l, Inc.	5.46
6. EXFO Inc.	5.44
7. CAE Inc.	5.17
8. COM DEV International Ltd.	5.05
9. Sierra Wireless Inc.	4.97
10. Dorel Industries Inc., Class B	4.89

Sector Mix (%)

Technology	41.35
Industrials	18.18
Healthcare	11.69
Transportation	7.34
Consumer Products	6.20
Consumer Durables	4.89
Capital Goods	4.69
Communications & Media	2.32
Other Net Assets	3.36





How to buy our funds

Direct

The North Growth U.S. Equity Fund, the North Growth Canadian Equity Fund (Series N) and the North Growth Canadian Money Market Fund are available directly from us. The minimum initial investment is \$150,000 CDN, minimum subsequent investments \$10,000 CDN.

Through your advisor

The North Growth U.S. Equity Advisor Fund and the North Growth Canadian Equity Fund (Series D and Series F) are available through your regular full service broker, fee for service advisor or discount brokerage. The minimum initial investment is \$5,000 CDN, minimum subsequent investments \$1,000 CDN.

Registered dealers

Registered dealers with clients interested in purchasing units of the North Growth U.S. Equity Advisor Fund and/or the North Growth Canadian Equity Fund (Series D and Series F) can do so through FundSERV. The fund manufacturer code is NGM. Specific series fund codes can be found on page 6 of this report.

THE FUTURE BELONGS TO US –

Together through use of Forest Stewardship Council (FSC) certified paper in this brochure, we are taking steps to ensure our forests are protected. This brochure is produced from forests that are responsibly managed according to set environmental standards. Our goal is to support environmentally appropriate, socially beneficial, and economically viable management of the earth's resources. This brochure contains 100% post-consumer fiber.



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