

June 2017

**MANAGEMENT'S MONTHLY
REPORT ON FUND
PERFORMANCE**

July 13, 2017

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North Growth Funds

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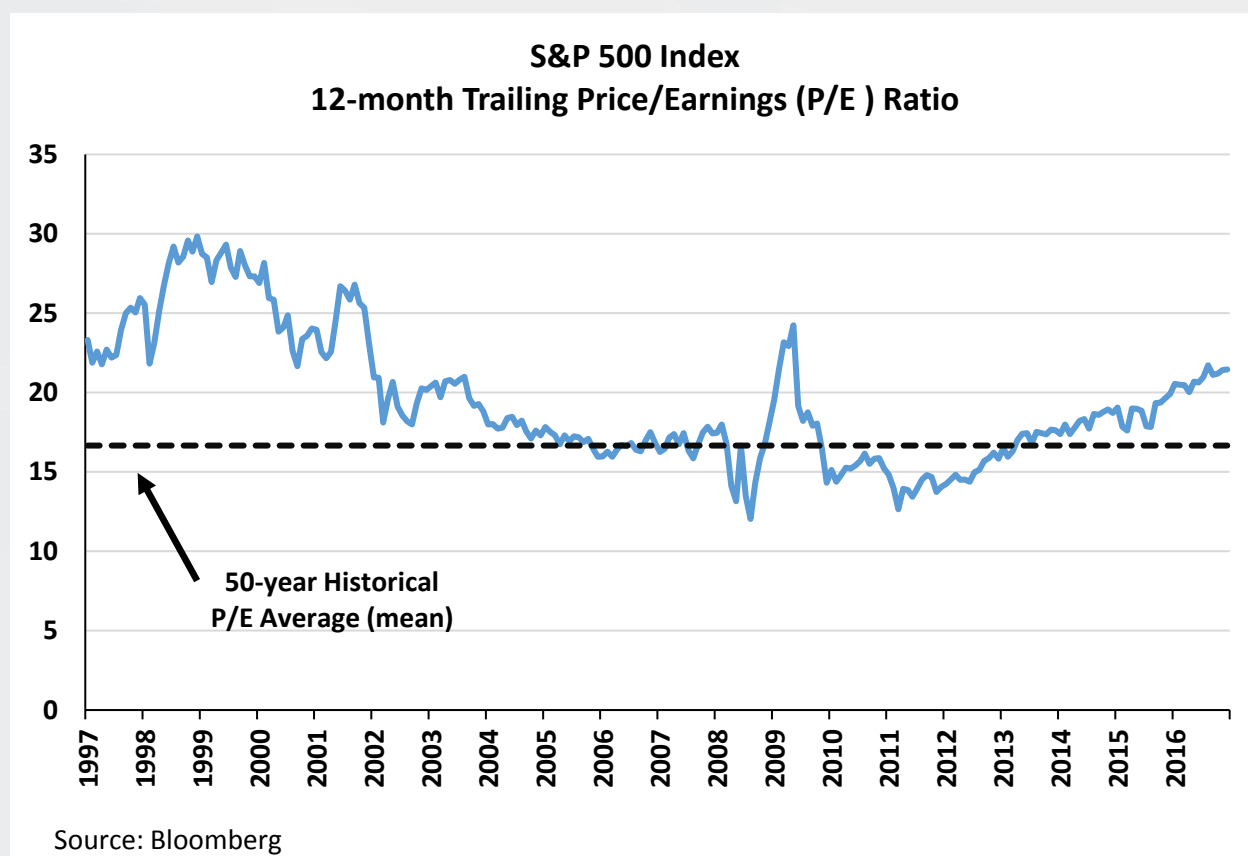
Fund Performance Update

June was a calm month for U.S. equities which overall posted moderate gains as the stock market indices remained at record highs.

No material change to our view

Our outlook for U.S. equities remains biased toward caution. Notwithstanding increasing geopolitical risks and U.S. policy uncertainty, the greatest threat to the stock markets is the near historical-high valuations. Solid corporate earnings results continue to take place against the backdrop of a stable, strengthening economy, and unsurprisingly, the Federal Reserve raised the target range for the federal funds rate by 0.25% to 1.00% to 1.25% following its June 13th-14th meeting. The continued gradual removal of monetary stimulus by the Fed is confirmation that the U.S. economy remains in a sustainable, moderate expansion.

