



2019 ANNUAL REPORT





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## Message from the CEO

Dear Unitholder,

North Growth's equity funds delivered solid returns in 2019:

- The U.S. Fund gained 27.7% in U.S. dollars (21.5% in Canadian dollars).
- The Canadian Fund Series N appreciated 37.5%.

Moreover, the investment research firm Morningstar ranked the North Growth U.S. Equity Fund first in the 20-year period among all Canadian-based, open-end U.S. equity funds as of December 31, 2019.

Our fossil-free and tobacco-free positioning, core elements of our approach to investing, helped the North Growth U.S. Equity Fund to also earn the top percentile rankings in Morningstar's sustainability, social and governance metrics among the same universe of U.S. equity funds.

Our employees are key to the continued success of the firm, and North Growth Management is now entirely employee-owned. Rudy, who is retired, remains our investment philosopher, market historian and sounding board.

Throughout 2020 and the new decade, we will continue to manage the portfolios according to our long-established "Growth at a Reasonable Price" philosophy while strengthening our portfolio management team and client service capacity.

Thank you for your continued support.

Yours truly,



Erica Lau  
CEO and Lead Portfolio Manager



*Back row left to right: Anthony Wu, Rachid Nayel, Erica Lau, Chris Lasting, Ying Keung  
Front row: Alex Joshi, Chris Lee, Kelsie Lengert, Cynthia Yen*

## Message from the Founder



*Left: Erica Lau, CEO & Lead Portfolio Manager  
Right: Rudy North, Founder & Chair Emeritus*

Dear Unitholder,

As you are aware, in 2019, we announced the appointment of Erica Lau as CEO and Lead Portfolio Manager, succeeding my son Rory.

I have known Erica since I hired her straight out of UBC in 1997, when I was still at Phillips Hager & North. She moved with me to North Growth Management when I founded it in 1998 and I have great confidence in her capabilities.

Since opening our doors, we have remained a focused firm with the objective of achieving superior long-term investment performance. During this period Erica has worked closely with Rory to refine our fundamental company research methods while consistently applying our well-established and successful “Growth at a Reasonable Price” investment philosophy.

Erica intends to stick to that philosophy and the other values that have always guided us, including a low-fee structure. As we communicated earlier, my family’s funds, including the philanthropic North Family Foundation, remain invested in the company’s mutual funds.

Erica and I, as well as all members of the firm, thank Rory for his valuable leadership. His dedication to North Growth and tireless efforts over the past two decades have left the company with a strong foundation to build on.

Yours truly,

Rudy North  
Founder and Chair Emeritus

# 2019 Portfolio Management Commentary and Outlook

Driven by a handful of large technology names that have also powered the decade-long bull market, U.S. equities delivered their best annual performance in six years. The S&P 500 Index, up 13.7% from January to March, recorded its greatest quarterly start to a year since 1998 and continued climbing steadily throughout 2019 with the exception of dips in May and August.

Despite ongoing geopolitical tensions, the yet unresolved U.S.-China trade conflict and continued discordant political climate in the United States, stocks rallied strongly following the correction at the end of 2018. A shift in monetary policy at the Federal Reserve which cut rates in July, September and October fuelled the dramatic gains across the major stock market indices throughout the past year.

In contrast to the sharp increase in equity prices, companies in the S&P 500 reported negligible earnings growth in 2019. With global economic growth slowing during the year, the S&P 500 officially entered an earnings recession--defined by at least two consecutive quarters of declining earnings.

Currently in the late stages of the longest U.S. economic expansion and longest bull market on record, cracks in the economic and corporate profit growth foundation are apparent. Given the optimism for a significant rebound in corporate earnings in 2020 may

be undue, and even should such a favourable scenario play out, equity multiples are at the higher end of the historical range of price/earnings (P/E) ratios on a forward 12-month basis. Stocks are not cheap.

Going into 2020, we maintain our bias toward caution for U.S. equities amid much continued uncertainty.

## ECONOMIC DISCUSSION

Entering its eleventh year of expansion, the U.S. economy remains in a self-sustaining albeit moderating uptrend that is old and growing older. Based on the final estimates released by the U.S. Bureau of Economic Analysis, U.S. gross domestic product (GDP) grew at an annualized rate of 3.1% in the first quarter of 2019, 2.0% in the second quarter, and 2.1% in the third quarter. According to Bloomberg data, most economists forecast U.S. economic growth to trend just above 2%, with the average estimate for annual GDP to rise by 2.3% in 2019.

In the face of a slowing global economy throughout the year, the United States remained remarkably resilient. The past two turbulent years of a trade war between the U.S. and China have had only a muted negative effect on the U.S. economy as trade has been a mild drag. U.S. tariffs against China triggered such a slide in imports that as



of November 2019 the U.S. trade deficit hit its lowest level in three years and the trade gap for the full year is slated to post a decline for the first time in six years.

The labour market remained strong and tight in 2019. However, job gains did moderate towards the end of the year even as the unemployment rate stayed at a half-century low of 3.5%. While the manufacturing sector was hurt by the U.S.-China trade conflict, outside of manufacturing, broader economic data including the Institute for Supply Management's non-manufacturing index and consumer spending remained consistently solid.

Worries of a sharp slowdown in the U.S. economy were rampant near the end of the summer. In August, long-term yields collapsed and the 10-year Treasury yield traded lower than that of the 2-year. The inversion of the yield curve, historically a reliable predictor of every recession over the past 50 years, exacerbated fears of a looming end-of-cycle recession.

Heading into 2020, with the yield curve no longer inverted and on the heels of the recently negotiated phase-one trade deal between the United States and China, we do not see an imminent recession risk to the U.S. economy. However, in this aging, record-long expansion, significant headwinds including a widening federal budget deficit persist, and it is likely U.S. economic growth will continue at a modest, slowing pace in the coming year.

