



NOVEMBER 2019 MONTHLY REPORT

DECEMBER 16, 2019

Fund Performance Update

U.S. equities rallied to new highs in November as optimism on a potential U.S.-China trade deal and upbeat developments in the U.S. economy dominated headlines and market sentiment.

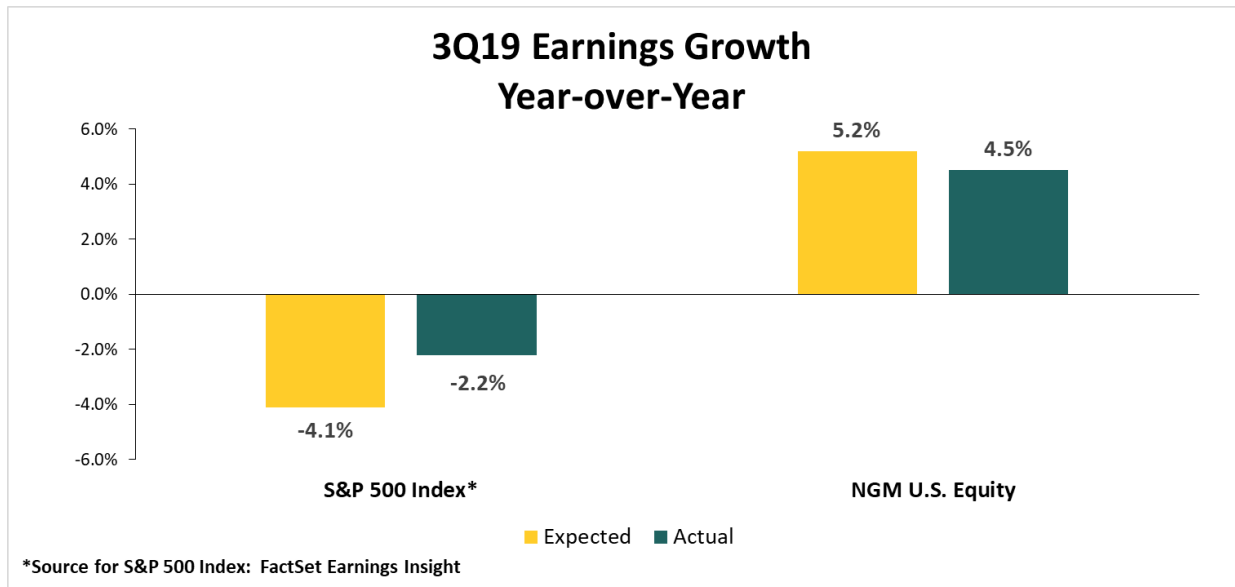
THIRD QUARTER EARNINGS

The earnings reporting season for the third quarter of 2019 is largely behind us. As anticipated, while corporate profits came in above expectations, growth remained negative in the July-to-September period. The S&P 500 Index has reported three straight quarters of earnings decline since the beginning of the year; officially, the S&P 500 is in an earnings recession.

Again, the North Growth U.S. Equity Fund bore relatively strong results. With 93% of the portfolio having reported so far, profits on a weighted-average basis in the third quarter increased 4.5% over a year ago, slightly less than estimates of 5.2% growth. Nonetheless, over 80% of the portfolio's earnings met or exceeded analysts' estimates.

For the market in general, earnings during the last quarter decreased 2.2% year-over-year while sales grew 3.1%. According to FactSet, three-quarters of the reporting companies delivered positive earnings surprises while 59% beat sales estimates. At the sector level, Information Technology and Health Care reported the largest positive earnings surprises out of all eleven S&P 500 sectors.

The U.S. Fund's earnings growth profile continues to be consistently solid and broad-based, and we remain especially pleased with the positive earnings growth rate of the Fund in contrast to that of the S&P 500 Index during the latest quarter.



OUR VIEW

We maintain our cautious outlook for U.S. equities. Currently in the late stages of the longest U.S. economic and market expansions on record, global growth continues to slow amid ongoing trade tensions and geopolitical uncertainties. Corporate earnings have been declining throughout 2019 and companies have continued to temper investors' expectations for the upcoming quarter. The percentage of S&P 500 companies issuing negative profit guidance remains above the five-year average.

