



SIMPLIFIED PROSPECTUS

**NORTH GROWTH CANADIAN EQUITY FUND
Series D Units and Series F Units**

**NORTH GROWTH U.S. EQUITY ADVISOR FUND
Series D Units and Series F Units**

SIMPLIFIED PROSPECTUS

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PART A: GENERAL INFORMATION

Introduction

This document contains selected important information to help you make an informed investment decision and to help you understand your rights. Throughout this document:

- Fund/Funds refers to one or both of the mutual funds listed on the front cover of this simplified prospectus;
- North Growth/the manager refers to North Growth Management Ltd;
- we/us/our refers to the Funds and North Growth Management Ltd; and
- you/your refers to the reader as a potential investor in the Funds.

This document is divided into two parts. The first part, from page 4 to page 18 contains general information applicable to all of the Funds. The second part, from page 19 to page 27 contains specific information about each Fund described in this document.

Additional information about the Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, from your dealer or by calling collect 604-688-5440.

These documents are available on the North Growth website at www.northgrowth.com, or by contacting North Growth at info@northgrowth.com.

These documents and other information about the Fund are available on the Internet at www.sedar.com.

What is a Mutual Fund and What Are the Risks of Investing in a Mutual Fund?

Mutual funds generally

A mutual fund is a pool of money consisting of contributions made by people with similar investment objectives. Investors are issued units in the mutual fund in proportion to the amounts contributed. These investors share the mutual fund's investment income, capital gains and losses, as well as expenses, in proportion to the number of units they hold.

General investment risks

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchase it.

The amount invested in any North Growth mutual fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

The risks of investing in any mutual fund are similar to the risks of investing in a portfolio of securities. The risks of investing in a particular security are related to the company's capitalization, size, product lines, management skills, marketplaces and financial resources. Generally, equity securities of smaller or private companies are less liquid and more volatile than those of larger public companies. Increased volatility is also associated with a company's limited product lines, marketplaces and financial resources as well as its dependence on a limited number of key individuals.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please refer to *Redemptions* on page 12.

Specific investment risks

In addition to the general risks of mutual fund investing, each mutual fund carries specific risks depending on its particular investment objective and strategies. In the description of each Fund, you will see what those risks are. The specific risk factors that may be applicable to the Funds are described below, in alphabetical order:

Capitalization Risk

The share price of smaller capitalization companies is usually more volatile than that of more established larger capitalization companies. Smaller companies may be developing new products that have not yet been tested in the marketplace or their products may quickly become obsolete. They may also have limited resources, including limited access to funds or unproven management. Smaller companies may trade less

frequently and in smaller value than shares of large companies. They may have few shares outstanding so that a sale or purchase of shares will have a greater impact on the share price. The value of shares in small capitalization companies may rise and fall dramatically.

Concentration Risk

If a mutual fund concentrates its investments in a relatively small number of securities or in certain industry sectors, the value of the portfolio is likely to vary more in response to changes in the market value of these securities or industry sectors. The Fund may concentrate investments in a relatively small number of securities.

Currency Risk

When a Fund buys foreign securities they are purchased with foreign currency. Exchange rates between the foreign currency and the Canadian dollar can affect returns.

For example, the North Growth U.S. Equity Advisor Fund invests primarily in securities denominated in U.S. dollars and their value is affected by changes in the rate of exchange between the Canadian and U.S. dollar. When the value of the Canadian dollar falls in relation to the U.S. dollar, then the value of the U.S. investments rises. When the value of the Canadian dollar rises, the value of the U.S. investments falls.

Large Unitholder Risk

A Fund may have unitholders owning significant percentages of the total units of the Fund (“large unitholders”). Certain actions of large unitholders may have an impact on the Fund. For example, if a large unitholder makes a large redemption request, the fund may be forced to liquidate some of its portfolio securities in order to pay the redemption price. Such a sale of portfolio securities may trigger capital gains and transaction costs which can reduce the returns of the fund.

If a fund experiences a “loss restriction event” (i) the fund will be deemed to have a year-end for tax purposes, and (ii) the fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a fund will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the fund, as those terms are defined in the Income Tax Act (Canada) (the “Tax Act”). Generally, a majority-interest beneficiary of a fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, owns a beneficial interest in the fund’s income or capital with a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the fund. Furthermore, the Act provides for relief from the potential application of the loss restriction event rules to a fund that meets certain asset diversification requirements.

Liquidity Risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. The value of securities is subject to greater fluctuation if they are not traded regularly.

Market Risk

The value of equity securities is affected by changes in general market conditions. Changes in market conditions are influenced by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. Equity securities in certain companies or companies within a certain industry may fluctuate differently because of changes in outlook for those individual companies or the particular industry.

