

NOVEMBER 2015

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

December 16, 2015

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North Growth Funds

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Fund Performance Update

U.S. Equity Fund

November was a muted month for U.S. equities which delivered modest gains. Economic data continues to support the U.S. being in a self-sustaining expansion and investors have been widely anticipating the Federal Reserve to raise interest rates for the first time since 2006 in December. The S&P 500 Index appreciated 0.3% last month while the S&P 400 MidCap, S&P 600 SmallCap and NASDAQ Composite Indices generated higher returns of 1.4%, 2.7% and 1.3% respectively. The North Growth U.S. Equity Fund declined 0.8% in November, lagging behind all the mentioned indices we track. The continued weakening of the Canadian currency boosted the Fund's monthly return to 1.3% in Canadian dollars versus the S&P 500 which was up 2.4% in Canadian dollars.

Canadian Equity Fund

During November, Canadian financial stocks aided and outperformed the overall market which, as measured by the S&P/TSX Composite, fell 0.2%. The North Growth Canadian Equity Fund declined 1.3% for the month.

Our Constructive Outlook

The ongoing gradual U.S. economic expansion continues to be the most positive story in the global macro picture. In spite of weakness in emerging markets and softer manufacturing output reflecting a downturn in energy production, motor vehicle sales have been booming, housing and financial conditions continue to improve steadily, and the U.S. labour market is remarkably strong.

On balance, U.S. economic fundamentals have been consistently positive over the past several years, and recent anecdotal news on labour agreements point to a pickup in wages which would raise inflation. As widely expected, just announced today, December 16th, the Fed began to remove the unprecedented levels of monetary stimulus put in place after the financial crisis with the first interest rate hike in almost a decade. As we have reiterated over the past few months, we believe that "the end of zero" should be viewed as a non-event and simply confirmation the U.S. economy is in solid shape.

Against a favourable macroeconomic backdrop, we continue to be heartened that overall U.S. equities remain reasonably valued especially relative to the strengthening corporate fundamentals. With the exception of energy and commodity-related companies, many U.S. corporations continue to report record-high earnings that remain in an uptrend and maintain pristine balance sheets with excess cash. Such companies comprise the U.S. Fund, and many continue to increase their dividend payouts and share repurchases.

We maintain our constructive outlook for U.S. equities, continuing to focus our efforts on individual stock analysis and adhering as always to our long term “growth at a reasonable price” philosophy.

U.S. Fund Distribution

This year, Tuesday, December 15th was the distribution date for both the North Growth U.S. Equity Fund and the North Growth Canadian Equity Fund. The distribution for the U.S. Fund is approximately 3.5% of the current unit price or \$1.69 per unit. There is no distribution this year for the Canadian Fund.

Unitholders of the U.S. Fund can expect to receive their T-3 tax slips by mail around the end of January.

Even Lower Fees to start the New Year!

The management fees for the non-prospectus North Growth U.S. Equity Fund and series N of the North Growth Canadian Equity Fund are already well below the industry average at 1.2%. We are benefiting from operational efficiencies stemming from over a decade of investment in our back office systems and the growth of our assets under management in these non-prospectus equity funds to approximately \$525 million.

We are very pleased to announce that effective January 1, 2016 we are introducing a fee rebate policy. The initial fee rebate will be set at 10% resulting in a net all-in-fee of 1.08% for the North Growth U.S. Equity Fund and the Series N of the Canadian Equity Fund. The rebate will be calculated at the fund level on a daily basis so long as assets in our non-prospectus equity offerings are above \$400 million.

As always, we continue to focus on growing our clients’ assets using our “growth at a reasonable price” investment philosophy.

Simplify the Season

In lieu of Christmas cards this year, North Growth Management donated what we would have spent on cards to the YWCA holiday wish list to help low-income families during the holiday season. Items on the wish list include groceries for families in need, bus tickets for low-income families to take part in family activities around the city, and healthy lunches and personal support for single mothers at the YWCA Crabtree Corner in the Downtown Eastside.

All of us at North Growth wish you and yours a very happy holiday season! Merry Christmas!

