

NOVEMBER 2018 MONTHLY REPORT

DEC. 17, 2018

Fund Performance Update

U.S. equities experienced much turbulence in November—the S&P 500 initially rallied 3.5% before falling more than 6% and finally climbing nearly 5% to end the month up 2%.

Unexpected comments from Federal Reserve Chairman, Jerome Powell, signalling that the end to interest rate hikes may be near boosted the financial markets during the latter part of November. Despite this, the looming U.S.-China trade conflict and dysfunctional political climate in the United States remain, along with renewed worries about peaking economic and corporate earnings growth.

THIRD QUARTER EARNINGS

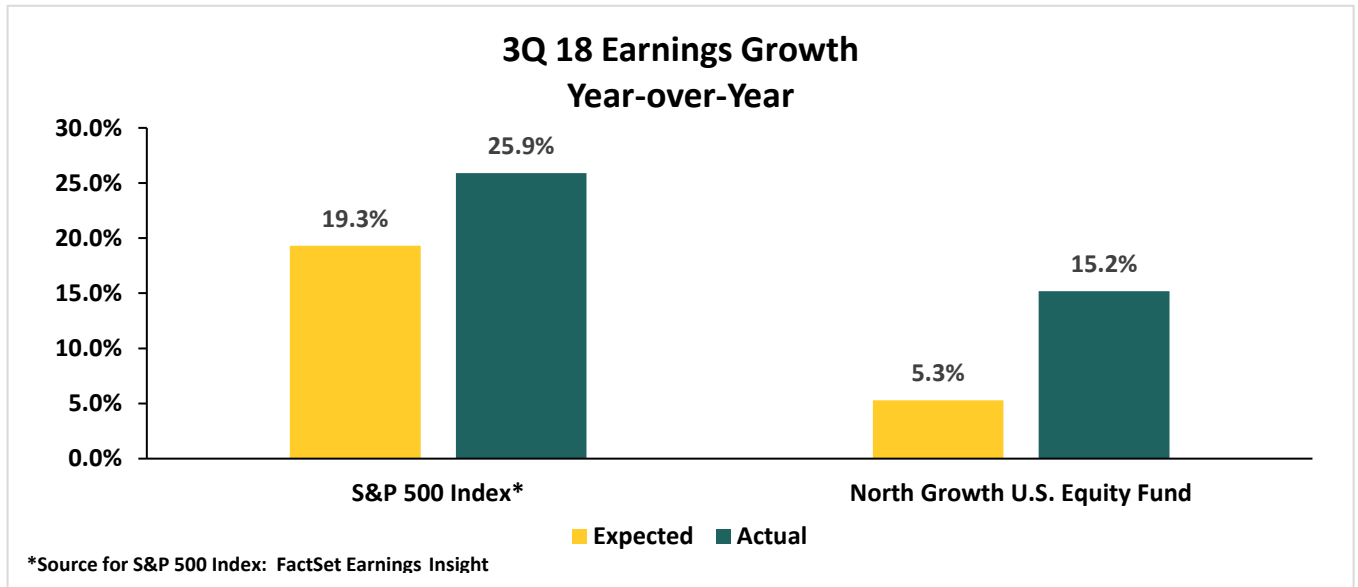
The third quarter of 2018 was another exceptionally strong period for earnings growth. We have been pleased with the vast majority of the results of the companies in the North Growth U.S. Equity Fund to date.

With over 90% of the portfolio having reported by now, profits on a weighted-average basis in the July-to-September quarter increased 15.2% over a year ago versus estimates of 5.3% growth. And 90% of the portfolio's earnings results have exceeded analysts' estimates.

For the market in general, earnings during the latest quarter increased 25.9% while sales grew 9.3%. The S&P 500 Index recorded the highest quarterly earnings growth rate since the third quarter of 2010, with all eleven sectors reporting year-over-year earnings growth. Nine sectors reported double-digit increases in profit growth, led by the Energy, Financials, Materials and Communication Services sectors. Again, the Energy sector, reporting an unusually high 121% growth rate, came in at the top of all eleven sectors, driven by significantly higher oil prices year-over-year.