## MONETARY POLICY

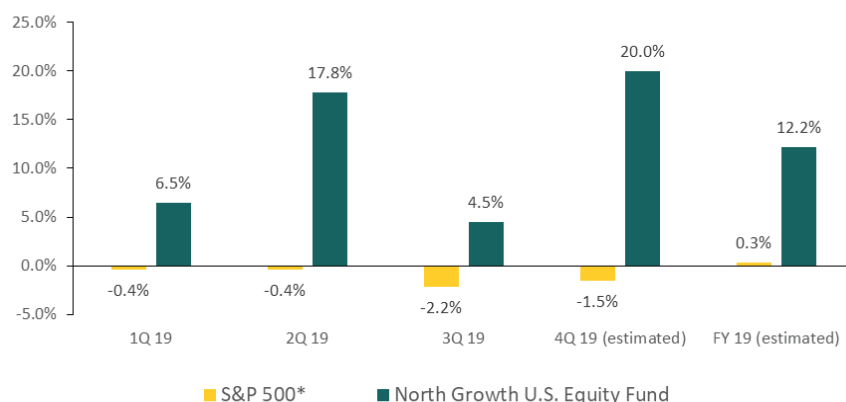
Citing the implications of global developments for the United States economic outlook as well as muted inflation pressures, the Federal Reserve reversed course on its monetary policy, cutting interest rates for the first time in a decade in July 2019. Following their meetings in September and October, the Federal Open Market Committee (FOMC) further lowered the target range for the federal funds rate which ended the year at 1.50% to 1.75%.

The Fed's addition of liquidity in the second half of 2019 echoed the acceleration in central bank easing around the globe. Generally, monetary conditions in the U.S. and various other countries remain highly accommodative, with ultra-low and in some instances negative interest rates supportive of the global economy and financial markets.

## U.S. COMPANIES AND STOCKS

In 2019, the S&P 500 Index officially entered an earnings recession. While corporate profits came in above expectations every quarter, growth nonetheless remained negative throughout the year. Furthermore, up until the end of the year, the percentage of companies issuing lowered earnings guidance was above-average and accordingly, analysts constantly revised their earnings estimates down.

### 2019 Earnings Growth Year-over-Year



\*Source for S&P 500 Index: FactSet Earnings Insight

The North Growth U.S. Equity Fund delivered outstanding results in 2019. The Fund's earnings growth profile continued to be consistently solid and broad-based, and we were especially pleased with the positive earnings growth rate of the Fund in contrast to that of the S&P 500 during the year. As depicted in the "2019 Earnings Growth" chart, earnings for the Fund's holdings on a weighted-average basis grew 6.5% year-over-year in the first quarter, 17.8% year-over-year in the second quarter, and 4.5% over a year ago in the third quarter of 2019. For the final quarter, we again expect the earnings growth rate of the Fund to compare extremely favourably to the S&P 500, capping off an excellent year.

As earnings estimates fell while equity prices ran up strongly during 2019, U.S. stocks generally remained expensive relative to companies' projected earnings. The forward 12-month price/earnings (P/E) ratio of the

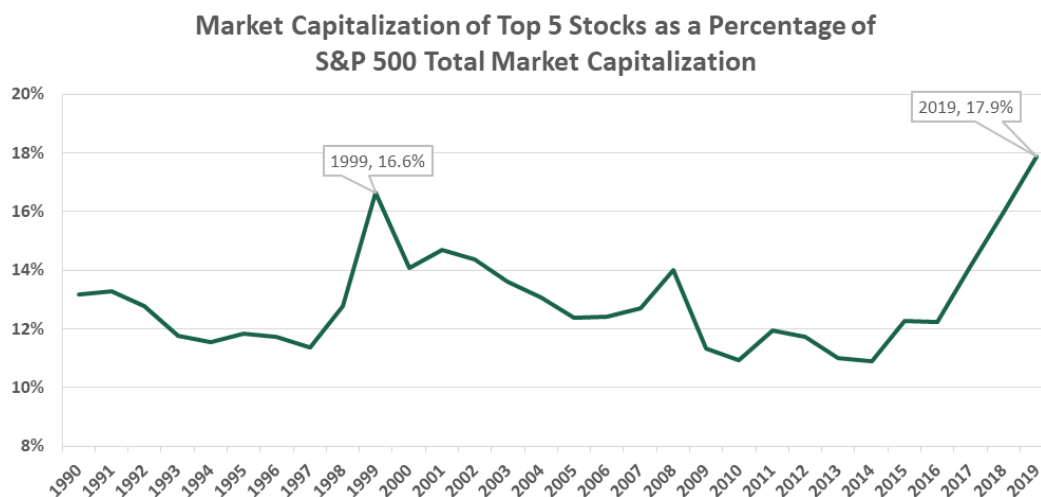
S&P 500 ended the year at 18.3, above the five-year average of 16.6 and the 10-year average of 14.9.

With progress between the U.S. and China on trade talks and the Federal Reserve in easing mode, the markets have adopted an improving economic and corporate earnings growth outlook for 2020. Analysts currently project S&P 500 companies to report profit growth of 10% in the coming year. Even under such an optimistic scenario, however, equity multiples are at the higher end of the historical range of price/earnings (P/E) ratios on a forward 12-month basis.

## INVESTMENT OPPORTUNITIES

Although the gains in stocks were broad in 2019—about 90% of the equities in the S&P 500 rose—the technology sector led much of the advance. By far the biggest gainers among the index's 11 sectors, technology





Source: Bloomberg Data

was responsible for nearly one third of the S&P 500's total return for the year. And of that, approximately half or 15% of the index's advance came from Apple and Microsoft.

At the end of 2019, the five largest companies in the S&P 500 Index—Microsoft, Apple, Amazon, Alphabet (Google), and Facebook—accounted for about 18% of the total market capitalization. The level of dominance of the S&P 500 by mega cap names has surpassed the previous high in 1999, as illustrated by the chart titled “Market Capitalization of Top 5 Stocks as a Percentage of S&P 500 Total Market Capitalization”.

