



NORTH GROWTH  
MANAGEMENT



## DECEMBER 2020 MONTHLY REPORT

JANUARY 6, 2021

## Fund Performance Update

U.S. equities ended 2020 at record highs after a most turbulent, unpredictable year. Worries about the coronavirus pandemic during the first quarter resulted in stocks plunging into a bear market—defined as a drop of at least 20%—over 20 days in March and triggered spasms in historically safe financial investments like short-term bonds. The unprecedented amount of stimulus from central banks including the Federal Reserve and governments around the world, combined with favourable COVID-19 vaccine developments, stoked a massive rally in equities from March 23rd through the remainder of the year.

During 2020, U.S. stocks recovered in the fastest “bust-to-boom” roller coaster ever witnessed. The S&P 500 climbed 18.4% to end the year at a record, the NASDAQ Composite gained 45.1%, its best year since 2009, and the small-cap indices, the Russell 2000 and S&P 600 SmallCap, roughly doubled from their March lows.

### FUND DISTRIBUTIONS

As we communicated in the November report, December 15th was the distribution date for the North Growth U.S. Equity Fund and Canadian Equity Fund. The distribution for the U.S. Fund amounted to \$8.89 per unit (consisting of \$0.03 of income and \$8.86 of capital gains). For the Canadian Equity Fund Series N, the distribution was \$1.89 per unit (all capital gains).

Unitholders who hold the North Growth Funds in non-registered accounts can expect to receive their T3 tax slips by mail in the early part of February.

### ANNUAL REPORT

Around the same time, in early to mid-February, we plan on publishing our 2020 Annual Report. As usual, the annual report will include a more in-depth discussion of the year in review and our outlook for 2021.

### U.S. EQUITY FUND

In December, the North Growth U.S. Equity Fund appreciated 5.4%. The Fund outperformed the S&P 500 which gained 3.8%, but lagged the other indices we regularly follow. For the month, the NASDAQ Composite advanced 5.8% while the smaller-capitalization indices, the S&P 400 MidCap and S&P 600 SmallCap, surged 6.5% and 8.3% respectively. A stronger Canadian currency lowered the Fund’s return to 3.5% in Canadian dollars versus the S&P 500’s return of 2.0% in Canadian dollars.

In 2020, the Fund appreciated 29.4%. The Fund beat all the indices we track except for the NASDAQ Composite. For the year, the S&P 500 gained 18.4%, the S&P 400 MidCap and S&P 600 SmallCap advanced 13.7% and 11.3% respectively, while the NASDAQ was the best performer, up 45.1%. As a result of the strengthening Canadian dollar against its U.S. counterpart, the Fund's annual return in Canadian dollars was 26.9% versus the S&P 500's gain of 16.1% in Canadian dollars.

### CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, appreciated 3.0% in December against the S&P/TSX Composite Index which advanced 1.7%. Building off a strong 2019, the Fund had extraordinarily good performance again in 2020, delivering a total return of 20.5% versus the S&P/TSX Composite which was up 5.6% for the year.

## North Growth U.S. Equity Fund

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2020

	1 Month	3 Months	6 Months	YTD
<b>NGM U.S. Equity Fund \$CDN</b>	<b>3.49</b>	<b>12.69</b>	<b>21.61</b>	<b>26.85</b>
S&P 500 in \$CDN	1.98	7.04	14.13	16.07
<b>NGM U.S. Equity Fund \$U.S.</b>	<b>5.38</b>	<b>18.07</b>	<b>30.16</b>	<b>29.40</b>
S&P 500 \$U.S.	3.84	12.15	22.16	18.40
S&P 400 MidCap \$U.S.	6.52	24.37	30.31	13.66
S&P 600 SmallCap \$U.S.	8.32	31.31	35.48	11.29
NASDAQ Composite \$U.S.	5.75	15.67	28.67	45.06

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2020

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
<b>NGM U.S. Equity Fund \$CDN</b>	<b>26.85</b>	<b>16.65</b>	<b>13.84</b>	<b>15.94</b>	<b>10.74</b>	<b>10.26</b>	<b>13.21</b>
S&P 500 \$CDN	16.07	14.74	13.31	16.73	10.55	6.59	10.44
<b>NGM U.S. Equity Fund \$U.S.</b>	<b>29.40</b>	<b>16.07</b>	<b>15.75</b>	<b>13.11</b>	<b>10.07</b>	<b>11.17</b>	<b>13.11</b>
S&P 500 \$U.S.	18.40	14.18	15.22	13.88	9.88	7.47	10.35
S&P 400 MidCap \$U.S.	13.66	8.45	12.35	11.51	9.55	9.31	12.00
S&P 600 SmallCap \$U.S.	11.29	7.74	12.38	11.92	9.44	9.77	11.40
NASDAQ Composite \$U.S.	45.06	24.38	22.18	18.54	13.77	9.73	*11.64