Market Capitalization Risk

The Funds have no restrictions with regards to the market capitalization of its investments. If a Fund becomes more highly concentrated in stocks with smaller market capitalization, liquidity risk will increase.

Series Risk

The Funds are available in more than one series of units. Each series has its own fees and expenses which each Fund tracks separately. If, for any reason, a Fund cannot pay the expenses of one series using its proportionate share of the Fund's assets, the Fund will be required to pay these expenses out of the other series' proportionate share of assets. This could lower the investment return of the other series.

Specialization Risk

Some mutual funds specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. The Funds are managed according to the manager's own particular "growth at a reasonable price" investment style. Specialization allows a fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the mutual fund may underperform relative to investments that are not specialized.

Tax Policy Risk

A Fund may be affected by changes in the tax legislation that affect the entities in which the Fund invests or the taxation of the Fund.

U.S. Taxpayer Risk

Under U.S. withholding tax and reporting requirements, commonly referred to as the Foreign Account Tax Compliance Act (“FATCA”), the Funds may be required to collect identity, citizenship, residency and other information about certain investors and directly provide that information to the Canada Revenue Agency (“CRA”) in order to avoid a 30% U.S. federal withholding tax on certain payments of U.S. source income, U.S. gross proceeds and certain other amounts made to the Funds.

Canada and the U.S. signed an Intergovernmental Agreement for the Enhanced Exchange of Tax Information (“IGA”) under the Canada-U.S. Tax Convention to increase the amount of information exchanged between the CRA and the U.S. Internal Revenue Agency (“IRS”) in a manner that is consistent with Canada’s privacy laws and is designed to meet the objectives of FATCA. Under the IGA and amendments to the Tax Act that took effect June 19, 2014, you may be required to provide North Growth or your dealer with certain identifying information, including a U.S. federal tax identification number (“TIN”), or face penalties. North Growth may be required to provide that information to the CRA along with information about your investment in a Fund, unless your investment is held within a registered plan. If you are a U.S. taxpayer (including a U.S. citizen or green card holder who is resident in Canada), the CRA is expected to provide that information to the IRS.

Common Reporting Standard and Other Risks for Foreign Investors

Foreign Investors, including foreign residents, Canadians with dual citizenship and Canadian residents of foreign nationality, who wish to purchase units of the Funds must consider that they may be subject to tax and regulatory reporting requirements in their home country. Policies and laws in the foreign jurisdiction may require an investor to file a tax return, maybe for the first time, in order to report income and gains obtained through ownership of the Funds. Furthermore, the OECD Common Reporting Standard (“CRS”) will be implemented starting July 1, 2017, under Canadian legislation. The CRS legislation requires financial institutions in Canada to report account information to the CRA relating to reportable accounts held by tax residents of countries outside Canada and the U.S.

Organization and Management of the Funds

| | |
|--|---|
| Manager North Growth Management Ltd. Ste. 830, One Bentall Centre 505 Burrard Street, Box 56 Vancouver, BC V7X 1M4 | North Growth is the manager of the Funds. North Growth manages the day-to-day business of the Fund |
| Portfolio Adviser North Growth Management Ltd. Vancouver, BC | North Growth provides investment advice and portfolio management services to the Fund |
| Registrar and Transfer Agent North Growth Management Ltd. Vancouver, BC | North Growth keeps records of purchases, redemptions and transfers of units of the Fund and facilitates the settlement of all trades of the Funds' units by investors. |
| Custodian RBC Investor & Treasury Services Toronto, ON | As custodian, RBC Investor & Treasury Services has custody of the assets of the portfolios of the Funds. |
| Trustee North Growth Management Ltd. Vancouver, BC investors. | The Funds are trusts. When you invest in a Fund, you are buying units in a trust. The trustee holds title to the Funds' property, such as cash and securities, on behalf of their |
| Auditor KPMG LLP Vancouver, BC | The auditor performs the required audit of the annual financial statements of the Funds. |
| Independent Review Committee In accordance with National Instrument 81-107, the North Growth Funds Independent Review Committee (IRC) was established on August 26, 2009 and consists of three individuals, each of whom is independent of North Growth and companies related to North Growth. The IRC's mandate is to consider conflicts of interest of North Growth that are referred to the IRC by North Growth as required by applicable securities laws. The IRC prepares a report of its activities for unitholders at least annually, 90 days following the Funds' financial year-end. A copy of this report will be available on North Growth's website. It will also be available free of charge from North Growth on request by calling collect 604-688-5440 or by email at info@northgrowth.com . Additional information about the IRC, including the names of the IRC members, is available in the annual information form of the Funds. | |

Purchases, Switches and Redemptions

How units are valued

When you buy units of a Fund you pay the price or net asset value (“NAV”) per unit plus any applicable sales charges. When you redeem (sell) units, you receive the NAV per unit less any applicable redemption charges.