Against the positive macroeconomic framework, however, is an increasingly expensive stock market, as highlighted below:



In this environment of rich equity valuations, the U.S. market offers fewer investment opportunities that fit our “growth at a reasonable price” criteria. As growth is currently expensive and risky, we are emphasizing the value or “reasonable price” aspect of our discipline and looking to keep the overall price/earnings (P/E) multiple of the Fund in check, below-market.

We continue to actively manage the U.S. Fund’s risk lower by reducing the average size of the portfolio holdings while also increasing the number of holdings in the Fund. In June, we further reduced our weightings in Zimmer Biomet, Texas Instruments, Microsoft, Mohawk Industries, Electronic Arts, and Boston Scientific. We added to our position in Finisar and initiated holdings of Oclaro and Applied Optoelectronics, increasing our exposure to the optical networking industry where valuations appear relatively compelling.

The result of our recent actions has led to the accumulation of the Fund’s cash balance to over 12%. We maintain focused on the analysis of individual stocks and strict adherence to our “growth at a reasonable price” investment philosophy.

U.S. Equity Fund

In June, the North Growth U.S. Equity Fund appreciated 0.4%. The Fund lagged the S&P 500 Index which gained 0.6% and the smaller capitalization S&P 400 MidCap and S&P 600 SmallCap Indices which advanced 1.6% and 3.0% respectively, yet outperformed the NASDAQ Composite which declined 0.9%.

U.S. equities delivered strong performance during the first half of 2017. Year-to-date, the S&P 500 is up 9.3% while the NASDAQ has been the best performing index out of the ones we track regularly, rallying 14.8%. The North Growth U.S. Equity Fund gained 10.3%, beating all the indices we follow except for the NASDAQ. In Canadian dollars, the Fund is up 6.6% so far in 2017 versus the S&P 500 which increased 5.7%.

Canadian Equity Fund

The North Growth Canadian Equity Fund continued its streak of outperformance since the beginning of the year, appreciating 1.5% in June against the S&P/TSX Composite Index which lost 0.8%. The month’s strong performance boosts the Fund’s year-to-date return to 18.7% versus the S&P/TSX Composite’s 0.7% advance during the first half of 2017.

The Canadian Fund has reached the 5-year anniversary since we first filed a prospectus for the Fund; accordingly we are pleased to be able to publish five-year returns of 14.3% per annum versus 8.7% for the S&P/TSX Composite. While we are pleased with the absolute and relative returns for the Canadian Fund, for most Canadian investors, we believe the most interesting attribute of our fossil free Canadian portfolio is the diversification it provides versus the traditional or mainstream resource and finance heavy Canadian equity portfolio.

North Growth U.S. Equity Fund

Short Term Rates of Return (%) for the Period Ended June 30, 2017

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund in \$CDN	-3.48	-0.11	6.61	6.61
S&P 500 in \$CDN	-3.27	0.59	5.68	5.68
NGM U.S. Equity Fund \$U.S.	0.40	2.36	10.31	10.31
S&P 500 \$U.S.	0.62	3.09	9.34	9.34
S&P 400 MidCap \$U.S.	1.62	1.97	5.99	5.99
S&P 600 SmallCap \$U.S.	2.99	1.71	2.79	2.79
NASDAQ Composite \$U.S.	-0.86	4.20	14.76	14.76

Annualized Rates of Return (%) for the Period Ended June 30, 2017

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
NGM U.S. Equity Fund \$CDN	16.66	13.79	18.30	9.33	9.99	10.49	12.69
S&P 500 \$CDN	18.44	17.00	20.33	9.32	7.23	6.82	9.82
NGM U.S. Equity Fund \$U.S.	16.12	6.61	12.69	7.19	11.14	10.83	12.50
S&P 500 \$U.S.	17.90	9.61	14.63	7.18	8.34	7.15	9.63
S&P 400 MidCap \$U.S.	18.57	8.53	14.92	8.56	10.40	10.94	12.28
S&P 600 SmallCap \$U.S.	22.47	9.32	15.47	8.44	10.38	9.85	11.65
NASDAQ Composite \$U.S.	28.39	13.11	17.47	10.24	11.23	8.48	10.05*

Source: Bloomberg "Total Return Analysis" as of Jul. 3 2017.

