



NORTH GROWTH
MANAGEMENT



APRIL 2021 MONTHLY REPORT

MAY 11, 2021

Market and Fund Performance Update

U.S. equities continued to rally strongly in April. Against the backdrop of a roaring U.S. economic recovery, the first quarter earnings reporting season is on track to be robust. However, given the exceptional market advance over the past year, coupled with the renewed surge in global COVID-19 infections, shares of companies that have reported a significant jump in profits from last year's pandemic lows have responded mutedly.

Stocks that soared on the "reopening trade" since the beginning of the year have given back some of the gains in fits and starts, while the five tech giants—Apple, Microsoft, Amazon, Facebook and Google-parent Alphabet—that account for nearly a quarter of the S&P 500's total market capitalization continue to drive the S&P 500 returns. Overall, the stock market continues to churn as volatility remains elevated.

WIDELY ANTICIPATED EARNINGS BOOM

Following 2020's severe economic downturn, the turnaround is shaping up to be one of the most remarkable on record. The U.S. economy grew at a 6.4% annual rate during the first three months of 2021 after a 4.3% increase in the fourth quarter of last year and a 33.4% rebound in the third quarter.

As vaccinations increased, states and cities lifted business restrictions and the government distributed COVID-19 stimulus payments, the U.S. economic recovery has accelerated so far this year. In April, consumer confidence rose to its highest level in 14 months while initial claims for unemployment insurance in the week ended May 1st fell at a greater than expected rate to a fresh pandemic low.

Alongside the rapid economic rebound, corporate profits likewise have recovered superbly. An astounding 87% of the results in from more than half the companies in the S&P 500 Index this quarter have beaten earnings estimates. According to Bloomberg, this percentage of "profit beats" is on track for the highest reading since at least 1993. Yet in a sign that the large recovery in profits has been well anticipated, impressive corporate financial results so far this quarter have elicited tepid stock responses.

MARKET VOLATILITY ABOUNDS

Day-to-day sector rotations continue within the equity market. During April, the small-cap Russell 2000 Index substantially underperformed the NASDAQ 100 after dominating stock gains since November 2020. In a similar vein, cyclical sectors such as financials and airlines trailed the returns of large-cap technology over the past month.

Without much regard for company fundamentals including financial health and valuations, the rotation among various industry sectors appears fickle and based on changing top-down considerations. Market volatility remains the order of the day, and as communicated in previous monthly reports, provides us opportunities to adjust the weightings of individual holdings in the Funds.

As always, we continue to focus on individual stock analysis that adheres diligently to our “growth at a reasonable price” investment philosophy. We firmly believe that stock selection is the key to long-term outperformance.

MORNINGSTAR’S 10 WELL-RATED SUSTAINABLE FUNDS

As we concentrate on achieving superior, long-term returns on our equity funds based on our “growth at a reasonable price” philosophy, being fossil-fuel free and sustainable is a core element of our approach to investing. We are pleased that for the second consecutive year Morningstar named both North Growth’s U.S. and Canadian equity portfolios in its “10 Well-Rated Sustainable Funds” list.

The report can be accessed at:

<https://www.morningstar.ca/ca/news/211278/10-well-rated-sustainable-funds.aspx>

U.S. EQUITY FUND

In April, the North Growth U.S. Equity Fund gained 1.8%. The Fund underperformed all the indices we normally follow: the S&P 500 which appreciated 5.3%, the S&P 400 MidCap and S&P 600 SmallCap which advanced 4.5% and 2.0% respectively, as well as the NASDAQ Composite which was up 5.4%. Continued strengthening of the Canadian currency against its U.S. counterpart reduced the Fund’s monthly return to a loss of -0.6% in Canadian dollars versus the S&P 500’s +2.9% Canadian-dollar April return.

CANADIAN EQUITY FUND, SERIES N

Led by the Materials, Real Estate and Financial sectors, Canadian equities extended their advance in April with the S&P/TSX Composite gaining 2.4% for the month. Lacking exposure to the recent winning sectors, the North Growth Canadian Equity Fund, Series N, lagged the index, appreciating 0.3%. Year-to-date, the Fund is up 7.7% versus the S&P/TSX Composite’s return of 10.6%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2021

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	-0.59	6.62	23.12	8.92
S&P 500 in \$CDN	2.91	8.61	18.86	7.91
North Growth U.S. Equity Fund \$U.S.	1.75	10.92	33.48	12.89
S&P 500 \$U.S.	5.34	12.98	28.85	11.84
S&P 400 MidCap \$U.S.	4.50	16.82	44.34	18.58
S&P 600 SmallCap \$U.S.	2.04	13.51	54.44	20.65
NASDAQ Composite \$U.S.	5.43	7.01	28.46	8.55

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2021

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	42.44	18.15	18.08	16.55	11.11	10.41	13.38
S&P 500 \$CDN	28.93	16.95	16.92	17.19	11.00	7.14	10.61
North Growth U.S. Equity Fund \$U.S.	61.28	19.89	18.58	13.54	10.41	11.65	13.43
S&P 500 \$U.S.	45.98	18.67	17.42	14.17	10.30	8.35	10.66
S&P 400 MidCap \$U.S.	67.91	15.18	15.10	12.11	10.16	10.30	12.52
S&P 600 SmallCap \$U.S.	76.85	14.09	15.79	12.91	9.93	10.78	11.99
NASDAQ Composite \$U.S.	58.36	26.76	25.27	18.53	13.94	11.03	*11.81

Source: Bloomberg "Total Return Analysis" as of May 1, 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.