The NAV per unit of each of the Funds is calculated at 4:00 pm (Eastern Time) every day the New York Stock Exchange is open, in the case of the North Growth U.S. Equity Advisor Fund, and every day the Toronto Stock Exchange is open, in the case of the North Growth Canadian Equity Fund. We calculate a separate NAV for each series of units of the Funds. The NAV per unit of each series is calculated by dividing the value of the net assets of the series by the total number of units in the series.

The NAV per unit is the price for all sales of units of a series (including reinvestment of distributions) and for redemptions. The issue or redemption price of units of a Fund is based on that Fund’s net asset value next determined after the receipt of a purchase order or a redemption order.

Each Fund is permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series. The U.S. Equity Advisor Fund currently has two series of units—Series D and Series F. The Canadian Equity Fund has Series D, Series F and Series N units. The Series N units are distributed under exemptions from prospectus requirements and are not qualified by this simplified prospectus.

Series D Units are only available through dealers who have entered into an agreement with North Growth to distribute Series D Units. Series D Units may only be purchased, switched or redeemed through these dealers. We pay a trailing commission to a dealer who sells Series D Units. For more information see *Trailing commissions* on page 15.

Series F Units are available to investors who have fee-based accounts with their dealer and whose dealer has entered into an agreement with North Growth to distribute Series F Units. Instead of paying sales charges, these investors pay an annual fee to their dealer for investment advice and other services. We do not pay any commission to a dealer who sells Series F Units.

Fund Investment Restriction

U.S. persons, Passive Non-Financial Foreign Entities, and Foreign Financial Institutions (“FFI”) that are nonparticipant FFIs (other than interests which are both distributed by and held through a participating FFI), as defined by FATCA, must be in compliance with FATCA in order to purchase units of the Funds.

How to buy, switch or redeem

Units of the Funds may be purchased through your dealer.

Once you place your order to buy, redeem or switch units, your broker or dealer is responsible for forwarding your order to us on the same day. If we receive your order after 12:00 pm Pacific time/3:00 pm Eastern time on any valuation date you will pay or receive the NAV per unit on the next valuation date. All orders are settled within three business days.

Purchases

Your dealer may charge you a fee for purchasing units of the Funds. This fee is negotiated between you and your dealer.

Regulatory authorities have established the following rules for buying mutual fund units:

- We must receive full payment for the units within three business days of receiving your order.
- If we do not receive payment within three business days, we are required to sell your units. If the proceeds are greater than the payment you owe, the Fund will keep the difference. If the proceeds are less than the payment you owe, we must pay the Fund the difference, and we will collect this amount from your dealer, who may have the right to collect it from you.
- We have the right to reject any order to buy units within one business day of receiving it. If we reject your order, we will return your money immediately.

Minimum amount you can invest

You must make an initial purchase of at least \$5,000 to buy Series D or Series F Units of the Funds. Each subsequent purchase must be at least \$1,000. North Growth may change these minimums at any time, at our discretion.

Automatic reinvestment of distributions

We automatically reinvest all distributions of the Funds in additional units of the Funds unless your dealer tells us in advance in writing that you want to receive cash. Distributions are generally made in December.

Switches

Through your dealer, you may switch your investment in units of the North Growth U.S. Equity Advisor Fund to units in the North Growth Canadian Equity Fund and vice versa, providing the minimum investment requirements are met. If you are switching units your dealer may charge a switch fee. A switch between Funds is treated as a redemption followed by a purchase. You may realize tax consequences on any switch of Fund units. See *Income tax considerations for investors* on page 16.

A switch between units of one series of a Fund with the other series of that same Fund is called “redesignation”. You can redesignate your Series D Units to Series F Units, or vice versa, if you are eligible to buy them. Redesignating units of one series to units of another series is not considered to be a disposition for income tax purposes.

Redemptions

Your dealer may charge you a fee for redeeming units of the Fund.

You may redeem units of the Funds on any Valuation Day by submitting a redemption request to your dealer. Once the instructions necessary to complete the transaction are received by us from your dealer, your money will be released to you within three business days. However, if these instructions are not received in full within 10 business days of the redemption, the units you redeemed will be bought back on the next valuation date. If they are bought back for less than you redeemed them for, the Fund keeps the difference. If they are bought back for more than you redeemed them for, your dealer will be charged the difference plus any costs. Your dealer may, in turn, seek reimbursement for these amounts.