North Growth U.S. Equity Fund

Short Term Rates of Return (%) for the Period Ended November 30, 2015

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund in \$CDN	1.30	7.32	4.31	17.96
S&P 500 in \$CDN	2.43	7.65	7.14	18.56
NGM U.S. Equity Fund \$U.S.	-0.81	5.75	-2.85	2.48
S&P 500 \$U.S.	0.30	6.07	-0.21	3.01
S&P 400 MidCap \$U.S.	1.35	3.62	-3.32	2.08
S&P 600 SmallCap \$U.S.	2.68	5.12	-0.15	2.95
NASDAQ Composite \$U.S.	1.28	7.29	1.39	9.16

Annualized Rates of Return (%) for the Period Ended November 30, 2015

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
NGM U.S. Equity Fund \$CDN	18.82	28.14	18.08	8.92	9.20	12.29	13.01
S&P 500 \$CDN	19.93	28.11	20.57	8.94	4.17	8.27	9.78
NGM U.S. Equity Fund \$U.S.	1.80	16.11	12.03	7.46	10.22	12.40	12.66
S&P 500 \$U.S.	2.75	16.09	14.40	7.48	5.15	8.38	9.44
S&P 400 MidCap \$U.S.	2.90	15.19	13.05	8.71	9.16	11.45	12.18
S&P 600 SmallCap \$U.S.	5.89	16.70	14.25	8.44	10.12	10.42	11.46
NASDAQ Composite \$U.S.	7.98	20.90	16.86	9.87	5.65	9.07	9.89*

Source: Bloomberg "Total Return Analysis" as of Dec. 1, 2015.

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

Unit Price: \$ 48.41 CDN
\$ 36.26 USD

Total Assets in Fund \$ 483.6 Million CDN

North Growth Canadian Equity Fund

Short Term Rates of Return (%) for the Period Ended November 30, 2015

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	-1.28	-2.17	-13.53	-14.19
S&P / TSX \$CDN	-0.23	-2.02	-8.88	-5.47

Annualized Rates of Return (%) for the Period Ended November 30, 2015

	1 Year	2 Years	3 Years	5 Years	10 Years
NGM Canadian Equity Fund	-9.42	2.92	15.89	N/A	N/A
S&P / TSX \$CDN	-5.84	3.27	6.40	N/A	N/A

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

Unit Price: \$ 17.29 CDN

Total Assets in Fund \$ 36.7 Million CDN

North Growth Canadian Money Market Fund

Annualized Rates of Return (%) for the Period Ended November 30, 2015

	*Current Yield	1 Year	3 Years	5 Years
NGM Canadian Money Market Fund	0.45	0.60	0.78	0.80
30 Day Treasury Bill	N/A	0.61	0.82	0.86

** 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 0.45% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

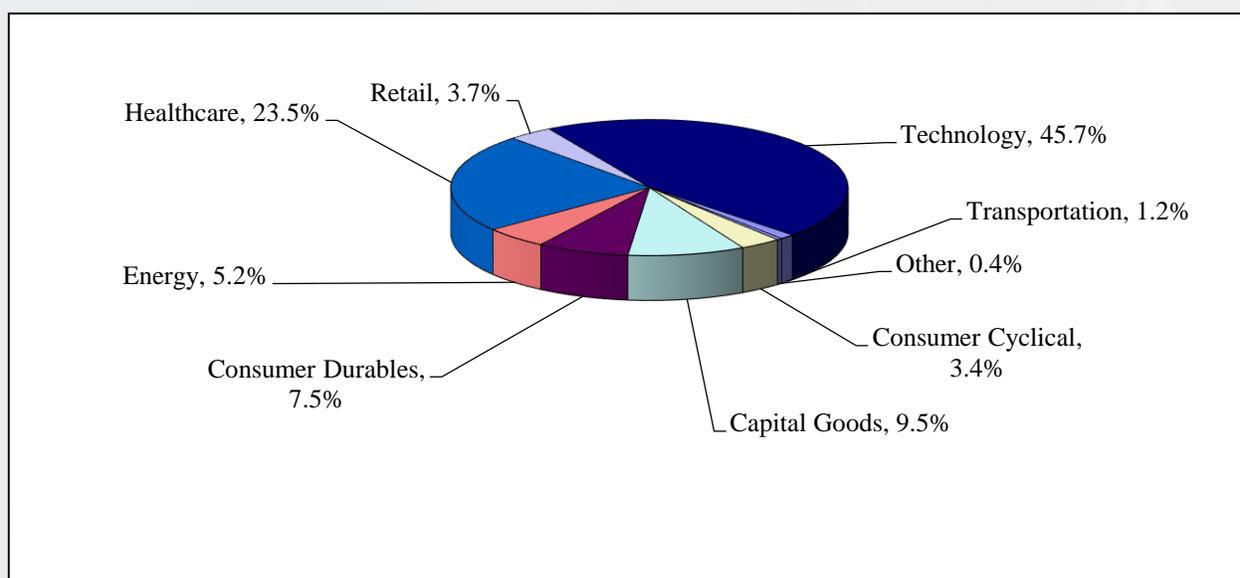
The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

