



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2019

NORTH GROWTH CANADIAN EQUITY FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 2019

This interim management report of fund performance contains financial highlights, but does not contain the financial statements of the investment fund. You can obtain a copy of the unaudited interim or audited annual financial statements at your request, and at no cost, by calling collect 1-604-688-5440, by writing to us at North Growth Management Ltd., Suite 830 One Bentall Centre, 505 Burrard Street, Box 56, Vancouver, BC V7X 1M4 or by visiting our website at www.northgrowth.com or SEDAR at www.sedar.com.

Security holders may also contact us by using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. The investment fund's Simplified Prospectus, Annual Information Form and Fund Facts are similarly available.

A Note on Forward-Looking Statements

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the risks detailed from time to time in the Fund's simplified prospectus. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. The Manager of the Fund does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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Management Discussion of Fund Performance

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the North Growth Canadian Equity Fund (the “Fund”) is to provide long-term capital growth by investing in common shares of Canadian-based corporations in line with our carbon free mandate. In order to achieve this objective, we invest in companies that are undervalued in relation to their expected growth potential. In assessing which companies fit within our “growth at a reasonable price” strategy, we look for superior growth trends, companies within industries that should provide a positive environment for future growth, companies that are dominant within an industry or that have a niche within an industry, and companies with management teams that are likely to guide their companies to superior growth.

RISK

This Fund is ideally suited for investors looking for long-term capital appreciation through investment in equity securities of Canadian corporations. Investors should have a medium to high tolerance for risk and a minimum investment horizon of five years.

There were no significant changes to the Fund’s overall level of risk during the year. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus. The Fund classifies risk using the methodology prescribed in *National Instrument 81-102 – Investment Funds*.

RESULTS OF OPERATIONS

For the six months ending June 30, 2019, the Fund rebounded strongly over the prior six-month period ending December 31, 2018. Series F units gained 24.43% while the Series D units gained 24.25%, both outperforming the S&P/TSX Composite Index gain of 16.22%. The difference in performance between the Series F units and the Series D units is attributed to the 0.30% per annum trailing commission on the Series D units.

During the first half of 2019, no new positions were added to the Fund while three positions were eliminated-- Dorel Industries, Pixelworks and exactEarth. The Fund exited our position in Dorel following ongoing weak operational results and deteriorating credit qualities. Pixelworks and exactEarth, the Fund’s smallest positions in the portfolio at less than 0.5% respectively, were eliminated to focus resources on other core holdings. During the latter part of the period, Onex Corp. announced the

acquisition of WestJet Airlines and Cummins Inc. announced the acquisition of Hydrogenics. Both transactions are expected to be completed during 2019.

The Fund reduced its largest position, Ballard Power Systems, as it grew to represent more than 10% of the portfolio. As context, the Fund had added to the position in 2018 following stock price weakness but had grown meaningfully as a result of price appreciation and relative movements within the Fund. The Fund also reduced its holdings in EXFO given decreased confidence in the growth prospects of the company.

Please refer to the North Growth Canadian Equity Fund Prospectus and AIF for more detailed information about Series D and Series F units of the Fund. You can get a copy of these documents, at your request, and at no cost, from your dealer. They are also available on the North Growth website at www.northgrowth.com, or on SEDAR at www.sedar.com.

RECENT DEVELOPMENTS

Following a weak fourth quarter in 2018, the Canadian equity market rebounded to reach near record highs by the end of June. Many other major global markets participated in the rally as well, lifted by a more dovish stance from the U.S. Federal Reserve despite escalating U.S. and China trade tensions, slowing corporate earnings growth and weakening global macroeconomic conditions.

The Fund remains a highly concentrated portfolio with 19 holdings and may produce returns that have greater variability than other Canadian equity funds. During the six-month period ending June 30, 2019, there has been no material changes to the strategic positioning of the Fund.

After serving as member of the Fund's Independent Review Committee since its inception over 9 years ago, John Graf resigned at the end of June 2019. He is replaced in this role by Tony Barke, an independent advisor and board member with 38 years of audit experience, most recently as a senior partner at Deloitte and previously with Arthur Andersen. He is currently the Chair of the Audit Committee of CTBC Bank Corp. (Canada) and the Chair of the BCIT Foundation.

RELATED PARTY TRANSACTIONS

North Growth Management Ltd. is the Manager and portfolio advisor of the Fund. It provides investment and portfolio management services to the Fund and is responsible for the overall operations of the Fund. The Fund pays the Manager for services provided (see Management Fee).

