



NORTH GROWTH
MANAGEMENT



SEPTEMBER 2022 MONTHLY REPORT

OCTOBER 6, 2022

Market and Fund Performance Update

September was yet another abysmal month for equities. With all the major U.S. stock indices firmly in bear market territory, the S&P 500 registered its worst September since 2002 as well as its worst year-to-date performance in 20 years. Amid worrisome signs that inflation is becoming more entrenched and therefore tougher to contain, central banks, including the Federal Reserve, are raising interest rates at the fastest pace in a generation. Economic pain is on track to intensify, and alongside that, a global recession seems all but certain.

ALL-OR-NOTHING MARKET CHURN

Erratic moves in the stock market have become normal during the past year. Increasingly, the U.S. market appears to act like one massive trade whose direction is intractable day-to-day. Macro narratives alternate between paranoia over inflation and optimism that the economy and corporate earnings are strong enough to weather aggressive interest rate hikes. Days on which more than 400 companies, or 80%, of the S&P 500 Index move in the same direction are set to top any year since at least 1997.



As the market has become more macro and sentiment driven, equity fundamentals including valuations have had limited relevance in determining near-term performance. Nonetheless, the bear market offers an abundance of attractive investment opportunities as numerous solid businesses trade at discounted valuations.

We remain laser-focused on actively managing the equity funds, picking individual stocks that adhere to our “Growth at a Reasonable Price” investment philosophy. We eagerly anticipate the start of the next bull market, when reasonable valuations and sustainable earnings growth are rewarded. We strongly believe that coming out of the bear market recovery, North Growth’s equity portfolios are poised to outperform.

TAX INFORMATION UPDATE

Thursday, December 15th, is the distribution date for both the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. Currently, we do not anticipate an annual distribution for the U.S. Equity Fund.

As outlined in the previous monthly reports, the Canadian Equity Fund expects to generate an income (eligible dividend) distribution of approximately \$1.60 per unit after benefitting from a one-time special dividend paid by Dorel Industries in February. Furthermore, as the acquisition of IBI Group closed on September 27th, much earlier than the anticipated end-of-year closing date, the Canadian Equity Fund will distribute a capital gain of approximately \$0.40 per unit. The total distribution for the Canadian Equity Fund should be between 5% and 15% of the unit price.

Due to a number of factors beyond our control, the current estimates for the distributions may change materially over the coming months.

U.S. EQUITY FUND

In September, the North Growth U.S. Equity Fund declined –10.6%. The Fund underperformed all the indices we regularly track: the S&P 500 which lost –9.2%, the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap which were down –9.2% and –9.9% respectively, and the NASDAQ Composite which depreciated –10.4%. Due to the weakening of the Canadian currency against its U.S. counterpart, the Fund fell –5.8% in Canadian dollars versus the S&P 500’s –4.4% negative return in Canadian dollars.

Year-to-date, the Fund is down –33.0%. The Fund has underperformed all the indices we follow during this same period: the S&P 500 which declined –23.9%, the S&P 400 MidCap and S&P 600 SmallCap

which lost –21.5% and –23.2% respectively, and the NASDAQ Composite which fell –32.0%. In Canadian dollars, the Fund has depreciated –27.0% versus the S&P 500 which is down –17.1%.

CANADIAN EQUITY FUND, SERIES N

September was an exceptionally weak month for global equities as the U.K.'s financial crisis added to the list of growing macro concerns around the globe. The S&P/TSX Composite was not immune from these cross-currents and suffered as a result with a return of –4.3%. The index has now had its worst first three quarters since 2009. The North Growth Canadian Equity Fund, Series N, underperformed the index in September with a return of –6.3%. Year-to-date, the Fund is down –15.7% versus the S&P/TSX Composite's loss of –11.1%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	-5.82	0.20	-17.22	-26.99
S&P 500 in \$CDN	-4.36	1.95	-11.80	-17.06
NGM U.S. Equity Fund \$U.S.	-10.59	-6.51	-25.11	-32.98
S&P 500 \$U.S.	-9.21	-4.88	-20.20	-23.87
S&P 400 MidCap \$U.S.	-9.19	-2.46	-17.50	-21.52
S&P 600 SmallCap \$U.S.	-9.88	-5.20	-18.58	-23.16
NASDAQ Composite \$U.S.	-10.44	-3.91	-25.31	-31.99