In extraordinary circumstances we may suspend the right of investors to redeem units of the Funds. These circumstances include when:

- Normal trading is suspended on any stock exchange on which securities that make up more than half of the Fund’s total assets by value are traded; or
- We have permission from the British Columbia Securities Commission.

Short term trading

Short term trading activities in a Fund may adversely affect unitholders. Frequent trading can hurt a Fund’s performance by forcing the Portfolio Manager to keep more cash in the Fund that would otherwise be needed, or to sell investments at inappropriate times. It may also increase a Fund’s transaction costs. We may impose a short term trading fee if you redeem or switch out units within five days of purchasing or previously switching into a Fund. These fees will be paid to the Fund.

We will regularly monitor the transactions in the Funds. In order to eliminate trading activity that we deem potentially detrimental to long-term unitholders, if there is an excessive level of transaction activity on your account, we have the right to restrict or reject any purchase or switch order without any prior notice, including those transactions accepted by your dealer. Whether your trading is considered excessive will be determined by us at our sole discretion.

Minimum account size

Minimum investment levels are established in an effort to control the cost of administering accounts which impact all unitholders. You must keep an investment of at least \$2,500 in your account. If your account falls below the required minimum amount as a result of a redemption, we may require you to bring the value of your account up to the minimum or we may redeem your units and forward you the proceeds. We will give your dealer 30 days' notice to meet the minimum before any action is taken.

Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Funds. You may pay some of these fees and expenses directly. The Funds may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds.

Fees and expenses paid by the Fund

Management Fees

Each Fund pays an annual fee to North Growth with respect to Series D and Series F Units issued by the Fund for its services as manager of the Fund. Certain operating costs of the Funds, including audit and legal fees of the Funds and the Trustee, custody fees, costs of preparing annual and semi-annual reports, statements and prospectuses and forwarding these documents to unitholders, expenses of conducting any unitholder meetings, and costs of bookkeeping, fund accounting, registry and transfer services, are included in the management fee and are not paid separately by the Funds. The management fee is calculated daily and paid monthly based on the daily net asset value of the Funds. The fees for each series are set out in Part B — Fund Details.

Unitholders will be provided with written notice at least 60 days before any change to these fees (and any other fee charged to the Fund) becomes effective that could result in an increase in charges to the Funds.

Fees and expenses payable to members of the Independent Review Committee (IRC) are reimbursed to the Funds by the Manager. The Funds compensate members of the IRC for their service in fulfilling the mandate of the IRC and reimburse members for reasonable expenses including travel expenses and fees for continuing education. Aggregate compensation paid to the members of the IRC in 2016 was \$14,000, or \$4,000 paid to each member and \$6,000 to the chair.

Operating expenses and other costs

The following costs and expenses are paid by each Fund and are unique to each Fund:

- brokerage fees and other fees and disbursements directly relating to the implementation of transactions for the portfolio of the Fund;
- any taxes payable by the Fund;
- interest expenses, if any; and
- trailing commissions.

The Manager, at its sole discretion, may elect to reimburse a Fund for any fees or expenses paid by that Fund.

Each series of units of each Fund is responsible for the operating expenses that relate specifically to that series and for its proportionate share of the operating costs that are common to all series.

Unitholders will be provided with written notice at least 60 days before the basis of calculating these expenses (or any other expense charged to the Funds) is changed in a way that could result in an increase in charges to the Funds.

Fees and expenses paid directly by you

Sales charges

When you purchase units through your dealer, you negotiate the sales commission you pay with the dealer. The range for sales commissions is generally from nil to 2% of the purchase order. Your dealer will generally deduct the sales commission and forward the net amount of the order to be invested in the Fund(s). You should ask your dealer to provide you with sales commission details.

Switch fees

There are no switch fees charged by the Funds. Your dealer may charge a fee for this service.

Redemption fees

There are no redemption fees charged by the Funds. Your dealer may charge a fee for this service.

Short term trading fees

We may charge a short term trading fee of up to 2% of the current value of the units if you redeem or switch out units within five days of purchasing or previously switching into a Fund. These fees will be paid to the Fund.

Impact of sales charges

The following table shows the impact of sales charges you would pay under the different purchase options available to you if you made an investment of \$1,000 in a Fund, and if you held that investment for one, three, five or ten years and redeemed your investment immediately before the end of that period.

| | At time of purchase | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------|---------------------|--------|---------|---------|----------|
| Sales charge* | \$0 to \$20 | Nil | Nil | Nil | Nil |
| Redemption charge | Nil | Nil | Nil | Nil | Nil |
| No-load | Nil | Nil | Nil | Nil | Nil |

*Your dealer may apply a sales or redemption charge on Series D Units but we do not. There are no sales charges on Series F Units.

