

NOVEMBER 2014

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

December 11, 2014

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North Growth Funds

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Fund Performance Update

U.S. Equity Fund

With the exception of energy-related shares, U.S. equities rallied in November, supported by better-than-expected U.S. economic data and lower oil prices. The broad S&P 500 Index gained 2.7% during the month while the S&P 600 SmallCap actually fell 0.3%, underscoring the market rotation from smaller-capitalization stocks to large caps we have been highlighting and that became evident in the earlier part of 2014. The S&P 400 MidCap Index advanced 1.9% in November, delivering in-between performance while the NASDAQ Composite, up 3.7%, generated the best monthly return of all the indices we follow.

In November, the North Growth U.S. Equity Fund appreciated 4.2%, solidly outperforming all the mentioned indices. Due to a slightly stronger Canadian currency last month, the Fund gained 5.7% in Canadian dollars versus the S&P 500 which was up 4.2% in Canadian dollars.

We maintain our constructive outlook for U.S. equities and continue to believe that the Fund remains very well-positioned to benefit from the ongoing market rotation to a prolonged period of large capitalization market leadership. We continue to focus on the analysis of individual stocks that adhere to our "growth at a reasonable price" investment philosophy. Although the Fund remains fully invested, we are actively managing the portfolio, making minor adjustments when presented with relative opportunities.

Canadian Equity Fund

The North Growth Canadian Equity Fund appreciated 2.9% in November, beating the S&P/TSX Composite Index which gained 1.1%. Commodity and particularly energy prices continue to be pressured; while clearly a negative for the overall Canadian equity market, the Fund, with its lack of exposure to commodity-related stocks, stands to deliver better relative performance in this type of environment.

We continue to be pleased with the Fund's longer term results. As a reminder, the longest term performance record we publish for the Canadian Fund is two years since we filed a prospectus on June 15, 2012. Over the past two years, as of November 30th, the Canadian Equity Fund returned 31.0% per annum versus 13.1% for the S&P/TSX Composite.

Fund Distributions

This year, Monday, December 15th is the distribution date for both the North Growth U.S. Equity Fund and the North Growth Canadian Equity Fund. Currently we expect the distribution for the U.S. Fund will be approximately 4% of the current unit price or \$1.68 per unit and for the Canadian Fund Series N the distribution will be approximately 7% of the current unit price or \$1.54 per unit. The exact numbers are still subject to some potential variations from these estimates due to calculations driven off distribution date market value of the portfolios and potential client transactions.

Unitholders can expect to receive their T-3 tax slips by mail before the end of January.

Christmas Community

Every year since North Growth started in 1998, employees have been given a bonus at this time of year to support our community through the United Way of the Lower Mainland.

This year, instead of sending out Christmas cards, North Growth donated what we would have spent on cards to the United Way. This is in addition to the annual “United Way bonus” the employees of North Growth donated. We feel very fortunate to be able to live and work in this peaceful, beautiful city.

Merry Christmas! Happy Holidays!

North Growth U.S. Equity Fund

Short Term Rates of Return (%) for the Period Ended November 30, 2014

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund in \$CDN	5.72	2.95	9.82	20.80
S&P 500 in \$CDN	4.23	9.13	14.57	22.59
NGM U.S. Equity Fund \$U.S.	4.16	-2.15	4.08	12.31
S&P 500 \$U.S.	2.69	3.72	8.58	13.98
S&P 400 MidCap \$U.S.	1.85	0.68	5.47	8.87
S&P 600 SmallCap \$U.S.	-0.27	1.06	4.31	2.82
NASDAQ Composite \$U.S.	3.70	4.97	13.67	17.80

Annualized Rates of Return (%) for the Period Ended November 30, 2014

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
NGM U.S. Equity Fund \$CDN	21.94	22.71	17.01	8.24	10.54	12.49	12.75
S&P 500 \$CDN	25.88	25.63	17.84	7.67	2.90	8.94	9.34
NGM U.S. Equity Fund \$U.S.	13.20	18.11	15.14	8.63	12.43	13.53	13.18
S&P 500 \$U.S.	16.86	20.93	15.96	8.06	4.66	9.95	9.75
S&P 400 MidCap \$U.S.	12.23	19.51	17.77	10.07	10.01	12.86	12.62
S&P 600 SmallCap \$U.S.	4.30	19.61	18.56	8.95	10.25	11.60	11.72
NASDAQ Composite \$U.S.	19.57	24.00	18.91	9.80	3.39	9.71*	10.04*

Source: Bloomberg "Total Return Analysis" as of Dec. 1, 2014.