Analysts project a decline in earnings in the fourth quarter followed by a significant rebound to growth in 2020. Even under such an optimistic scenario, equity multiples are at the higher end of the historical range of price/earnings (P/E) ratios on a forward 12-month basis. At this time, the forward 12-month P/E multiple of the S&P 500 Index is 17.6, above the five-year average of 16.6 and the 10-year average of 14.9.

As always, we believe stock selection is the key to long term outperformance, and remain steadfastly focused on the analysis of individual stocks that adhere to our "growth at a reasonable price" investment philosophy.

FUND DISTRIBUTIONS

This year, Friday, December 13th was the distribution date for the U.S. Equity Fund and Canadian Equity Fund. The distribution for the U.S. Fund is 0.6% of the current unit price or \$0.30 per unit (consisting of \$0.16 of income and \$0.14 of capital gains). For the Canadian Fund Series N, the distribution is approximately 2% of the current unit price at \$0.51 per unit (all capital gains).

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

U.S. EQUITY FUND

In November, the North Growth U.S. Equity Fund appreciated 2.5%. The Fund underperformed all the indices we regularly track: the S&P 500 which gained 3.6%, the S&P 400 MidCap and S&P 600 SmallCap which advanced 3.0% and 3.1% respectively, and the NASDAQ Composite which was up 4.7%. A weaker Canadian currency boosted the Fund's return for the month to 3.5% in Canadian dollars versus the S&P 500's return of 4.7% in Canadian dollars.

CANADIAN EQUITY FUND

The North Growth Canadian Equity Fund Series N appreciated 6.7% in November, significantly outperforming the S&P/TSX Composite Index which gained 3.6%. Year-to-date, the Fund is up 36.3% versus the S&P/TSX's return of 22.3%.

HAPPY HOLIDAYS!!

All of us at North Growth wish you and yours a very joyous holiday season and all the best for 2020!

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2019

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	3.53	6.39	11.48	20.22
S&P 500 in \$CDN	4.65	7.81	13.23	24.33
NGM U.S. Equity Fund \$U.S.	2.53	6.44	13.47	23.41
S&P 500 \$U.S.	3.63	7.86	15.26	27.63
S&P 400 MidCap \$U.S.	2.97	7.33	12.00	22.75
S&P 600 SmallCap \$U.S.	3.06	8.58	12.67	19.22
NASDAQ Composite \$U.S.	4.65	9.12	16.90	31.93

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2019

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	13.31	13.53	12.64	14.80	9.69	11.06	12.73
S&P 500 \$CDN	16.01	14.48	14.35	16.08	9.86	5.65	10.25
NGM U.S. Equity Fund \$U.S.	13.41	13.93	9.31	12.19	8.86	11.64	12.46
S&P 500 \$U.S.	16.11	14.88	10.98	13.44	9.03	6.20	9.98
S&P 400 MidCap \$U.S.	8.86	9.04	8.60	13.10	9.58	9.66	11.87
S&P 600 SmallCap \$U.S.	4.83	8.49	9.53	13.96	9.15	10.07	11.32
NASDAQ Composite \$U.S.	19.61	18.98	13.92	16.39	11.16	5.93	*10.51

Source: Bloomberg "Total Return Analysis" as of December 2, 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	\$ 48.81 CDN \$ 36.73 US
Total Assets in Fund	\$ 554.40 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2019

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund, Series N	6.68	11.78	13.65	36.31
S&P / TSX \$CDN	3.59	4.43	7.90	22.32

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2019

	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs
NGM Canadian Equity Fund, Series N*	27.36	5.40	13.01	11.35	6.84	13.25
S&P / TSX \$CDN	15.71	6.20	7.32	9.30	6.09	8.05

** 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 \$ 22.14 CDN

Total Assets in Fund \$ 47.1 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2019

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
NGM Canadian Money Market Fund	1.60	1.68	1.22	0.95	0.85	1.50
30 Day Treasury Bill	N/A	1.68	1.17	0.91	0.86	1.49