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

Unit Price: \$ 50.34 CDN
\$ 38.79 USD

Total Assets in Fund \$ 502.0 Million CDN

North Growth Canadian Equity Fund

Short Term Rates of Return (%) for the Period Ended June 30, 2017

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	1.47	8.39	18.65	18.65
S&P / TSX \$CDN	-0.75	-1.64	0.74	0.74

Annualized Rates of Return (%) for the Period Ended June 30, 2017

	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
NGM Canadian Equity Fund	27.32	6.02	3.20	10.65	14.33	N/A
S&P / TSX \$CDN	11.05	5.27	3.08	8.96	8.74	N/A

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

Unit Price: \$ 20.18 CDN

Total Assets in Fund \$ 41.8 Million CDN

North Growth Canadian Money Market Fund

Annualized Rates of Return (%) for the Period Ended June 30, 2017

	*Current Yield	1 Year	3 Years	5 Years
NGM Canadian Money Market Fund	0.46	0.48	0.59	0.70
30 Day Treasury Bill	N/A	0.50	0.59	0.72

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

We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high quality short term bonds. The average maturity of the portfolio is most often less than 30 days. Historically the Fund has generated very competitive yields with this simple approach because the management fee is, and always has been, 0.25%. In today's low rate environment most other money market funds in Canada have cut their management fees and extended their maturities in order to improve yields, as a result the North Growth Canadian Money Market Fund's yields are now below the industry average.

We manage the portfolio to ensure high liquidity and have no intention to extend maturities in order to chase a few basis points and we do not have any room to reduce our management fees because we already take a loss on the product. We still believe our money market fund has superior liquidity characteristics due to its very low average maturity but our current yield is 0.46% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