Equity Fund Holdings and Composition

U.S. Equity Fund – Top 10 Holdings as at November 30, 2015

Ranking	Security	% of Net Assets
1.	Cisco Systems Inc.	9.54
2.	Apple Inc.	8.90
3.	Intel Corporation	5.25
4.	First Solar Inc.	5.20
5.	Microsoft Corporation	5.07
6.	St. Jude Medical Inc.	4.12
7.	General Electric Company	4.10
8.	Anthem Inc.	4.05
9.	Gilead Sciences Inc.	3.65
10.	Citrix Systems Inc.	3.32
Top 10		53.20
Total Equities		99.56
Cash		0.44
Total Assets		100.00

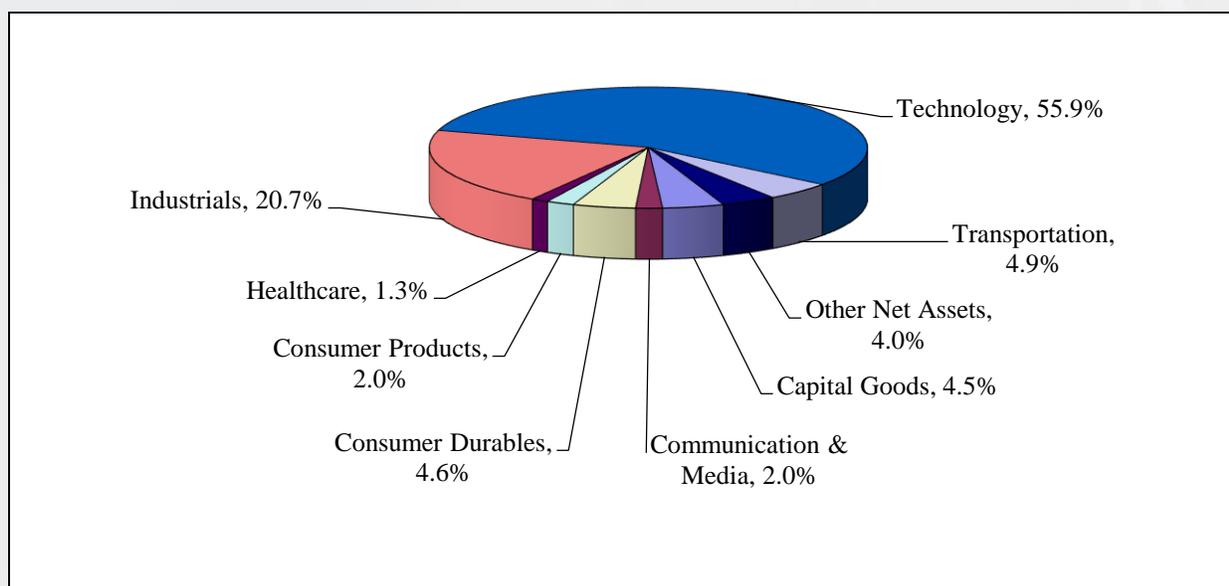
U.S. Equity Fund – Sector Mix as at November 30, 2015



Canadian Equity Fund – Top 10 Holdings as at November 30, 2015

Ranking	Security	% of Net Assets
1.	Sandvine Corporation	8.49
2.	COM DEV International Ltd.	8.40
3.	Open Text Corporation	6.62
4.	Avigilon Corporation	5.47
5.	CAE Inc.	5.35
6.	Heroux-Devtek Inc.	5.29
7.	EXFO Inc.	5.10
8.	WestJet Airlines Ltd.	4.94
9.	Mitel Networks Corp	4.88
10.	Martinrea International Inc.	4.70
Top 10		59.24
Total Equities		95.95
Cash		4.05
Total Assets		100.00