	April 30, 2021
Unit Price	\$ 57.93 CDN / \$ 47.15 US
Total Assets in Fund	\$ 659.8 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2021

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	0.27	3.24	32.14	7.67
S&P / TSX \$CDN	2.39	10.99	24.43	10.63

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2021

	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	*Since Prospectus
North Growth Canadian Equity Fund, Series N*	40.33	24.30	14.11	13.36	14.54	14.08
S&P / TSX \$CDN	33.31	10.80	10.40	8.53	9.78	9.13

* 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.

	April 30, 2021
Unit Price	\$ 26.22 CDN
Total Assets in Fund	\$ 62.9 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2021

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	0.04	0.15	1.11	0.94	0.86	1.30
30 Day Treasury Bill	N/A	0.15	1.09	0.91	0.87	1.29

** 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.

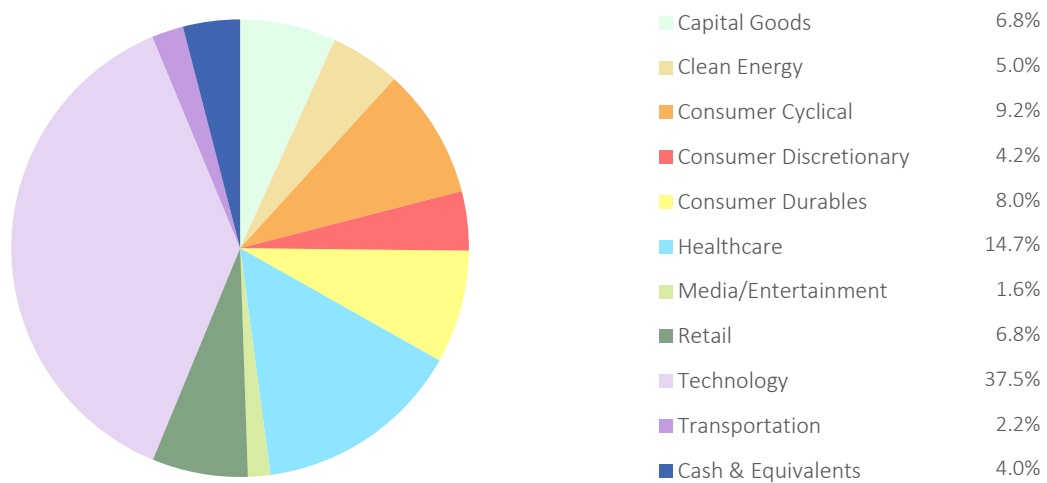
Management fee (April 1 - 30, 2021) for the Fund: 0.20%

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT APRIL 30, 2021

Ranking	Security	% of Net Assets
1	Applied Materials Inc.	5.49
2	Ciena Corp.	4.46
3	Jabil Inc.	3.34
4	American Eagle Outfitters Inc.	3.26
5	D.R. Horton, Inc.	3.08
6	II-VI Inc.	3.06
7	Lumentum Holdings Inc.	2.95
8	HP Inc.	2.82
9	First Solar Inc.	2.79
10	Best Buy Co., Inc.	2.50
Top 10		33.75
Total Equities		95.97
Cash		4.03
Total Assets		100.00

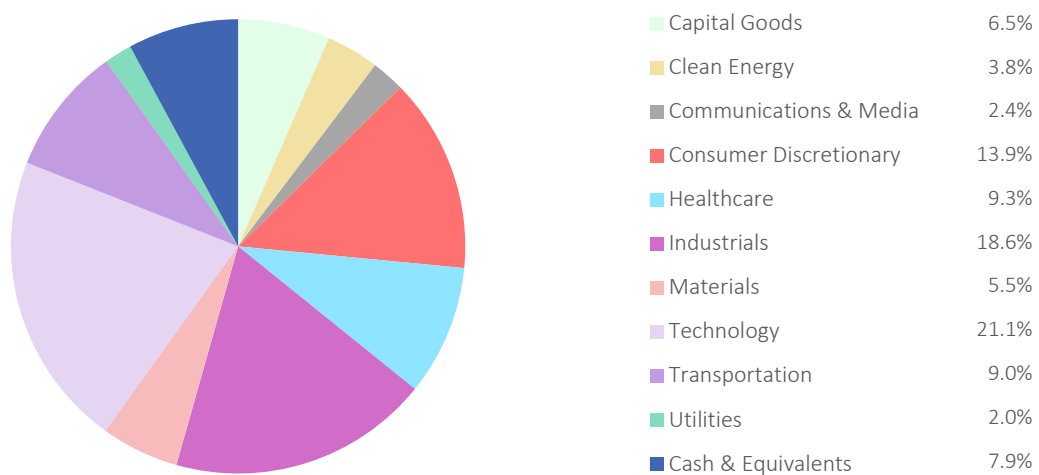
U.S. EQUITY FUND — SECTOR MIX AS AT APRIL 30, 2021