During the period ended June 30, 2019, the Manager neither purchased nor redeemed units of the Fund (2018 – none).

At June 30, 2019, affiliates, officers and directors of the Manager owned 59.64% (December 31, 2018 – 60.90%) of the outstanding units of the Fund.

On June 30, 2019, the Fund carried an outstanding payable balance to the Manager for management fees in the amount of \$35,665 (December 31, 2018 – \$32,526).

Financial Highlights

For the interim period ended June 30, 2019, and for the comparative years ended December 31, 2014 through 2018

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2019 and December 31 of any other periods shown.

SERIES F

Net Assets per unit ¹ Series F	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Net Assets, beginning of period	\$16.40	\$20.70	\$17.07	\$17.73	\$20.15	\$18.23
Increase (decrease) from operations						
Total revenue	0.10	0.22	0.17	0.25	0.18	0.19
Total expenses	(0.07)	(0.16)	(0.16)	(0.17)	(0.21)	(0.28)
Realized (losses) gains for the period	(0.38)	0.57	1.82	1.18	0.26	2.45
Unrealized gains (losses) for the period	4.31	(4.23)	3.31	(0.68)	(2.45)	1.15
Total Increase (Decrease) from Operations ²	4.03	(4.09)	5.14	0.58	(2.42)	3.51
Distributions:						
From capital gains	-	(0.69)	(1.54)	(1.22)	-	(1.52)
Total Annual Distribution³	-	(0.69)	(1.54)	(1.22)	-	(1.52)
Net assets at end of period shown	\$20.40	\$16.40	\$20.70	\$17.07	\$17.73	\$20.15

SERIES N

The Fund's Net Assets Per Unit ¹ Series N	June 30, 2019	2018	December 31, 2017	2016	2015	2014
Net Assets, beginning of period	\$16.24	\$20.58	\$17.01	\$17.01	\$20.15	\$18.24
Increase (decrease) from Operations						
Total revenue	0.10	0.22	0.17	0.25	0.18	0.19
Total expenses	(0.09)	(0.21)	(0.20)	(0.21)	(0.24)	(0.28)
Realized (loss) gains for the period	(0.38)	0.57	1.82	1.18	0.26	2.45
Unrealized gain (losses) for the period	4.31	(4.23)	3.31	(0.68)	(2.65)	1.15
Total (decrease) increase from Operations ²	3.93	3.63	5.10	0.54	(2.45)	3.51
Distributions:						
From capital gains	-	(0.69)	(1.54)	(1.22)	-	(1.52)
Total Annual Distribution³	-	(0.69)	(1.54)	(1.22)	-	(1.52)
Net Assets, End of Period Shown	\$20.68	\$16.24	\$20.58	\$17.01	\$17.70	\$20.15

SERIES D

The Fund's Net Assets Per Unit ¹ Series D	June 30		December 31,			
	2019	2018	2017	2016	2015	2014
Net Assets, beginning of period	\$16.59	\$20.88	\$17.20	\$17.77	\$20.28	\$18.26
Increase (decrease) from operations						
Total revenue	0.10	0.22	0.17	0.25	0.18	0.19
Total expenses	(0.10)	(0.22)	(0.20)	(0.25)	(0.29)	(0.38)
Realized gain for the period	(0.38)	(0.57)	1.82	1.18	0.26	2.45
Unrealized (loss) gain for the period	4.31	(4.23)	3.31	0.68	(2.65)	1.15
Total increase/(decrease) from Operations ²	4.01	(3.93)	5.10	0.50	(2.50)	3.41
Distribution:						
From capital gains	-	(0.59)	(1.47)	(1.08)	-	(1.33)
Total Annual Distribution ³	-	(0.59)	(1.47)	(1.08)	-	(1.33)
Net assets at end of period shown	\$20.61	\$16.59	\$20.88	\$17.20	\$17.77	\$20.28

- This information is derived from the Fund's unaudited interim and audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes due to the timing of unitholder transactions during the period. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the Net Assets at end of period shown balance.*
- Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from investment operations is based on the weighted average number of units outstanding over the financial year.*
- Distributions were paid in cash or reinvested in additional units of the Fund.*