Dealer Compensation

Sales commissions

There is no sales commission payable on the purchase of Series D or Series F Units.

Trailing commissions

For Series D Units we pay dealers an ongoing service fee, known as a “trailing commission”, based on the total value of Series D Units their clients hold in the Fund(s). We also pay trailing commissions to discount brokers for securities you purchase through your discount brokerage account. No trailing commissions are paid on Series F Units. Purchasers of Series F Units will generally be required to pay their dealers under a “fee-for-service” program.

The maximum annual trailing commissions are as follows:

| | Series D | Series F |
|---------------------------------------|----------|----------|
| North Growth U.S. Equity Advisor Fund | 0.30% | N/A |
| North Growth Canadian Equity Fund | 0.30% | N/A |

The trailing commission is calculated on a daily basis as a percentage of assets each dealer has placed in Series D Units. The accumulated daily fees are paid to the dealers monthly.

Dealer Compensation from Management Fees

Dealer compensation from management fees for the year ended December 31, 2016 were as follows:

| | Series D | Series F |
|---------------------------------------|----------|----------|
| North Growth U.S. Equity Advisor Fund | \$ 2,507 | N/A |
| North Growth Canadian Equity Fund | \$27,875 | N/A |

Income Tax Considerations for Investors

This section is a general summary of how your investments in the Fund(s) are taxed. It applies to individual investors who are resident in Canada and hold their units in a non-registered account as capital property, or in a Registered Retirement Savings Plan (“RRSP”), a Registered Retirement Income Fund (“RRIF”), a Tax Free Savings Account (“TFSA”) or other registered investment plan. **Please consult with your tax adviser about your own circumstances before investing.**

Distributions from a Fund

Each Fund may earn dividend, interest or other income from the investments in its portfolio. It may also realize income or capital gains when it sells investments at a profit.

Each Fund pays out sufficient net income and net capital gains to investors so that the Fund does not have to pay any income taxes. These payments are called distributions. The portion of the distributions payable to unitholders of each series is determined based on a number of factors. After taking into account any adjustments available under the Tax Act for capital gains attributable to redeeming shareholders, carry forward losses (capital and non-capital), distributions payable to unitholders of a series are divided equally among the units of the series. Please refer to the *Annual Information Form—Income Tax Considerations*.

North Growth will reinvest your distributions to buy additional units of a Fund unless we are directed by your dealer in advance that you want to receive your distributions in cash.

If necessary, each Fund will make an annual distribution of net income and net realized capital gains in December. The Funds may make distributions at other times during the year.

Units held in non-registered accounts

If you hold units of a Fund in an unregistered account, you are required to report the distributions you receive from the Fund on your income tax return. You will be sent the requisite tax slip each year that shows your share of the Fund’s distributions of income and capital gains. Returns of capital will also be reported to you, however, these are non-taxable.

When you invest in a Fund, the unit price may include accrued income and realized capital gains that have not been distributed. You will have to include your share of a distribution of those amounts on your income tax return, even though the amounts were reflected in the purchase price for your units. Similarly, unrealized capital gains at the time you buy your units will be taxable if they are realized and distributed to you. This consideration may be important if you invest in the Fund late in the year.

The higher the portfolio turnover rate in a year, the greater the trading costs payable by a Fund in the year and the greater the chance of an investor receiving capital gains in the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

You will have a capital gain if you redeem any units for more than the adjusted cost base (“ACB”) of the units plus your costs to redeem the units. You will have a capital loss if you redeem the units for less than their ACB plus your costs to redeem the units. The redemption amount used to compute a capital gain or loss is net of the short term trading fee. On your tax return, one-half of a capital gain is included in your income, and one-half of a capital loss may be offset against the taxable portion of any capital gains you realize.

The ACB of a unit is equal to the average ACB of all your units of the Fund. Generally, the ACB of all your units is equal to the total cost of units you have bought to that time (including units purchased by reinvesting distributions) minus the return of capital component of distributions and the ACB of units previously redeemed.

Units held in registered plans

Each Fund is a registered investment under the Tax Act. Units of the Fund are qualified investments under the Tax Act for a Registered Retirement Savings Plan (“RRSP”), a Registered Retirement Income Fund (“RRIF”) and for a registered investment plan such as a Tax Free Savings Account (“TFSA”).

If you hold your units in a registered plan, the plan does not have to pay any taxes on income or capital gains. You do not have to pay taxes on these amounts until you withdraw money from the registered plan. Any amount you withdraw from a registered plan (other than an RESP, RDSP or TFSA) is fully taxable. Any amount withdrawn from an RESP or RDSP is taxable to the extent it is not a refund of contributions. Amounts withdrawn from a TFSA are not taxable.