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

Unit Price: \$ 42.50 CDN

\$ 37.15 USD

Total Assets in Fund \$ 415.0 Million CDN

North Growth Canadian Equity Fund

Short Term Rates of Return (%) for the Period Ended November 30, 2014

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	2.93	-1.41	-0.88	13.08
S&P / TSX \$CDN	1.06	-4.97	2.39	11.04

Annualized Rates of Return (%) for the Period Ended November 30, 2014

	1 Year	2 Years	3 Years	5 Years	10 Years
NGM Canadian Equity Fund	16.94	31.01	N/A	N/A	N/A
S&P / TSX \$CDN	13.25	13.10	N/A	N/A	N/A

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

Unit Price: \$ 20.63 CDN

Total Assets in Fund \$ 40.4 Million CDN

North Growth Canadian Money Market Fund

Annualized Rates of Return (%) for the Period Ended November 30, 2014

	*Current Yield	1 Year	3 Years	5 Years
NGM Canadian Money Market Fund	0.91	0.88	0.86	0.75
30 Day Treasury Bill	N/A	0.91	0.92	0.81

** 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 0.91% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

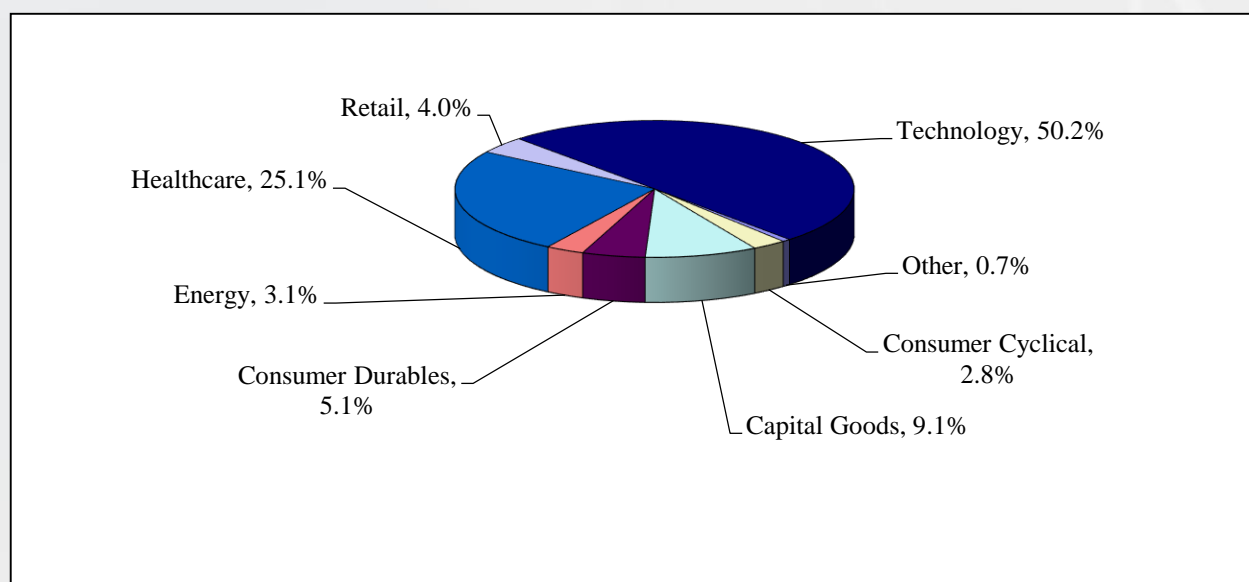
The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

