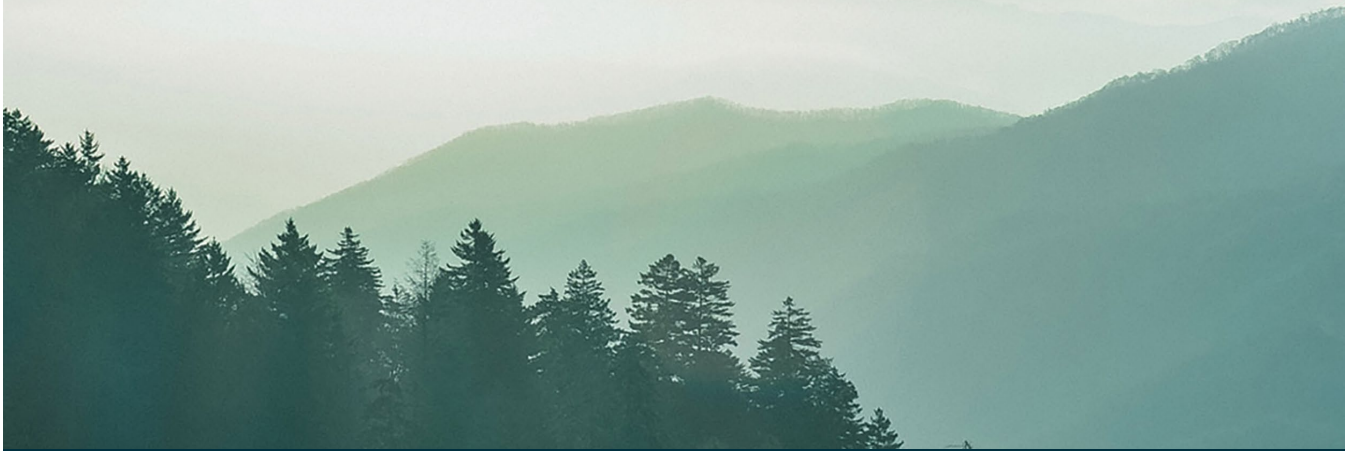




NORTH GROWTH
MANAGEMENT



OCTOBER 2021 MONTHLY REPORT

NOVEMBER 5, 2021

Market and Fund Performance Update

U.S. equities rallied in October. Yet beneath the stellar headline index returns, there continues to be constant rotation and churn in the stock market as the strength has not been broad-based. Against a sharp slowdown in economic growth during the third quarter, widespread supply-chain disruptions and shortages caused by the ongoing pandemic, as well as rising inflation, corporate earnings results that have been reported so far are trending above expectations.

AN UNPRECEDENTED CONCENTRATED MARKET

In last month's September report, we highlighted the unprecedented dominance of the five largest companies—all technology behemoths—on the S&P 500. This cohort of Facebook (Meta Platforms), Amazon, Apple, Microsoft and Google (Alphabet) represents nearly a quarter of the index and its influence remains greater than any comparable group of stocks since at least 1980.

Gains in the stock market have been highly concentrated. The equities that are contributing to the strong market advance include the mega-cap technology anchors of the S&P 500. Viewed as the foundations or cornerstones of today's economy, these names are over-extended in valuation but deemed steady, definitive growth stocks. At the same time, there is an immense amount of speculation in the market as more participants engage in momentum trading—buying stocks that have recently gone up the most and then selling them when they stop going up. Such momentum equities include names associated with digital or cryptocurrencies, SPACs (special purpose acquisition companies) or shell companies designed to raise money first then identify businesses to acquire later, and meme stocks capturing extraordinary attention on internet forums that appeal to novice day-traders.

Over the past four months, the market has lacked performance breadth as most stocks have risen much less than the major averages would imply. In this narrowly focused market, there is virtually no consideration given to equity valuations so the relative performance of the North Growth U.S. Equity Fund has lagged as a result.

UNWAVERING DISCIPLINE OF "GROWTH AT A REASONABLE PRICE"

Although history does not repeat itself in the same fashion, there are some important similarities between the market now and during the tech boom of the late nineteen nineties. Now, as was observed then, "growth at any price" stocks are in vogue, speculation is rampant, and the very largest growth stocks dominate while the rest of the market lags in performance. Also, during 1998 and 1999, it was similarly frustrating that the Fund recorded poor relative performance.

