



NORTH GROWTH
MANAGEMENT



APRIL 2022 MONTHLY REPORT

MAY 5, 2022

Market and Fund Performance Update

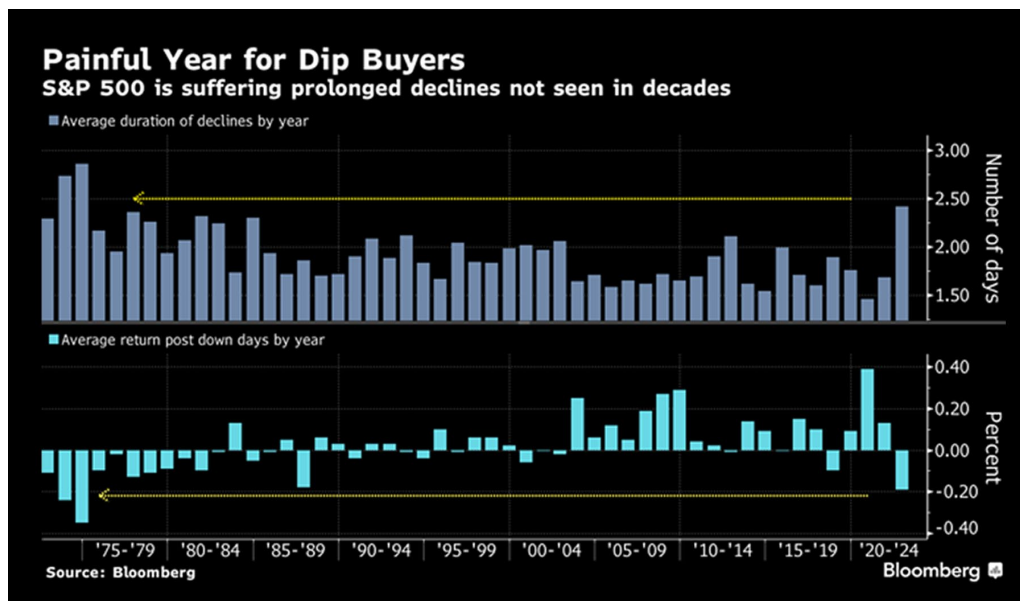
April was unusually awful for equities. The S&P 500's monthly decline of -8.7% was the index's worst April since 1970, while the NASDAQ Composite, down -13.2%, suffered its largest monthly drop since 2008. Beset by worries of soaring inflation and the prospect of aggressive interest rate hikes, ongoing geopolitical conflict, worsening COVID-19 spread in China, and increased likelihood of an economic recession, stocks extended their losses last month in choppy trading that has become all too familiar.

NAVIGATING A BEAR MARKET

It feels like we're in a bear market. Technically, the S&P 500, having fallen over 10% from its peak on January 3rd, is merely in correction territory. Down more than 20% from their highs in November 2021, the NASDAQ Composite and smaller-capitalization Russell 2000 are officially in bear markets.

Technical definitions aside, the performance of equities over the past months has been characteristically bearish. Focusing predominantly on macroeconomic headwinds rather than corporate earnings reports and news, investors are extremely pessimistic. According to the American Association of Individual Investors (AAII) sentiment survey at the end of April, the stock market is at its highest level of pessimism since March 2009. Concurrently, optimism is at its lowest in nearly 30 years.

Slow and steady declines in equities, amid much volatility, have become increasingly common. Based on Bloomberg data, so far in 2022, the average drop in the S&P 500 has lasted around 2.5 days before a



reversal in the downtrend, more than any year since 1974. Furthermore, the index's returns following such down sessions have been negative -0.2%, also the worst in almost five decades.

As share prices have fallen leading to subsiding price/earnings (P/E) multiples, especially for growth stocks, valuation distortions between sectors and individual names have improved recently.

We continue to seek and research investment prospects, concentrating our efforts on fundamental analysis and stock selection.

In a bear market, the environment is highly favourable for stock picking as many high-calibre businesses with solid long-term growth potential trade at reasonable valuations. Enhanced market volatility provides trading opportunities whereby the weightings of portfolio constituents may be adjusted, and the quality of portfolio holdings upgraded.

We remain engaged in the active management of the equity funds, adhering diligently to our "Growth at a Reasonable Price" investment philosophy.

U.S. EQUITY FUND

In April, the North Growth U.S. Equity Fund declined -9.6%. The Fund underperformed all the indices we normally follow except for the NASDAQ Composite, which lost -13.2%. The S&P 500 depreciated -8.7%, while the S&P 400 MidCap and S&P 600 SmallCap were down -7.1% and -7.8% respectively. A weakening Canadian currency against its U.S. counterpart aided the Fund's monthly loss to -7.5% in Canadian dollars versus the S&P 500's -6.6% Canadian-dollar April decline.

