



NORTH GROWTH
MANAGEMENT



SEPTEMBER 2020 MONTHLY REPORT

OCTOBER 8, 2020

Fund Performance Update

U.S. equities declined in September, posting their first negative month since March. Nonetheless, the major indices hit a string of records during the July to September quarter and capped the best two-quarter performance since 2009. The S&P 500 has gained 31% over the past six months since the end of March. Looking ahead, amid much uncertainty with the U.S. presidential election on November 3rd and rising COVID-19 infections during a fragile economic recovery from the coronavirus pandemic, we expect market volatility to remain elevated.

CORPORATE EARNINGS SLUMP

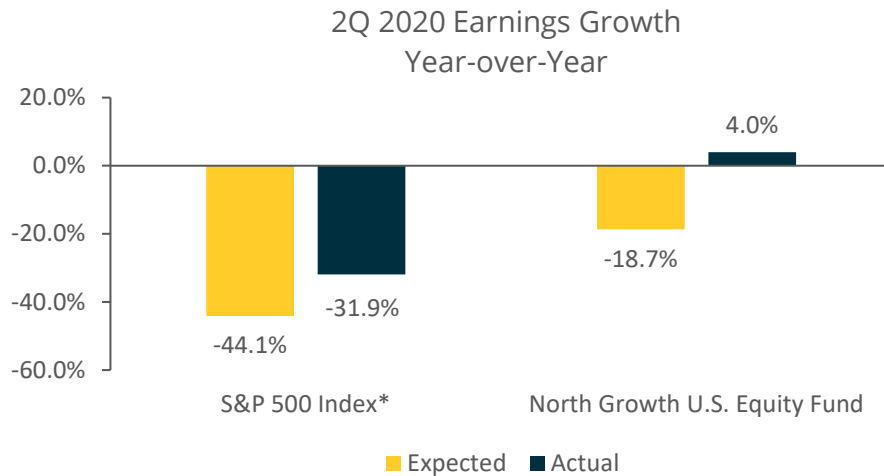
The S&P 500 index officially entered into an earnings recession in 2019. As the COVID-19 pandemic brought the global economy to a virtual standstill near the end of the first quarter and into the second quarter of 2020, analysts further lowered their earnings estimates for S&P 500 companies drastically this year. Despite corporate profits coming in well ahead of the Street's severely reduced estimates for the second quarter and analysts recently raising third quarter earnings estimates, earnings of S&P 500 constituents are still projected to decline –18% in 2020.

With the earnings reporting season for the second quarter of 2020 completely wrapped up, we would like to highlight the North Growth U.S. Equity Fund's strong results.

The Fund reported profits on a weighted-average basis in the second quarter that increased 4.0% over a year ago versus estimates of a –18.7% decrease. Nearly all—over 96%—of the portfolio's earnings results exceeded analysts' estimates.

For the market in general, earnings during the last quarter fell –31.9% year-over-year, the largest earnings decline since the first quarter of 2009. The percentage of companies that reported EPS (earnings per share) above estimates during the second quarter was a record 84% as estimates were lowered substantially going into the reporting season.

The U.S. Fund's earnings growth profile continues to be consistently solid and broad-based. During an especially difficult quarter, we are pleased with the positive earnings growth rate of the Fund in contrast to that of the S&P 500 index.



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

As illustrated by the chart above, the Fund's earnings results for the latest quarter were exceptional. We believe this underscores the success of our active management and stock selection process.

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.

TAX INFORMATION UPDATE

Tuesday, December 15th is the distribution date this year for both the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. We continue to anticipate that the annual distributions for 2020 will be meaningfully higher than those of 2019.

We currently estimate that the distributions for the Funds this year, comprised almost entirely of capital gains, will be between 5% and 15% of the unit price. Due to a number of factors beyond our control, the estimate for the distributions may change materially over the coming months. Last year, the distribution for the U.S. Fund was less than 1% of the unit price and for the Canadian Fund was about 2% of the unit price.

The distributions by the Funds are automatically reinvested in units of the respective Funds. If you would like to receive your distributions in cash, please notify us by Friday, November 27th.

U.S. EQUITY FUND

In September, the North Growth U.S. Equity Fund declined –2.2%. The Fund outperformed all the indices we regularly track: the S&P 500 which lost –3.8%, the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap which were down –3.3% and –4.7% respectively, and the NASDAQ Composite which fell –5.1%. Due to the weakening of the Canadian currency against its U.S. counterpart last month, the Fund was flat in Canadian dollars versus the S&P 500's negative –1.6% return in Canadian dollars.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, appreciated 0.2% in September, outperforming the S&P/TSX Composite which declined –2.1%. Year-to-date, the Fund is up 0.3% versus the S&P/TSX Composite's negative return of –3.1%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	0.01	7.91	30.31	12.56
S&P 500 in \$CDN	-1.61	6.62	23.46	8.43
NGM U.S. Equity Fund \$U.S.	-2.21	10.25	38.59	9.60
S&P 500 \$U.S.	-3.80	8.93	31.31	5.57
S&P 400 MidCap \$U.S.	-3.25	4.77	29.99	-8.62
S&P 600 SmallCap \$U.S.	-4.70	3.17	25.81	-15.25
NASDAQ Composite \$U.S.	-5.11	11.23	45.66	25.40