** 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%.

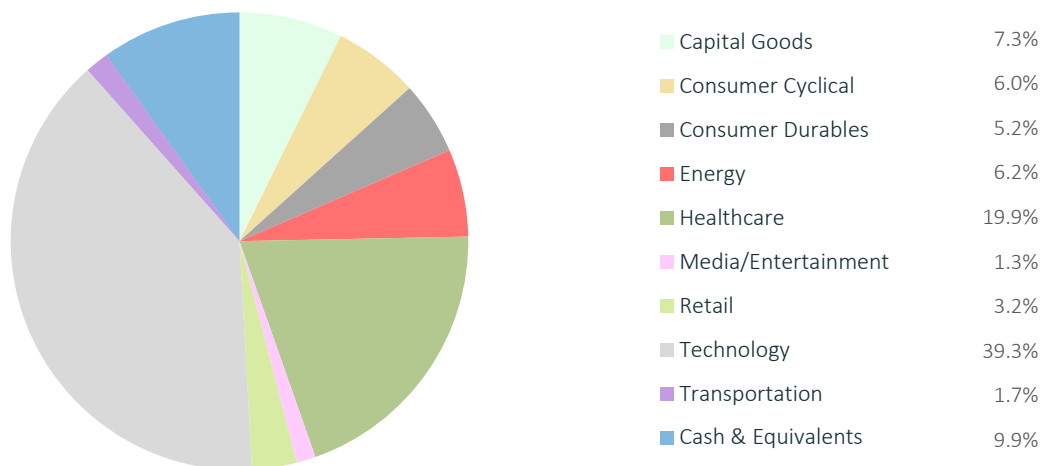
We manage the portfolio to ensure high liquidity and have no intention to extend maturities in order to chase a few basis points. We believe our money market fund has superior liquidity characteristics due to its very low average maturity. The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2019

Ranking	Security	% of Net Assets
1	Cisco Systems Inc.	4.65
2	Applied Materials Inc.	3.88
3	Intel Corporation	3.83
4	First Solar Inc.	3.45
5	Jabil Inc.	3.32
6	Apple Inc.	3.18
7	Amgen Inc.	3.00
8	Itron Inc.	2.79
9	SolarEdge Technologies Inc.	2.73
10	Zimmer Biomet Holdings Inc.	2.67
Top 10		33.50
Total Equities		90.13
Cash		9.87
Total Assets		100.00

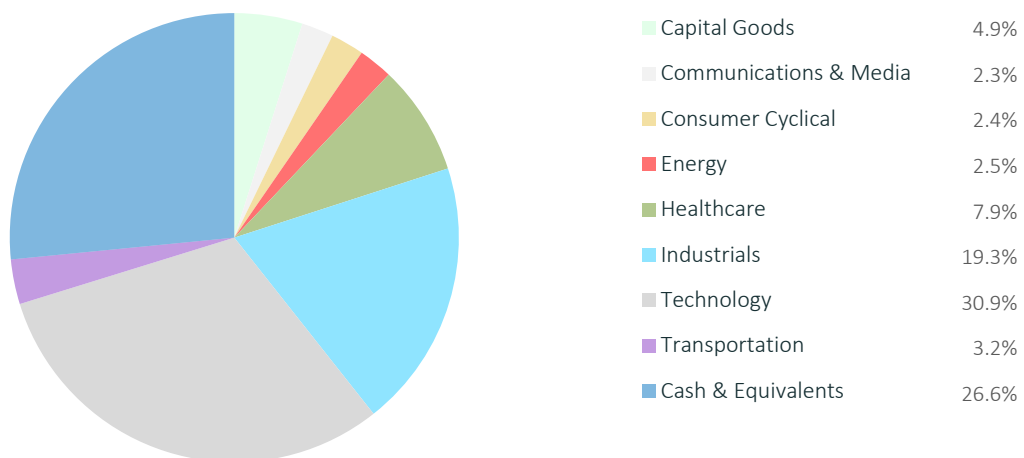
U.S. EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 2019



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2019

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	10.21
2	CAE Inc.	6.79
3	Open Text Corporation	6.23
4	Zymeworks Inc.	6.05
5	Heroux-Devtek Inc.	5.97
6	ATS Automation Tooling Systems Inc.	4.91
7	EXFO Inc.	4.41
8	Bombardier Inc., Class B	4.23
9	Westjet Airlines Ltd.	3.23
10	Sierra Wireless Inc.	2.81
Top 10		54.84
Total Equities		73.45
Cash		26.55
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 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 one hour before the applicable markets close, normally 3 p.m. Eastern Time or 12 p.m. (noon) Pacific Time. Please note that U.S. markets close early on the day before Independence Day and on Black Friday and both U.S. and Canadian markets close early on Christmas Eve. The cut-off time on those days is 12 p.m. (noon) Eastern Time or 9 a.m. Pacific Time.