CANADIAN EQUITY FUND, SERIES N

April was difficult for Canadian equities as well; the S&P/TSX Composite capped its worst month since March 2020 with a return of -5.0%. The North Growth Canadian Equity Fund, Series N, lagged the benchmark with a performance of -9.5%, capping its worst month since March 2020 as well.

The broad sentiment is focused squarely on the doom and gloom scenario underlined by the S&P/TSX Composite making its third worst start to a year in the last 20 years. However, there are pockets of opportunity as the index now trades at a discount to its average price/earnings (P/E) ratio over the same period. While the challenging macro backdrop overpowers any underlying positivity in the markets, it presents opportunities that align with our "Growth at a Reasonable Price" philosophy. As the market sells off indiscriminately, a lot of companies are starting to become viable investments, giving us opportunities to diversify the portfolio.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2022

| | 1 Month | 3 Months | 6 Months | YTD |
|---|--------------|---------------|---------------|---------------|
| North Growth U.S. Equity Fund \$CDN | -7.49 | -12.15 | -13.02 | -18.40 |
| S&P 500 in \$CDN | -6.56 | -7.64 | -6.67 | -12.13 |
| North Growth U.S. Equity Fund \$U.S. | -9.63 | -12.65 | -15.79 | -19.13 |
| S&P 500 \$U.S. | -8.72 | -8.17 | -9.65 | -12.92 |
| S&P 400 MidCap \$U.S. | -7.11 | -4.77 | -9.88 | -11.64 |
| S&P 600 SmallCap \$U.S. | -7.81 | -6.18 | -11.13 | -12.99 |
| NASDAQ Composite \$U.S. | -13.24 | -13.32 | -20.13 | -21.00 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2022

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | Since Inception |
|---|---------------|--------------|--------------|--------------|-------------|--------------|-----------------|
| North Growth U.S. Equity Fund \$CDN | -11.70 | 8.97 | 9.75 | 14.16 | 9.65 | 9.38 | 12.43 |
| S&P 500 \$CDN | 4.35 | 12.03 | 12.17 | 16.64 | 10.32 | 7.99 | 10.39 |
| North Growth U.S. Equity Fund \$U.S. | -15.20 | 10.73 | 11.21 | 11.25 | 8.62 | 10.50 | 12.32 |
| S&P 500 \$U.S. | 0.21 | 13.85 | 13.66 | 13.67 | 9.28 | 9.09 | 10.28 |
| S&P 400 MidCap \$U.S. | -7.03 | 9.91 | 9.29 | 11.40 | 8.92 | 9.55 | 11.80 |
| S&P 600 SmallCap \$U.S. | -8.54 | 9.16 | 8.91 | 11.79 | 8.74 | 9.44 | 11.22 |
| NASDAQ Composite \$U.S. | -11.05 | 16.10 | 16.44 | 16.36 | 12.38 | 11.62 | *10.92 |

Source: Bloomberg "Total Return Analysis" as of April 30, 2022

* 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, 2022 |
| Unit Price | \$ 46.86 CDN / \$ 36.63 US |
| Total Assets in Fund | \$ 570.0 Million CDN |

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2022

| | 1 Month | 3 Months | 6 Months | YTD |
|--|--------------|--------------|---------------|---------------|
| North Growth Canadian Equity Fund, Series N | -9.53 | -8.97 | -12.93 | -11.32 |
| Benchmark | -4.96 | -0.93 | 0.04 | -1.33 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2022

| | 1 Yr | 3 Yrs | 5 Yrs | 9 Yrs | *Since Prospectus |
|---|--------------|--------------|--------------|--------------|-------------------|
| North Growth Canadian Equity Fund, Series N* | -1.36 | 15.08 | 10.25 | 10.93 | 12.42 |
| Benchmark | 11.56 | 11.05 | 9.13 | 9.05 | 9.38 |

* 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. North Growth Canadian Equity Fund Benchmark: S&P/TSX Composite Index.

| | |
|----------------------|---------------------|
| | April 30, 2022 |
| Unit Price | \$ 24.42 CDN |
| Total Assets in Fund | \$ 66.1 Million CDN |

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED APRIL 30, 2022

| | *Current Yield | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs |
|--|----------------|-------------|-------------|-------------|-------------|-------------|
| North Growth Canadian Money Market Fund | 0.57 | 0.09 | 0.60 | 0.86 | 0.79 | 1.04 |
| 30 Day Treasury Bill | N/A | 0.13 | 0.64 | 0.84 | 0.79 | 1.02 |

** 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. We believe the Fund has superior liquidity characteristics due to its very low average maturity. The North Growth Canadian Money Market Fund's yield will quickly rise in response to any future increase in the Bank of Canada's overnight rate.