On the bright side, with the U.S. market increasingly driven by fewer large cap shares, a growing number of names underperformed relative to the S&P 500 index during the year and the valuations of such companies approached reasonable valuations. The opportunities for identifying high-calibre

growth companies for potential investments in the Fund thus have become more readily available.

## OUTLOOK FOR 2020

Entering 2020, we maintain our bias toward caution. Continued unprecedented levels of political uncertainty and geopolitical risks in consideration with the longevity of the current U.S. economic expansion and bull market make a slowdown in economic growth and further sluggish earnings growth likely this year.

As always, we believe stock selection is the key to long term outperformance, and will remain focused on the analysis of individual stocks that adhere to our “Growth at a Reasonable Price” investment philosophy.

# 2019 Performance Review

## NGM U.S. EQUITY FUND

Following the late year sell-off in 2018, equity markets quickly rebounded and, apart from slight dips in May and August, marched steadily higher throughout the year. The S&P 500 Index climbed 31.5% while the NASDAQ Composite gained 36.7%. The S&P 400 MidCap and the S&P 600 Small Cap Indices also fared well, delivering double-digit returns of 26.2% and 22.8%, respectively.

During 2019, the North Growth U.S. Equity Fund advanced 27.7%, underperforming the S&P 500 Index by 3.8%. Due to the appreciation in the Canadian dollar, the Fund gained 21.5% in Canadian dollars versus the S&P 500 Index which was up 25.2%, also in Canadian dollars.

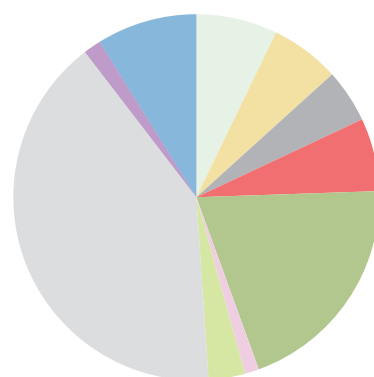
Large cap technology stocks fared particularly well, with the sector appreciating by more than 50% during 2019. Notable gains were propelled by the group of highflying technology names often referred to as FAANG+M (Facebook, Apple, Amazon, Netflix, Google-parent Alphabet and Microsoft), which accounted for 31% of the S&P 500's full year return. Two stocks-- Apple and Microsoft -- accounted for 15% of the index's return.

## PERFORMANCE

	2019	* Since Inception
NGM US Equity Fund \$CDN	21.53%	12.73%
S&P 500 \$CDN	25.18%	10.24%

\* since October 13, 1992

## SECTOR MIX



Capital Goods	7.1%
Consumer Cyclical	6.1%
Consumer Durables	4.8%
Energy	6.5%
Healthcare	20.0%
Media/Entertainment	1.3%
Retail	3.2%
Technology	40.6%
Transportation	1.6%
Cash & Equivalents	8.8%

**U.S. EQUITY FUND**

As of December 31, 2019

**PORTFOLIO HOLDINGS**

	%		
Cisco Systems Inc.	4.80	Anthem Inc.	1.89
Applied Materials Inc.	3.99	II-VI Inc.	1.85
Intel Corporation	3.85	Microsoft Corporation	1.82
Jabil Inc.	3.44	Pfizer Inc.	1.76
Apple Inc.	3.41	Texas Instruments Inc.	1.71
First Solar Inc.	3.40	FedEx Corp.	1.55
SolarEdge Technologies Inc.	3.10	DSP Group Inc.	1.54
Amgen Inc.	3.00	Jacobs Engineering Group Inc.	1.52
Ciena Corp.	2.88	Masco Corp.	1.44
Itron Inc.	2.85	Fortune Brands Home & Security Inc.	1.41
Zimmer Biomet Holdings Inc.	2.68	Citrix Systems Inc.	1.39
American Eagle Outfitters Inc.	2.53	Foot Locker, Inc.	1.27
Skechers U.S.A., Inc.	2.38	The Walt Disney Company	1.25
Gilead Sciences Inc.	2.34	Varian Medical Systems Inc.	1.20
Boston Scientific Corporation	2.27	Urban Outfitters Inc.	1.18
Motorola Solutions Inc.	2.22	LogMeIn Inc.	0.99
Cerner Corporation	2.18	Varex imaging Corporation	0.78
Abbott Laboratories	2.17	Watts Water Technologies Inc.	0.58
Johnson Controls International plc	2.15	Coherent, Inc.	0.46
Electronic Arts Inc.	2.06	<b>Total Equities</b>	<b>91.17</b>
HP Inc.	2.00	<b>Cash &amp; Cash Equivalents</b>	<b>8.83</b>
Herman Miller Inc.	1.98	<b>Total Assets</b>	<b>100.00</b>
Bristol-Myers Squibb Company	1.96		
Best Buy Co., Inc.	1.94		

## 2019 Performance Review

### NGM CANADIAN EQUITY FUND SERIES N

The Canadian Equity Fund (Series N) posted solid gains of 37.5% following a decline of 17.8% in 2018. By comparison, the S&P/TSX Index rose 22.9% in 2019 – the strongest in 10 years – and fell 8.9% in the prior year. Some of the Fund’s strongest performers during 2019 include Ballard Power Systems, Zymeworks, Heroux-Devtek, EXFO, and ATS Automation. As of December 31st the top seven holdings, which represented approximately 45% of the Fund, all had total returns of more than 30%. The Fund also benefited from some acquisition-related activity; Hydrogenics was acquired by Cummins Inc. and WestJet by Onex Corporation--- both at sizeable premiums. The net effect of the take out offers, combined with portfolio weight adjustments, has resulted in our cash holdings growing to 29% at year end from 23% a year ago. We continue to evaluate new investment opportunities that fit our “Growth at a Reasonable Price” investment philosophy.

From a market perspective, the Canadian equity market rallied alongside most other developed markets. The technology sector was the best performing sector, climbing just over 60% during the year. All other sectors were up as well, with the exception of the Health Care sector, which fell due to weakness

in cannabis stocks. The Fund does not own any cannabis stocks.

