



NORTH GROWTH
MANAGEMENT



MAY 2022 MONTHLY REPORT

JUNE 7, 2022

Market and Fund Performance Update

May was another tumultuous month for equities as concerns over inflation and interest rate hikes continued to weigh on sentiment. After seven consecutive weekly declines and a narrowly averted technical bear market of being down 20%, the S&P 500 rallied strongly during the final week of the month to end May at virtually the same level as where it began.

FIRST QUARTER EARNINGS

With the earnings reporting season for the first quarter of 2022 coming to a close, investors remain overwhelmingly focused on the macroeconomic backdrop. To date, the market has not rewarded positive earnings surprises whereas earnings misses have been punished more than average. Similar to the business updates of the third and fourth quarters of 2021, demand appears to be solid while supply constraints continue to hamper operations; the term “supply chain” was consistently mentioned during the earnings conference calls of over 70% of S&P 500 companies during the latest quarter.

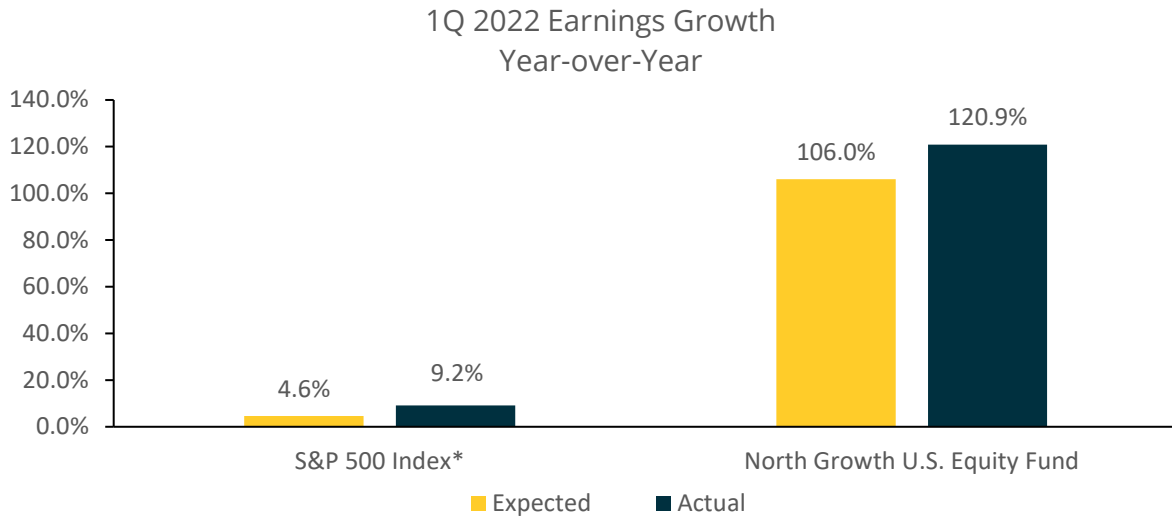
The North Growth U.S. Equity Fund again delivered remarkable results last quarter. With 96% of the portfolio having reported so far, profits on a weighted-average basis in the first quarter more than doubled, increasing 120.9%, over a year ago. The results came in ahead of estimates for 106.0% growth, and 73% of the portfolio’s earnings reports exceeded analysts’ forecasts.

For the market overall, with 97% of the S&P 500 companies having reported results, earnings during the first quarter of 2022 increased 9.2% while sales grew 13.6%. According to FactSet on May 27, 2022, 77% of the reporting companies posted positive earnings surprises. At the sector level, Health Care, Information Technology, and Financials were the largest contributors to the increase in the earnings growth rate for the index. During the period, however, the Energy, Utilities, and Materials sectors had the largest percentages of companies reporting earnings above estimates.

The U.S. Equity Fund’s earnings growth profile continues to be consistently solid and broad-based. We remain pleased with the earnings growth rate of the Fund in both absolute terms as well as relative to the S&P 500.

As illustrated by the following chart, the Fund’s earnings results for the latest quarter were exceptional. The superior earnings growth was achieved despite the Fund’s below-market price/earnings (P/E) multiple. Currently, the Fund is trading at 17.1 times trailing 12-month earnings versus the S&P 500’s trailing P/E ratio of 20.5. We continue to focus on the fundamental characteristics of individual equities

and believe the Fund’s profit growth is evidence of our adherence to active management and sound stock selection.