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT APRIL 30, 2021

Ranking	Security	% of Net Assets
1	TFI International Inc.	7.09
2	ATS Automation Tooling Systems Inc.	6.54
3	Aritzia Inc.	6.20
4	CAE Inc.	5.49
5	Leon's Furniture Ltd.	5.10
6	Open Text Corporation	4.68
7	Intertape Polymer Group Inc.	4.53
8	Ballard Power Systems Inc.	4.43
9	Heroux-Devtek Inc.	4.01
10	Profound Medical Corp.	3.85
Top 10		51.92
Total Equities		92.12
Cash		7.88
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT APRIL 30, 2021



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 Funds’ daily prices or to be added to our e-mail list to receive daily notification of the Funds’ prices.

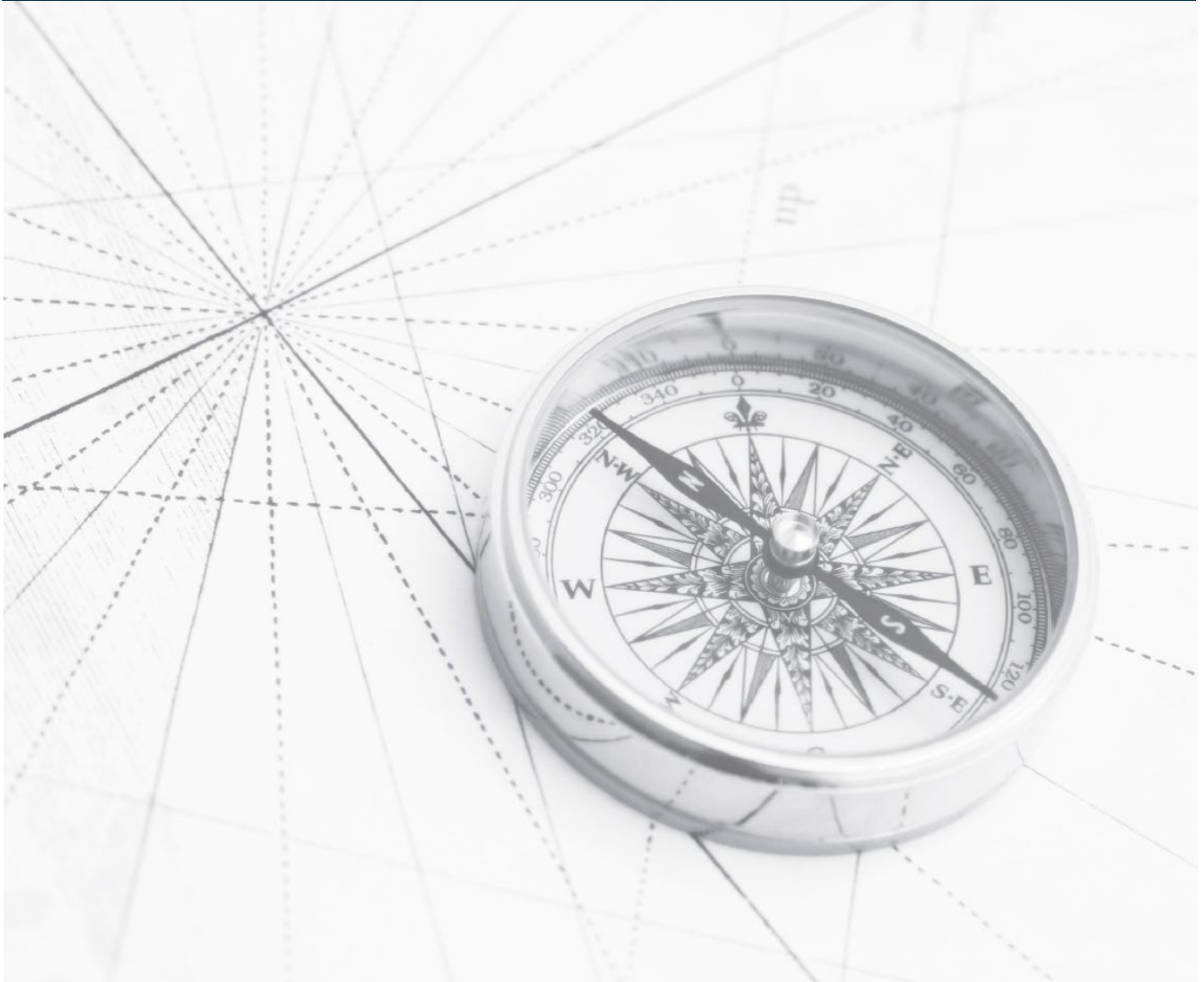


A NOTE ON FORWARD-LOOKING STATEMENTS

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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