Source: Bloomberg "Total Return Analysis" as of December 31, 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	\$ 53.18 CDN \$ 41.77 US
Total Assets in Fund	\$ 596.2 Million CDN

## North Growth Canadian Equity Fund, Series N

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2020

	1 Month	3 Months	6 Months	YTD
<b>NGM Canadian Equity Fund Series N</b>	<b>2.95</b>	<b>20.19</b>	<b>24.17</b>	<b>20.50</b>
S&P / TSX \$CDN	1.72	8.97	14.13	5.60

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2020

	1 Yr	3 Yrs	5 Yrs	7 Yrs	*Since Prospectus
<b>NGM Canadian Equity Fund Series N*</b>	<b>20.50</b>	<b>10.85</b>	<b>12.78</b>	<b>9.71</b>	<b>13.68</b>
S&P / TSX \$CDN	5.60	5.74	9.33	6.78	8.22

\* 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 \$ 24.35 CDN

Total Assets in Fund \$ 53.9 Million CDN

## North Growth Canadian Money Market Fund

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2020

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
<b>NGM Canadian Money Market Fund</b>	<b>0.07</b>	<b>0.62</b>	<b>1.23</b>	<b>0.98</b>	<b>0.89</b>	<b>1.37</b>
30 Day Treasury Bill	N/A	0.61	1.20	0.94	0.89	1.36

*\* 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 often around 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 (December 31, 2020) for the Fund: 0.25%**

## Equity Fund Holdings

### U.S. EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2020

Ranking	Security	% of Net Assets
1	Ciena Corp.	5.36
2	II-VI Inc.	4.18
3	Applied Materials Inc.	4.09
4	First Solar Inc.	3.79
5	Jabil Inc.	3.11
6	SolarEdge Technologies Inc.	2.94
7	HP Inc.	2.83
8	Itron Inc.	2.77
9	Electronic Arts Inc.	2.63
10	Bristol-Myers Squibb Company	2.50
11	Zimmer Biomet Holdings Inc.	2.45
12	Anthem Inc.	2.39
13	Motorola Solutions Inc.	2.32
14	American Eagle Outfitters Inc.	2.31
15	FedEx Corp.	2.30
16	Best Buy Co., Inc.	2.21
17	D.R. Horton, Inc.	2.21
18	Foot Locker, Inc.	2.14
19	Lumentum Holdings Inc.	2.11
20	Amgen Inc.	1.99
21	Brinker International Inc.	1.93
22	Fortune Brands Home & Security Inc.	1.88
23	Apple Inc.	1.88
24	Johnson Controls International plc	1.83
25	RH	1.83
26	Jacobs Engineering Group Inc.	1.82
27	Skechers U.S.A., Inc. Inc.	1.80
28	Cisco Systems	1.80
29	Cerner Corporation	1.65

Ranking	Security	% of Net Assets
30	Microsoft Corporation	1.61
31	Biogen Inc.	1.61
32	Texas Instruments Inc.	1.60
33	Gilead Sciences Inc.	1.57
34	Herman Miller Inc.	1.56
35	TPI Composites Inc.	1.37
36	Abbott Laboratories	1.37
37	Citrix Systems Inc.	1.35
38	The Walt Disney Company	1.29
39	Boston Scientific Corporation	1.16
40	Tempur Sealy International, Inc.	1.03
41	Watts Water Technologies Inc.	0.96
42	Booking Holdings Inc.	0.96
43	Nvidia Corp.	0.92
44	Urban Outfitters Inc.	0.90
45	Facebook, Inc.	0.55
<b>Total Equities</b>		<b>92.86</b>
<b>Cash</b>		<b>7.14</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2020

Ranking	Security	% of Net Assets
1	Ballard Power Systems Inc.	9.29
2	Aritzia Inc.	6.07
3	CAE Inc.	5.87
4	ATS Automation Tooling Systems Inc.	5.75
5	Zymeworks Inc.	5.49
6	Open Text Corporation	5.45
7	TFI International Inc.	5.03
8	Profound Medical Corp	4.45
9	Innergex Renewable Energy Inc.	4.34
10	Intertape Polymer Group Inc.	4.22
11	Heroux-Devtek Inc.	3.99
12	Calian Group Ltd.	3.85
13	EXFO Inc.	3.67
14	Leon's Furniture Ltd.	3.61
15	Novanta Inc.	2.51
16	TELUS Corporation	2.02
17	Restaurant Brands International	1.98
18	Sierra Wireless Inc.	1.91
19	Evertz Technologies Limited	1.72
20	Air Canada	1.69
21	Knight Therapeutics Inc.	1.64
22	Bombardier Inc., Class B	1.17
23	Magellan Aerospace Corp.	1.14
24	Polaris Infrastructure Inc.	0.97
25	Quebecor Inc., Class B	0.70
26	dynaCERT Inc.	0.48
<b>Total Equities</b>		<b>89.01</b>
<b>Cash</b>		<b>10.99</b>
<b>Total Assets</b>		<b>100.00</b>