According to FactSet, with nearly all the companies in the S&P 500 having reported earnings as of November 23rd, 78% of the reporting companies delivered positive earnings surprises while 61% beat sales estimates. At the sector level, the Information Technology sector had the highest percentage of companies reporting earnings above estimates whereas the Energy sector had the lowest.

Although below the S&P 500 growth rate this quarter, the earnings growth profile of the U.S. Fund continues to be consistently solid and broad-based.



OUR VIEW

Overall, while we remain cautious in our outlook for U.S. equities, we are finding more opportunities to actively manage the Fund's risk lower by emphasizing the value aspect of our discipline. Over the past few months, as a growing number of high-calibre companies' stocks have underperformed significantly despite continued robust earnings results, valuation levels for such names are at or approaching a reasonable range.

As always, we maintain focused on the analysis of individual stocks and adhere diligently to our "growth at a reasonable price" investment discipline.

FUND DISTRIBUTIONS

This year, Friday, December 14th was the distribution date for the U.S. Equity Fund and Canadian Equity Fund. The distribution for the U.S. Fund is approximately 15% of the current unit price or \$7.05 per unit (consisting of \$0.07 income and \$6.98 capital gains). For the Canadian Fund, the distribution is around 4% of the current unit price or \$0.69 per unit (all capital gains).

Unitholders of the North Growth Funds can expect to receive their T-3 tax slips by mail around the end of January or beginning of February.

U.S. EQUITY FUND

In November, the North Growth U.S. Equity Fund appreciated 2.7%. With the exception of the S&P 400 MidCap Index which gained 3.1%, the Fund outperformed all the indices we regularly track: the S&P 500 which advanced 2.0%, and the S&P 600 SmallCap and NASDAQ Composite which were up 1.5% and 0.5% respectively. A weaker Canadian currency boosted the Fund's return for the month to 3.9% in Canadian dollars versus the S&P 500's return of 3.3% in Canadian dollars.

CANADIAN EQUITY FUND

The North Growth Canadian Equity Fund declined 4.4% in November whereas the S&P/TSX Composite Index gained 1.4%. Year-to-date, the Fund is down 12.0% versus the S&P/TSX's return of -3.7%.

HAPPY HOLIDAYS!!

All of us at North Growth wish you and yours a very joyous holiday season! All the best for 2019!

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2018

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	3.93	-4.45	0.81	9.23
S&P 500 in \$CDN	3.27	-2.59	5.83	11.44
NGM U.S. Equity Fund \$U.S.	2.69	-6.21	-1.86	3.02
S&P 500 \$U.S.	2.04	-4.40	3.02	5.11
S&P 400 MidCap \$U.S.	3.12	-7.74	-2.71	0.26
S&P 600 SmallCap \$U.S.	1.50	-12.02	-3.77	4.08
NASDAQ Composite \$U.S.	0.50	-9.35	-0.98	7.26

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2018

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	7.22	10.43	14.30	15.86	8.92	10.88	12.71
S&P 500 \$CDN	9.68	12.02	16.24	15.15	8.99	5.67	10.03
NGM U.S. Equity Fund \$U.S.	3.89	10.57	9.27	15.02	8.75	11.66	12.42
S&P 500 \$U.S.	6.27	12.16	11.12	14.32	8.82	6.42	9.75
S&P 400 MidCap \$U.S.	0.48	10.48	9.27	15.60	9.89	10.26	11.98
S&P 600 SmallCap \$U.S.	3.54	12.40	9.42	15.76	10.26	10.36	11.57
NASDAQ Composite \$U.S.	7.79	14.14	13.92	18.32	10.45	7.86	*10.22

Source: Bloomberg "Total Return Analysis" as of Dec.3, 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	\$ 50.51 CDN
	\$ 37.98 CDN
Total Assets in Fund	\$ 545.9 Million CDN

North Growth Canadian Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2018

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund	-4.39	-14.13	-12.14	-11.98
S&P / TSX \$CDN	1.39	-5.82	-3.92	-3.68

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2018

	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	10 Yrs
NGM Canadian Equity Fund	-12.78	6.45	6.47	2.25	5.04	11.06	n/a
S&P / TSX \$CDN	-2.53	3.36	7.24	3.81	5.63	6.82	8.23

* 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 \$ 18.11 CDN

Total Assets in Fund \$ 41.7 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2018