Overall economic growth remains fairly resilient in Canada. The domestic economy, while slowing slightly in the back half of the year, remains on solid footing with sturdy housing investment and consumer spending. To be sure, continued trade uncertainties pose headwinds to growth as we enter 2020, though the recent signing of the U.S.-China Phase One trade agreement and the near ratification of the USMCA deal are encouraging developments. On the monetary policy front, the Bank of Canada held its key interest rate at 1.75%, bucking the easing trend of other central banks around the world.

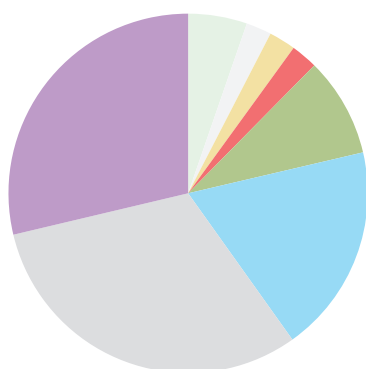
**CANADIAN EQUITY FUND**

As of December 31, 2019

**PERFORMANCE**

	2019	* Since Inception
NGM Canadian Equity Fund Series N	37.47%	12.81%
S&P/TSX Composite	22.88%	8.57%

\* since June 15, 2012

**SECTOR MIX**

Capital Goods	5.3%
Communications & Media	2.3%
Consumer Cyclical	2.4%
Energy	2.4%
Healthcare	9.0%
Industrials	18.8%
Technology	31.1%
Cash & Equivalents	28.7%

**PORTFOLIO HOLDINGS**

	%
Ballard Power Systems Inc.	10.59
CAE Inc.	6.49
Heroux-Devtek Inc.	6.14
Open Text Corporation	6.11
Zymeworks Inc.	6.11
ATS Automation Tooling Systems Inc.	5.30
EXFO Inc.	4.41
Bombardier Inc., Class B	4.11
Sierra Wireless, Inc.	2.97
Evertz Technologies Limited	2.63
Innergex Renewable Energy Inc.	2.41
Aritzia Inc.	2.40
TELUS Corporation	2.28
Celestica Inc.	2.27
Novanta Inc.	2.17
Magellan Aerospace Corp.	2.07
Knight Therapeutics Inc.	1.83
Profound Medical Corp.	1.01
<b>Total Equities</b>	<b>71.29</b>
<b>Cash &amp; Cash Equivalents</b>	<b>28.71</b>
<b>Total Assets</b>	<b>100.00</b>



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## NGM CANADIAN MONEY MARKET FUND

The Money Market Fund's current yield at the end of 2019 was 1.65%, a decrease from the 1.85% yield at the beginning of the year. In 2019, the Fund posted a return of 1.67% net of fees, slightly underperforming the 1.70% return for 30-day Treasury Bills. The Fund continues to hold a well-diversified portfolio of Canadian money market securities with an emphasis on high credit ratings. Due to the short average maturities within the Money Market Fund of approximately 30 days, the direction of the Fund's current yield corresponds closely with the direction in Canadian short-term interest rates.

The Bank of Canada maintained its target rate at 1.75% throughout 2019, bucking the trend of loosening monetary policies by other global central banks.

### NORTH GROWTH CANADIAN MONEY MARKET FUND

Annualized Rates of Returns (%) for Periods Ending December 31, 2019

	* Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM CDN Money Market Fund	1.65	1.67	1.25	0.96	0.86	1.49
30 Day T-Bill	N/A	1.70	1.21	0.93	0.87	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.

# Performance Results

## AVERAGE ANNUAL COMPOUND RATES OF RETURN

It is virtually impossible to correctly judge a long term average rate of performance from looking at a series of annual results. One needs to have some sense of average annual compound rates of return in order to make financial planning decisions and to compare alternative investments.

### NORTH GROWTH (NGM) EQUITY FUNDS AND MARKET INDICES

Annualized Rates of Return (%) for periods ending December 31, 2019

U.S. Equities	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	Since Inception*
<b>NGM U.S. Equity Fund \$CDN</b>	<b>21.53</b>	<b>13.24</b>	<b>12.72</b>	<b>14.46</b>	<b>9.45</b>	<b>10.94</b>	<b>12.73</b>
S&P 500 \$CDN	25.18	14.00	14.25	15.99	9.56	5.50	10.24
<b>NGM U.S. Equity Fund \$U.S.</b>	<b>27.65</b>	<b>14.50</b>	<b>10.20</b>	<b>12.07</b>	<b>8.89</b>	<b>11.53</b>	<b>12.55</b>
S&P 500 \$U.S.	31.49	15.27	11.70	13.56	9.00	6.06	10.06
S&P 400 Mid Cap \$U.S.	26.20	9.26	9.03	12.72	9.48	9.50	11.94
S&P 600 Small Cap \$U.S.	22.78	8.36	9.56	13.35	9.20	9.80	11.40
NASDAQ Composite \$U.S. °	36.74	19.89	15.00	16.14	11.15	5.07	*10.61
Canadian Equities	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	10 yrs	Since Inception**
<b>NGM CDN Equity Fund Series N \$CDN</b>	<b>37.47</b>	<b>6.33</b>	<b>13.67</b>	<b>10.93</b>	<b>5.87</b>	<b>N/A</b>	<b>12.81</b>
S&P/TSX Composite \$CDN	22.88	5.81	6.89	10.28	6.27	6.90	8.57

Source: Bloomberg

\* NGM U.S. Equity Fund Inception October 13, 1992

\*\* NGM Canadian Equity Fund Prospectus Inception June 15, 2012

° Return Since Inception for the NASDAQ is simple price appreciation only because Total Return data is not available on Bloomberg

## ANNUAL PERFORMANCE RESULTS

This data gives you insight into the typical annual variations in investment results. Annual results explain how long term results come about and will reveal whether a record is dependent largely on earlier results, more recent results, or more ideally a balance of both. This data also shows that our outstanding long term results were not achieved by having stellar results in every single year. In equity investing, it should be noted that performance results will periodically fall below expected or desired

levels and this is why we emphasize these longer term results in the evaluation of performance. Furthermore, a year or more of exceptionally strong performance should not give rise to unreasonably high long term expectations. A superior long term record does not mean every year was (or will be) exceptional but it does mean that despite some years of low returns we have delivered on our mandate to provide superior long term results.