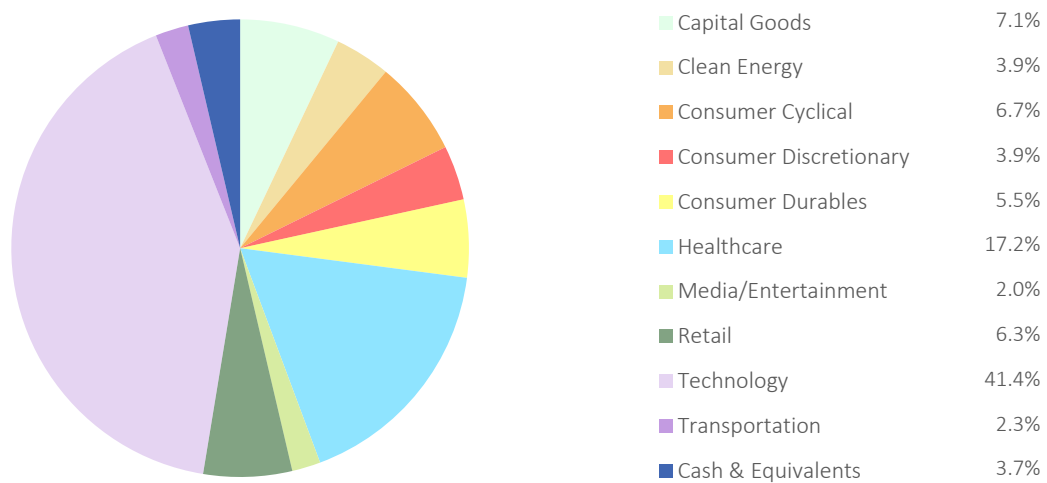
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT APRIL 30, 2022

| Ranking | Security | % of Net Assets |
|-----------------------|------------------------------|-----------------|
| 1 | Ciena Corp. | 5.42 |
| 2 | Jabil Inc. | 4.44 |
| 3 | Qualcomm Inc. | 3.82 |
| 4 | Bristol-Myers Squibb Company | 3.81 |
| 5 | Lumentum Holdings Inc. | 3.78 |
| 6 | II-VI Inc. | 3.73 |
| 7 | HP Inc. | 3.64 |
| 8 | Applied Materials Inc. | 3.32 |
| 9 | Anthem Inc. | 3.19 |
| 10 | Best Buy Co., Inc. | 2.73 |
| Top 10 | | 37.88 |
| Total Equities | | 96.34 |
| Cash | | 3.66 |
| Total Assets | | 100.00 |

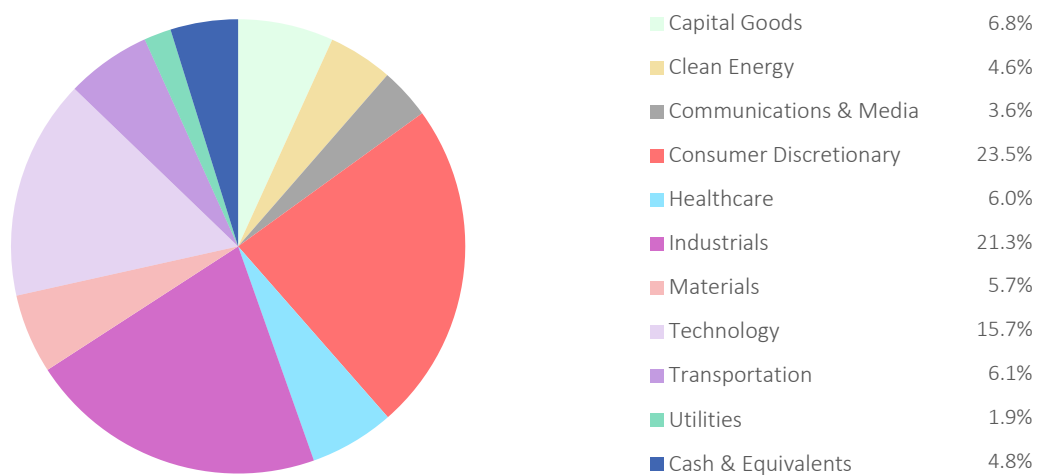
U.S. EQUITY FUND — SECTOR MIX AS AT APRIL 30, 2022



