

JULY 2018 MONTHLY REPORT

AUGUST 8, 2018

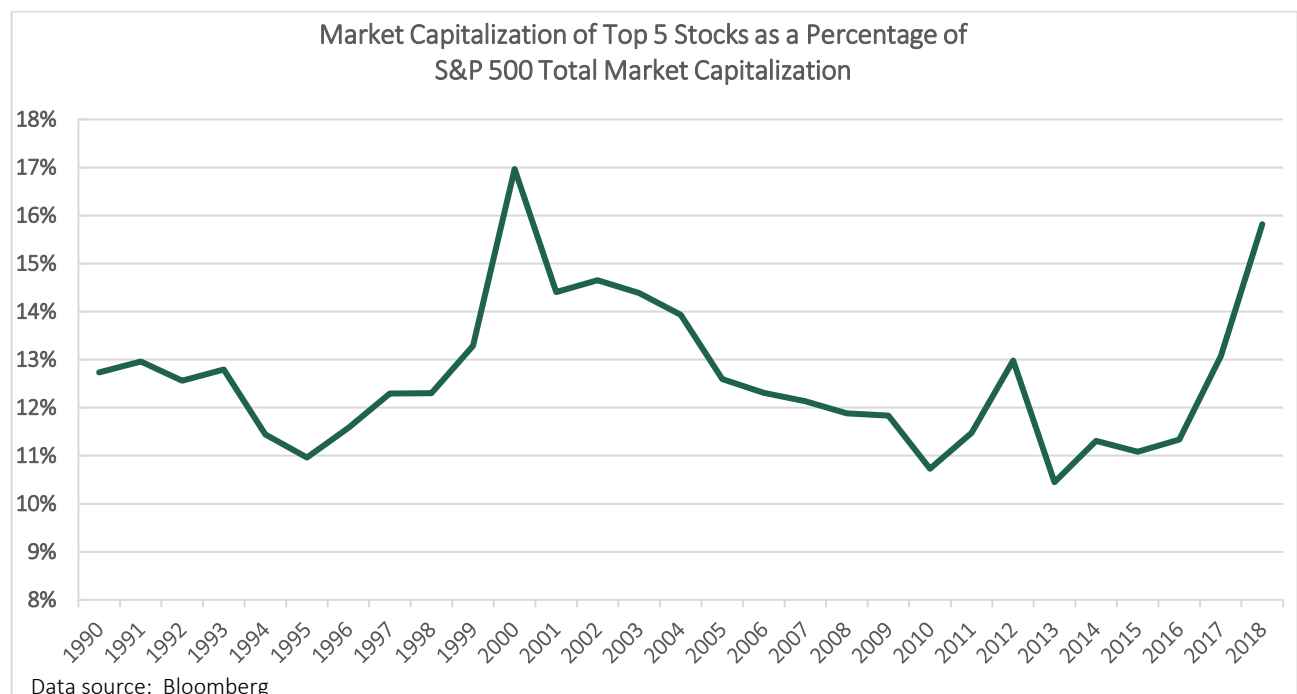
Fund Performance Update

The end of July precipitated an intensive earnings reporting season. With second quarter reports largely behind us, corporate earnings results, as widely anticipated, have been notably positive. Accordingly, the U.S. equity market indices gained to within striking distance of new highs in July.

SUMMER DOLDRUMS

Typical for this time of year, activity in the financial markets, despite the heavy earnings news flow and escalating trade tensions around the world, has been quiet. During the dog days of summer, trading volumes tumbled in July to the lowest levels in 2018.

Increasingly this year, the gains in the U.S. stock market have been driven largely by a handful of technology companies. The five biggest companies in the S&P 500 Index—Apple, Amazon, Alphabet (Google), Microsoft and Facebook—account for approximately 16% of the total market capitalization. We view the concentration of the U.S. market with growing dependence on a small number of tech giants as indication of investor complacency.