### NORTH GROWTH (NGM) EQUITY FUNDS AND MARKET INDICES

Annual Rates of Return (%) for Calendar Years

U.S. Equities	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>NGM U.S. Equity Fund \$CDN</b>	<b>21.53</b>	<b>3.0</b>	<b>16.1</b>	<b>3.8</b>	<b>20.8</b>	<b>21.7</b>	<b>44.2</b>	<b>6.6</b>	<b>1.7</b>	<b>11.6</b>
S&P 500 \$CDN	25.18	4.0	13.8	8.6	21.0	24.0	41.5	13.5	4.4	8.9
<b>NGM U.S. Equity Fund \$U.S.</b>	<b>27.65</b>	<b>-5.3</b>	<b>24.2</b>	<b>7.0</b>	<b>1.2</b>	<b>11.6</b>	<b>34.9</b>	<b>8.9</b>	<b>-0.5</b>	<b>17.9</b>
S&P 500 \$U.S.	31.49	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1
S&P 400 Mid Cap \$U.S.	26.20	-11.1	16.2	20.7	-2.2	9.8	33.5	17.9	-1.7	26.6
S&P 600 Small Cap \$U.S.	22.78	-8.5	13.2	26.6	-2.0	5.8	41.3	16.3	1.0	26.3
NASDAQ Composite \$U.S.	36.74	-2.8	29.8	9.0	7.1	14.8	40.2	17.7	-0.8	18.2
<b>Canadian Equities</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>NGM CDN Equity Fund Series N \$CDN</b>	<b>37.47</b>	<b>-17.8</b>	<b>29.9</b>	<b>3.1</b>	<b>-12.2</b>	<b>19.4</b>	<b>44.3</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
S&P/TSX Composite \$CDN	22.88	-8.9	9.1	21.1	-8.4	10.6	13.0	7.2	-8.7	17.6

Source: Bloomberg "Total Return Analysis" as of January 2, 2020

## North Growth U.S. Equity Fund Portfolio

**Abbott Laboratories** – discovers, develops, manufactures and sells a diversified line of health care products and services. Abbott makes pharmaceuticals, nutritionals, diagnostics and medical devices.

**American Eagle Outfitters Inc.** – is a specialty retailer that designs and sells its own brand of casual clothing targeting the 15-25-year-old market. The company offers apparel and accessories for men and women under the American Eagle Outfitters brand, and intimate wear, apparel and personal care products for women under the Aerie brand.

**Amgen Inc.** – is a biotechnology company that uses cellular and molecular biology to target cancers, blood disorders, bone health, kidney ailments, inflammatory disorders and metabolic diseases.

**Anthem Inc.** – is one of the largest health benefits companies in the United States. It provides health, dental and vision, and pharmacy benefits, as well as life insurance and life and disability insurance benefits.

**Apple Inc.** – is one of the leading technology companies in the world. The company designs, manufactures and markets mobile communication and media devices and personal computers. It also sells a variety of related software and services. Some of the company's most popular hardware products

include the iPhone, iPad, Mac, Apple Watch, AirPods and Apple TV.

**Applied Materials Inc.** – provides manufacturing equipment, services and software primarily to the semiconductor and display industries. Its semiconductor segment offers a portfolio of products that help customers fabricate semiconductor chips and improve device performance, yield and cost. The display segment sells leading edge products used in the manufacture of screens for TVs, personal computers, mobile phones and other consumer-oriented devices.

**Best Buy Co., Inc.** – is a retailer that sells a range of consumer electronics, services and solutions in a diverse range of areas including entertainment, productivity, communication, food preparation, security and health and wellness.

**Boston Scientific Corporation** – is a medical device company. Its products are used in interventional cardiology, cardiac rhythm management, peripheral interventions, electrophysiology, neurovascular intervention, endoscopy, urology, gynecology and neuromodulation.

**Bristol-Myers Squibb Company** – engages in the discovery, development, licensing, manufacture, marketing, distribution and sale of biopharmaceutical products. It operates

in three main therapeutic areas – Oncology, Immunology & Inflammation and Cardiology.

**Cerner Corporation** – designs, develops, markets, installs, and supports information technology and content solutions for healthcare organizations and consumers. These solutions, which can be implemented as stand-alone, combined or enterprise-wide systems, are designed to supply the appropriate health information and knowledge to providers on a real-time basis. Cerner is among the largest healthcare information technology companies in the United States.

**Ciena Corporation** – is a supplier of telecommunications networking equipment, software and services. Its products support the transport, switching, aggregation, delivery and management of voice, video and data traffic on communication networks. Ciena's customers include telecom service providers, cable companies, large enterprises and government entities.

**Cisco Systems Inc.** – is a leading provider of networking equipment and services. The company's broad portfolio of products is grouped into several categories: switching, next-generation networking routing, collaboration, service provider video, wireless, security, data center and other products. Cisco sells its products to a wide range of customers, including large and small businesses, internet service providers, public sector entities and governments.

**Citrix Systems Inc.** – provides software and services that enable enterprise applications to be managed and delivered securely through its virtual computing infrastructure on demand, without regard to location, network connection or device. The company markets and licenses its products primarily to enterprise customers.

**Coherent, Inc.** – manufactures and sells a range of laser-based products and solutions. Their high performance excimer lasers are used to manufacture OLED (organic light-emitting diode) displays found in high end smartphones. Their industrial lasers are used for materials processing (such as cutting and welding) for the automotive, machine tool, consumer goods and medical devices markets.

**DSP Group Inc.** – is a fabless semiconductor company that provides a broad portfolio of wireless chipset solutions for converged communications. Its products target mobile devices, home automation and security systems, home gateways, enterprise internet protocol phones and traditional cordless phones.