# 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 1<sup>st</sup> 2020, 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

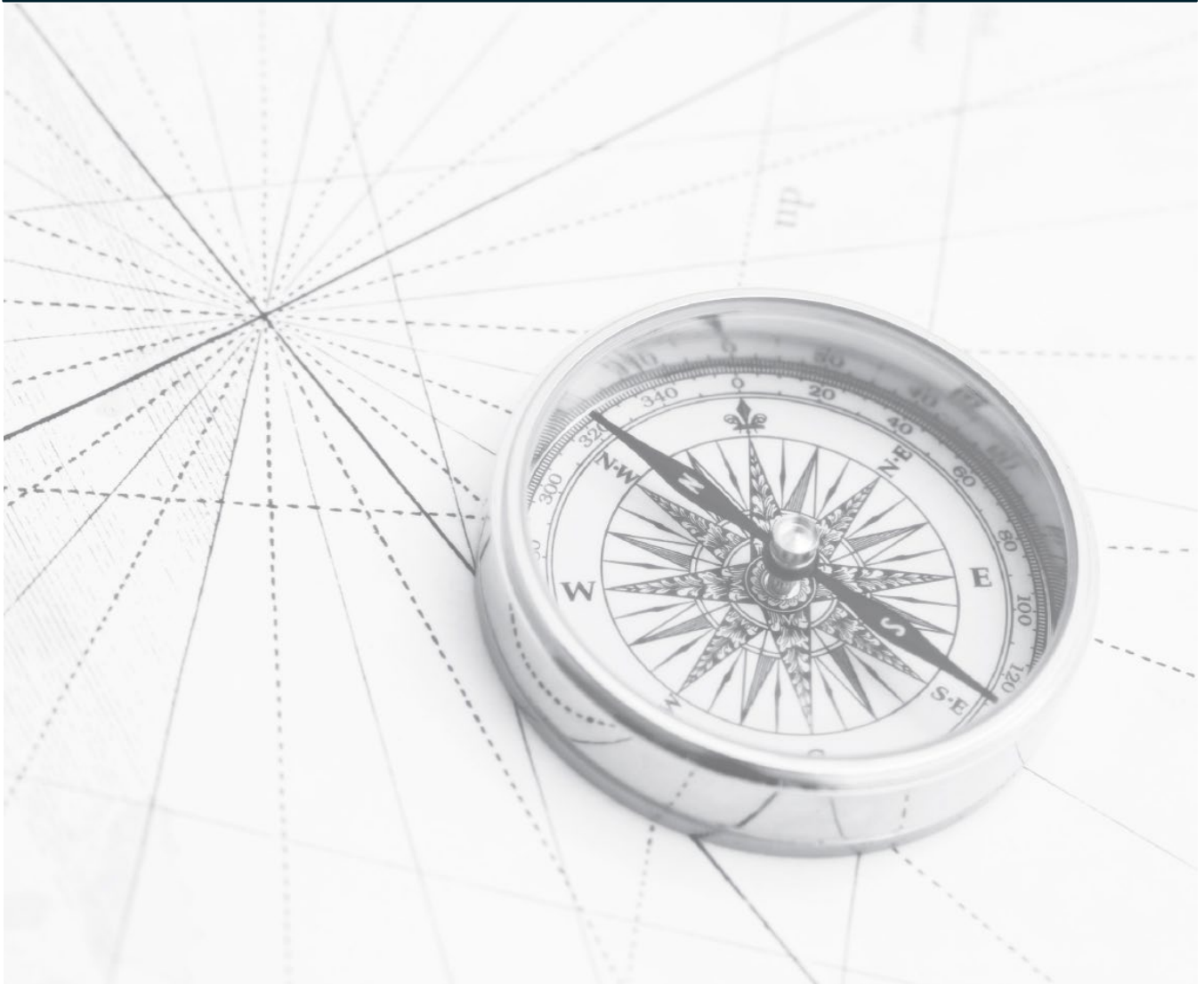
Please visit [www.northgrowth.com](http://www.northgrowth.com) to view the Fund’s daily prices or to be added to our e-mail list to receive daily notification of the Fund’s prices.

## 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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