Rudy North, our Founder, wrote extensively about the market conditions in the early years of North Growth. The following quotes by Rudy are just as relevant and prescient today:

“Although we are investing for high potential long-term growth, we really hate being beaten by the market over the short-term. At the same time, we want to avoid becoming so caught up in the short-term that we fail to recognize major long-term opportunities.” (1998 Semi-Annual Report)

“On a fundamental basis, small-cap stocks have higher long-term growth rates than those of the more mature companies making up the S&P 500 index.” (1998 Semi-Annual Report)

“Stock selection is what will determine the Fund’s long-term growth. Stock selection must be more than just riding stocks that are outperforming the market regardless of value considerations.” (1998 Semi-Annual Report)

“Over the long-term stocks go up because earnings grow. There is a very close relationship between a company’s stock price and its earnings record over an extended period of time, such as 35 years.... Over the short-term, the fact that the market is always trying to anticipate future earnings sometimes produces confusing short-term variations in the relationship.” (1998 Annual Report)

“We do not expect to keep up with the market when our core investment philosophy of seeking out companies with continuing strong growth prospects at reasonable price valuations is out of style.” (1998 Annual Report)

“In 1998, despite very poor breadth in the market the average P/E multiple of the S&P 500 index rose to record levels because of the appreciation of a small number of large-cap stocks. In 1999, an even more restricted number of large-cap stocks (mainly high tech) is performing well....[T]hese trends are creating great opportunities to invest in undervalued stocks.” (1999 Semi-Annual Report)

We remain focused on stock selection based on our long-standing “growth at a reasonable price” investment philosophy. As many stocks have not participated fully in the strong appreciation of the indices to all-time highs, the equity market abounds with valuation anomalies that provide increasing opportunities. Despite a short period of relative underperformance, the operating results of our holdings in the North Growth U.S. Equity Fund have been coming through remarkably well. Steadfast to our discipline, we believe both the U.S and Canadian Equity Funds are positioned for continued outperformance over the long run.

TAX INFORMATION UPDATE

December 15th is the distribution date this year for the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. With over one month to go, it is important to emphasize that our guidance are estimates which could still change materially. Currently, we estimate the distribution for the U.S. Equity Fund to be approximately \$5.50 per unit or 9% of the unit price, and for the Canadian Equity Fund, Series N approximately \$1.75 per unit or 6% of the unit price. Both Funds' distributions will consist almost, if not entirely, of capital gains.

The distributions by the Funds are automatically invested in units of the respective Funds. If you would like to receive your distributions in cash, please notify us by Monday, November 29th.

Any questions regarding the distributions should be directed to our CFO, Rachid Nayel, at 604-688-5440 or rachid@northgrowth.com.

U.S. EQUITY FUND

In October, the North Growth U.S. Equity Fund gained 4.9%. The Fund underperformed the S&P 500 which appreciated 7.0%, the S&P 400 MidCap which advanced 5.9%, as well as the NASDAQ Composite which was up 7.3%. The Fund beat the S&P 600 SmallCap which returned 3.4%. In Canadian dollars, the Fund gained 2.6% versus the S&P 500's 4.6% monthly gain.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, appreciated 4.7% in October, slightly underperforming the S&P/TSX Composite which gained 5.0%. Year-to-date, the Fund is up 22.0% versus the S&P/TSX Composite's return of 23.4%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2021

| | 1 Month | 3 Months | 6 Months | YTD |
|---|-------------|--------------|-------------|--------------|
| North Growth U.S. Equity Fund \$CDN | 2.56 | -3.13 | 1.52 | 10.58 |
| S&P 500 in \$CDN | 4.61 | 4.47 | 11.80 | 20.65 |
| North Growth U.S. Equity Fund \$U.S. | 4.91 | -2.52 | 0.71 | 13.69 |
| S&P 500 \$U.S. | 7.01 | 5.13 | 10.91 | 24.04 |
| S&P 400 MidCap \$U.S. | 5.89 | 3.66 | 3.16 | 22.32 |
| S&P 600 SmallCap \$U.S. | 3.43 | 2.94 | 2.92 | 24.17 |
| NASDAQ Composite \$U.S. | 7.29 | 5.80 | 11.37 | 20.89 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2021