**Electronic Arts Inc.** – develops, publishes and distributes interactive entertainment software for video game consoles, personal computers, handheld game devices and mobile phones. The company also provides online game-related services.

**FedEx Corporation** – provides worldwide express delivery, ground small parcel delivery,

less-than-truckload freight delivery, supply chain management services, customs brokerage services and other related business services.

**First Solar Inc.** – is a solar photovoltaic company that uses a thin film semiconductor technology to manufacture solar modules. Its modules convert the sun’s energy to electricity used to power homes and businesses.

**Foot Locker Inc.** – engages in the retail of athletic shoes and apparel. It operates through the Athletic Stores and Direct-to-Customers segments. The Athletic Stores segment sells athletic footwear and apparel under the Foot Locker, Lady Foot Locker, Kids Foot Locker, Champs Sports, Footaction, Runners Point and Sidestep brands. The Direct-to-Customers segment includes Footlocker.com, Inc., Eastbay, Inc. and international electronic commerce businesses.

**Fortune Brands Home & Security Inc.** – provides home and security products. Its portfolio of products include kitchen and bathroom cabinetry, faucets, sinks, doors and security locks. Its well-known brands include Moen, MasterBrand, SentrySafe and Master Lock.

**Gilead Sciences Inc.** – is a global biopharmaceutical company that targets therapeutic areas such as human immunodeficiency virus (HIV), liver disease, hematology/oncology, cardiovascular and

inflammation/respiratory conditions.

**Herman Miller Inc.** – designs, manufactures and distributes interior furnishings and provide related services to corporations, institutions as well as consumers. The company markets its products primarily through a global network of independent dealers and through its retail stores, called Design Within Reach.

**HP Inc.** – is a technology company previously known as Hewlett Packard Company before the spin-off of its enterprise business. The company operates in two primary segments: Personal Systems and Printing. Its Personal Systems unit provides commercial and consumer personal computers, notebooks, workstations, tablets and other related devices and services. Its Printing unit provides printer hardware, supplies, solutions and related services to both the consumer and commercial markets.

**II-VI, Inc.** – designs engineered materials and optoelectronic components. The Company’s core end markets include the optical communications, industrial and military markets as well as some of the emerging growth markets in EUV lithography, silicon carbide and 3D sensing.

**Intel Corporation** – is the world’s largest semiconductor company that designs and manufactures microprocessors, chipsets, embedded processors and flash memory for a wide variety of applications.



**Itron Inc.** – provides end-to-end smart metering solutions to electric, natural gas and water utilities worldwide. Its products allow utilities to better manage energy resources and enable customers to make informed decisions about their energy consumption.

**Jabil Inc.** – provides electronic manufacturing services. The company offers electronics design, production and product management services to companies in a wide range of industries. Their services allow their customers to lower manufacturing costs, improve supply chain management, reduce inventory obsolescence, lower transportation costs and reduce product fulfillment time.

**Jacobs Engineering Group, Inc.** – engages in the provision of a diverse range of technical, professional, and construction services to industrial, commercial and governmental clients. Jacobs provides professional services through two lines of businesses- Critical Mission Solutions and People and Places Solutions.

**Johnson Controls International plc** – provides building products and technology solutions to customers around the world. Its products include air systems, building management, heating, ventilating, air-condition (HVAC) controls, security and fire safety solutions.

**LogMeIn Inc.** – offers secure, remote connectivity services to computers for mobile professionals and IT support providers worldwide.

**Masco Corporation** – manufactures and sells branded home improvement and building products. Some of their products include kitchen and bath cabinetry, paint, faucets, sinks, lighting, hot tubs, windows and patio doors. Its well-known brands include Delta, Kraft Maid, Behr and Milgard.

**Microsoft Corporation** – develops and sells software, services and devices to enterprises, consumers and small and medium businesses. The company, perhaps best known for its Windows operating system and Office productivity suite, has added devices and services in recent years to address secular trends in mobility and cloud computing.

**Motorola Solutions Inc.** – is a leading provider of public safety and mission-critical communication infrastructure, devices, accessories and services.

**Pfizer Inc.** – is one of the world's largest biopharmaceutical companies. Its Biopharma segment is a science-based innovative medicines business that includes six business units – Oncology, Inflammation & Immunology, Rare Disease, Hospital, Vaccines and Internal Medicine. The Upjohn segment manages the company's legacy brands as well as its branded generics, generic sterile injectables and biosimilars. In July 2019, Pfizer announced Upjohn will merge with Mylan and be spun off to create the biggest specialty-generic drug company in the world.

**Skechers U.S.A., Inc.** – designs and markets casual, active, rugged, and lifestyle footwear for men, women and children. Its products are sold through department stores, specialty retailers and its own network of retail stores.

**SolarEdge Technologies Inc.** – designs and sells power optimizers that attach to the back of solar panels and inverters that harvest and convert the panel-generated energy from direct current (DC) into the usable alternating current (AC). Its differentiated technology maximizes the power generation at the individual solar module level while lowering the cost of energy produced by the solar photovoltaic system.

**Texas Instruments Inc.** – designs and makes semiconductors that are, in turn, sold to electronics designers and manufacturers worldwide. The company's broad portfolio of products is used in a wide range of applications and target the personal electronics, automotive, communications, enterprise and industrial markets.

**The Walt Disney Co.** – is a diversified international family entertainment and media enterprise. It operates through the following segments: Media Networks, Parks, Experiences and Products, Studio Entertainment and Direct-to-Consumer and International.

**Urban Outfitters Inc.** – offers general merchandise and consumer products and services through a portfolio of global

consumer brands comprised of the Anthropologie, Bhdn, Free People, Terrain and Urban Outfitters brands and the Food and Beverage division.

**Varex Imaging Corporation** – designs, manufactures and sells x-ray imaging components for the medical, industrial and security markets.

**Varian Medical Systems Inc.** – manufactures medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, proton therapy and brachytherapy.

