



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2019

NORTH GROWTH U.S. EQUITY ADVISOR 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 U.S. Equity Advisor Fund (the “Fund”) is to provide long-term capital growth by investing in common shares of United States-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

There were no material changes to the Fund over the period that affected its overall level of risk. This Fund is ideally suited for investors looking for long-term capital appreciation through investment in equity securities of U.S. corporations. Investors should have a medium to high tolerance for risk and a minimum investment horizon of five years.

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

During the six-month period ended June 30, 2019, the Series F units of the Fund gained 13.05% and the Series D units gained 12.89%, both expressed in Canadian dollars. 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. Relative to the S&P 500 Index, both series underperformed by 0.67% and 0.83%, respectively. In U.S. dollar terms, the Series F and Series D units gained 17.85% and 17.68%, respectively, while the S&P 500 Index increased 18.54%.

We continue to remain cautious on U.S. stocks. Our guarded outlook has been predicated on a number of concerns, including an elongated economic and market cycle that is confronted by slowing global growth, decelerating corporate earnings growth, ongoing trade policy uncertainties, rising geopolitical risks and extended market valuations. To that extent, we have been managing the Fund’s risk profile by

reducing weights in positions where we felt valuations had become too expensive and in some of our larger-sized holdings and increasing the number of stocks within the Fund. As a result of our sales outpacing our purchases, our cash position climbed slightly in the period ended June 30, 2019 to 14.93%.

In early 2019, we reduced the weightings of the largest positions – Apple, Cisco, Intel, and SolarEdge Technologies – and lowered the sizes of our holdings in Anthem, Boston Scientific and Abbott Laboratories. The reductions followed the significant negative earnings pre-announcement by Apple and our assessment of deteriorating fundamentals for equity investments in general.

In late 2018, we established a position in II-VI, a leader in engineered materials and optoelectronic components following its announcement to acquire Finisar, a holding within the Fund. In early 2019, we exited our position in Finisar ahead of the merger closing date and redeployed slightly under half of the proceeds to II-VI. Celgene was also a takeover target by Bristol-Myers Squibb in early 2019. We view the strategic rationale favorably and believe that the combined company offers attractive long-term growth prospects. Given that the stock price was trading close to the acquisition price, we sold our entire position in Celgene and used part of the proceeds to initiate a position in Bristol-Myers Squibb. The remaining proceeds were deployed to establish new positions within the Fund: Watts Water Technologies, The Walt Disney Company and Jacobs Engineering. Watts Water is a global manufacturer of plumbing, heating and water quality solutions. The company has a broad product portfolio and is well positioned to benefit from heightened trends in water safety and regulation, energy efficiency and water conservation. The Walt Disney Company is a global entertainment company that possesses a strong portfolio of IP and content following its acquisition of 21st Century Fox in March 2019. The launch of its own streaming service, “Disney+”, enables the company to participate in the growth of streaming as the consumption of content shifts online. Jacobs Engineering is a global professional services firm that offers a wide range of technical, professional and construction services to a variety of industrial, commercial and governmental clients. The company is reasonably valued, has a well-regarded management team and has a strong and growing backlog.

U.S. stocks, following a strong first quarter performance, pulled back in May on the heels of ever-rising trade tensions between the U.S. and China. The sell-off hit consumer-oriented names disproportionately and we took advantage of the volatility to add two undervalued retail names to the Fund. Urban Outfitters, a differentiated specialty retailer, has a strong omnichannel position and is well positioned for international growth. Foot Locker, a footwear retailer, is an important partner to Nike and should benefit as the latter shifts to a new distribution model that favors a smaller, select number of retail partners.

The company has a strong balance sheet and is poised to benefit from healthy growth in the athletic footwear and sneakers industry.

Please refer to the North Growth U.S. Equity Advisor Fund Prospectus and AIF for more detailed information about Series D and Series F units of the Fund. You may obtain 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

The U.S. stock market rebounded in the first half of 2019 and registered one of the strongest six month returns since 1997. Aside from a pullback in May, stocks continued to reach record highs as investors cheered the U.S. Federal Reserve's shift to a more dovish stance, better than expected corporate earnings and increased confidence that a trade deal would be hammered out between the U.S. and China. Stock market valuations are trading above historical averages however, and given the high level of political uncertainty and geopolitical risks, economic and corporate earnings growth are likely to slow in 2019. As such, we remain cautious heading into the second half of the year.

After serving as a member of North Growth Management'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 management fees to the Manager for services provided (see Management Fee).

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

As at June 30, 2019, affiliates, officers and directors of the Manager owned 58.24% (December 31, 2018 – 58.67%) of the units of the Fund.