*Source for S&P 500 Index: FactSet Earnings Insight

As always, we remain steadfastly disciplined in identifying and picking stocks that fit our “Growth at a Reasonable Price” investment philosophy.

U.S. EQUITY FUND

In May, the North Growth U.S. Equity Fund gained 0.5%. The Fund outperformed the S&P 500 which was up 0.2% and the NASDAQ Composite which lost –1.9%, but lagged the smaller-capitalization indices we regularly follow, the S&P 400 MidCap and S&P 600 SmallCap, which increased by 0.8% and 1.9% respectively. In Canadian dollars, the Fund depreciated –0.6% in May versus the S&P 500’s –0.9% Canadian-dollar monthly loss.

CANADIAN EQUITY FUND, SERIES N

The S&P/TSX Composite’s performance over the month of May masked significant underlying volatility. The index closed the month with a return of 0.1% despite being down over 5% at one point. The seven-week long negative performance streak was finally broken on May 13, 2022. The S&P/TSX commenced a rally larger than 5% to recover most of the lost performance. It was the market’s strongest week since early February 2021. The North Growth Canadian Equity Fund, Series N, trailed the index with a loss of

-1.7%. As the market reacted to a variety of crosscurrents, only three sectors posted positive returns last month—Energy, Financials and Utilities.

As we have highlighted over the course of the year, the indiscriminate selling has created pockets of opportunity within the market. We remain laser focused on fundamental bottom-up analysis as we adhere to our “Growth at a Reasonable Price” investment philosophy. While the market is currently pessimistic and focused on the short-term macroeconomic outlook, the North Growth Canadian Equity Fund is optimistic and focused on the long-term growth prospects of companies in our investment universe.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2022

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	-0.63	-10.56	-14.80	-18.91
S&P 500 in \$CDN	-0.94	-5.53	-9.87	-12.96
North Growth U.S. Equity Fund \$U.S.	0.51	-10.20	-13.84	-18.72
S&P 500 \$U.S.	0.18	-5.16	-8.85	-12.76
S&P 400 MidCap \$U.S.	0.75	-5.12	-6.46	-10.98
S&P 600 SmallCap \$U.S.	1.86	-5.74	-7.36	-11.37
NASDAQ Composite \$U.S.	-1.93	-11.95	-21.94	-22.52

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	-11.98	10.97	9.77	14.54	9.64	9.56	12.37
S&P 500 \$CDN	4.34	13.86	11.92	16.74	10.27	8.12	10.32
North Growth U.S. Equity Fund \$U.S.	-15.89	13.48	11.21	12.24	8.42	10.60	12.30
S&P 500 \$U.S.	-0.30	16.44	13.38	14.40	9.04	9.15	10.26
S&P 400 MidCap \$U.S.	-6.52	13.28	9.56	12.24	8.62	9.68	11.79
S&P 600 SmallCap \$U.S.	-8.73	13.22	9.78	12.72	8.55	9.77	11.26
NASDAQ Composite \$U.S.	-11.49	18.48	15.38	16.98	12.00	11.76	*10.81

Source: Bloomberg "Total Return Analysis" as of May 31, 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.

	May 31, 2022
Unit Price	\$ 46.57 CDN / \$ 36.82 US
Total Assets in Fund	\$ 566.8 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2022

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	-1.74	-9.18	-9.61	-12.87
Benchmark	0.06	-1.15	1.74	-1.28

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2022

	1 Yr	3 Yrs	5 Yrs	9 Yrs	*Since Prospectus
North Growth Canadian Equity Fund, Series N*	-2.39	12.95	9.57	10.16	12.11
Benchmark	7.91	12.23	9.43	8.85	9.30

* 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.