Canadian Equity Fund – Sector Mix as at November 30, 2015



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 Services Trust. For security reasons, instructions can only be accepted by mail or by fax to:

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

Fax: 604-688-5402

Where to Find NGM Fund Prices

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

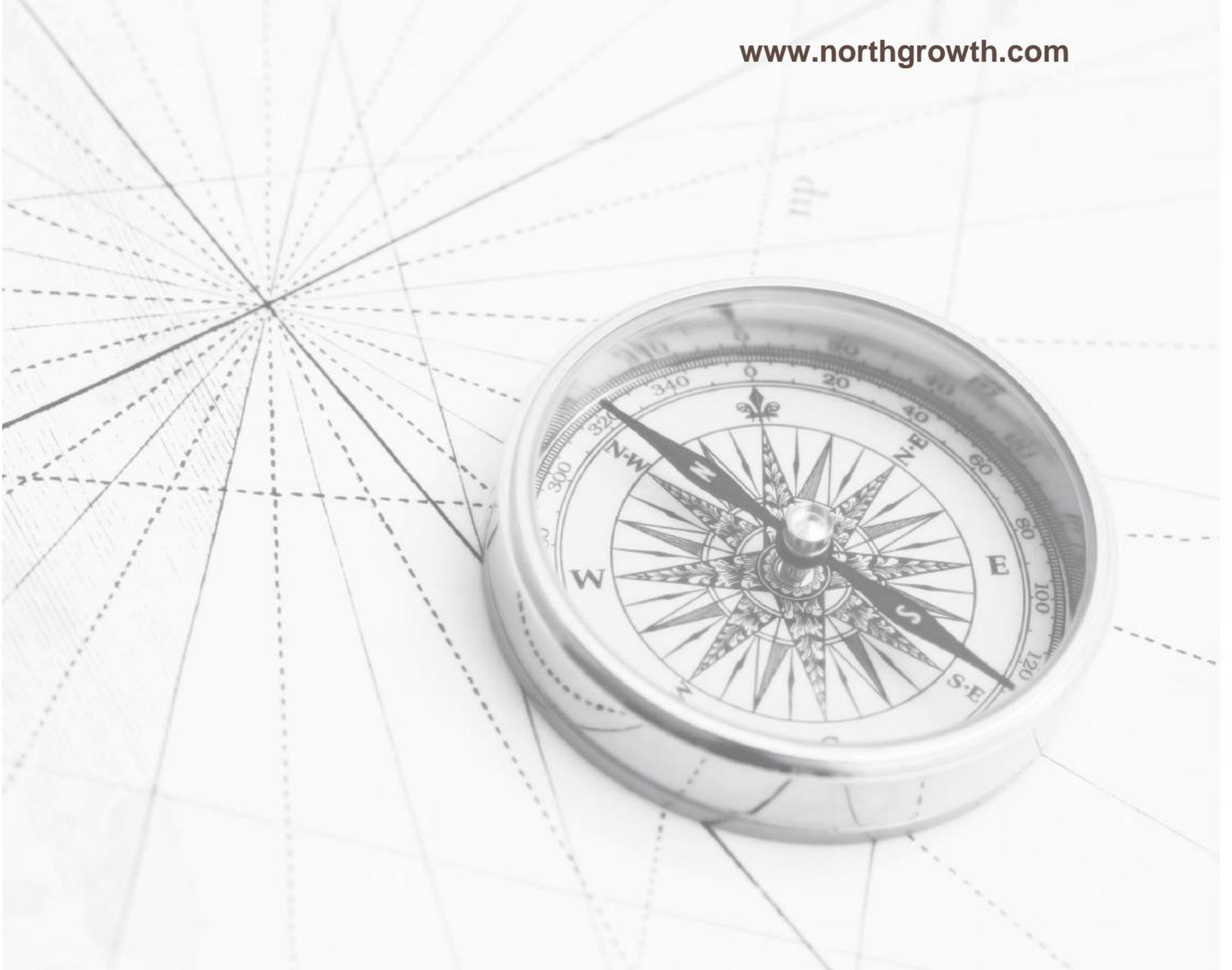
<http://www.theglobeandmail.com/globe-investor/funds-and-etfs/funds/summary/?id=53072&cid=4008>



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