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
NGM Canadian Money Market Fund	1.73	1.33	0.82	0.79	0.73	1.52
30 Day Treasury Bill	N/A	1.20	0.76	0.76	0.75	1.53

* 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 1.73% which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

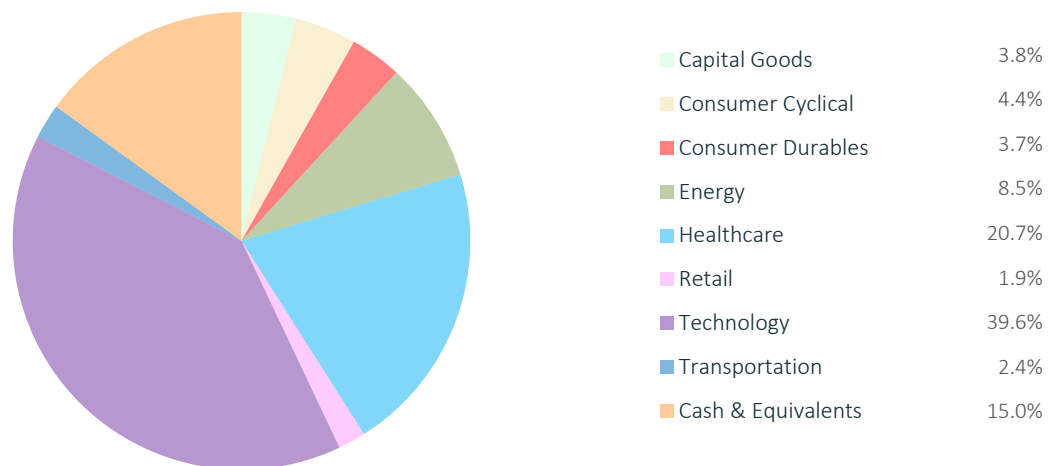
The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2018

Ranking	Security	% of Net Assets
1	Cisco Systems Inc.	5.82
2	Intel Corporation	4.06
3	Apple Inc.	3.63
4	First Solar Inc.	3.49
5	SolarEdge Technologies Inc.	3.17
6	American Eagle Outfitters Inc.	3.01
7	Applied Materials Inc.	2.91
8	Celgene Corp.	2.78
9	Amgen Inc.	2.71
10	Gilead Sciences Inc.	2.48
Top 10		34.06
Total Equities		84.98
Cash		15.02
Total Assets		100.00

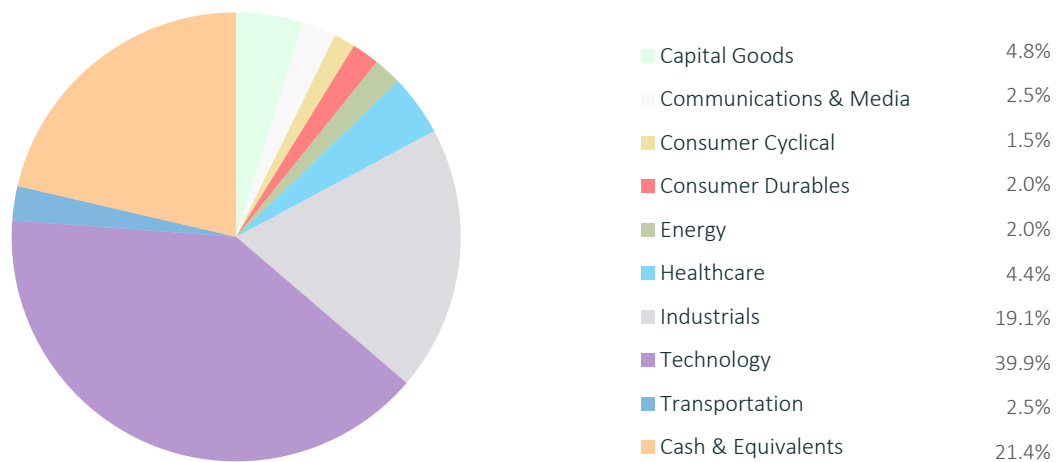
U.S. EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 2018