**Watts Water Technologies, Inc.** – engages in the manufacture and provision of products for water conservation, safety, and flow control. Its services include plumbing and flow control solutions, water quality and conditioning, water reuse and drainage, heating, ventilation, and air conditioning and municipal waterworks.

**Zimmer Biomet Holdings Inc.** – is a global manufacturer of orthopaedic reconstructive, spinal and trauma devices, dental implants and related surgical products. Its products are sold directly to health care institutions, distributors and dental facilities.

## North Growth Canadian Equity Fund Portfolio

**Aritzia Inc.** – is a vertically integrated, innovative design house of exclusive fashion brands. Its unique multi-brand portfolio and product mix allows flexibility to address evolving fashion trends and to appeal to clients across multiple life stages. Aritzia's products are sold exclusively through its boutiques and website. It currently operates 67 boutiques in Canada and 27 boutiques in the United States.

**ATS Automation Tooling Systems Inc.** – is an industry-leading automation solutions provider. ATS has an extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services including pre-automation and after-sales services. It operates in the life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy and oil and gas industries.

**Ballard Power Systems Inc.** – is a world-leader in proton exchange membrane (PEM) fuel cell design, development, manufacture and commercialization. Ballard's primary markets include Heavy-Duty Motive (consisting of bus, truck, rail and marine applications), Portable Power, Material Handling and Backup Power. The Technology Solutions segment provides engineering services, technology transfer and licensing for Ballard's intellectual portfolio.

**Bombardier Inc.** – is a global leader in the transportation industry. Bombardier has a broad portfolio of products and services for the business aviation, commercial aviation and rail transportation markets. With 63 production and engineering sites in 27 countries, Bombardier Transportation has an installed base of over 100,000 railcars and locomotives worldwide. Bombardier Aviation designs, manufactures and supports innovative aviation products for the business, commercial and specialized aircraft markets.

**CAE Inc.** – is a world-leader in modeling, simulation and training for the civil aviation, defence and security and healthcare markets. It has the broadest global presence in the industry. Each year, CAE trains more than 220,000 civil and defence crewmembers, including more than 135,000 pilots and thousands of healthcare professionals worldwide.

**Celestica Inc.** – delivers innovative supply chain solutions globally. It helps customers accelerate time-to-market and provide higher quality, lower cost and reduced cycle times in supply chains. Its segments include Connectivity & Cloud Solutions (enterprise communications and telecommunications) and Advanced Technology Solutions (aerospace and defense, industrial, smart energy, healthcare and capital equipment).

**Evertz Technologies Limited** – is a leading supplier of software, equipment and technology solutions to the television broadcast, telecommunications and new media industries. Evertz designs, manufactures and markets video and audio infrastructure solutions for the production, post-production and transmission of television content.

**EXFO Inc.** – is a leading provider of next-generation test, service assurance and analytics solutions. EXFO targets high-growth market opportunities related to increasing bandwidth and improving quality of experience on network infrastructures. These include 5G, Internet of Things, 4G/LTE, wireless backhaul, small cells and distributed antenna systems, 100G and 400G network upgrades and FTTH/FTTC/FTTN deployments.

**Heroux-Devtek Inc.** – specializes in the design, development, manufacture, repair and overhaul of landing gear, actuation systems and components for the Aerospace market. It is the third largest landing gear company worldwide. It supplies both the commercial and military sectors with new systems and components, as well as aftermarket products and services.

**Innergex Renewable Energy Inc.** – is a leading independent renewable power producer. Innergex develops, acquires, owns and operates hydroelectric facilities, wind farms and solar farms. Its operations span Canada, the United States, France and Chile. The

portfolio consists of 68 operating facilities with a net installed capacity of 2,588 MW (gross 3,488 MW), including 37 hydroelectric facilities, 26 wind farms and five solar farms.

**Knight Therapeutics Inc.** – is a specialty pharmaceutical company focused on developing, acquiring, in-licensing, out-licensing, marketing and distributing pharmaceutical products, consumer health products and medical devices in Canada and select international markets.

**Magellan Aerospace Corporation** – is a diversified supplier of components to the aerospace industry. Magellan designs, engineers and manufactures aeroengine and aerostructure components for aerospace markets, advanced products for defence and space markets and complementary specialty products. The Corporation supports the aftermarket through supply of spare parts as well as performing repair and overhaul services.

**Novanta Inc.** – is a global supplier of core technology solutions in healthcare and advanced industrial original equipment markets. The company's deep proprietary technology expertise helps solve complex technical challenges in three segments. Photonics designs, manufactures and markets photonics-based solutions. Vision designs, manufactures and markets a range of medical grade technologies sold directly to OEM customers. Precision Motion designs, manufactures and markets optical

encoders, precision motor and motion control technology, air bearing spindles and precision machined components.

**Open Text Corporation** – develops enterprise software for digital transformation in the Enterprise Information Management (EIM) market. It enables organizations to gain insight through market leading information management solutions, on premises or in the cloud. Its solutions facilitate the exchange of information and transactions between supply chain participants, such as manufacturers, retailers, distributors and financial institutions.

**Profound Medical Corp.** – is a medical technology company. It is focused on a therapeutics platform that provides the precision of real-time Magnetic Resonance Imaging combined with the safety and ablation power of directional and focused ultrasound technology for the incision-free ablation of diseased tissue. Profound's leading approved product is the TULSA-PRO system. In August 2019 TULSA-PRO received U.S. FDA clearance for thermal ablation of prescribed prostate tissue, benign and malignant, using transurethral ultrasound ablation. In addition, Profound's Sonalleve system aims to treat uterine fibroids and provide palliative pain relief associated with metastases in bone.

**Sierra Wireless, Inc.** – is a leading provider of device-to-cloud solutions for the Internet of Things ("IoT"). It offers the industry's most comprehensive portfolio of cellular and short range embedded wireless modules and

cellular gateways. When combined with its cloud platform and connectivity services, it creates an end-to-end solution for enabling IoT applications.