Equity Fund Holdings and Composition

U.S. Equity Fund – Top 10 Holdings as at November 30, 2014

Ranking	Security	% of Net Assets
1.	Cisco Systems Inc.	9.66
2.	Apple Inc.	9.43
3.	Intel Corporation	6.08
4.	Microsoft Corporation	4.66
5.	St. Jude Medical Inc.	4.43
6.	WellPoint Inc.	4.28
7.	Citrix Systems Inc.	3.86
8.	Cerner Corporation	3.50
9.	Texas Instruments Inc.	3.45
10.	Zimmer Holdings Inc.	3.45
Top 10		52.80
Total Equities		99.35
Cash		0.65
Total Assets		100.00

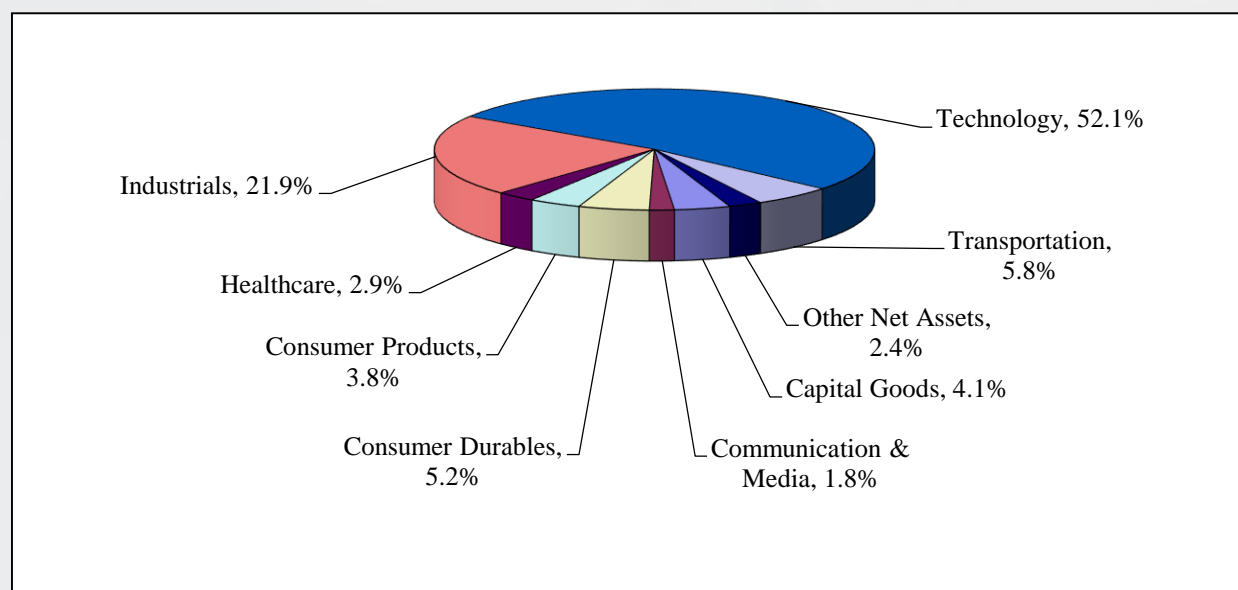
U.S. Equity Fund – Sector Mix as at November 30, 2014



Canadian Equity Fund – Top 10 Holdings as at November 30, 2014

Ranking	Security	% of Net Assets
1.	Sandvine Corporation	8.98
2.	Bombardier Inc., Class B	7.14
3.	Open Text Corporation	6.88
4.	Celestica Inc.	5.81
5.	WestJet Airlines Ltd.	5.76
6.	Dorel Industries, Inc. Class B	5.18
7.	CAE Inc.	4.87
8.	Ballard Power Sytems Inc.	4.86
9.	Avigilon Corporation	4.81
10.	COM DEV International Ltd.	4.77
Top 10		59.06
Total Equities		97.57
Cash		2.43
Total Assets		100.00