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | Since Inception |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| North Growth U.S. Equity Fund \$CDN | 25.00 | 18.64 | 16.13 | 17.05 | 11.10 | 10.50 | 13.20 |
| S&P 500 \$CDN | 32.89 | 19.09 | 17.05 | 18.77 | 11.35 | 8.42 | 10.84 |
| North Growth U.S. Equity Fund \$U.S. | 34.43 | 21.02 | 17.99 | 14.54 | 10.38 | 11.89 | 13.21 |
| S&P 500 \$U.S. | 42.91 | 21.48 | 18.93 | 16.21 | 10.63 | 9.77 | 10.86 |
| S&P 400 MidCap \$U.S. | 48.90 | 17.07 | 14.89 | 13.90 | 10.50 | 11.13 | 12.42 |
| S&P 600 SmallCap \$U.S. | 58.94 | 14.83 | 15.39 | 14.47 | 10.20 | 11.37 | 11.88 |
| NASDAQ Composite \$U.S. | 43.07 | 29.76 | 25.77 | 20.59 | 14.61 | 12.89 | *12.00 |

Source: Bloomberg "Total Return Analysis" as of November 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.

| | |
|----------------------|----------------------------|
| | October 31, 2021 |
| Unit Price | \$ 58.81 CDN / \$ 47.49 US |
| Total Assets in Fund | \$ 674.8 Million CDN |

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2021

| | 1 Month | 3 Months | 6 Months | YTD |
|--|-------------|-------------|--------------|--------------|
| North Growth Canadian Equity Fund, Series N | 4.72 | 4.34 | 13.29 | 21.98 |
| S&P / TSX \$CDN | 5.02 | 4.36 | 11.52 | 23.38 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2021

| | 1 Yr | 3 Yrs | 5 Yrs | 9 Yrs | *Since Prospectus |
|---|--------------|--------------|--------------|--------------|-------------------|
| North Growth Canadian Equity Fund, Series N* | 49.70 | 21.75 | 17.18 | 14.97 | 14.80 |
| S&P / TSX \$CDN | 38.77 | 15.36 | 10.58 | 9.27 | 9.89 |

* 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.

| | |
|----------------------|---------------------|
| | October 31, 2021 |
| Unit Price | \$ 29.71 CDN |
| Total Assets in Fund | \$ 73.8 Million CDN |

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2021

| | *Current Yield | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs |
|--|----------------|-------------|-------------|-------------|-------------|-------------|
| North Growth Canadian Money Market Fund | 0.07 | 0.06 | 0.87 | 0.90 | 0.82 | 1.17 |
| 30 Day Treasury Bill | N/A | 0.10 | 0.88 | 0.88 | 0.82 | 1.15 |

* 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.

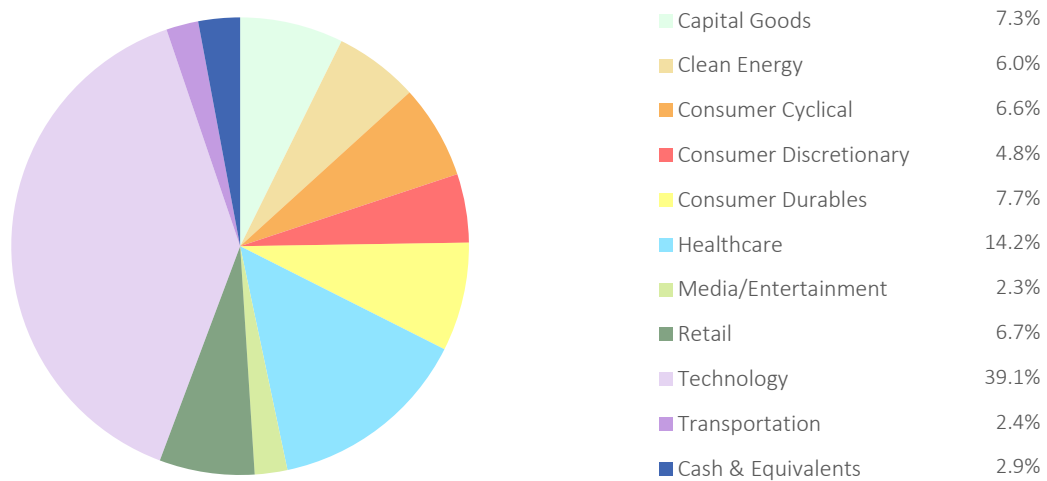
Management fee (October 1 - 31, 2021) for the Fund: 0.20%