On June 30, 2019, the Fund carried an outstanding payable to the Manager for management fees in the amount of \$41,194 (December 31, 2018 – \$38,955).

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 past five years.

SERIES F

The Fund's Net Assets Per Unit ¹	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Net Assets, beginning of year	\$30.25	\$31.72	\$29.39	\$28.96	\$24.22	\$20.12
Increase from operations:						
Total revenue	0.21	0.40	0.62	0.50	0.39	0.30
Total expenses	(0.12)	(0.25)	(0.26)	(0.26)	(0.29)	(0.29)
Realized gains for the period	1.00	3.35	5.79	1.89	1.03	1.11
Unrealized (losses) gains for the period	2.88	(2.60)	(1.27)	(1.04)	3.86	3.17
Total increase from operations ²	3.98	0.90	4.88	1.09	4.98	4.29
Distributions:						
From dividends	-	(0.15)	(0.39)	(0.26)	(0.08)	(0.03)
From capital gains	-	(2.18)	(2.23)	(0.39)	(0.17)	(0.18)
Total Annual Distributions ³	-	(2.34)	(2.62)	(0.64)	(0.25)	(0.21)
Net assets at end of period shown	\$34.19	\$30.25	\$31.72	\$29.39	\$28.96	\$24.22

- 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.*
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or 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	June 30,		December 31,			
	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁴	\$61,856	\$56,983	\$57,363	\$50,385	\$47,946	\$38,189
Number of units outstanding (000's) ⁴	1,809	1,884	1,808	1,714	1,655	1,577
Management expense ratio January – June ⁵	0.70%	0.70%	0.90%	0.90%	1.20%	1.20%
Management expense ratio July – December	-	0.70%	0.70%	0.90%	0.90%	1.20%
Management expense ratio before waivers and absorptions ⁶	0.73%	0.72%	0.83%	1.01%	1.07%	1.23%
Trading expense ratio ⁷	0.03%	0.09%	0.07%	0.05%	0.03%	0.04%
Portfolio turnover rate ⁸	6.44%	25.80%	18.39%	18.55%	9.68%	15.12%
Net asset value per unit	\$34.19	\$30.25	\$31.72	\$29.39	\$28.96	\$24.22

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.

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 past five years.

SERIES D

The Fund's Net Assets Per Unit ¹	June 30		December 31,			
	2019	2018	2017	2016	2015	2014
Net Assets, beginning of period	\$30.35	\$31.83	\$29.46	\$29.04	\$24.27	\$20.11
Increase from operations						
Total revenue	0.21	0.40	0.62	0.51	0.39	0.30
Total expenses	(0.17)	(0.35)	(0.36)	(0.36)	(0.40)	(0.39)
Realized gains for the year	1.00	3.35	5.79	1.89	1.03	1.10
Unrealized (losses) gains for the period	2.88	(2.60)	(1.27)	(1.04)	3.86	3.17
Total increase from operations ²	3.86	0.80	4.78	1.01	4.88	4.18
Distributions:						
From dividends	-	(0.05)	(0.27)	(0.17)	-	-
From capital gains	-	(2.18)	(2.23)	(0.39)	(0.12)	(0.03)
Total Annual Distributions ³	-	(2.23)	(2.50)	(0.56)	(0.12)	(0.03)
Net assets at end of period shown	\$34.26	\$30.35	\$31.83	\$29.46	\$29.04	\$24.27

- 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.*
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from investment operations is based on the weighted average number of units outstanding over the financial period.*
- Distributions were paid in cash or reinvested in additional units of the Fund.*

Ratios and Supplemental Data	June		December 31,			
	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁴	\$9,520	\$8,106	\$7,040	\$9,506	\$9,847	\$7,525
Number of units outstanding (000's) ⁴	278	267	221	323	340	310
Management expense ratio, January – June ⁵	1.00%	1.20%	1.20%	1.70%	1.70%	1.70%
Management expense ratio, July - December	1.00%	1.00%	1.20%	1.20%	1.70%	1.70%
Management expense ratio before waivers and absorptions ⁶	1.02%	1.15%	1.25%	1.47%	1.73%	1.73%
Trading expense ratio ⁷	0.09%	0.07%	0.05%	0.03%	0.04%	0.04%
Portfolio turnover rate ⁸	15.03%	18.39%	18.55%	9.68%	15.12%	15.12%
Closing net asset value per unit	\$34.26	\$30.35	\$31.83	\$29.46	\$29.04	\$24.27

4. This information is provided as at June 30, 2019 for the interim period and comparative information at December 31 of the year 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 two series: Series D and Series F. The management fee for both series is 0.70% of assets under management, calculated daily and paid monthly based on the daily net asset value of each series.