**Telus Corporation** – is Canada's fastest-growing national telecommunications company. TELUS provides a wide range of communications products and services, including wireless, data, Internet protocol (IP), voice, television, entertainment, video and business process outsourcing services. It is also Canada's largest healthcare IT provider.

**Zymeworks Inc.** – is an innovative, clinical-stage biopharmaceutical company dedicated to the discovery, development and commercialization of next-generation multifunctional biotherapeutics. Its suite of complementary therapeutic platforms and fully integrated drug development engine provide the flexibility and compatibility to precisely engineer and develop highly differentiated product candidates.



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## How to Buy our Funds

### DIRECT

The North Growth U.S. Equity Fund, the North Growth Canadian Equity Fund (Series N) and the North Growth Canadian Money Market Fund are available directly from us. The minimum initial investment is \$150,000 CDN, minimum subsequent investments \$10,000 CDN.

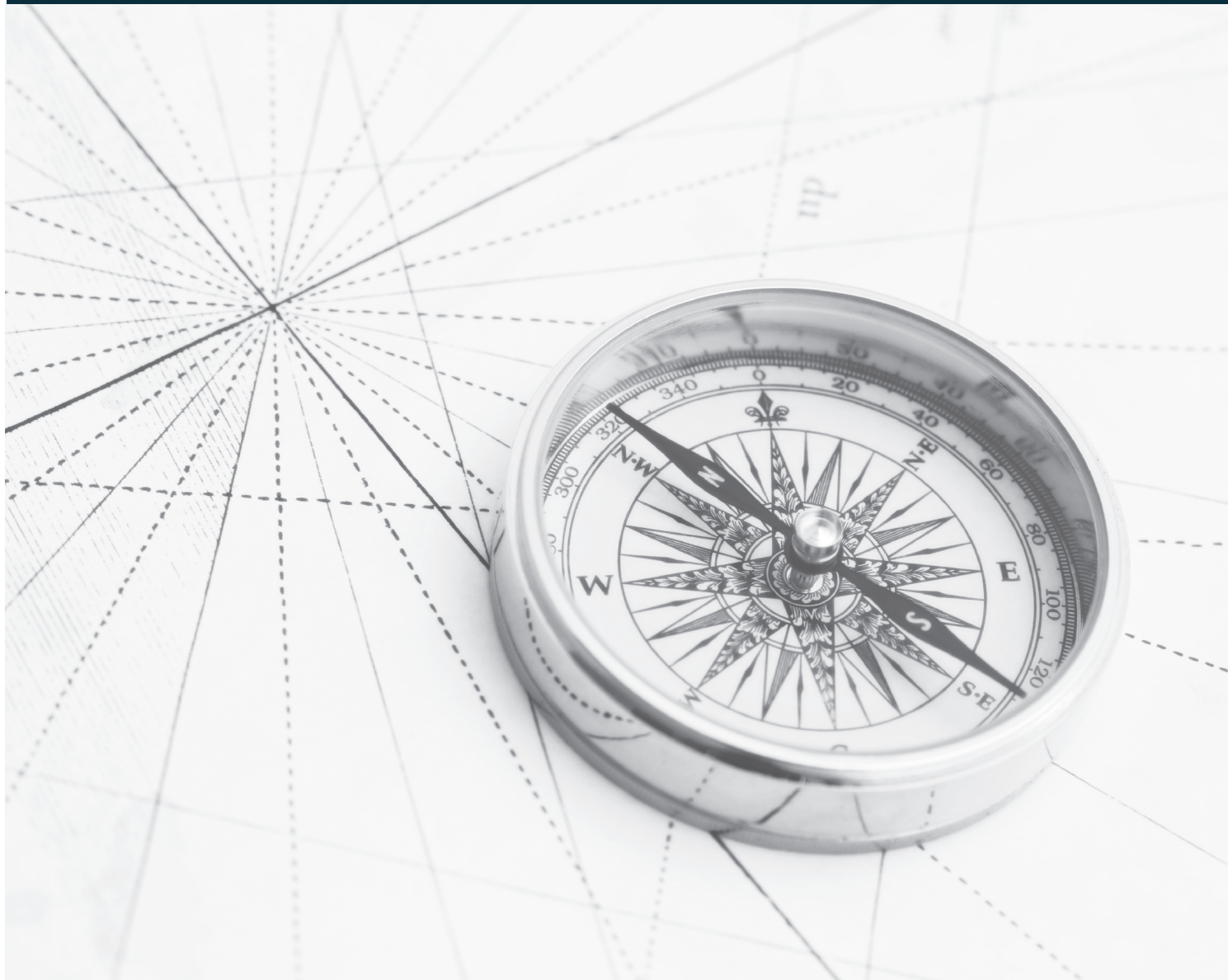
### FROM A REGISTERED DEALER

The North Growth U.S. Equity Advisor Fund and the North Growth Canadian Equity Fund (Series D and Series F) are available through your regular full-service broker, fee for service advisor or discount brokerage. The minimum initial investment is \$5,000 CDN, minimum subsequent investments \$1,000 CDN.

Registered dealers with clients interested in purchasing units of the North Growth U.S. Equity Advisor Fund and/or the North Growth Canadian Equity Fund (Series D and Series F) can do so through FundSERV.

### NGM U.S. EQUITY ADVISOR FUND SERIES F AND SERIES D NGM CANADIAN EQUITY FUND SERIES F AND SERIES D

Fund Code	Fund Series	Trailer Fee	MER (incl. trailer fee)
370 (C\$) 371 (US\$)	U.S. Equity Advisor Fund Series F	N/A	0.70%
372 (C\$) 373 (US\$)	U.S. Equity Advisor Fund Series D	0.30%	1.00%
270	Canadian Equity Fund Series F	N/A	0.70%
272	Canadian Equity Fund Series D	0.30%	1.00%



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

T: 604 688 5440  
F: 604 688 5402  
[northgrowth.com](http://northgrowth.com)