



NORTH GROWTH
MANAGEMENT



MARCH 2021 MONTHLY REPORT

APRIL 8, 2021

Fund Performance Update

A year after U.S. equities plummeted into a bear market on the heels of the COVID-19 pandemic, the S&P 500 index ended March 2021 at a fresh record high. Major U.S. stock market indices have posted four straight quarters of gains, with the S&P 500 rising 6.2% year-to-date. Despite the solid start to 2021, equity prices have been incredibly volatile due to a litany of concerns: the potential for higher inflation, rising bond yields, retail euphoria for dozens of securities including Bitcoin, GameStop and the ARK Innovation ETF, as well as the fallout from the collapse of Archegos Capital Management.

RIDING VOLATILITY UP

Underneath the seemingly calm upward trend in the stock market this year, the gyrations of individual names have been extreme. A Bank of America study tracking how much market value is being generated and subtracted daily in individual stocks shows that 2021 has been virtually as volatile as 2020 and more turbulent than any other year over the past decade. The volatility in equities is being masked because the up-and-down swings of different companies have tended to offset each other.

Behind the rallying indices has been a tremendous rotation among various industry sectors. Shares of energy, financials and industrials—areas of the market that stand to benefit from a burgeoning economic cycle—have led the S&P 500's advance so far this year. Mega-cap technology stocks represented by the NASDAQ 100, 2020's undisputed leaders, have lost momentum.

In addition to movement toward shares associated with the “reopening trade” such as travel, consumer discretionary and entertainment companies, activity in the equity market has been driven by a record level of debt. The implosion of Archegos Capital Management in March resulted from the firm getting hit with margin calls or requests from its lenders to repay the money borrowed to fund trading positions in ViacomCBS Inc and Chinese media companies, Baidu and Tencent Music Entertainment Group, among others. Just a month earlier, retail trading platform Robinhood was forced to raise emergency capital after its clients borrowed excessive amounts to trade meme shares like GameStop.

While both disruptions fuelled by margin trading over the past couple of months were resolved without broad chaos, the record amount of debt in the financial system makes financial markets highly susceptible to sharp corrections. Coupled with inordinate speculation, high leverage poses yet another risk. Against such a fragile stock market rally, volatility is likely to remain present and elevated.

VOLATILITY CREATES OPPORTUNITY

Volatility in the equity market provides multiple opportunities 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 recent relative market opportunities and have, on a net basis, been adding to our equity holdings in the U.S. Fund. The Fund is, for all intents and purposes, fully invested.

By and large, the North Growth U.S. Equity Fund is positioned well. The Fund has completed an exceptionally strong earnings reporting season for the fourth quarter of 2020, 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 being of high-calibre and trading at attractive valuation levels.

We continue to avail ourselves of the growing opportunities in the marketplace, focusing on individual equities that adhere to our "growth at a reasonable price" investment philosophy. The current environment is a good one for stock picking. And as always, we firmly believe that stock selection is the key to long term outperformance.

U.S. EQUITY FUND

In March, the North Growth U.S. Equity Fund appreciated 5.8%. The Fund outperformed all the indices we normally follow: the S&P 500 which gained 4.4%, the S&P 400 MidCap and S&P 600 SmallCap which advanced 4.7% and 3.3% respectively, as well as the NASDAQ Composite which was up 0.5%. A stronger Canadian currency reduced the Fund's monthly return to 4.8% in Canadian dollars versus the S&P 500's 3.5% Canadian-dollar March return.

CANADIAN EQUITY FUND, SERIES N

Powered by the Financial and Materials sectors, Canadian equities extended their advance in March with the S&P/TSX Composite gaining 3.9% for the month. The North Growth Canadian Equity Fund, Series N, lagged the index, appreciating 0.5%. Year-to-date, the Fund is up 7.4% versus the S&P/TSX Composite's return of 8.1%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED MARCH 31, 2021

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	4.83	9.57	23.48	9.57
S&P 500 in \$CDN	3.47	4.87	12.25	4.87
NGM U.S. Equity Fund \$U.S.	5.75	10.94	30.98	10.94
S&P 500 \$U.S.	4.38	6.17	19.07	6.17
S&P 400 MidCap \$U.S.	4.67	13.47	41.13	13.47
S&P 600 SmallCap \$U.S.	3.33	18.24	55.26	18.24
NASDAQ Composite \$U.S.	0.48	2.95	19.09	2.95