Provided that you do not hold a significant interest in a fund, and provided that you deal at arm's length with the fund for purposes of the Tax Act, the units of the fund will not be a prohibited investment for your TFSA, RRSP or RRIF. Generally, you will not be considered to have a significant interest in a fund unless you own 10% or more of the value of the fund's outstanding units, either alone or together with persons and partnerships with which you do not deal at arm's length. However, the units of a fund will not be prohibited investments for any TFSA, RRSP or RRIF at any time during the first 24 months after the fund was established, provided that the fund substantially complies with National Instrument 81-102 – *Investment Funds* during such time. Unitholders should consult with their tax advisors regarding whether an investment in a fund may be a prohibited investment for a TFSA, RRSP or RRIF in their particular circumstances. Unitholders should note that the 2017 federal budget proposes to expand the prohibited investment rules to include RESP and RDSP accounts.

Switching between Funds

A switch between Funds is treated as a redemption followed by a repurchase. You may realize tax consequences on any switch of Fund units.

Redesignation between series of the same Fund

Redesignating units of one series to units of another series of the same Fund is not a disposition for tax purposes and no capital gain or loss will be realized. The ACB of the units that were redesignated will be transferred to the units of the series acquired on the redesignation.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

PART B: SPECIFIC INFORMATION ABOUT THE NORTH GROWTH FUNDS DESCRIBED IN THIS DOCUMENT

Introduction

In this part of the simplified prospectus we have set out the Fund-specific information to help you compare the Funds and evaluate which is appropriate for your investment needs.

The specific information for each Fund is divided into the following sections:

Fund Details

What Does the Fund Invest In?

The Funds described in this simplified prospectus are both equity funds: the North Growth U.S. Equity Advisor Fund invests in U.S. equities and the North Growth Canadian Equity fund invests in Canadian equities. This section describes the objectives and strategies of each Fund.

What are the Risks of Investing in This Fund?

This section lists the specific risks associated with each Fund's investment strategy. A detailed description of these risks is set out under the heading *What is a Mutual Fund and What are the Risks of Investing in a mutual fund?* on page 5.

Risk Classification Methodology

We determine the risk level for a fund using both quantitative and qualitative considerations. The manager's holistic and comprehensive approach to the assessment of Fund risk considers the standard deviation of a fund and qualitative factors such as investment style, the risk factors of the investments in the Fund, the number and weight of investments in the Fund, and liquidity. Standard deviation is a common statistic used to measure the volatility and risk of an investment. Funds with higher standard deviations are generally classified as being more risky.

Each fund is assigned an investment risk rating in one of the following categories:

- Low – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;
- Low to Medium – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;
- Medium – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- Medium to High – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
- High – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (for example, emerging markets, precious metals).

We review risk levels on an annual basis. The methodology that we use to identify the investment risk level of the Fund is available on request by calling us collect at 1-604-688-5440 or writing to us at Suite 830, One Bentall Centre, 505 Burrard Street, Box 56, Vancouver, BC V7X 1M4.

Who Should Invest in This Fund?

This section identifies the suitability of each Fund for particular investors and the level of investor risk tolerance that is appropriate for an investment in each Fund.

Distribution Policy

This section tells you how often each fund intends to make a distribution of income and capital gains to unitholders in each series.

As a unitholder you are entitled to your share of a Fund's net income and net capital gains on its investments.

Fund Expenses Indirectly Borne by Investors

The tables in this section may assist you in comparing the cost of investing in the Funds with the cost of investing in other mutual funds. The costs shown in the table are indirect because they are paid out of the Fund's assets instead of being paid directly by you and as a result have the effect of lowering the return you receive on an investment in a particular series of units in the Fund.

North Growth U.S. Equity Advisor Fund

Fund Details

| | | | |
|-----------------------------------|---|---|------------------|
| Type of fund | U.S. Equity | | |
| Date the Fund was started | Series D Units | – | October 23, 2009 |
| | Series F Units | – | October 23, 2009 |
| Securities offered | Series D Units and Series F Units | | |
| Registered tax plan status | The North Growth U.S. Equity Advisor Fund is eligible for registered plans such as RRSPs, RRIFs and TFSA's. | | |
| Management fee | Series D Units | – | 0.70% |
| | Series F Units | – | 0.70% |
| Trailing commissions | Series D Units | – | 0.30% |
| | Series F Units | – | N/A |

What Does the Fund Invest In?

Investment objectives

The objective of the Fund is to achieve long-term growth and capital appreciation by investing primarily in equity securities of United States-based corporations.

This fundamental investment objective may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. The Fund's investment strategies described below may be changed at our discretion.