	May 31, 2022
Unit Price	\$ 24.00 CDN
Total Assets in Fund	\$ 65.4 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2022

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	0.86	0.15	0.58	0.86	0.79	1.02
30 Day Treasury Bill	N/A	0.23	0.62	0.85	0.79	1.00

** 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.

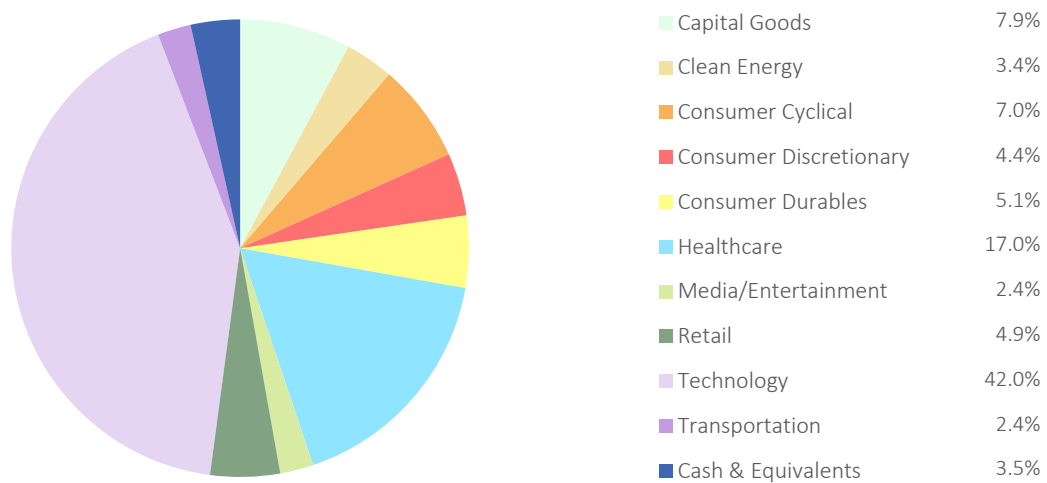
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT MAY 31, 2022

Ranking	Security	% of Net Assets
1	Ciena Corp.	4.96
2	Jabil Inc.	4.70
3	Lumentum Holdings Inc.	3.98
4	Qualcomm Inc.	3.90
5	HP Inc.	3.84
6	Bristol-Myers Squibb Company	3.80
7	II-VI Inc.	3.79
8	Applied Materials Inc.	3.51
9	Anthem Inc.	3.22
10	SolarEdge Technologies Inc.	2.84
Top 10		38.54
Total Equities		96.52
Cash		3.48
Total Assets		100.00

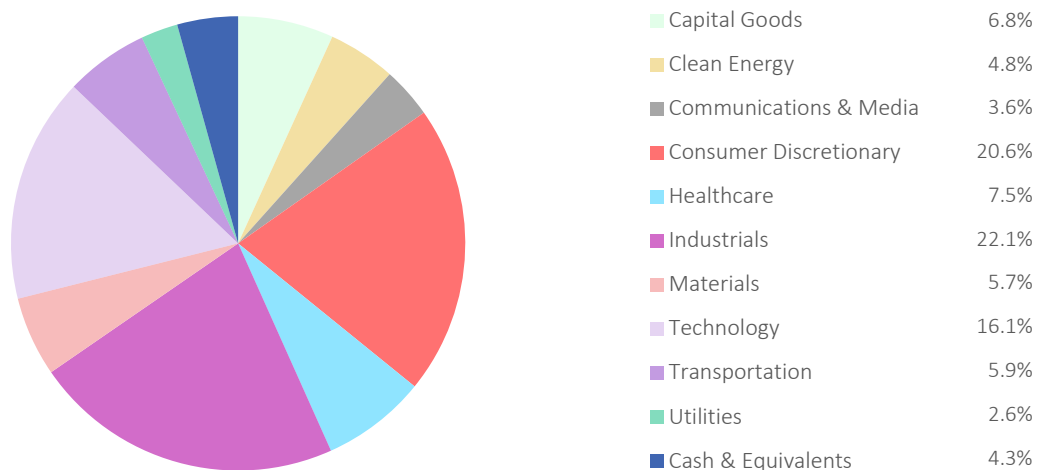
U.S. EQUITY FUND — SECTOR MIX AS AT MAY 31, 2022



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT MAY 31, 2022

Ranking	Security	% of Net Assets
1	ATS Automation Tooling Systems Inc.	6.81
2	Calian Group Ltd.	6.30
3	TFI International Inc.	5.93
4	Aritzia Inc.	5.81
5	Intertape Polymer Group Inc.	5.68
6	CAE Inc.	4.75
7	Leon's Furniture Ltd.	4.51
8	Heroux-Devtek Inc.	4.16
9	IBI Group Inc.	4.10
10	TELUS Corporation	3.61
Top 10		51.66
Total Equities		95.68
Cash		4.32
Total Assets		100.00

