



FEBRUARY 2020 MONTHLY REPORT

MARCH 11, 2020

Market and Fund Performance Update

U.S. equities climbed during most of February to an all-time high on February 19th before plunging on the rapid spread of the coronavirus pandemic. In the last seven trading days of the month, the S&P 500 declined -13%, slipping into correction territory—a drop of at least 10% from a recent peak. Since then all the major U.S. indices have continued to sell off and are nearly approaching a bear market, typically defined as a decline of 20% or more from the peak.

COVID-19 EFFECTS FEAR AND MARKET VOLATILITY

The full economic impact of the novel coronavirus, known as COVID-19, outbreak remains highly uncertain but appears to be worsening. The acceleration of coronavirus infections has abruptly cut supply and demand across various industries and continents, disrupted global travel, and led to the cancellation of numerous conferences. As the coronavirus has interrupted everyday life all over the world, the financial markets have factored in an increasingly grim outlook.

The degree to which lower interest rates and government actions can contain the negative effects of the virus is unknown. The likelihood that COVID-19 will hurt consumer sentiment and business investment over a prolonged period, leading to a slowdown of the U.S. economy and a global recession, however, is high. In the stock markets, the atmosphere is now one of apprehension and fear, with many fixating on headlines about the virus. The recent slide in oil prices as a result of Saudi Arabia's decision to instigate a price war, along with the collapse in government bond yields, has exacerbated an already fragile macroeconomic backdrop.

VOLATILITY CREATES OPPORTUNITY

The return of volatility in the equity markets provides an opportunity for us to deploy some of our cash holdings as well as adjust the weightings of individual portfolio constituents based on company fundamentals and stock valuations. We have been taking advantage of these recent relative market opportunities and have, on a net basis, been adding to our equity holdings in the U.S. Fund.

By and large, the North Growth U.S. Equity Fund is positioned well. The Fund has completed an incredibly strong earnings reporting season for the fourth quarter of 2019, with solid profit growth coming in well ahead of analysts' expectations and comparing much favourably to that of the S&P 500 Index. The Fund's holdings continue to be broad-based and diversified, with the vast majority of names generating steady, consistent earnings growth and in decent financial health (i.e. strong balance sheets).

The recent market rout has resulted in an increasing number of high-calibre companies that have underperformed significantly to now be at attractive valuation levels. We are availing ourselves of the growing opportunities in the marketplace, and continue to focus on individual stocks that adhere to our “growth at a reasonable price” investment philosophy.

U.S. EQUITY FUND

In February, the North Growth U.S. Equity Fund declined -6.2%. The Fund performed in line with the NASDAQ Composite, and beat the other indices we regularly follow: the S&P 500 which fell -8.2% as well as the smaller capitalization S&P 400 MidCap and S&P 600 SmallCap which lost -9.5% and -9.6% respectively. A weaker Canadian currency reduced the Fund’s February loss to -4.8% in Canadian dollars versus the S&P 500’s negative -6.9% Canadian-dollar monthly return.

CANADIAN EQUITY FUND, SERIES N

Canadian equities were also weak in February, with the S&P/TSX Composite depreciating -5.9% for the month. The North Growth Canadian Equity Fund, Series N, fell -7.2%, lagging the Index. Year-to-date, the Canadian Fund (Series N) is down -2.1% versus the S&P/TSX’s return of negative -4.3%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2020

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	-4.81	-4.06	2.07	-5.10
S&P 500 in \$CDN	-6.87	-4.50	2.95	-5.15
North Growth U.S. Equity Fund \$U.S.	-6.20	-5.06	1.05	-8.21
S&P 500 \$U.S.	-8.23	-5.50	1.92	-8.27
S&P 400 MidCap \$U.S.	-9.49	-9.38	-2.74	-11.86
S&P 600 SmallCap \$U.S.	-9.61	-10.60	-2.93	-13.20
NASDAQ Composite \$U.S.	-6.22	-0.83	8.22	-4.31

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2020

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	6.52	9.46	8.85	13.75	8.60	10.54	12.44
S&P 500 \$CDN	10.33	10.28	10.80	15.43	9.02	5.57	9.96
North Growth U.S. Equity Fund \$U.S.	4.46	9.06	7.30	11.01	7.99	10.97	12.12
S&P 500 \$U.S.	8.19	9.87	9.23	12.65	8.40	5.97	9.65
S&P 400 MidCap \$U.S.	-3.39	3.29	5.49	11.11	8.51	8.59	11.35
S&P 600 SmallCap \$U.S.	-7.69	2.96	6.01	11.67	8.14	8.51	10.75
NASDAQ Composite \$U.S.	15.04	15.01	12.86	15.76	11.25	4.09	*10.36

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

* 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	\$ 46.54 CDN \$ 34.66 US
Total Assets in Fund	\$ 522.9 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2020