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

The Fund is distributed by registered dealers. Series D pays 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

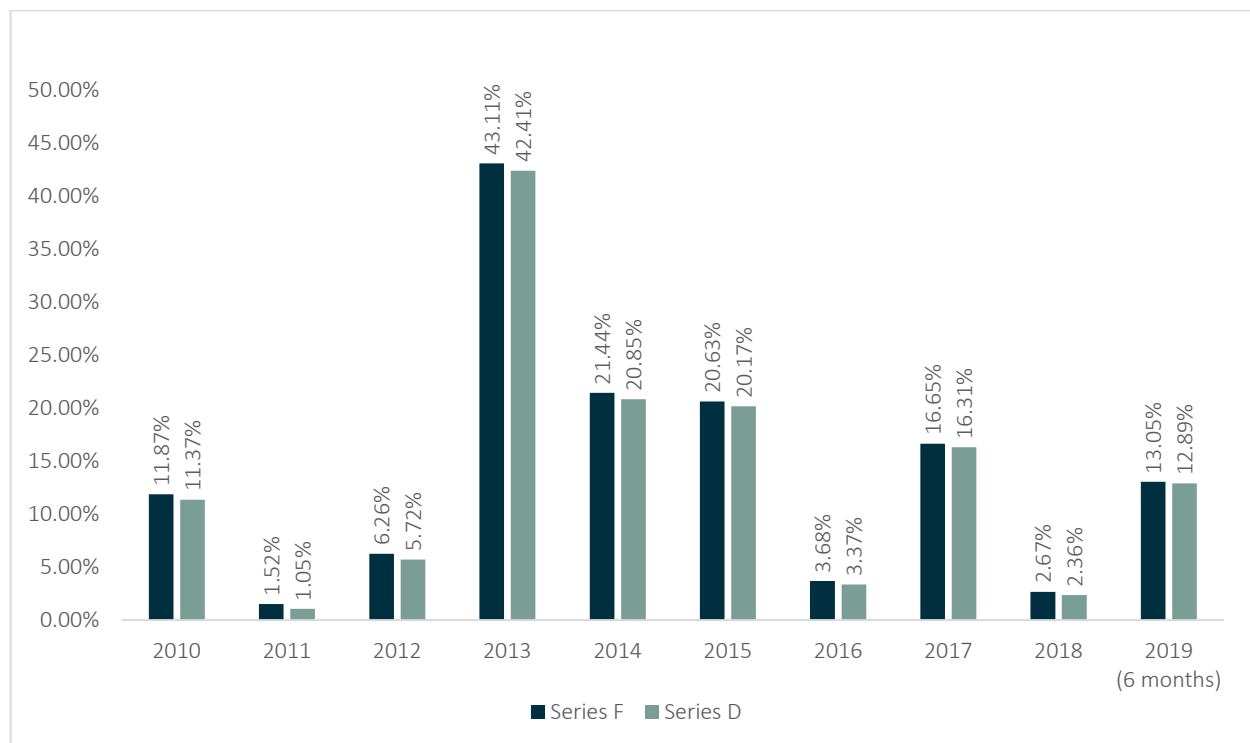
Past Performance

The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future.