Investment strategies

The Manager's core investment philosophy is "growth at a reasonable price". In practice, this means investment in companies with good growth potential whose common stock can be bought at a reasonable valuation. Identifying companies that are undervalued in relation to their expected growth is a challenging, ongoing process.

Equity markets are affected by countless economic, market, industry and company variables. The “growth at a reasonable price” investment selection process requires the Manager to constantly identify and evaluate those variables that will have a significant impact on the growth of current and potential holdings of the Fund, and to make investment decisions accordingly.

Within this context, in selecting investments for the Fund, the Manager will:

- focus on companies with superior growth trends;
- focus on companies within industries that should provide a positive environment for future growth;
- focus on companies that are dominant within an industry or that have a niche within an industry; and
- evaluate corporate management teams based on such factors as how they have planned and achieved growth and how they have handled adversity, in order to make a judgment regarding the likelihood that their current management policies will provide superior growth in the future.

The Fund will not invest in units of other mutual funds, and, in addition to the standard investment restrictions set out in securities legislation, the Fund will not invest in tobacco stocks, nor will it invest in pure play fossil fuel stocks.

As at the date of this simplified prospectus we do not intend to use derivatives for currency hedging purposes as permitted by National Instrument 81-102. However, in the future, the Fund may use exchange traded futures contracts for currency hedging purposes to protect against fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

The Fund does not intend to enter into securities lending, repurchase or reverse repurchase transactions.

What are the Risks of Investing in This Fund?

The principal risks of investing in this Fund are equity securities risk, comprised of market risk, capitalization risk, market capitalization risk and liquidity risk; As the Fund invests in U.S. equity securities, currency risk is also a consideration. Other risks are specialization risk, concentration risk, large unitholder risk, tax policy risk and series risk. See pages 5 to 8 for a full discussion of these risks.

During the last twelve months, up to 10.33% of net assets were invested in shares of Cisco Systems, Inc. This is what we describe as “Concentration Risk”.

As at May 31, 2017, three investors individually held 26.33%, 21.99% and 17.15%, respectively of the Fund’s outstanding units. This is what we describe as “Large Unitholder Risk”.

Who Should Invest in This Fund?

This Fund is appropriate for investors seeking exposure to high quality United States-based growth companies. It is suitable for investors with medium to high tolerance for risk, a long term investment horizon of at least five years and who seek diversification outside Canada.

The investment risk level was initially determined when the Fund was first created and is reviewed at least annually and/or any time a material change occurs in the Fund. The Fund's risk level is rated as medium to high. Please see *Risk Classification Methodology* on page 19 for a description of how we determine risk tolerance.

Distribution Policy

The Fund generally makes distributions of net investment income and net realized capital gains to its investors in December. Additional distributions may be made during the course of the year at the discretion of the Manager.

All net investment income and net realized capital gains that are distributed by the Fund are automatically reinvested in units of the Fund unless you tell us in advance that you want your distributions in cash. See *Distributions from a Fund* on page 16.

Fund Expenses Indirectly Borne by Investors

The table below shows the fees and expenses that would be indirectly borne by an investor with respect to a \$1,000 investment in the Fund over the periods shown, based on the assumption that the Fund's annual performance is a constant 5.0% per year and the Fund's management expense ratio is 1.00% for Series D Units and 0.70% for Series F Units.

This information allows you to compare the cost of investing in this Fund with the cost of investing in other funds.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs may be higher or lower.

| Period | Cost Series D | Cost Series F |
|---------------|--------------------------|--------------------------|
| MER | (1.00%) | (0.70%) |
| 1 year | 10.25 | 7.18 |
| 3 years | 31.99 | 22.46 |
| 5 years | 55.49 | 39.08 |
| 10 years | 122.92 | 87.28 |

See "Fees and Expenses" for information about fees and expenses paid directly by you which are not included in the calculation of the management expense ratio.

Optional Services

U.S. Equity Advisor Fund units can be purchased in U.S. or Canadian dollars. For Fund units purchased in US dollars, switches will be processed in U.S. dollars and redemption proceeds and distributions will be paid in U.S. dollars. The U.S. dollar options should only be used as a convenience; it provides the same currency for tax purposes in Canadian dollars. For details regarding the calculation of the Fund's unit price in Canadian dollars and in U.S. dollars please refer to the Annual Information Form, *Calculation of net asset value for each unit* on page 7.