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	-7.18	-1.22	10.42	-2.05
S&P / TSX \$CDN	-5.90	-3.83	0.44	-4.26

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2020

	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	*Since Prospectus
North Growth Canadian Equity Fund, Series N*	17.20	5.31	10.23	12.14	4.79	12.22
S&P / TSX \$CDN	4.89	5.87	4.98	9.28	4.42	7.77

** 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 \$ 21.36 CDN

Total Assets in Fund \$ 46.3 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2020

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	1.64	1.64	1.31	1.00	0.89	1.49
30 Day Treasury Bill	N/A	1.70	1.27	0.96	0.90	1.48

** 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%.

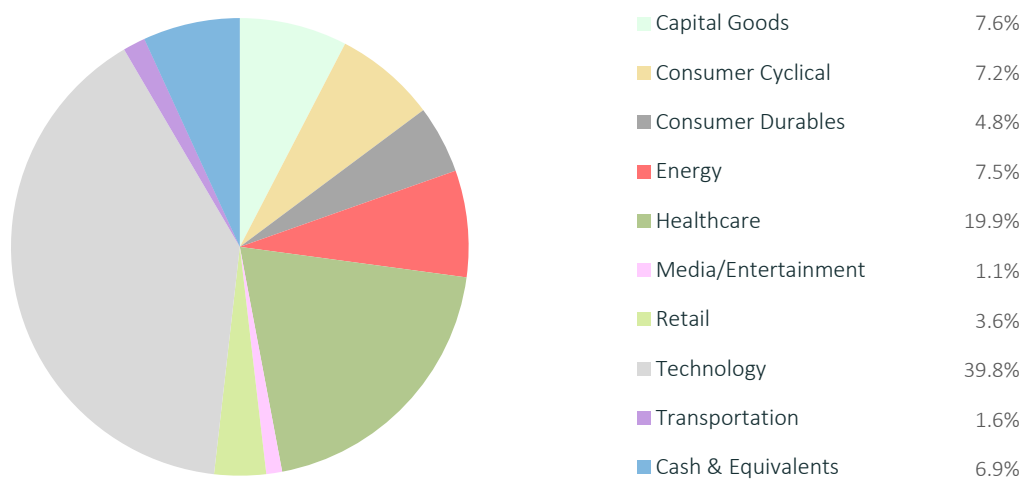
We manage the portfolio to ensure high liquidity and have no intention to extend maturities in order to chase a few basis points. We believe our money market fund has superior liquidity characteristics due to its very low average maturity. The North Growth Canadian Money Market Fund's yield will quickly 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 FEBRUARY 29, 2020

Ranking	Security	% of Net Assets
1	SolarEdge Technologies Inc.	4.47
2	Ciena Corp	4.37
3	Intel Corporation	3.93
4	Applied Materials Inc.	3.86
5	Cisco Systems Inc.	3.43
6	Apple Inc.	3.19
7	Jabil Inc.	3.13
8	First Solar Inc.	3.06
9	Itron Inc.	2.83
10	Gilead Sciences Inc.	2.74
Top 10		35.01
Total Equities		93.14
Cash		6.86
Total Assets		100.00

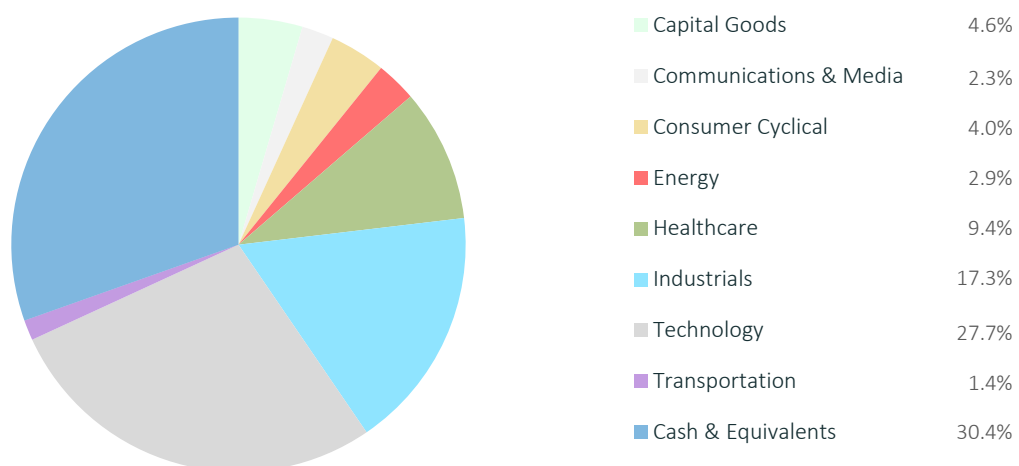
U.S. EQUITY FUND — SECTOR MIX AS AT FEBRUARY 29, 2020