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

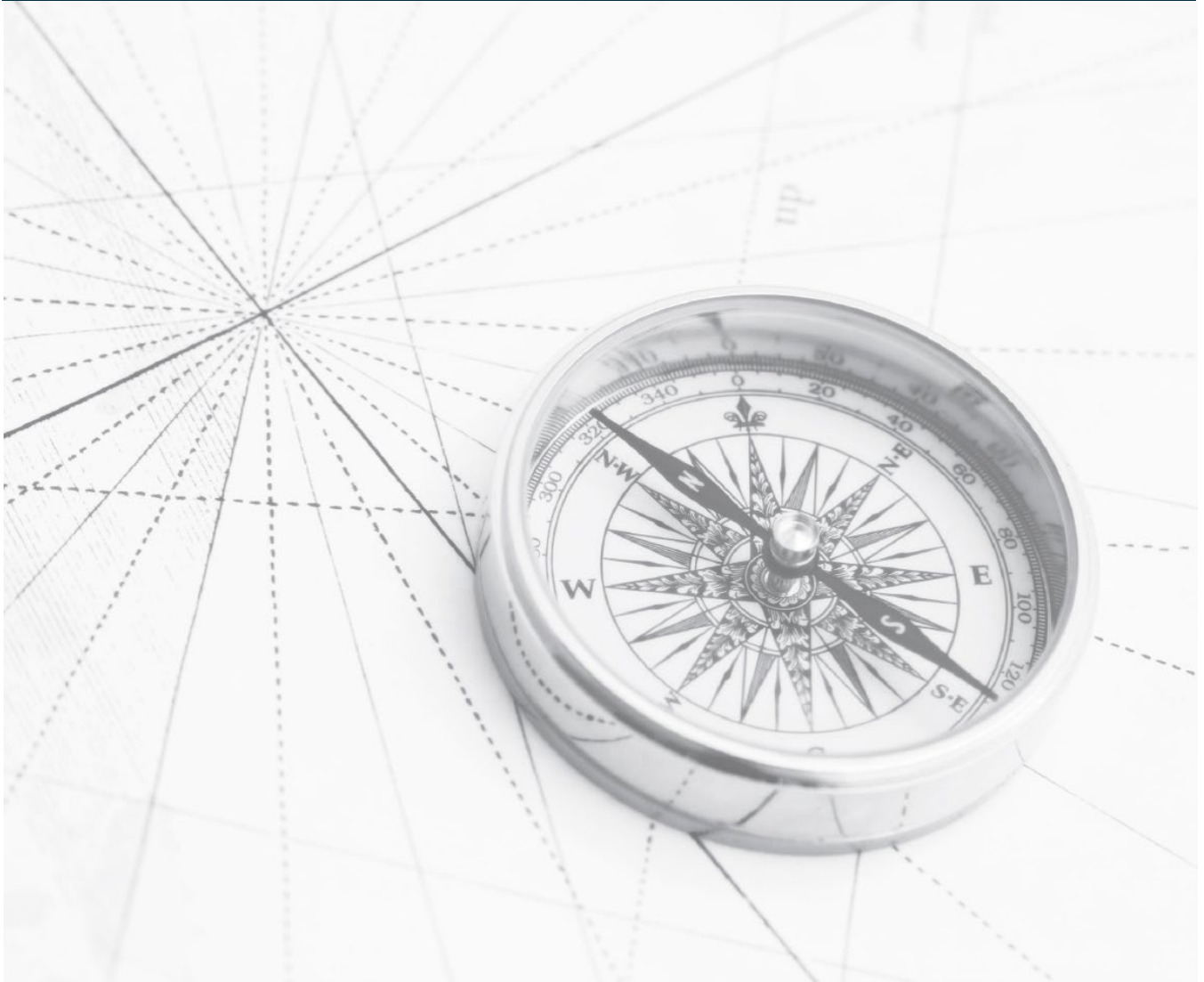


A NOTE ON FORWARD-LOOKING STATEMENTS

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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