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2018

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	11.65
2	Sierra Wireless Inc.	5.84
3	CAE Inc.	5.80
4	Open Text Corporation	5.54
5	Bombardier Inc., Class B	5.39
6	Heroux-Devtek Inc.	5.13
7	ATS Automation Tooling Systems Inc.	4.80
8	EXFO Inc.	4.78
9	Celestica Inc.	3.27
10	Magellan Aerospace Corp.	2.78
Top 10		54.98
Total Equities		78.64
Cash		21.36
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 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:

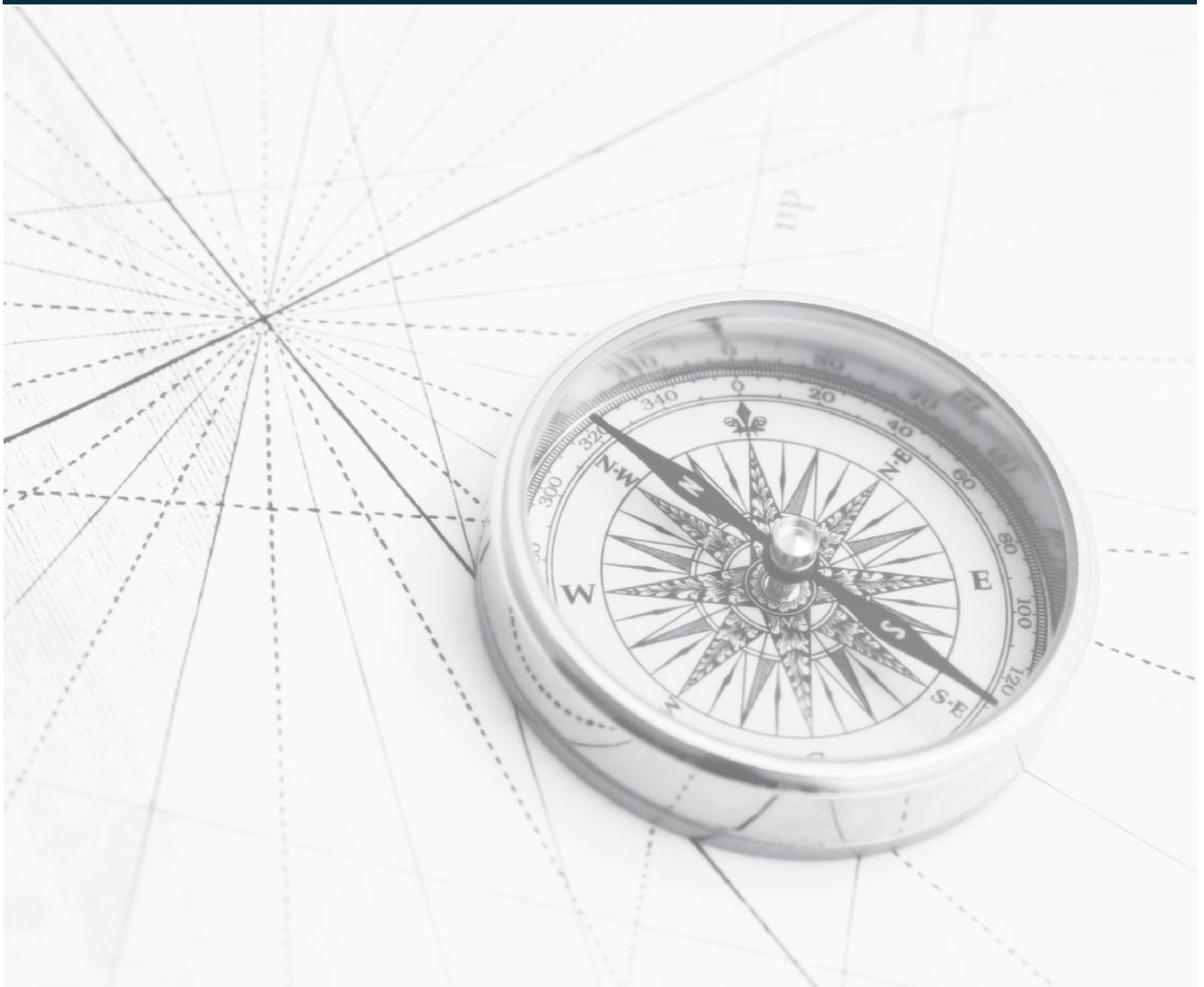
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WHERE TO FIND NGM FUND PRICES

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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