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT APRIL 30, 2022

| Ranking | Security | % of Net Assets |
|-----------------------|-------------------------------------|-----------------|
| 1 | Aritzia Inc. | 7.12 |
| 2 | ATS Automation Tooling Systems Inc. | 6.80 |
| 3 | Calian Group Ltd. | 6.13 |
| 4 | TFI International Inc. | 6.05 |
| 5 | Intertape Polymer Group Inc. | 5.67 |
| 6 | Leon's Furniture Ltd. | 5.04 |
| 7 | CAE Inc. | 4.54 |
| 8 | Heroux-Devtek Inc. | 3.96 |
| 9 | TELUS Corporation | 3.63 |
| 10 | IBI Group Inc. | 3.46 |
| Top 10 | | 52.40 |
| Total Equities | | 95.19 |
| Cash | | 4.81 |
| Total Assets | | 100.00 |

CANADIAN EQUITY FUND — SECTOR MIX AS AT APRIL 30, 2022



Investing with Us

INVESTING WITH NORTH GROWTH MANAGEMENT:

North Growth Management is a focused firm. Our objective is to achieve 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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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.

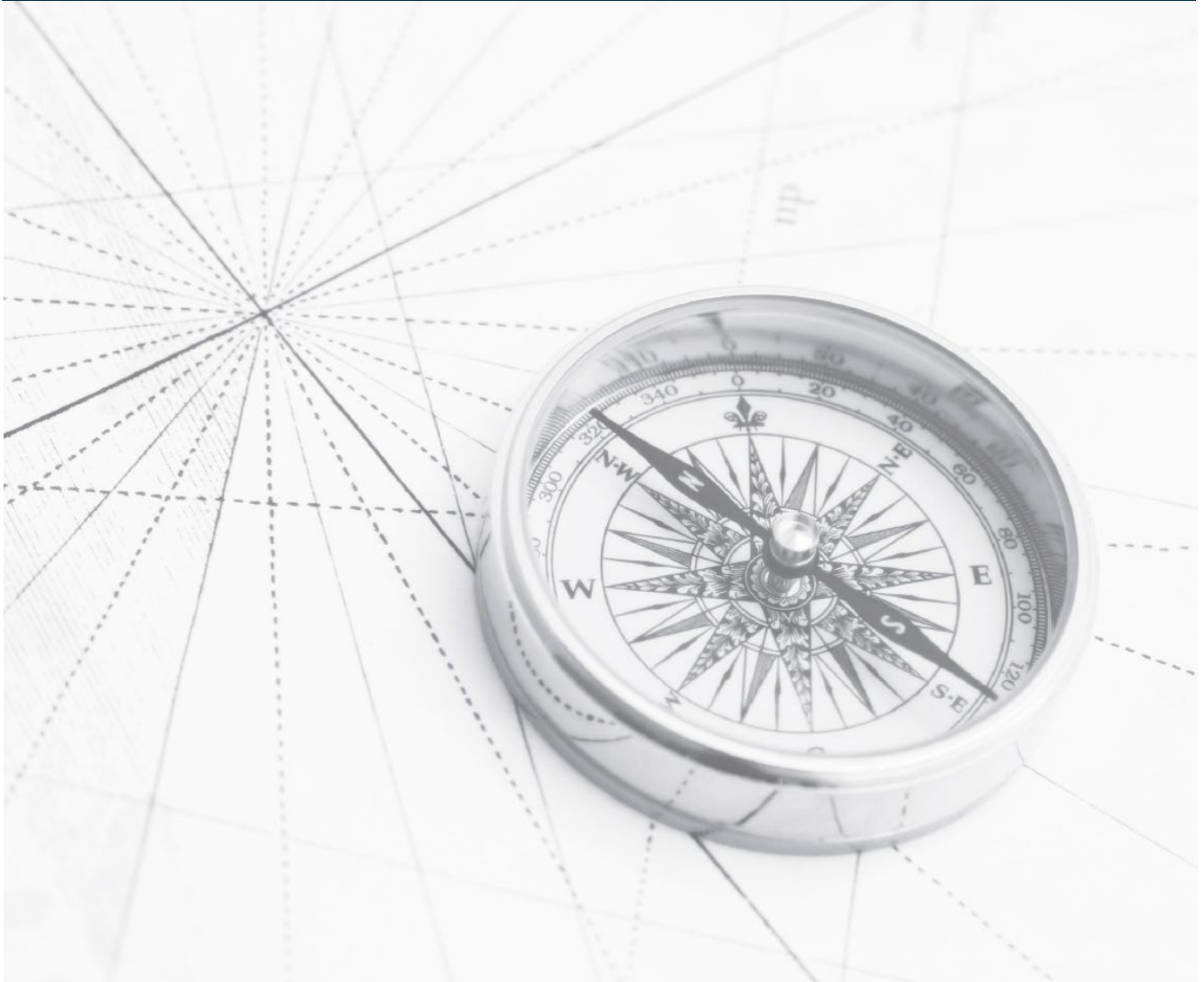


A NOTE ON FORWARD-LOOKING STATEMENTS

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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