As stocks continue to climb amid historically-high equity valuations, unprecedented political uncertainty and geopolitical risks, we maintain our cautious outlook for U.S. equities. We remain committed to actively managing the U.S. Fund's risk lower by reducing the average size of the portfolio holdings and increasing the number of holdings in the Fund. As always, our focus is on the analysis of individual stocks, adhering diligently to our "growth at a reasonable price" investment philosophy.

U.S. EQUITY FUND

In July, the North Growth U.S. Equity Fund appreciated 2.3%. The Fund delivered middle-of-the-pack performance against the indices we regularly track: while it underperformed the S&P 500 and S&P 600 SmallCap indices which gained 3.7% and 3.2% respectively, it beat the S&P 400 MidCap which advanced 1.8% and was slightly ahead of the NASDAQ Composite's 2.2% return. A stronger Canadian currency for the month reduced the Fund's return to 1.1% in Canadian dollars versus the S&P 500's return of 2.5% in Canadian dollars.

CANADIAN EQUITY FUND

The North Growth Canadian Equity Fund appreciated 0.4% in July against the S&P/TSX Composite Index which gained 1.2%. Year-to-date, the Fund is also up 0.4% versus the S&P/TSX Composite's return of 3.1%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2018

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	1.11	5.83	9.68	10.91
S&P 500 in \$CDN	2.53	8.38	6.63	10.47
NGM U.S. Equity Fund \$U.S.	2.28	4.36	3.58	6.89
S&P 500 \$U.S.	3.72	6.87	0.70	6.47
S&P 400 MidCap \$U.S.	1.76	6.41	2.37	5.31
S&P 600 SmallCap \$U.S.	3.16	11.06	10.06	12.84
NASDAQ Composite \$U.S.	2.19	8.87	4.08	11.78

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2018

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	22.91	11.63	17.25	13.96	9.65	10.59	12.95
S&P 500 \$CDN	21.19	12.34	18.61	13.35	8.89	5.92	10.13
NGM U.S. Equity Fund \$U.S.	17.89	11.81	11.82	11.26	10.21	11.42	12.75
S&P 500 \$U.S.	16.24	12.52	13.12	10.67	9.44	6.72	9.93
S&P 400 MidCap \$U.S.	14.50	11.49	11.73	11.19	11.26	10.63	12.36
S&P 600 SmallCap \$U.S.	23.11	15.35	13.80	12.37	11.88	10.50	12.08
NASDAQ Composite \$U.S.	22.17	15.76	17.62	14.04	11.67	8.31	*10.55

Source: Bloomberg "Total Return Analysis" as of August 1, 2018

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

The inception of the Fund: October 13, 1992.

Unit Price	\$ 51.29 CDN
	\$ 39.41 CDN
Total Assets in Fund	\$ 555.6 Million CDN

North Growth Canadian Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2018

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	0.38	1.68	2.93	0.37
S&P / TSX \$CDN	1.15	6.07	4.58	3.12

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2018

	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	10 Yrs
NGM Canadian Equity Fund	11.91	13.88	8.24	5.14	10.02	13.80	n/a
S&P / TSX \$CDN	11.74	9.25	7.48	4.80	8.81	9.08	4.99

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

Unit Price \$ 20.65 CDN

Total Assets in Fund \$ 47.6 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2018

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
NGM Canadian Money Market Fund	1.43	1.10	0.70	0.74	0.76	1.54
30 Day Treasury Bill	N/A	0.97	0.64	0.73	0.77	1.56

* 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 1.43% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

