

JULY 2019 MONTHLY REPORT

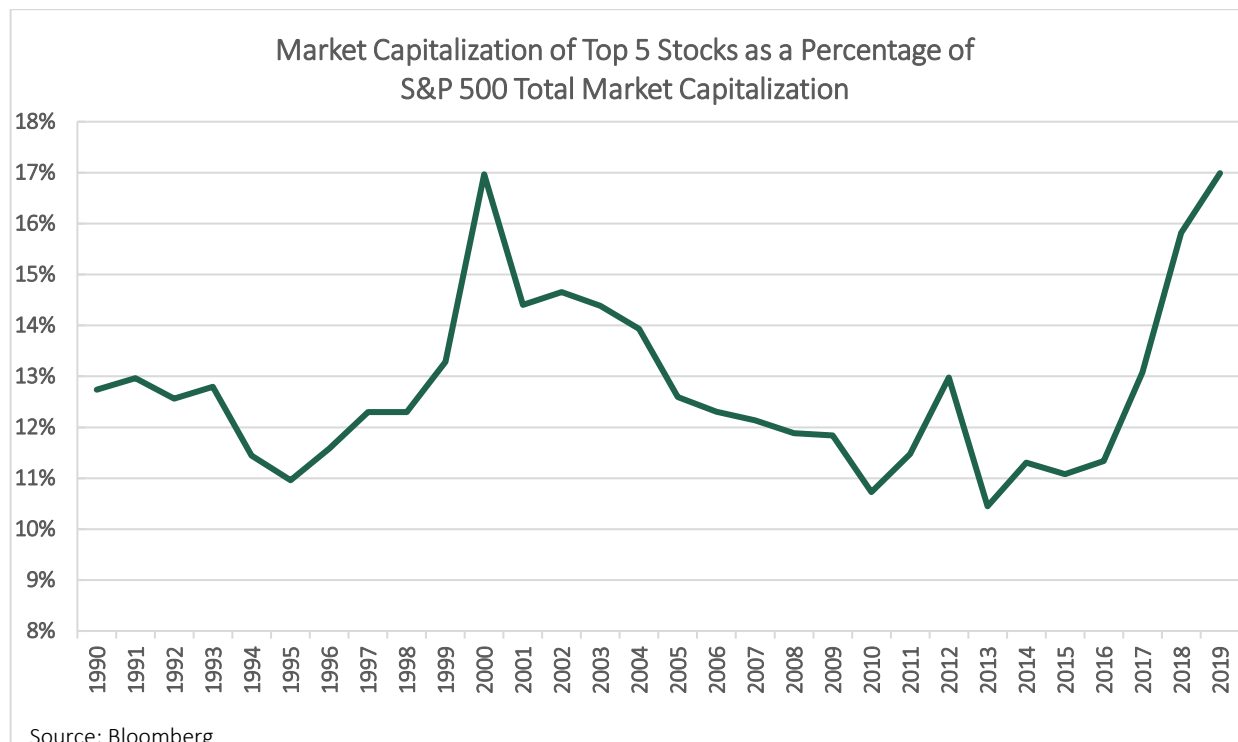
AUGUST 12, 2019

Fund Performance Update

The end of July precipitated an intensive earnings reporting season. With second quarter reports largely behind us, corporate earnings, while generally better than expected, continued to decline year-over-year. Nonetheless, U.S. equities rallied during the month on the prospects of a cut in interest rates by the Federal Reserve on July 31st which occurred as widely anticipated.

INCREASINGLY CROWDED TRADES

Over the past year, the gains in the U.S. stock market have been driven increasingly by a handful of large-capitalization technology companies. The five biggest companies in the S&P 500 Index—Microsoft, Apple, Amazon, Alphabet (Google), and Facebook—account for approximately 17% of the total market capitalization. Furthermore, a recent study by Bank of America Merrill Lynch found that shares that achieved the most gains last year are valued nearly 25% higher compared with their next 12 months of earnings, supporting the unhealthy phenomenon that the U.S. market is becoming increasingly narrow with concentration in fewer names.