Canadian Equity Fund – Sector Mix as at November 30, 2014



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.globofund.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>

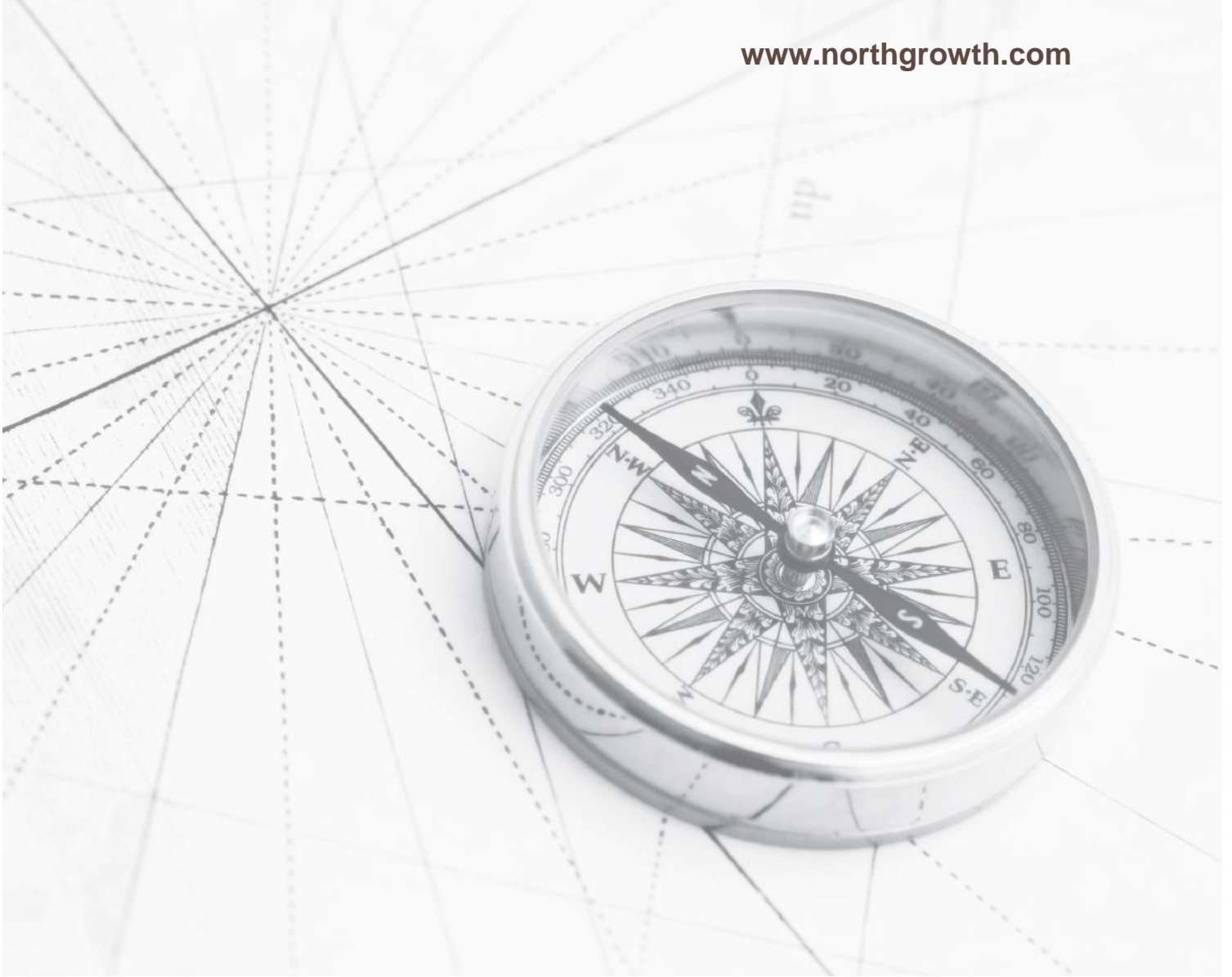
North Growth Canadian Money Market Fund

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



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