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED MARCH 31, 2021

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	60.91	18.24	17.07	16.79	10.90	10.61	13.45
S&P 500 \$CDN	38.59	15.81	15.55	16.91	10.56	7.25	10.53
NGM U.S. Equity Fund \$U.S.	81.54	19.23	17.83	13.79	10.36	11.86	13.40
S&P 500 \$U.S.	56.35	16.78	16.29	13.91	10.02	8.47	10.49
S&P 400 MidCap \$U.S.	83.46	13.40	14.37	11.92	9.94	10.63	12.39
S&P 600 SmallCap \$U.S.	95.33	13.71	15.60	12.97	9.78	11.07	11.95
NASDAQ Composite \$U.S.	73.47	24.55	23.50	18.31	13.49	11.52	*11.64

Source: Bloomberg "Total Return Analysis" as of March 31, 2021

* 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	\$ 58.27 CDN \$ 46.34 US
Total Assets in Fund	\$ 660.8 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED MARCH 31, 2021

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	0.48	7.37	29.05	7.37
S&P / TSX \$CDN	3.87	8.05	17.75	8.05

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED MARCH 31, 2021

	1 Yr	3 Yrs	5 Yrs	8 Yrs	*Since Prospectus
NGM Canadian Equity Fund Series N*	60.03	14.13	15.03	12.62	14.19
S&P / TSX \$CDN	44.25	10.19	10.05	8.14	8.93

* 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 \$ 26.15 CDN

Total Assets in Fund \$ 61.8 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED MARCH 31, 2021

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	0.05	0.24	1.14	0.95	0.87	1.32
30 Day Treasury Bill	N/A	0.15	1.11	0.92	0.87	1.30

* 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 (March 1 - 31, 2021) for the Fund: 0.20%

Equity Fund Holdings

U.S. EQUITY FUND — HOLDINGS AS AT MARCH 31, 2021

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	Applied Materials Inc.	5.65	28	Biogen Inc.	1.64
2	Ciena Corp.	4.94	29	Texas Instruments Inc.	1.63
3	Jabil Inc.	3.40	30	Gilead Sciences Inc.	1.56
4	First Solar Inc.	3.25	31	Apple Inc.	1.54
5	Lumentum Holdings Inc.	3.24	32	Cisco Systems Inc.	1.53
6	II-VI Inc.	3.18	33	Microsoft Corporation	1.52
7	D.R. Horton, Inc.	2.86	34	SolarEdge Technologies Inc.	1.47
8	American Eagle Outfitters Inc.	2.82	35	The Walt Disney Company	1.40
9	HP Inc.	2.68	36	Cerner Corporation	1.35
10	Best Buy Co., Inc.	2.52	37	Abbott Laboratories	1.34
11	Bristol-Myers Squibb Company	2.50	38	Citrix Systems Inc.	1.30
12	Foot Locker, Inc.	2.42	39	Boston Scientific Corporation	1.11
13	Anthem Inc.	2.38	40	Nautilus Inc.	1.05
14	Motorola Solutions Inc.	2.28	41	Tapestry Inc.	1.02
15	Zimmer Biomet Holdings Inc.	2.27	42	Qualcomm Inc.	1.01
16	FedEx Corp.	2.24	43	eBay Inc.	0.97
17	Electronic Arts Inc.	2.21	44	Urban Outfitters Inc.	0.95
18	RH	2.17	45	TPI Composites Inc.	0.93
19	Johnson Controls International plc.	2.09	46	Booking Holdings Inc.	0.90
20	Brinker International Inc.	1.93	47	Nvidia Corp.	0.84
21	Jacobs Engineering Group Inc.	1.92	48	Watts Water Technologies Inc.	0.84
22	Amgen Inc.	1.92		Total Equities	95.70
23	Fortune Brands Home & Security Inc.	1.87		Cash	4.30
24	Skechers U.S.A., Inc.	1.86		Total Assets	100.00
25	Tempur Sealy International, Inc.	1.83			
26	Herman Miller Inc.	1.69			
27	Itron Inc.	1.68			

CANADIAN EQUITY FUND — HOLDINGS AS AT MARCH 31, 2021

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	TFI International Inc.	6.31	28	Quebecor Inc., Class B	0.63
2	Aritzia Inc.	6.00	29	Xebec Adsorption Inc.	0.54
3	ATS Automation Tooling Systems Inc.	5.94	30	dynaCERT Inc.	0.41
4	Leon's Furniture Ltd.	5.42		Total Equities	91.54
5	CAE Inc.	5.20		Cash	8.46
6	Ballard Power Systems Inc.	5.14		Total Assets	100.00
7	Open Text Corporation	4.93			
8	Intertape Polymer Group Inc.	4.27			
9	Heroux-Devtek Inc.	4.24			
10	Innergex Renewable Energy Inc.	4.00			
11	Profound Medical Corp.	3.99			
12	EXFO Inc.	3.97			
13	Zymeworks Inc.	3.72			
14	Calian Group Ltd.	3.67			
15	Restaurant Brands International	2.52			
16	Bombardier Inc., Class B	2.45			
17	Novanta Inc.	2.41			
18	Air Canada	2.20			
19	Polaris Infrastructure Inc.	2.15			
20	Sierra Wireless Inc.	1.86			
21	Knight Therapeutics Inc.	1.77			
22	TELUS Corporation	1.75			
23	Evertz Technologies Limited	1.65			
24	Magellan Aerospace Corp.	1.17			
25	Real Matters Inc.	1.17			
26	IBI Group Inc.	1.09			
27	Transcontinental Inc.	0.97			

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 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 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.