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT OCTOBER 31, 2021

| Ranking | Security | % of Net Assets |
|-----------------------|-------------------------|-----------------|
| 1 | Applied Materials Inc. | 5.57 |
| 2 | Ciena Corp. | 4.73 |
| 3 | Jabil Inc. | 3.77 |
| 4 | First Solar Inc. | 3.68 |
| 5 | Motorola Solutions Inc. | 3.18 |
| 6 | Lumentum Holdings Inc. | 3.14 |
| 7 | II-VI Inc. | 3.02 |
| 8 | Best Buy Co., Inc. | 3.01 |
| 9 | Anthem Inc. | 2.78 |
| 10 | D.R. Horton, Inc. | 2.77 |
| Top 10 | | 35.65 |
| Total Equities | | 97.06 |
| Cash | | 2.94 |
| Total Assets | | 100.00 |

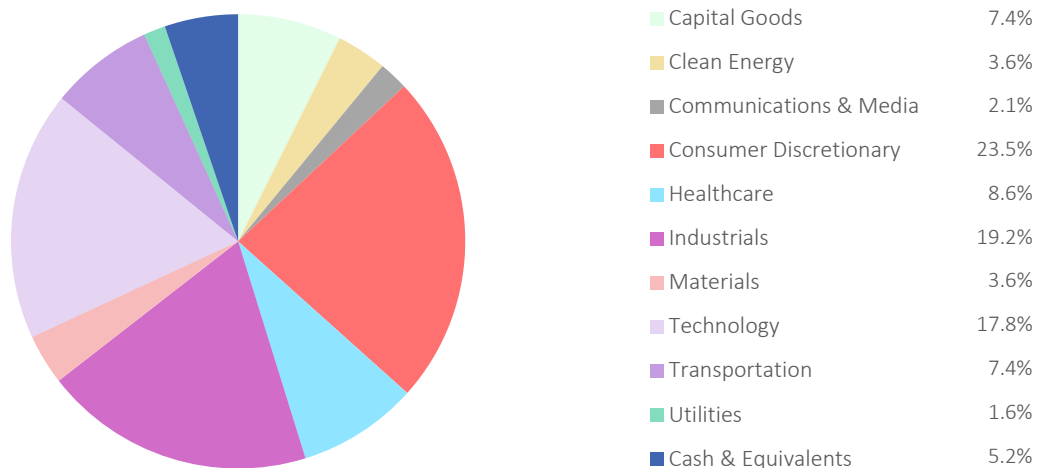
U.S. EQUITY FUND — SECTOR MIX AS AT OCTOBER 31, 2021



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT OCTOBER 31, 2021

| Ranking | Security | % of Net Assets |
|-----------------------|-------------------------------------|-----------------|
| 1 | Aritzia Inc. | 7.65 |
| 2 | TFI International Inc. | 7.38 |
| 3 | ATS Automation Tooling Systems Inc. | 7.38 |
| 4 | Dorel Industries Inc., Class B | 5.43 |
| 5 | CAE Inc. | 4.99 |
| 6 | Leon's Furniture Ltd. | 4.97 |
| 7 | Open Text Corporation | 4.29 |
| 8 | Heroux-Devtek Inc. | 4.27 |
| 9 | Intertape Polymer Group Inc. | 3.59 |
| 10 | Innergex Renewable Energy Inc. | 3.59 |
| Top 10 | | 53.54 |
| Total Equities | | 94.77 |
| Cash | | 5.23 |
| Total Assets | | 100.00 |

CANADIAN EQUITY FUND — SECTOR MIX AS AT OCTOBER 31, 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.