RATIOS AND SUPPLEMENTAL DATA

Ratios and Supplemental Data Series F	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁴	\$1,803	\$1,586	\$1,605	\$1,260	\$1,482	\$1,539
Number of units outstanding (000's)	88	97	78	74	83	76
Management expense ratio (January – June) ⁵	0.70%	0.70%	0.90%	0.90%	1.25%	1.25%
Management expense ratio (July – December)	-	0.70%	0.70%	0.90%	0.90%	1.25%
Management expense ratio before waivers and absorptions ⁶	0.75%	0.73%	0.82%	0.91%	1.09%	1.28%
Trading expense ratio	0.02%	0.06%	0.10%	0.09%	0.06%	0.09%
Portfolio turnover rate ⁷	2.05%	17.27%	7.62%	17.86%	11.97%	17.09%
Net asset value per unit	\$20.40	\$16.40	\$20.70	\$17.07	\$17.73	\$20.15

Ratios and Supplemental Data Series N	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁴	\$40,551	\$35,708	\$42,997	\$34,744	\$35,041	\$39,462
Number of units outstanding (000's)	2,009	2,198	2,090	2,042	1,979	1,959
Management expense ratio (January – March) ⁵	1.00%	1.00%	1.08%	1.08%	1.25%	1.25%
Management expense ratio (April – December)	-	1.00%	1.00%	1.08%	1.20%	1.25%
Management expense ratio before waivers and absorptions ⁶	1.05%	1.03%	1.06%	1.12%	1.26%	1.28%
Trading expense ratio	0.02%	0.06%	0.10%	0.09%	0.06%	0.09%
Portfolio turnover rate ⁷	2.05%	17.27%	7.62%	17.86%	11.97%	17.09%
Net asset value per unit	\$20.68	\$16.24	\$20.58	\$17.01	\$17.70	\$20.15

Ratios and Supplemental Data Series D	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁴	\$1,460	\$1,203	\$981	\$580	\$1,102	\$1,337
Number of units outstanding (000's)	71	73	47	34	62	66
Management expense ratio, (January – June) ⁵	1.00%	1.00%	1.20%	1.20%	1.75%	1.75%
Management expense ratio (July – December)	-	1.00%	1.00%	1.20%	1.20%	1.75%
Management expense ratio before waivers and absorptions ⁶	1.05%	1.03%	1.05%	1.35%	1.52%	1.77%
Trading expense ratio ⁷	0.02%	0.06%	0.10%	0.09%	0.06%	0.09%
Portfolio turnover rate ⁸	2.05%	17.27%	7.62%	17.86%	11.97%	17.09%
Net asset value per unit	\$20.61	\$16.59	\$20.88	\$17.20	\$17.77	\$20.28

4. *This information is provided as at June 30 for the interim period of 2019 and December 31 of the comparative years shown.*
5. *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.*
6. *The Manager pays all fees related to the IRC; the Management expense ratio before waivers and absorptions represents what the MER would be if the Fund paid the IRC fees.*
7. *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.*
8. *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*

Management Fee

North Growth Management Ltd. is the portfolio advisor and manager of the Fund and receives a management fee from the Fund for these services. The Fund has three series: Series D, Series F and Series N. Management fees are calculated daily and payable monthly, at an annual rate of 0.70% for Series F and D of the Fund. The Series N management fee is calculated at an annual rate of 1.00%.

The Manager pays all operating costs of the Fund except for brokerage fees, any taxes payable, interest charges if any, and trailer fees. It is not reimbursed for these costs.