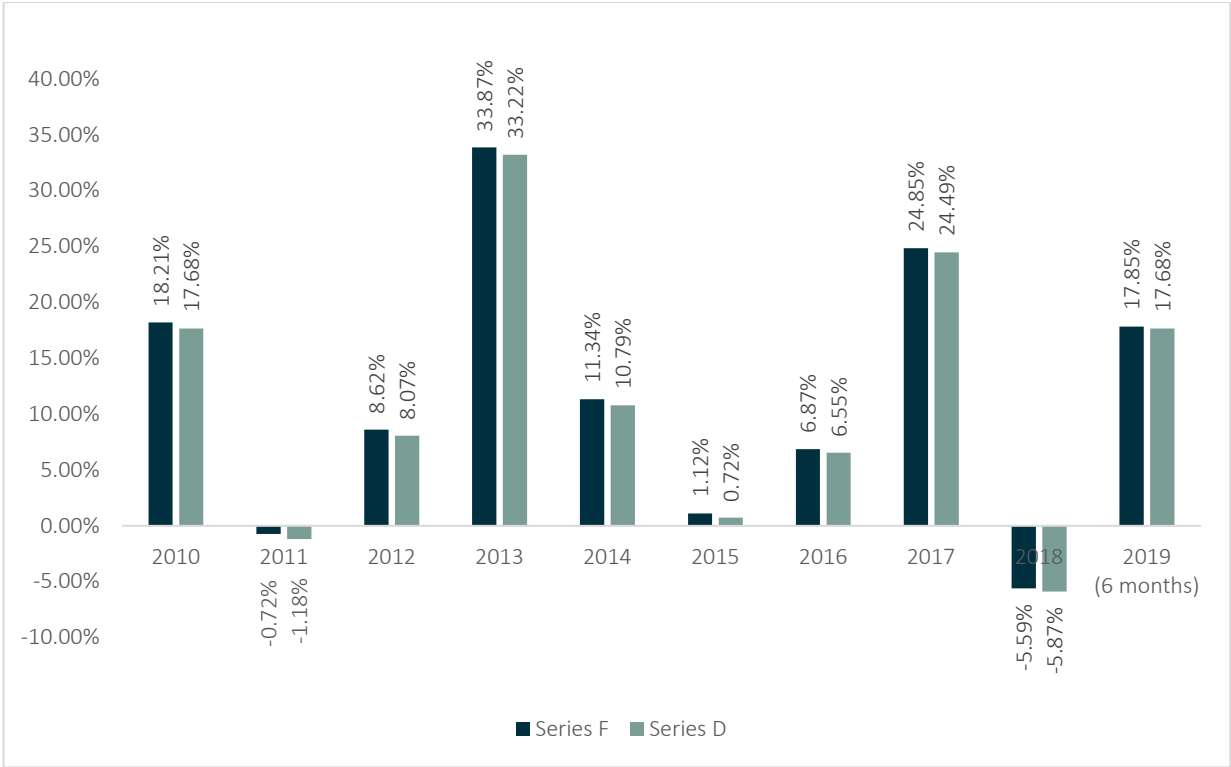
The Portfolio's returns are after the deduction of fees and expenses, and the difference in returns between series of units is primarily due to differences in the management expense ratio. See Financial Highlights for the management expense ratio.

INTERIM AND YEAR-BY-YEAR RETURNS

The bar charts indicate the Fund's performance for each of the periods shown. The bar charts show in percentage terms how much an investment made on the first day of the interim period and each financial year would have grown or decreased by the last day of each period in Canadian dollars and in U.S. dollars.



Summary of Performance Expressed in Canadian Dollars



Summary of Performance Expressed in U.S. Dollars

INTERIM AND ANNUAL COMPOUND RETURNS

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 500 Total Return Index in Canadian dollar terms. The S&P 500 Total Return Index is widely regarded as the best single gauge of the large cap U.S. equities market. It is comprised of 500 leading companies in leading industries of the U.S. economy, capturing approximately 75% coverage of U.S. equities.

	Year Ended June 30, 2018	Past 3 Years	Past 5 Years	*Since Inception
Series F	5.92%	13.96%	13.30%	14.48%
Series D	5.60%	13.62%	12.92%	14.02%
S&P 500 \$CDN	9.74%	14.69%	15.33%	15.81%

* For the purpose of calculating returns, the inception date used is October 23, 2009.

The table below shows the annual return for each series, and the annual compound rate of return of each series for the years indicated compared to the S&P 500 Total Return Index in U.S. dollar terms.

	Year Ended June 30, 2019	Past 3 Years	Past 5 Years	*Since Inception
Series F	6.57%	13.46%	8.76%	11.96%
Series D	6.25%	13.13%	8.40%	11.47%
S&P 500 \$U.S.	10.42%	14.19%	10.71%	13.23%

* For the purpose of calculating returns, the inception date used is October 23, 2009.