North Growth Canadian Equity Fund

Fund Details

| | |
|-----------------------------------|--|
| Type of fund | Canadian Equity |
| Date the Fund was started | Series D Units – June 15, 2012 Series F Units – June 15, 2012 |
| Securities offered | Series D Units and Series F Units |
| Registered tax plan status | The North Growth Canadian Equity Fund is eligible for registered plans such as RRSPs, RRIFs and TFSAs. |
| Management fee | Series D Units – 0.70% Series F Units – 0.70% |
| Trailing commissions | Series D Units – 0.30% Series F Units – N/A |

What Does the Fund Invest In?

Investment objectives

The objective of the Fund is to achieve long-term growth and capital appreciation by investing primarily in equity securities of Canadian-based corporations.

This fundamental investment objective may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. The Fund's investment strategies described below may be changed at our discretion.

Investment strategies

The Manager's core investment philosophy is "growth at a reasonable price". In practice, this means investment in companies with good growth potential whose common stock can be bought at a reasonable valuation. Identifying companies that are undervalued in relation to their expected growth is a challenging, ongoing process.

Equity markets are affected by countless economic, market, industry and company variables. The “growth at a reasonable price” investment selection process requires the Manager to constantly identify and evaluate those variables that will have a significant impact on the growth of current and potential holdings of the Fund, and to make investment decisions accordingly.

Within this context, in selecting investments for the Fund, the Manager will:

- focus on companies with superior growth trends;
- focus on companies within industries that should provide a positive environment for future growth;
- focus on companies that are dominant within an industry or that have a niche within an industry; and
- evaluate corporate management teams based on such factors as how they have planned and achieved growth and how they have handled adversity, in order to make a judgment regarding the likelihood that their current management policies will provide superior growth in the future.

The Fund will not invest in units of other mutual funds, and, in addition to the standard investment restrictions set out in securities legislation, the Fund will not invest in tobacco stocks, nor will it invest in pure play fossil fuel stocks.

As at the date of this simplified prospectus we do not intend to use derivatives for currency hedging purposes as permitted by National Instrument 81-102. However, in the future, the Fund may use exchange traded futures contracts for currency hedging purposes to protect against fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

The Fund does not intend to enter into securities lending, repurchase or reverse repurchase transactions.

What are the Risks of Investing in This Fund?

The principal risks of investing in this Fund are equity securities risk, comprised of market risk, capitalization risk, market capitalization risk and liquidity risk. Other risks are specialization risk, concentration risk, large unitholder risk, tax policy risk and series risk. See pages 5 to 8 for a full discussion of these risks.

During the last twelve months, up to 11.76% of net assets were invested in Ballard Power Systems Inc. and up to 10.74% of net assets were invested in Sandvine Corporation. This is what we describe as “Concentration Risk”.

As at May 31, 2017, three investors individually held 28.41%, 19.09% and 10.75% respectively of the Fund’s outstanding units. This is what we describe as “Large Unitholder Risk”.

Who Should Invest in This Fund?

This Fund is appropriate for investors seeking exposure to Canadian-based growth companies. It is suitable for investors with medium to high tolerance for risk, and a long term investment horizon of at least five years.

The investment risk level was initially determined when the Fund was first created and is reviewed at least annually and/or any time a material change occurs in the Fund. The Fund’s risk level is rated as medium to high. Please see *Risk Classification Methodology* on page 19 for a description of how we determine risk tolerance.

Distribution Policy

The Fund generally makes distributions of net investment income and net realized capital gains to its investors in December. Additional distributions may be made during the course of the year at the discretion of the Manager.

All net investment income and net realized capital gains that are distributed by the Fund are automatically reinvested in units of the Fund unless you tell us in advance that you want your distributions in cash. See *Distributions from a Fund* on page 16.

Fund Expenses Indirectly Borne by Investors

The table below shows the fees and expenses that would be indirectly borne by an investor with respect to a \$1,000 investment in the Fund over the periods shown, based on the assumption that the Fund’s annual performance is a constant 5.0% per year and the Fund’s management expense ratio is 1.00% for Series D Units and 0.70% for Series F Units.

This information allows you to compare the cost of investing in this Fund with the cost of investing in other funds.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs may be higher or lower.

| Period | Cost Series D | Cost Series F |
|---------------|--------------------------|--------------------------|
| MER | (1.00%) | (0.70%) |
| 1 year | 10.25 | 7.18 |
| 3 years | 31.99 | 22.46 |
| 5 years | 55.49 | 39.08 |
| 10 years | 122.92 | 87.28 |



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This simplified prospectus contains information on the North Growth Canadian Equity Fund and the North Growth U.S. Equity Advisor Fund (collectively the "Funds"). Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, management report on fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can obtain a copy of these documents, at your request, and at no cost, by calling us collect at 1-604-688-5440, or from your dealer or by email at info@northgrowth.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the North Growth Management Ltd. internet site at www.northgrowth.com or at www.sedar.com.