We maintain our cautious outlook for U.S. equities. As corporate earnings have fallen over the past two quarters while shares have continued to rally, the gains in the U.S. stock market have been built upon multiple expansions. On the bright side, with an increasingly concentrated market, there are a growing number of names that have underperformed disproportionately this year and appear to be trading at attractive valuations.

We remain focused on identifying such opportunities, and as always, direct our efforts to the analysis of individual equities that adhere to our long term “growth at a reasonable price” investment philosophy.

U.S. EQUITY FUND

In July, the North Growth U.S. Equity Fund gained 2.2%. The Fund outperformed all the indices we regularly follow except for the NASDAQ Composite with which it performed in-line: the S&P 500 Index appreciated 1.4%, the S&P 400 MidCap and S&P 600 SmallCap advanced 1.2% and 1.1% respectively, while the NASDAQ increased 2.2%. A slight weakening of the Canadian currency last month against its U.S. counterpart boosted the Fund’s return in Canadian dollars to 2.6% versus the S&P 500 which was up 1.9% in Canadian dollars.

CANADIAN EQUITY FUND

The North Growth Canadian Equity Fund appreciated 0.7% in July, outperforming the S&P/TSX Composite which gained 0.3%. Year-to-date, the Fund is up 25.1% versus the S&P/TSX Composite’s return of 16.6%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2019

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	2.64	1.33	11.08	16.13
S&P 500 in \$CDN	1.91	-0.40	11.36	15.89
NGM U.S. Equity Fund \$U.S.	2.17	3.45	11.04	20.49
S&P 500 \$U.S.	1.44	1.69	11.32	20.24
S&P 400 MidCap \$U.S.	1.19	0.24	8.07	19.38
S&P 600 SmallCap \$U.S.	1.14	-0.82	3.93	14.98
NASDAQ Composite \$U.S.	2.16	1.28	12.90	23.95

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2019

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	7.79	12.41	13.80	15.29	9.63	10.69	12.75
S&P 500 \$CDN	9.07	13.62	15.58	16.32	9.02	5.43	10.09
NGM U.S. Equity Fund \$U.S.	6.72	12.15	9.62	13.02	9.71	11.44	12.52
S&P 500 \$U.S.	7.99	13.36	11.34	14.03	9.10	6.15	9.86
S&P 400 MidCap \$U.S.	0.79	9.79	9.23	13.82	10.11	9.70	11.91
S&P 600 SmallCap \$U.S.	-6.75	10.54	9.89	14.00	9.93	9.86	11.31
NASDAQ Composite \$U.S.	7.77	17.88	14.73	16.65	11.57	6.85	*10.40

Source: Bloomberg "Total Return Analysis" as of August 1, 2019

* 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	\$ 47.15 CDN \$ 35.86 US
Total Assets in Fund	\$ 538.7 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JULY 31, 2019

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
NGM Canadian Money Market Fund	1.60	1.67	1.09	0.90	0.80	1.50
30 Day Treasury Bill	N/A	1.61	1.04	0.87	0.81	1.51

** 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 1.60 % which is lower than many other mainstream money market funds and even short term GICs at top tier Canadian banks.