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

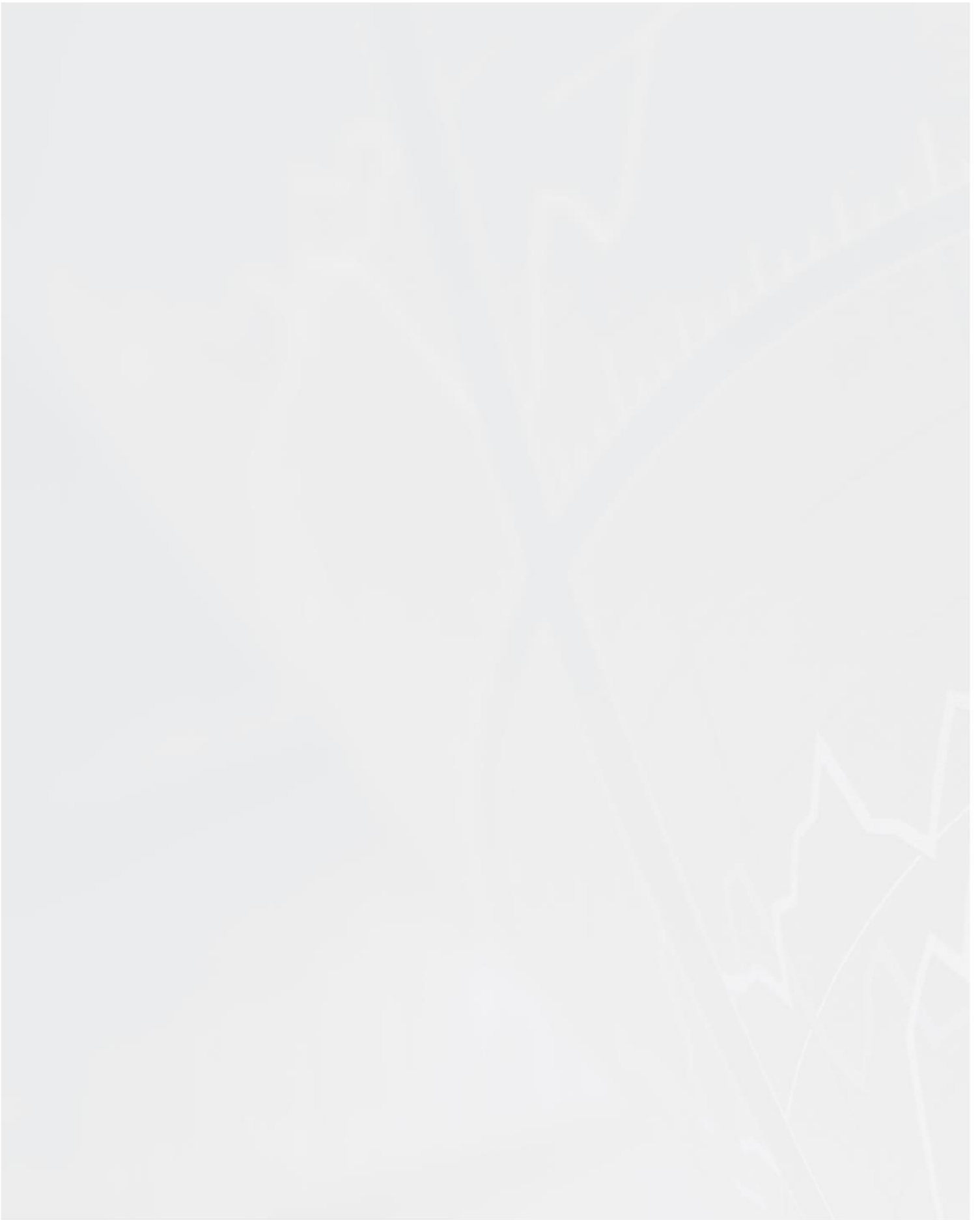
Equity Fund Holdings and Composition

U.S. Equity Fund – Holdings as at June 30, 2017

Ranking	Security	% of Net Assets
1.	Cisco Systems Inc.	7.12
2.	Apple Inc.	6.74
3.	Intel Corporation	4.38
4.	Applied Materials Inc.	4.32
5.	Microsoft Corporation	3.93
6.	Zimmer Biomet Holdings Inc.	3.51
7.	Anthem Inc.	3.09
8.	American Eagle Outfitters Inc.	3.04
9.	Boston Scientific Corporation	2.93
10.	Abbott Laboratories	2.92
11.	Johnson Controls International plc	2.82
12.	FedEx Corp.	2.75
13.	Mohawk Industries Inc.	2.69
14.	Amgen Inc.	2.63
15.	Gilead Sciences Inc.	2.56
16.	Cerner Corporation	2.44
17.	Pfizer Inc.	2.44
18.	Texas Instruments Inc.	2.42
19.	Citrix Systems Inc.	2.39
20.	DSP Group Inc.	2.37
21.	Itron Inc.	2.24
22.	Herman Miller Inc.	2.16
23.	Varian Medical Systems Inc.	2.10
24.	Electronic Arts Inc.	2.06
25.	Pier 1 Imports Inc.	1.94
26.	First Solar Inc.	1.76
27.	Celgene Corp	1.56
28.	SolarEdge Technologies Inc.	1.52
29.	HP Inc.	0.97
30.	Varex imaging Corporation	0.97
31.	LogMeIn Inc	0.65
32.	Ethan Allen Interiors Inc.	0.63
33.	Finisar Corporation	0.46
34.	Adient plc	0.33
35.	Applied Optoelectronics Inc.	0.24
36.	Oclaro Inc.	0.24
Total Equities		87.31
Cash		12.69
Total Assets		100.00

Canadian Equity Fund –Holdings as at June 30, 2017

Ranking	Security	% of Net Assets
1.	Ballard Power Systems Inc.	8.98
2.	Sierra Wireless Inc.	6.60
3.	Heroux-Devtek Inc.	5.34
4.	Avigilon Corporation	5.13
5.	CAE Inc.	4.79
6.	EXFO Inc.	4.73
7.	MacDonald Dettwiler and Associates Ltd.	4.69
8.	ATS Automation Tooling Systems Inc.	4.37
9.	Bombardier Inc., Class B	4.31
10.	Open Text Corporation	3.99
11.	Sandvine Corporation	3.92
12.	Mitel Networks Corp.	3.77
13.	Dorel Industries Inc., Class B	3.72
14.	Novanta Inc.	3.68
15.	Celestica Inc.	3.58
16.	Hydrogenics Corp.	3.45
17.	Magellan Aerospace Corp.	3.39
18.	Evertz Technologies Limited	2.98
19.	WestJet Airlines Ltd.	2.77
20.	TELUS Corporation	2.31
21.	Alterra Power Corporation	0.68
22.	ViXS Systems Inc.	0.48
23.	exactEarth Ltd.	0.37
Total Equities		88.04
Cash		11.96
Total Assets		100.00



Investing With Us

Investing With North Growth Management

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

Conducting Transactions

The cut-off time for same-day transactions is 3 p.m. Eastern Time or 12 p.m. (noon) Pacific Time. Orders received after that time will be processed on the next business day. Cheques must be made payable to RBC Investor & Treasury Services. For security reasons, instructions can only be accepted by mail or by fax to:

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

Fax: 604-688-5402

Where to Find NGM Fund Prices

Please visit www.northgrowth.com to view the Fund's daily prices or to be added to our e-mail list to receive daily notification of the Fund's prices. Alternatively, the Globe & Mail reports prices on www.globefund.com at the following links:

North Growth U.S. Equity Fund

<http://www.theglobeandmail.com/globe-investor/funds-and-etfs/funds/summary/?id=52033&cid=4008>

North Growth Canadian Equity Fund

<http://www.theglobeandmail.com/globe-investor/funds-and-etfs/funds/summary/?id=57466&cid=4008>

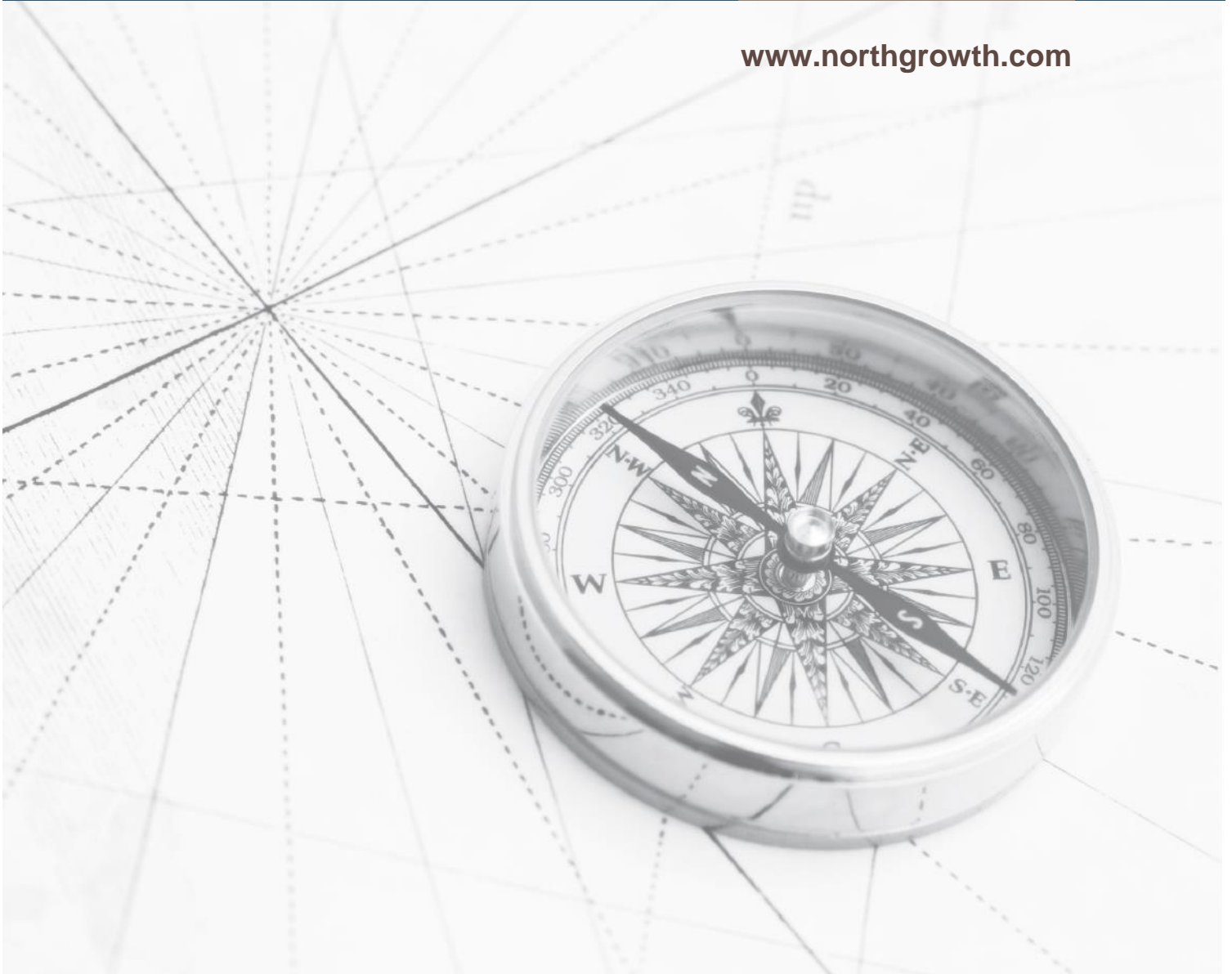
North Growth Canadian Money Market Fund

<http://www.theglobeandmail.com/globe-investor/funds-and-etfs/funds/summary/?id=53072&cid=4008>



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