Orders received after the cut-off 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:

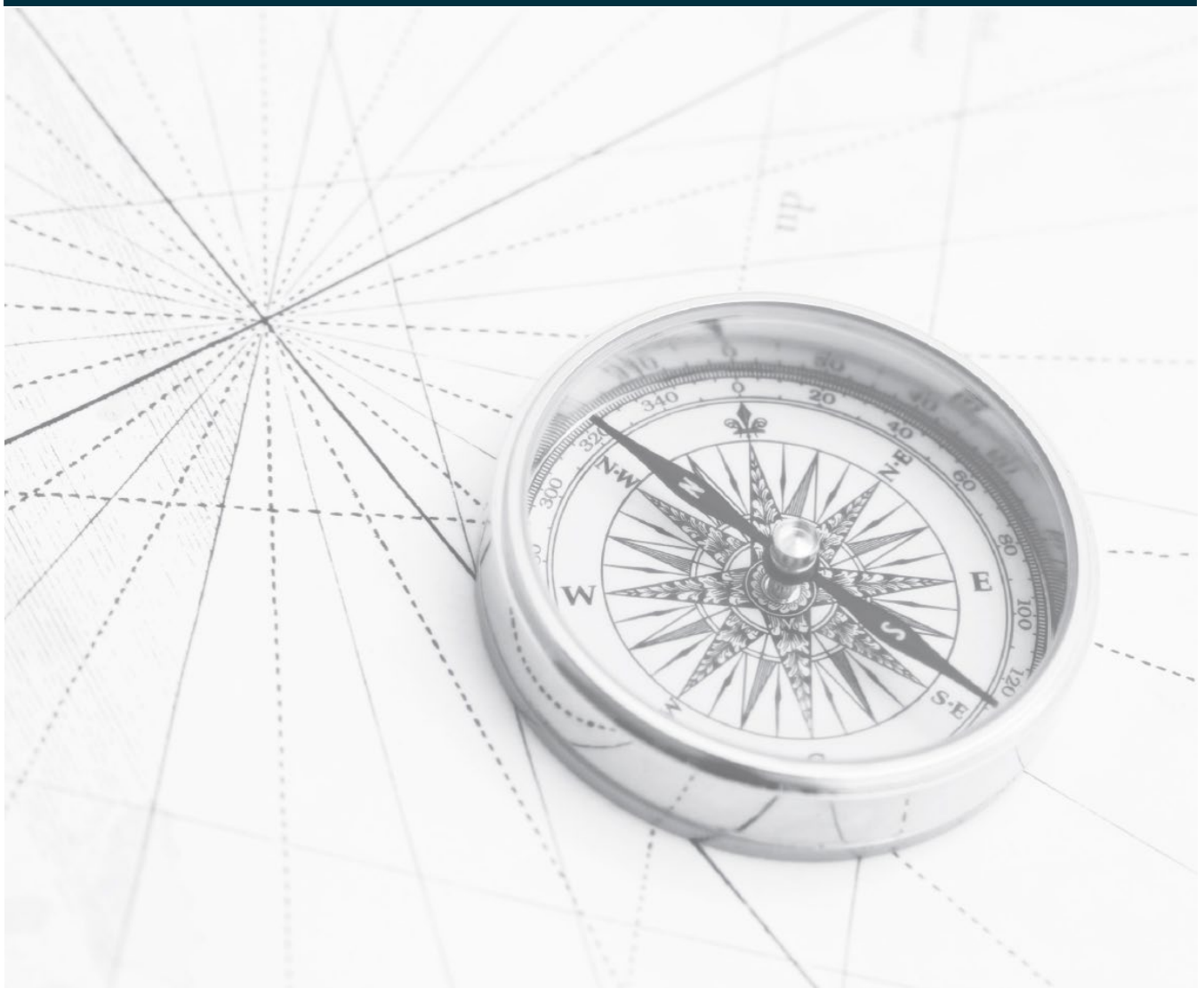
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WHERE TO FIND NGM FUND PRICES

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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