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	-20.18	4.84	7.67	13.14	9.25	9.57	11.83
S&P 500 \$CDN	-7.85	9.69	11.47	15.56	10.42	9.08	10.03
NGM U.S. Equity Fund \$U.S.	-26.79	3.39	5.51	9.36	6.89	10.34	11.44
S&P 500 \$U.S.	-15.47	8.16	9.24	11.70	8.03	9.84	9.64
S&P 400 MidCap \$U.S.	-15.25	6.01	5.82	10.04	7.93	10.40	11.19
S&P 600 SmallCap \$U.S.	-18.83	5.48	4.84	10.09	7.77	10.41	10.60
NASDAQ Composite \$U.S.	-26.23	10.68	11.28	14.29	10.74	12.82	*10.20

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

Unit Price	\$ 41.93 CDN \$ 30.36 US
Total Assets in Fund	\$ 508.7 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	-6.30	2.80	-13.98	-15.69
Benchmark	-4.26	-1.41	-14.41	-11.14

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
NGM Canadian Equity Fund Series N	-13.32	10.60	8.08	11.39	11.34
Benchmark	-5.39	6.59	6.54	7.30	7.88

** 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.*

Unit Price \$ 23.22 CDN

Total Assets in Fund \$ 62.2 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	3.10	0.84	0.63	0.96	0.83	0.97
30 Day Treasury Bill	N/A	0.83	0.64	0.94	0.82	0.95

** 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

U.S. EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2022

Ranking	Security	% of Net Assets
1	Jabil Inc.	5.36
2	Ciena Corp.	5.12
3	Bristol-Myers Squibb Company	4.35
4	Elevance Health, Inc.	3.49
5	Lumentum Holdings Inc.	3.39
6	Qualcomm Inc.	3.36
7	Applied Materials Inc.	3.36
8	Motorola Solutions Inc.	3.20
9	D.R. Horton, Inc.	3.09
10	HP Inc.	3.00
11	SolarEdge Technologies Inc.	2.93
12	RH	2.67
13	Coherent Corp.	2.57
14	Jacobs Solutions Inc.	2.53
15	Horizon Therapeutics, plc.	2.37
16	Fiserv, Inc.	2.27
17	Tempur Sealy International, Inc.	2.19
18	Funko Inc.	2.13
19	Best Buy Co., Inc.	2.06
20	Tapestry Inc.	2.05
21	InMode Ltd.	1.99
22	Johnson Controls International plc.	1.98
23	Texas Instruments Inc.	1.91
24	FedEx Corp.	1.90
25	Electronic Arts Inc.	1.82
26	Syneos Health Inc.	1.79
27	Warner Bros. Discovery Inc.	1.73
28	Apple Inc.	1.70

Ranking	Security	% of Net Assets
29	Microsoft Corporation	1.62
30	Crocs, Inc.	1.61
31	Nvidia Corp.	1.60
32	PerkinElmer, Inc.	1.59
33	Brinker International Inc.	1.54
34	Align Technology, Inc.	1.53
35	Foot Locker, Inc.	1.43
36	Booking Holdings Inc.	1.42
37	Fortune Brands Home & Security Inc.	1.27
38	Generac Holdings Inc.	1.24
39	Watts Water Technologies Inc.	1.12
40	Herc Holdings Inc.	1.10
41	Abercrombie & Fitch Co.	1.08
42	Biogen Inc.	0.76
43	Old Dominion Freight Line, Inc.	0.74
Total Equities		95.96
Cash		4.04
Total Assets		100.00

CANADIAN EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2022

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	Aritzia Inc.	9.28	29	dentalcorp Holdings Inc	0.30
2	TFI International Inc.	7.71	30	Quisitive Technology Solutions Inc.	0.29
3	ATS Automation Tooling Systems Inc.	7.20	31	Blackberry Ltd.	0.29
4	Calian Group Ltd.	5.56	32	Perimeter Medical Imaging AI, Inc.	0.26
5	Leon's Furniture Ltd.	4.57	Total Equities		84.01
6	Innergex Renewable Energy Inc.	3.70	Cash		15.99
7	CAE Inc.	3.67	Total Assets		100.00
8	Heroux-Devtek Inc.	3.46			
9	Converge Technology Solutions Corp.	3.41			
10	Knight Therapeutics Inc.	3.39			
11	TELUS Corporation	3.39			
12	Sierra Wireless Inc.	3.22			
13	Bombardier Inc., Class B	2.94			
14	Open Text Corporation	2.72			
15	Polaris Renewable Energy Inc.	2.32			
16	Restaurant Brands International	2.32			
17	Dollarama Inc.	2.23			
18	Canadian Solar Inc.	2.01			
19	AutoCanada Inc.	1.58			
20	Profound Medical Corp.	1.45			
21	Evertz Technologies Limited	1.42			
22	Constellation Software Inc.	1.11			
23	Canadian National Railway Company	1.04			
24	Zymeworks Inc.	1.03			
25	Bombardier Recreational Products Inc.	0.83			
26	Lululemon Athletica Inc.	0.56			
27	Jamieson Wellness Inc.	0.46			
28	Shopify Inc.	0.31			