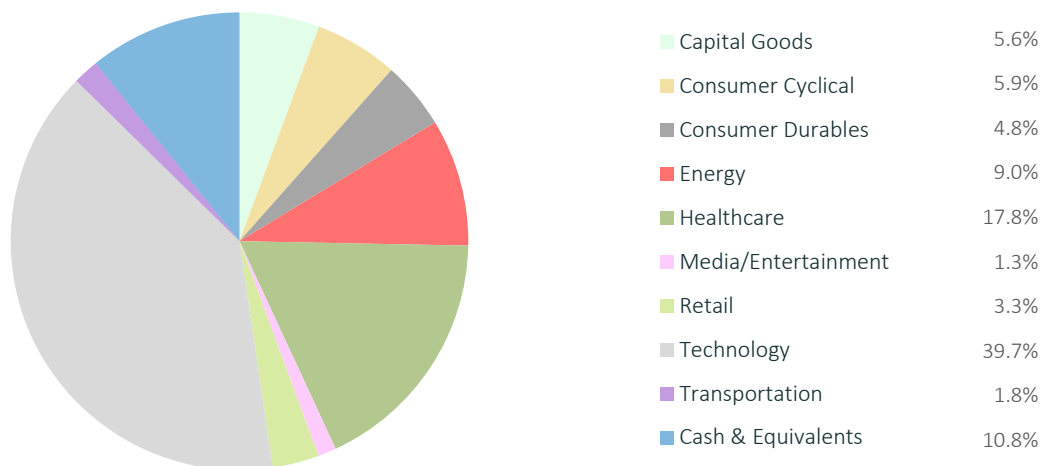
The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate but its yield will not become competitive again unless other money market funds begin to increase their management fees back to their historic levels.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT JULY 31, 2019

Ranking	Security	% of Net Assets
1	Cisco Systems Inc.	5.79
2	First Solar Inc.	5.07
3	Applied Materials Inc.	3.86
4	Intel Corporation	3.40
5	Ciena Corp	3.19
6	American Eagle Outfitters Inc.	2.96
7	Jabil Inc.	2.69
8	Apple Inc.	2.58
9	Zimmer Biomet Holdings Inc.	2.53
10	Amgen Inc.	2.43
Top 10		34.50
Total Equities		89.18
Cash		10.82
Total Assets		100.00

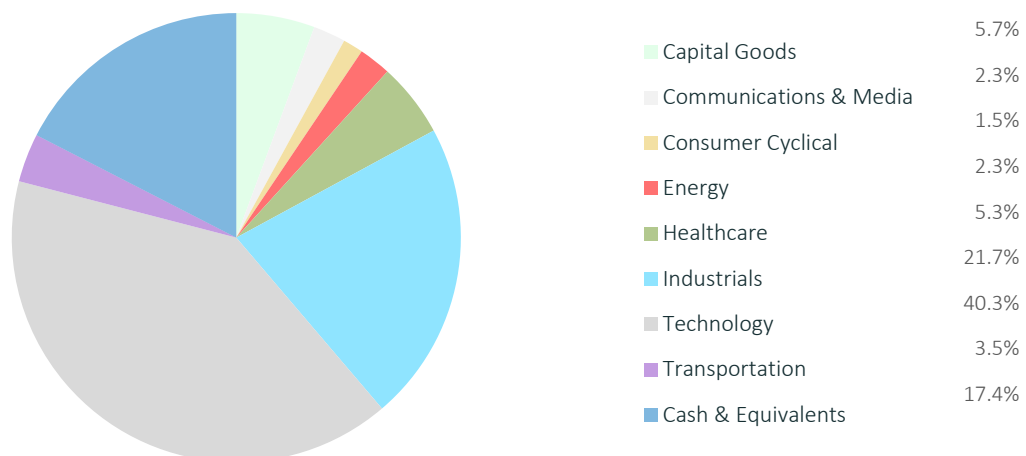
U.S. EQUITY FUND — SECTOR MIX AS AT JULY 31, 2019



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT JULY 31, 2019

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	11.07
2	CAE Inc.	7.25
3	Hydrogenics Corp.	7.18
4	Heroux-Devtek Inc	6.60
5	Open Text Corporation	6.50
6	ATS Automation Tooling Systems Inc.	5.65
7	Bombardier Inc., Class B	5.23
8	EXFO Inc.	4.07
9	Sierra Wireless Inc.	4.03
10	Westjet Airlines Ltd.	3.50
Top 10		61.08
Total Equities		82.54
Cash		17.46
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT JULY 31, 2019



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:

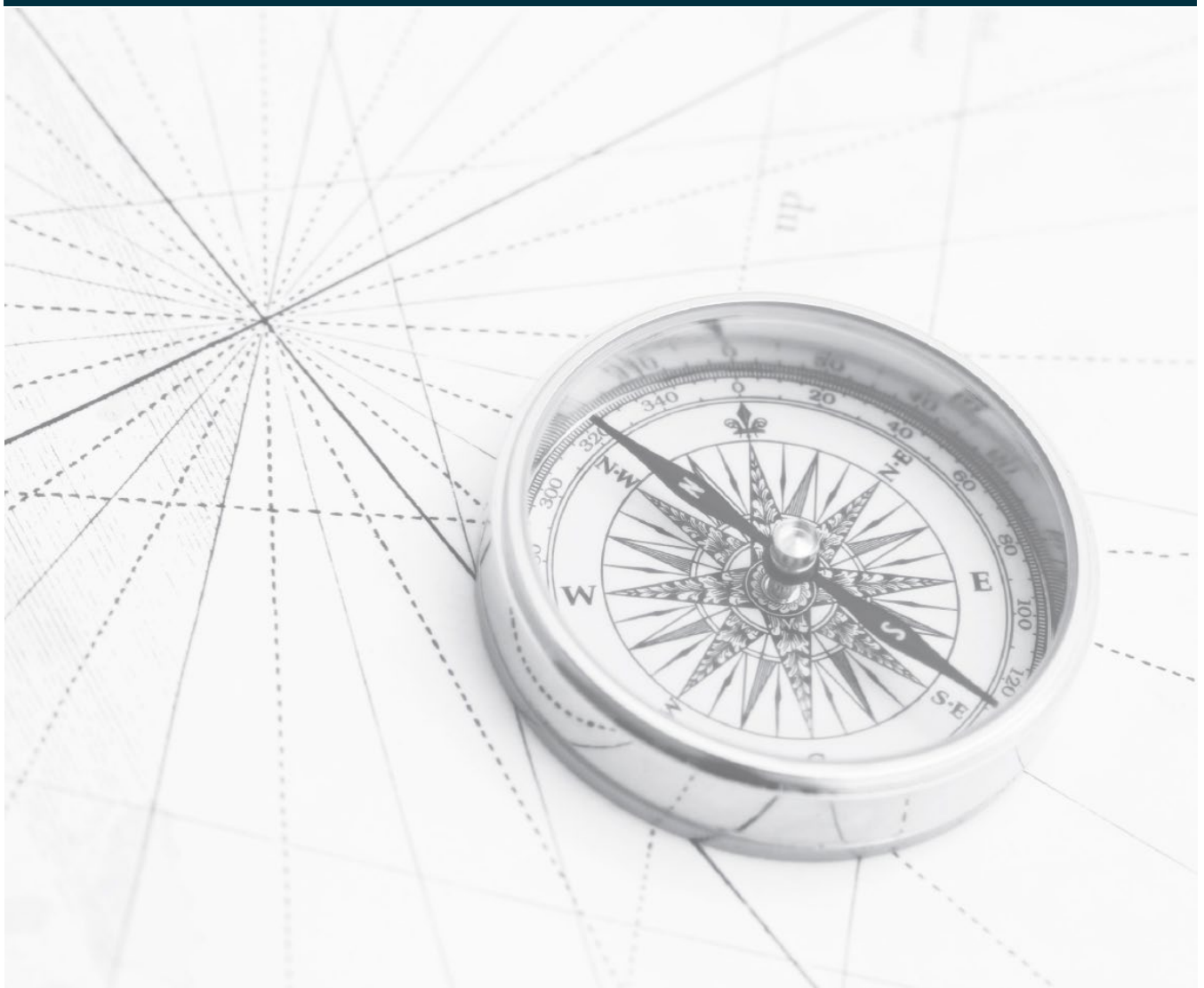
North Growth Management Ltd.

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.



Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

T: 604-688-5440
F: 604-688-5402
info@northgrowth.com

northgrowth.com