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	18.83	14.27	13.82	15.13	10.00	9.93	12.85
S&P 500 \$CDN	15.98	14.80	14.14	16.73	10.20	5.78	10.27
NGM U.S. Equity Fund \$U.S.	17.97	11.76	13.83	12.18	9.00	10.59	12.57
S&P 500 \$U.S.	15.15	12.28	14.15	13.74	9.19	6.42	9.99
S&P 400 MidCap \$U.S.	-2.16	2.90	8.11	10.49	8.21	7.92	11.25
S&P 600 SmallCap \$U.S.	-8.29	-0.33	7.20	10.57	7.50	8.35	10.42
NASDAQ Composite \$U.S.	41.06	21.06	20.68	18.20	12.88	6.80	*11.18

Source: Bloomberg "Total Return Analysis" as of September 30, 2020

* This return is a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

Unit Price	\$ 55.20 CDN \$ 41.38 US
Total Assets in Fund	\$ 568.6 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	0.15	3.31	24.00	0.25
S&P / TSX \$CDN	-2.06	4.73	22.51	-3.09

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	1 Yr	3 Yrs	5 Yrs	8 Yrs	*Since Prospectus
NGM Canadian Equity Fund Series N*	11.49	6.72	10.29	11.70	11.62
S&P / TSX \$CDN	-0.03	4.26	7.16	6.62	7.36

* 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 \$ 21.86 CDN

Total Assets in Fund \$ 44.4 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	0.12	1.00	1.30	0.99	0.90	1.42
30 Day Treasury Bill	N/A	0.99	1.25	0.95	0.91	1.40

** 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 of our 0.25% management fee.

We manage the portfolio to ensure high liquidity and have no intention to extend maturities or reduce the quality of the holdings.

In the current environment of ultra low interest rates near zero, the Fund, like most interest-yielding instruments, is offering virtually no return. The downward trend on rates does not appear to be abating. North Growth will temporarily lower the management fee as needed in order to maintain a positive yield for the Fund's unitholders. **The current yield quoted above is net of the management fee.** We will provide a monthly update in these reports on the management fee.

Management fee (September 30, 2020) for the Fund: 0.25%

Equity Fund Holdings

U.S. EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2020

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	Ciena Corp.	4.49	30	Cerner Corporation	1.80
2	First Solar Inc.	3.91	31	Microsoft Corporation	1.79
3	SolarEdge Technologies Inc.	3.49	32	Skechers U.S.A., Inc.	1.79
4	Applied Materials Inc.	3.49	33	Lumentum Holdings Inc.	1.74
5	II-VI Inc.	3.02	34	Texas Instruments Inc.	1.63
6	Jabil Inc.	2.96	35	Abbott Laboratories	1.61
7	FedEx Corp.	2.93	36	Boston Scientific Corporation	1.46
8	Best Buy Co., Inc.	2.91	37	Citrix Systems Inc.	1.33
9	American Eagle Outfitters Inc.	2.91	38	Nvidia Corp.	1.12
10	Bristol-Myers Squibb Company	2.86	39	The Walt Disney Company	1.04
11	Amgen Inc.	2.59	40	Intel Corporation	1.01
12	HP Inc.	2.58	41	Watts Water Technologies Inc.	0.93
13	Zimmer Biomet Holdings Inc.	2.56	42	Booking Holdings Inc.	0.87
14	Motorola Solutions Inc.	2.52	43	Urban Outfitters Inc.	0.86
15	Fortune Brands Home & Security Inc.	2.42	44	TPI Composites Inc.	0.67
16	D.R. Horton, Inc.	2.41	45	Facebook, Inc.	0.63
17	Anthem Inc.	2.36		Total Equities	94.82
18	Electronic Arts Inc.	2.25		Cash	5.18
19	Itron Inc.	2.24		Total Assets	100.00
20	RH	2.13			
21	Johnson Controls International plc	2.10			
22	Foot Locker, Inc.	2.07			
23	Gilead Sciences Inc.	2.02			
24	Brinker International Inc.	1.96			
25	Apple Inc.	1.94			
26	Biogen Inc.	1.89			
27	Cisco Systems Inc.	1.87			
28	Herman Miller Inc.	1.83			
29	Jacobs Engineering Group Inc.	1.83			

CANADIAN EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2020

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	8.46
2	Zymeworks Inc.	6.88
3	Open Text Corporation	6.44
4	ATS Automation Tooling Systems Inc.	5.41
5	TFI International Inc.	5.20
6	Aritzia Inc.	4.98
7	Profound Medical Corp	4.83
8	Innergex Renewable Energy Inc.	4.63
9	EXFO Inc.	4.45
10	CAE Inc.	3.93
11	Sierra Wireless Inc.	3.81
12	Heroux-Devtek Inc.	3.18
13	Intertape Polymer Group Inc.	3.14
14	Novanta Inc.	2.85
15	TELUS Corporation	2.28
16	Calian Group Ltd.	2.19
17	Knight Therapeutics Inc.	2.15
18	Evertz Technologies Limited	1.80
19	Leon's Furniture Ltd.	1.74
20	Air Canada	1.42
21	Magellan Aerospace Corp.	1.07
22	Bombardier Inc., Class B	0.98
23	Restaurant Brands International	0.96
24	Polaris Infrastructure Inc.	0.91
25	Quebecor Inc., Class B	0.86
Total Equities		84.55
Cash		15.45
Total Assets		100.00

Investing with Us

INVESTING WITH NORTH GROWTH MANAGEMENT:

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.