Please contact:

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Director of Business Development and Client Service

Email: marcus@northgrowth.com

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.

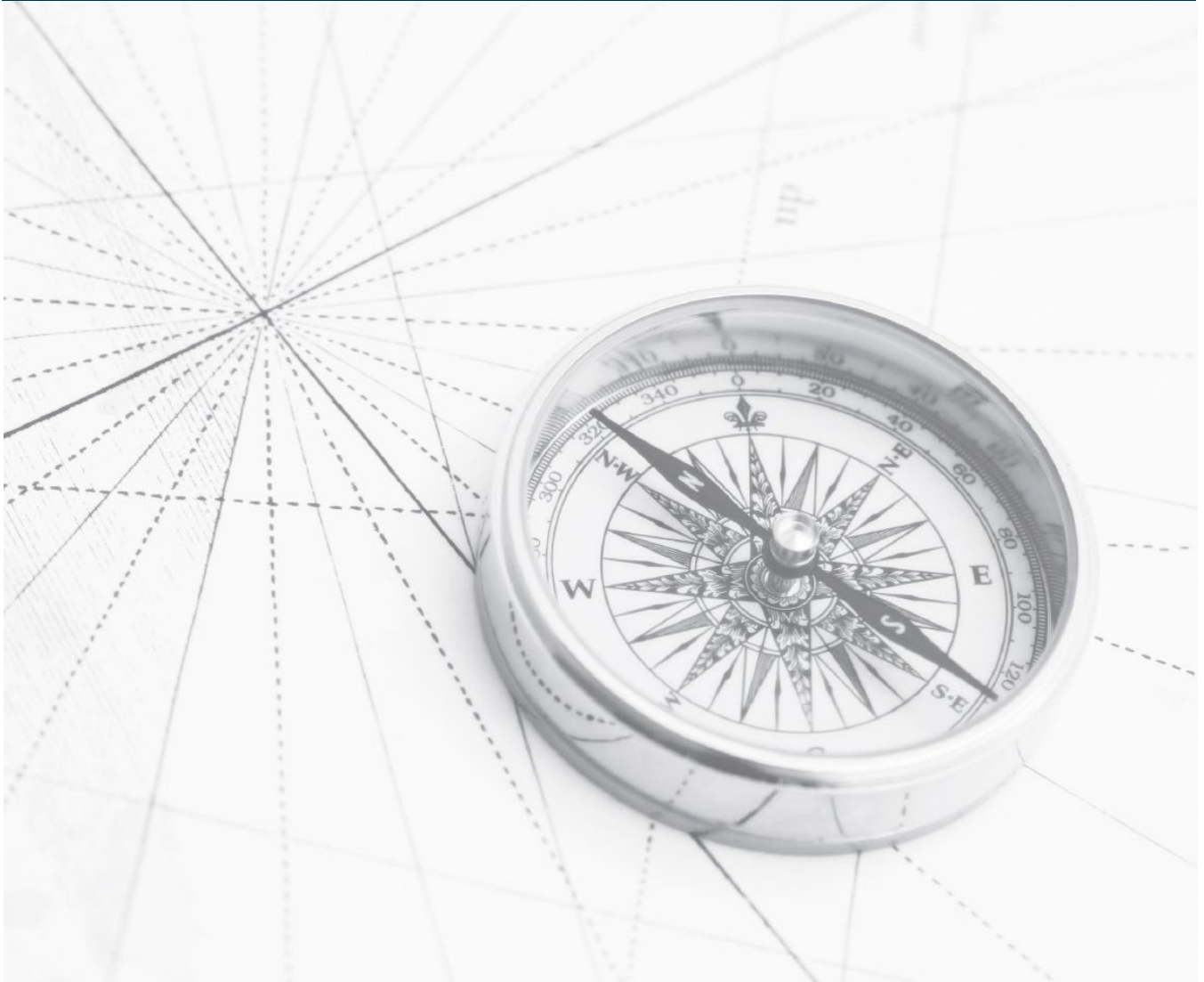


A NOTE ON FORWARD-LOOKING STATEMENTS

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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