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:

Marcus Vander Leek, CFA

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

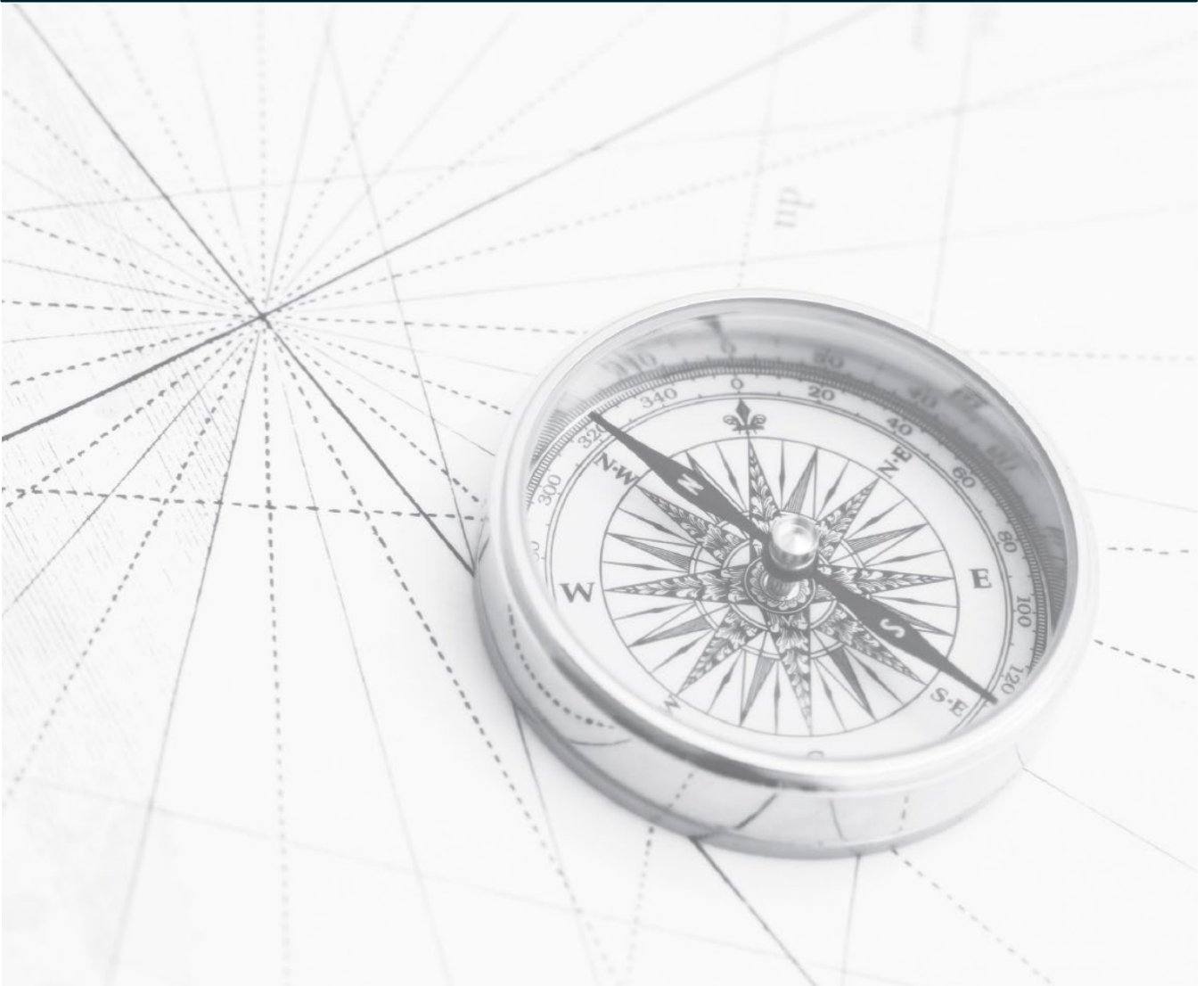


A NOTE ON FORWARD-LOOKING STATEMENTS

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.



NORTH GROWTH
MANAGEMENT



Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

T: 604-688-5440
F: 604-688-5402
info@northgrowth.com

northgrowth.com