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT FEBRUARY 29, 2020

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	8.70
2	CAE Inc.	6.95
3	Open Text Corporation	6.16
4	Heroux-Devtek Inc.	5.94
5	Zymeworks Inc.	5.84
6	ATS Automation Tooling Systems Inc.	4.55
7	Aritzia Inc.	3.99
8	EXFO Inc.	3.59
9	Innergex Renewable Energy Inc.	2.88
10	Bombardier Inc., Class B	2.72
Top 10		51.32
Total Equities		69.58
Cash		30.42
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT FEBRUARY 29, 2020



Investing with Us

North Growth Management is a focused firm. 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 the Friday after U.S. Thanksgiving 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. Orders and cheques should be delivered to:

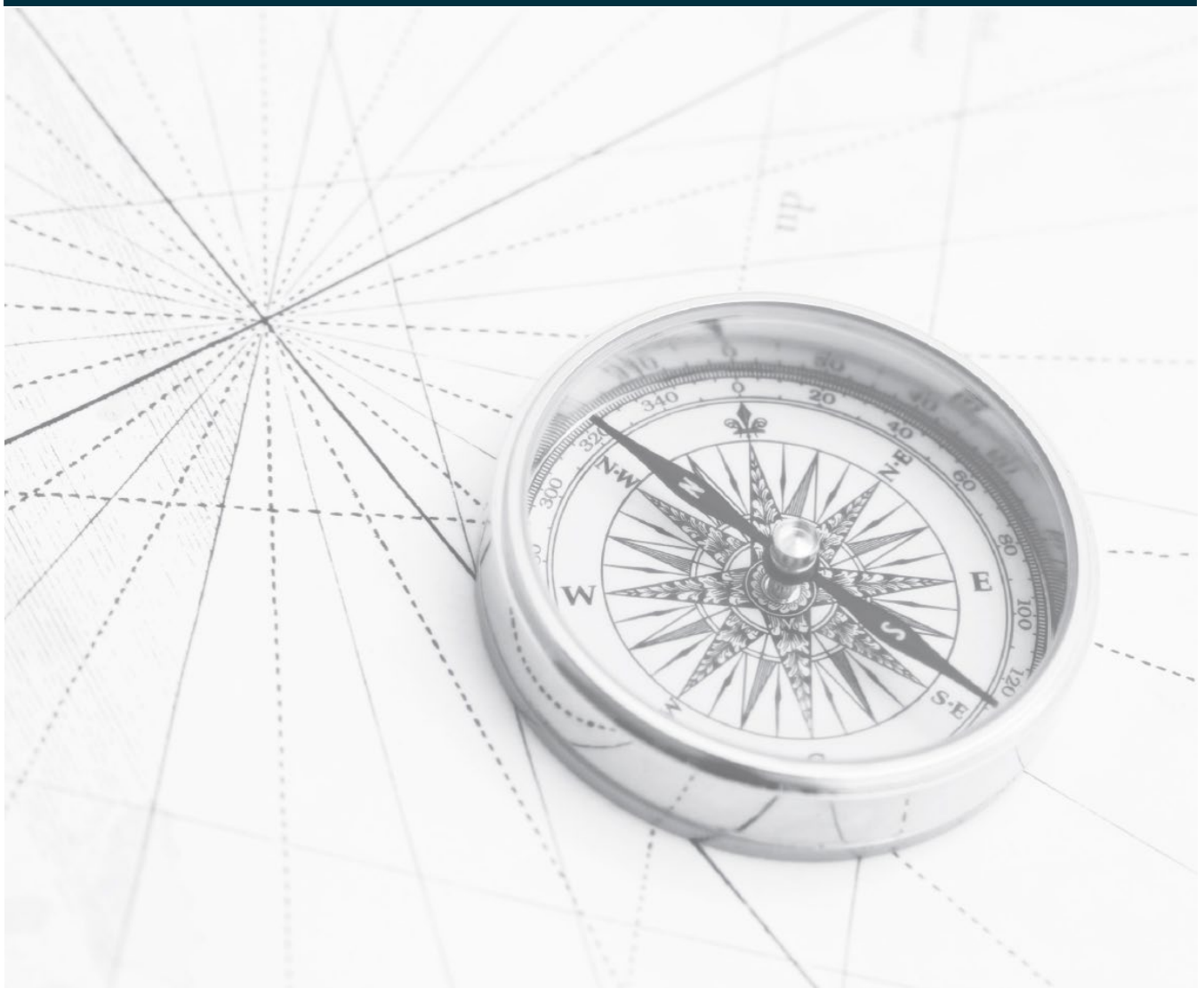
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WHERE TO FIND NGM FUND PRICES

Please visit www.northgrowth.com to view the Funds' daily prices or to be added to our e-mail list to receive daily notification of the Funds' prices.



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