Summary of Investment Portfolio as at June 30, 2019

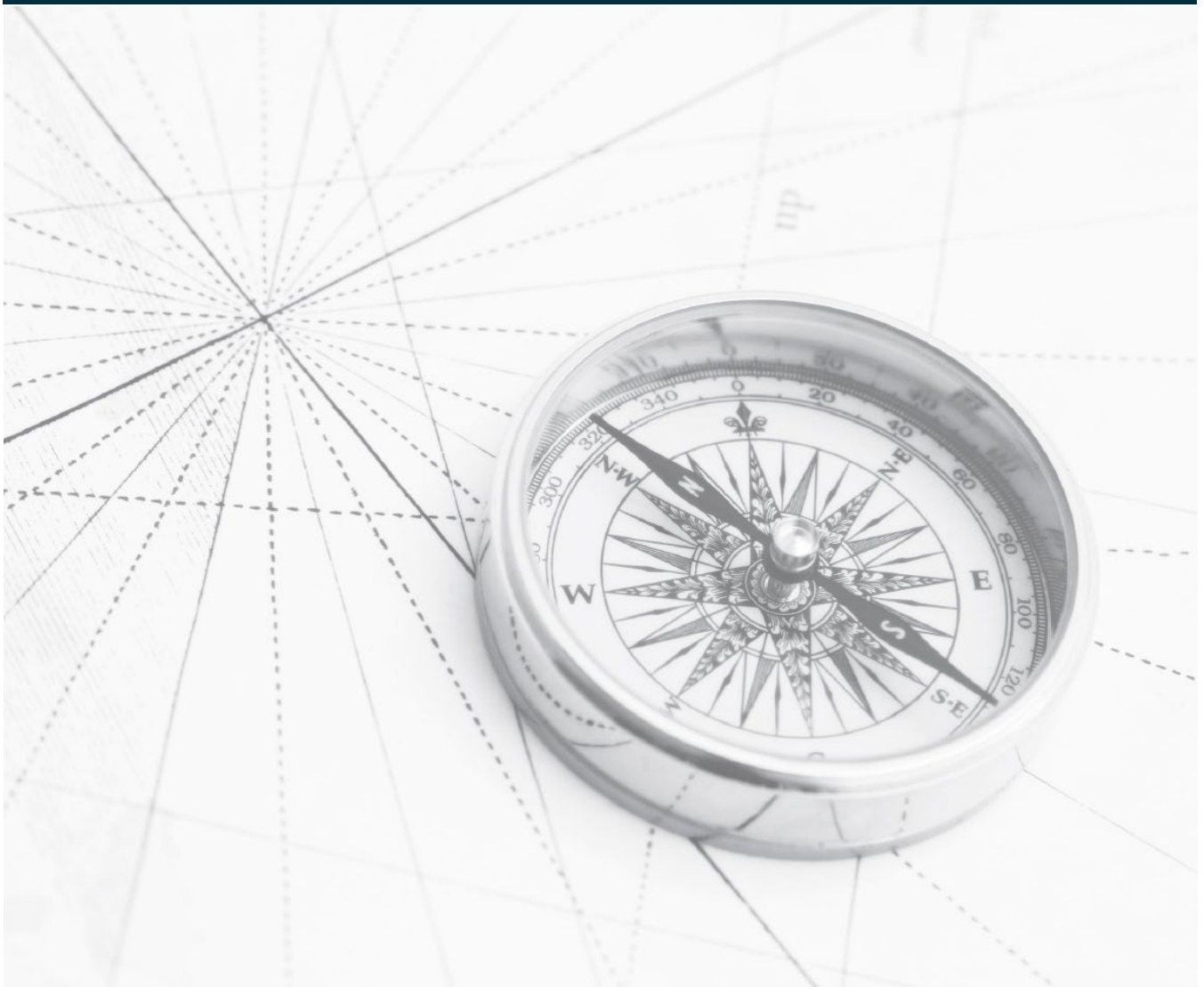
The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. It is updated quarterly, within 60 days of quarter end, and is available as indicated on the front cover of this report.

TOP 25 PORTFOLIO HOLDINGS

Ranking	Security	% of Net Assets
1	Cash and Cash Equivalents	14.93
2	Cisco Systems Inc.	5.69
3	First Solar Inc.	4.96
4	Applied Materials Inc.	3.38
5	Intel Corporation	3.20
6	American Eagle Outfitters Inc.	2.83
7	Jabil Inc.	2.69
8	Ciena Corporation	2.67
9	Apple Inc.	2.40
10	Motorola Solutions Inc	2.35
11	Amgen Inc.	2.30
12	Gilead Sciences Inc.	2.28
13	Boston Scientific Corporation	2.24
14	Cerner Corporation	2.23
15	Johnson Controls International plc	2.23
16	Abbott Laboratories	2.19
17	Itron Inc.	2.16
18	Zimmer Biomet Holdings Inc.	2.15
19	Herman Miller Inc.	2.13
20	SolarEdge Technologies Inc.	2.11
21	HP Inc.	2.04
22	Electronic Arts Inc.	1.96
23	Pfizer Inc.	1.96
24	DSP Group Inc.	1.71
25	FedEx Corporation	1.69

SECTOR ALLOCATION

Sector	% of Net Assets
Technology	37.50
Healthcare	17.37
Energy	8.65
Capital Goods	5.52
Consumer Cyclical	5.34
Consumer Durables	4.56
Retail	3.16
Transportation	1.69
Media & Entertainment	1.28
Total Equities	85.07
Cash and Cash Equivalents	14.93
Portfolio Total	100.00



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