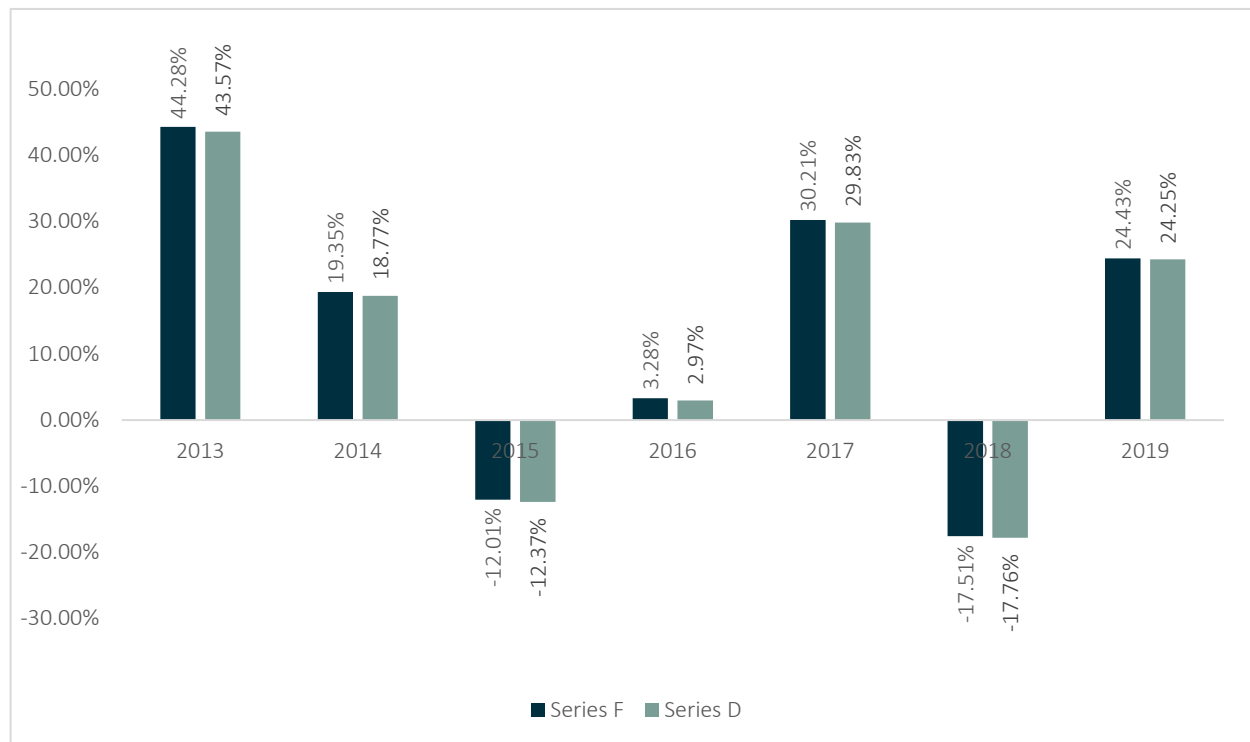
The Fund is distributed by registered dealers. Series D units pay a trailing commission of 0.30%. Series F units are available through dealers who are generally compensated by their clients on a fee-for-service basis. Series N units are distributed on an exempt market basis.

Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future and is based on the net asset value of the Fund.

INTERIM AND YEAR-BY-YEAR RETURNS

The bar charts indicate the Fund's performance for the interim period ended June 30, 2019 and the comparative years ended December 31, 2018, 2017, 2016, 2015, 2014, and 2013. The bar charts show in percentage terms how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year or interim period shown in Canadian dollars.



Summary of Performance Expressed in Canadian Dollars

ANNUAL COMPOUND RETURNS AND ANNUAL RETURN

The table below shows the annual return for each series, and the annual compound rate of return of each series for the periods indicated compared to the S&P/TSX Composite Total Return Index in Canadian dollar terms. The S&P/TSX Composite Total Return Index is widely regarded as the best single gauge of the Canadian equities market. It is comprised of leading companies in leading industries of the Canadian economy.

	Year Ended June 30, 2019	Past 3 Years	Past 5 Years	*Since Inception
Series F	2.50 %	12.81 %	4.43 %	12.32 %
Series D	2.20 %	12.47 %	4.08 %	11.89 %
S&P/TSX \$CDN	3.87 %	8.39 %	4.67 %	8.43 %

* For the purpose of calculating returns, the inception date used is June 15, 2012.

Summary of Investment Portfolio as at June 30, 2019

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. It is updated quarterly, within 60 days of quarter end, and is available as indicated on the front cover of this report.