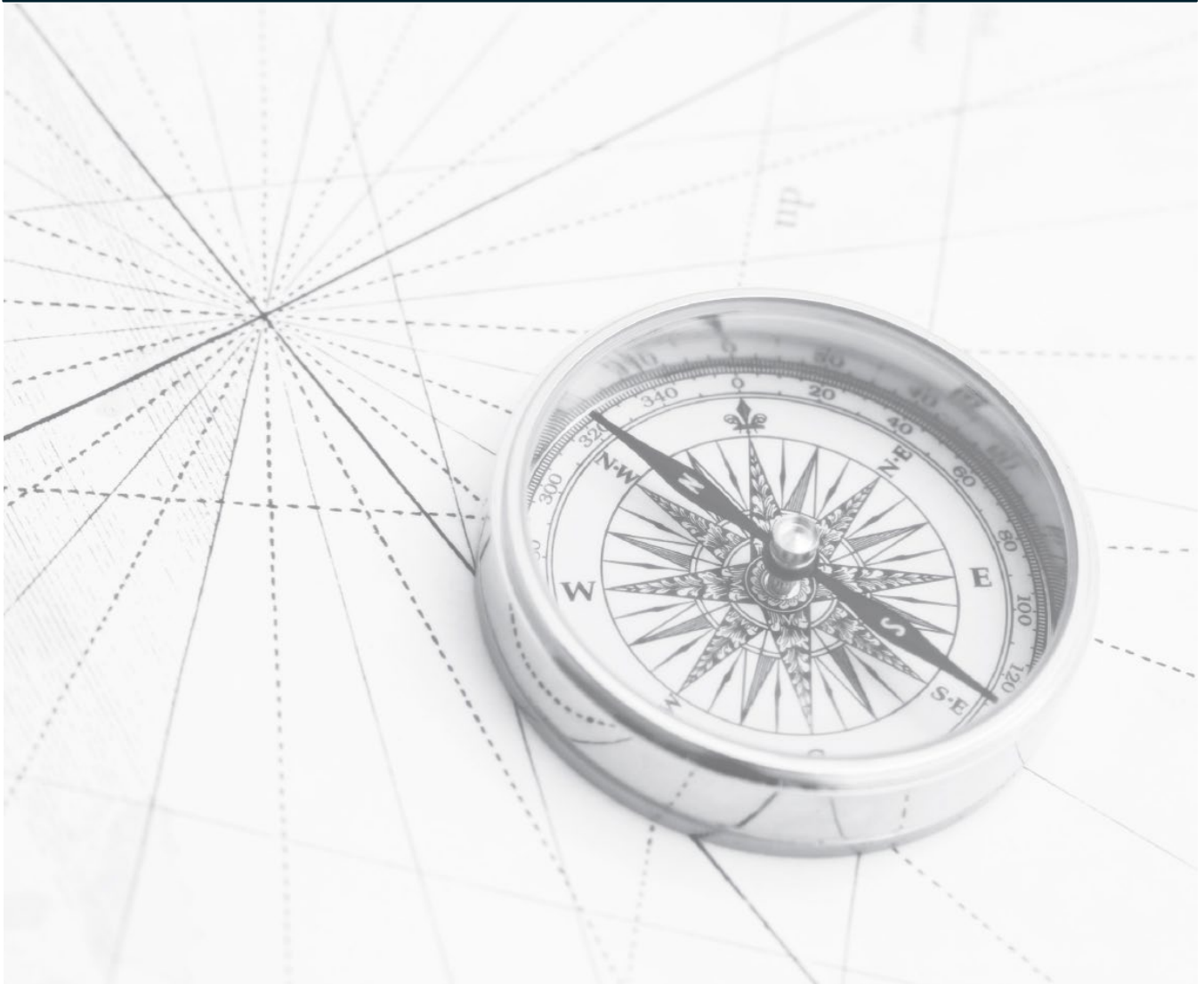


A NOTE ON FORWARD-LOOKING STATEMENTS

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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