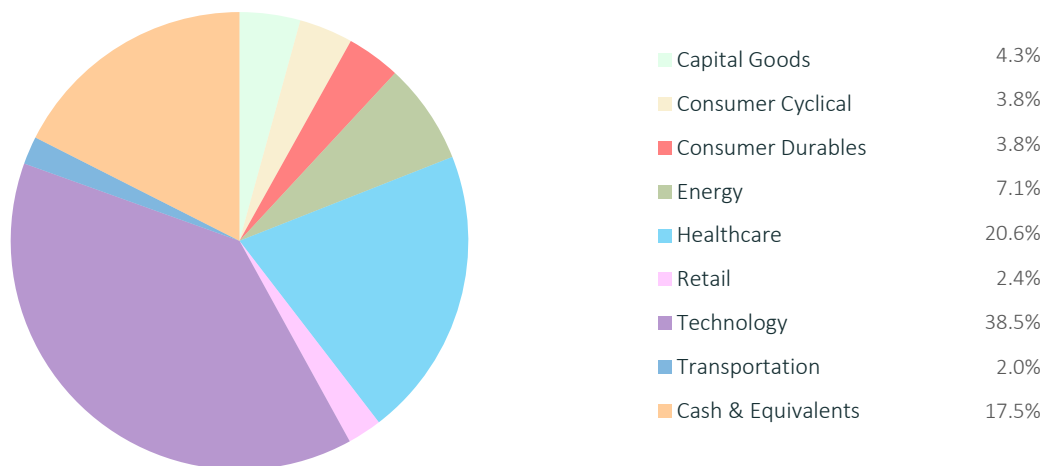
The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT JULY 31, 2018

Ranking	Security	% of Net Assets
1	Cisco Systems Inc.	5.23
2	Apple Inc.	4.40
3	Intel Corporation	3.80
4	Applied Materials Inc.	3.19
5	SolarEdge Technologies Inc.	3.03
6	American Eagle Outfitters Inc.	2.92
7	First Solar Inc.	2.72
8	Pfizer Inc.	2.64
9	Gilead Sciences Inc.	2.58
10	Amgen Inc.	2.46
Top 10		32.97
Total Equities		82.46
Cash		17.54
Total Assets		100.00

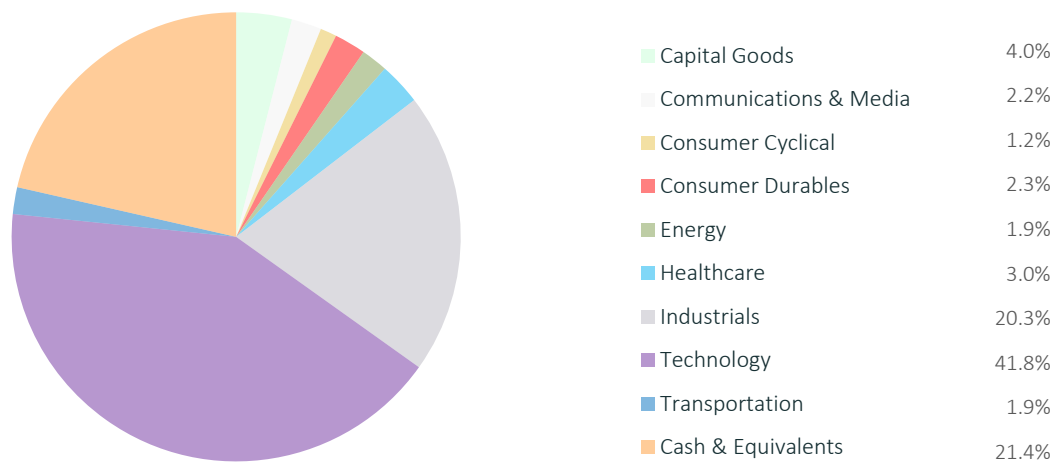
U.S. EQUITY FUND — SECTOR MIX AS AT JULY 31, 2018



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT JULY 31, 2018

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	10.48
2	Bombardier Inc., Class B	7.86
3	Open Text Corporation	5.17
4	EXFO Inc.	5.11
5	CAE Inc.	5.11
6	Sierra Wireless Inc.	5.05
7	Heroux-Devtek Inc.	5.00
8	Maxar Technologies Ltd.	4.87
9	ATS Automation Tooling Systems Inc.	4.01
10	Celestica Inc.	3.23
Top 10		55.89
Total Equities		78.56
Cash		21.44
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT JULY 31, 2018



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:

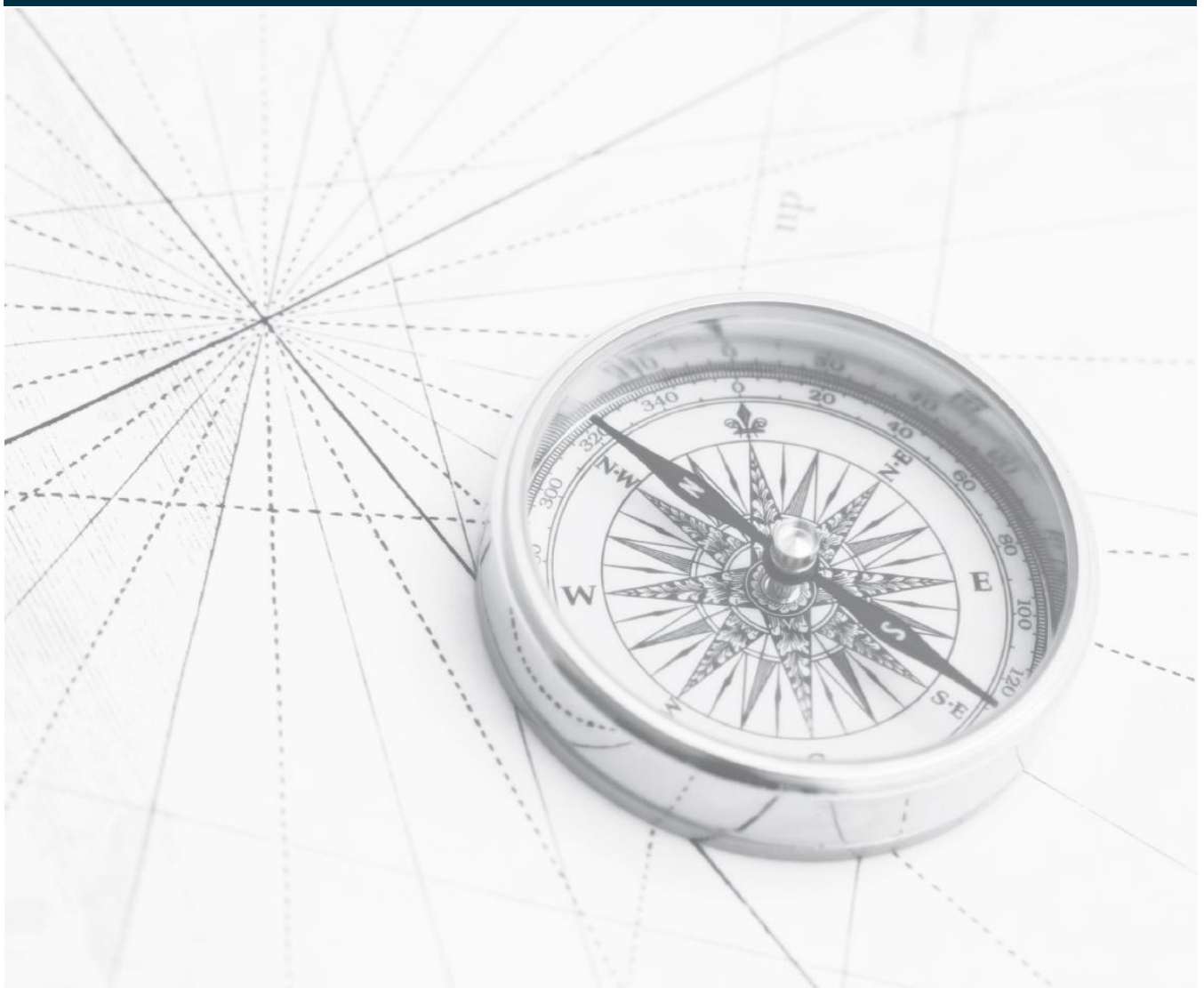
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WHERE TO FIND NGM FUND PRICES

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.



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