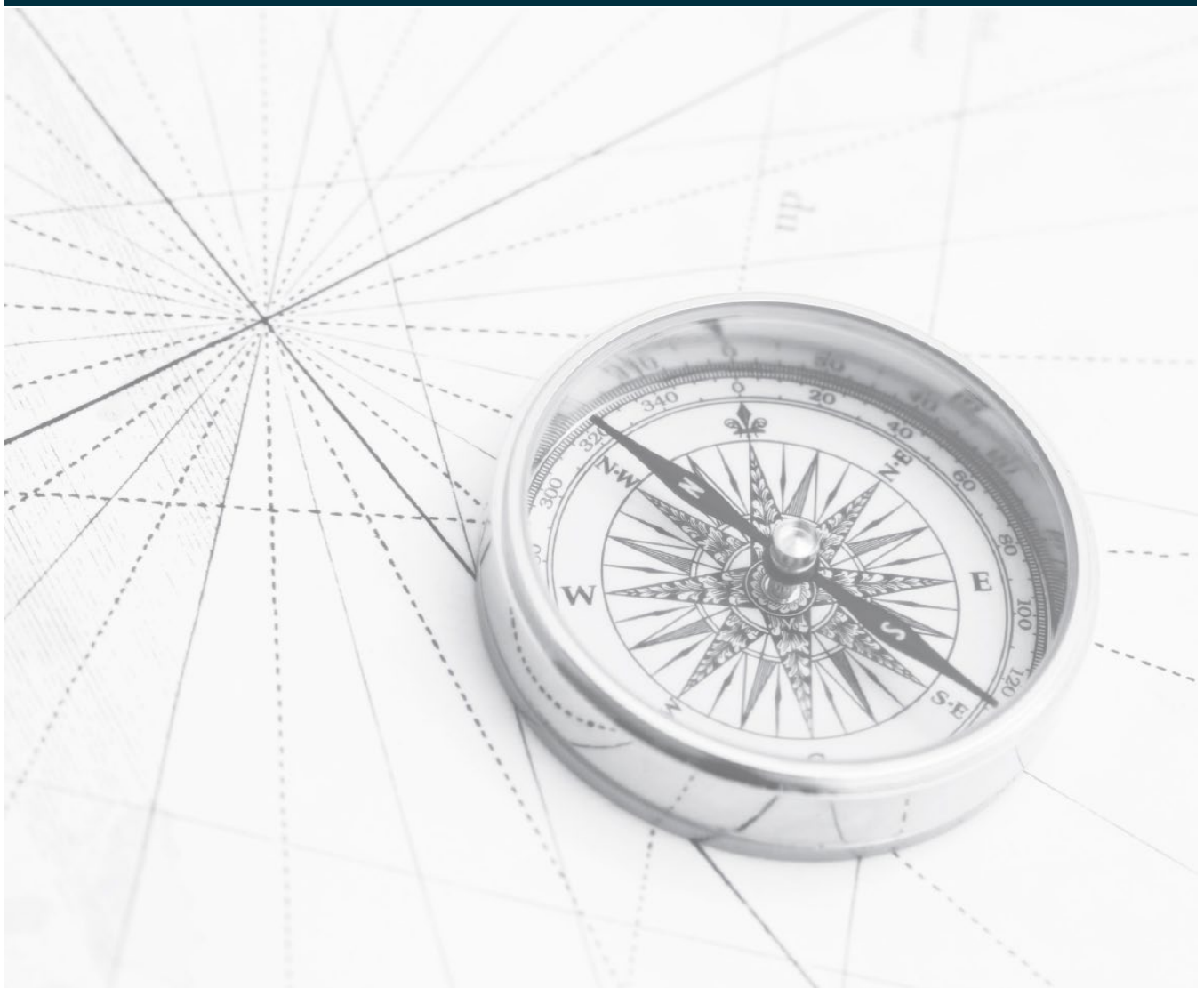
TOP 20 PORTFOLIO HOLDINGS

Ranking	Security	% of Net Assets
1	Cash and Cash Equivalents	19.63
2	Ballard Power Systems Inc.	10.95
3	CAE Inc.	7.05
4	Hydrogenics Corp.	6.98
5	Heroux-Devtek Inc.	6.53
6	Open Text Corporation	6.13
7	ATS Automation Tooling Systems Inc.	5.59
8	Bombardier Inc., Class B	4.98
9	Sierra Wireless Inc.	4.03
10	EXFO Inc.	3.92
11	WestJet Airlines Ltd.	3.44
12	Zymeworks Inc	3.16
13	Evertz Technologies Limited	2.86
14	Magellan Aerospace Corp.	2.55
15	Novanta Inc.	2.48
16	TELUS Corporation	2.33
17	Innergex Renewable Energy Inc	2.11
18	Celestica Inc.	1.99
19	Knight Therapeutics Inc	1.98
20	Aritzia Inc	1.31

SECTOR ALLOCATION

Sector	% of Net Assets
Technology	39.35
Industrials	21.10
Capital Goods	5.59
Healthcare	5.14
Transportation	3.44
Communications & Media	2.33
Energy	2.12
Consumer cyclical	1.30
Equities Total	80.37
Cash and Cash Equivalents	19.63
Portfolio Total	100.00

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