As of June 1st, the office is again open. To ensure safe distancing, meetings will be scheduled by appointment only.

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WHERE TO FIND NGM FUND PRICES

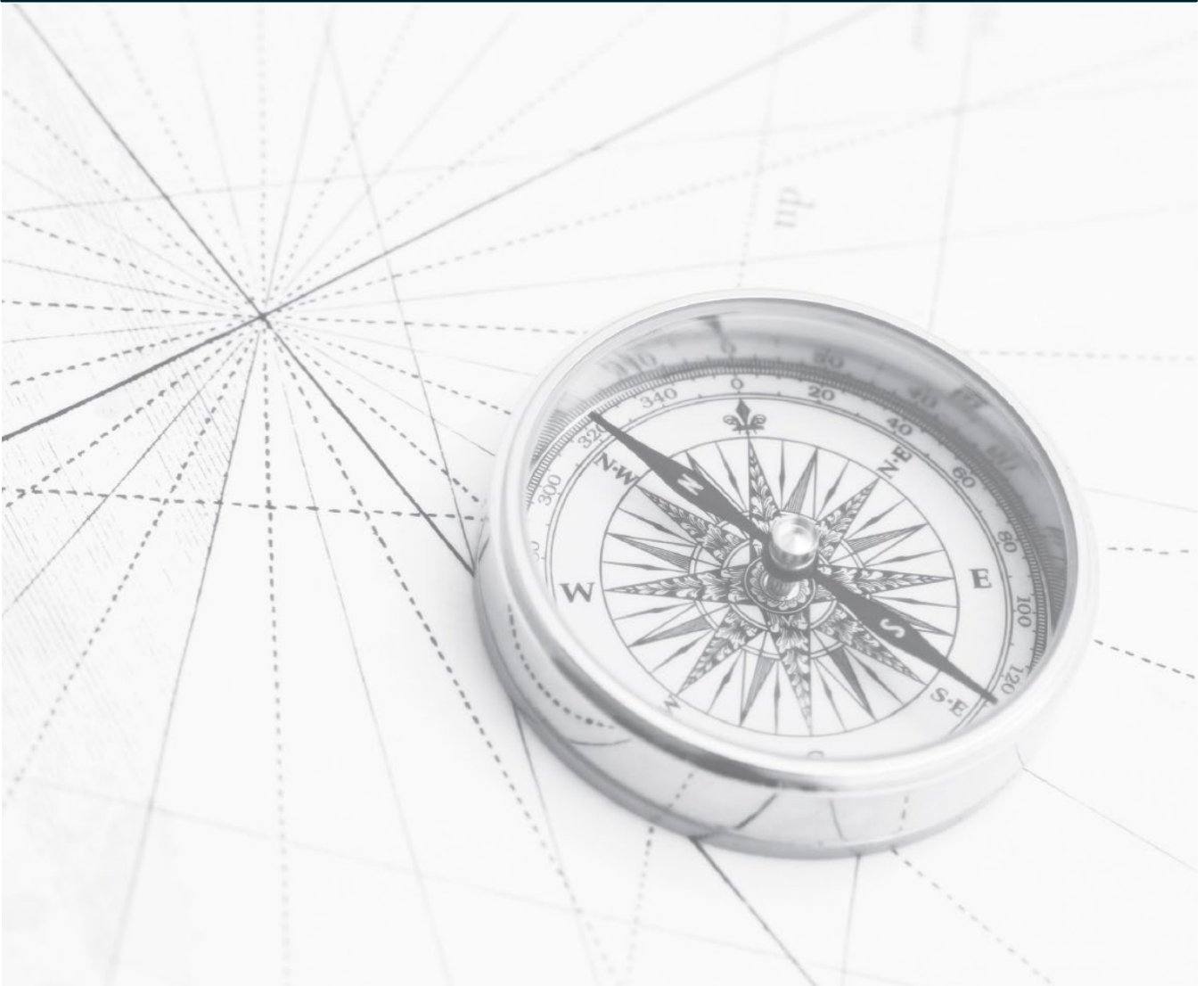
Please visit www.northgrowth.com to view the Fund's daily prices or to be added to our e-mail list to receive daily notification of the Fund's prices.

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 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 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 and catastrophic events. 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. Any forward-looking information contained in this report is current only as of the date of this report.



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