



NORTH GROWTH
MANAGEMENT



OCTOBER 2022 MONTHLY REPORT

NOVEMBER 4, 2022

Market and Fund Performance Update

Amid ongoing mixed earnings reports for the third quarter of 2022, equities ended October with strong gains after a brutal slump during the preceding two months. Cautious optimism that central banks, including the Federal Reserve, may soon shift away from large interest rate hikes to less aggressive tightening as inflation begins to ease helped propel the markets higher.

A CASE STUDY OF “GROWTH AT A REASONABLE PRICE”: JABIL

The past month offered no new economic or market developments of note as stocks remain in a challenging bearish environment. So, in a departure from our usual commentary, we are profiling a company in the U.S. Equity Fund that exemplifies our “Growth at a Reasonable Price” investment philosophy: Jabil Inc.

As of October 31st, Jabil, at an approximate 5.5% weight, is the second largest holding in the U.S. Fund. This leading position has resulted from steady stock price appreciation and meaningful outperformance since we accumulated the security mostly between July 2017 and June 2018. The last purchase of the stock in February 2020 had brought the holding to just over 3% of the portfolio at the time. The Fund’s average U.S. dollar cost of the stock is \$28.56 per share. On October 31st, Jabil closed at \$64.25 per share.

Jabil operates as a worldwide manufacturing services company. Historically concentrated in electronics manufacturing and assembly, the company embarked on a diversification push in 2017 to pursue further profitable growth. Today, Jabil’s business is balanced evenly among the eight key end markets of healthcare and packaging, automotive and transportation, connected devices, mobility, digital print and retail, industrial and semiconductor capital equipment, 5G wireless and cloud, as well as networking and storage. Importantly, no product family accounts for more than 5% of Jabil’s revenues.

Over the past five years since strategically diversifying its business into higher-margin end markets, Jabil grew sales by an average annual rate of 12% while earnings per share expanded on average 29% per year. The company has consistently boosted its operating margin by intentionally shifting business to higher-growth industry sectors and engaging in continuous manufacturing improvements. Jabil’s investments in operations include factory digitization and automation, engineering capabilities, supply chain tools and value-added design services.

Despite the impressive track record of growth, Jabil trades at only 9 times trailing 12-month earnings and 7.5 times projected earnings for the next year. During the Fund’s entire holding period of Jabil so

far, the company's price/earnings (P/E) multiple has remained attractive both on an absolute basis and relative to the market; therefore, we have not decreased the weighting of our position size.

Jabil's depressed equity valuation persists mainly from investors' longstanding perception of the company as a low-value "white box" computer manufacturer. Through its successful penetration into multiple growth industries over the past five years, Jabil is now exposed to a plethora of long-term secular demand drivers such as the transition to clean energy and electrification of transportation. For example, the company is involved in the manufacture of content in electric vehicles and charging stations, grid management and utility-scale batteries of energy storage systems, as well as components of orthopedic devices and medical diagnostic equipment.

We believe that the investment community has largely overlooked Jabil's competitive strengths and severely underestimated the company's ability to sustain higher margins and earnings growth. Focusing ahead on the next five years, considering the vast array of strong end markets Jabil serves, we believe it could reasonably grow its earnings per share at an average annual rate of 15% to 20%. Yet at its current valuation, even if our conservative assumptions prove inaccurate and Jabil were to grow profits at only 5% to 10%, the stock would still make a good investment. Attractively valued with a bright outlook, solid balance sheet and modest dividend, Jabil presents a compelling "Growth at a Reasonable Price" investment.

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. With over one month to go, it is important to emphasize that our guidance are estimates which could still change materially. Currently, we do not anticipate an annual distribution for the U.S. Equity Fund.

We anticipate the total distribution for the Canadian Equity Fund, Series N, to be approximately \$2.50 per unit (consisting of around \$1.60 income or eligible dividend and around \$0.90 capital gains) or 10% of the unit price.

All distributions by the Fund are automatically invested in units of the respective Fund. If you would like to receive your distributions in cash, please notify us in writing by Wednesday, November 30th.

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 8.5%. The Fund outperformed the S&P 500 which appreciated 8.1% and the NASDAQ Composite which advanced 3.9%. The Fund underperformed the S&P 400 MidCap and S&P 600 SmallCap indices which returned 10.5% and 12.4% respectively. In Canadian dollars, the Fund gained 7.3% versus the S&P 500's 6.8% monthly gain.

CANADIAN EQUITY FUND, SERIES N

October was an exceptionally strong month for global equities. The Bank of Canada increased hopes of a sooner than anticipated central bank pivot with a lower-than-expected rate hike. The resolution of the crisis in the U.K. that affected all global equity markets in September further buoyed sentiment. This helped the S&P/TSX Composite post a gain of 5.6%, its strongest return since November 2020 when COVID-19 vaccines were first unveiled. Even though the strength in the benchmark was powered by Energy and Financials, the North Growth Canadian Equity Fund, Series N, managed to slightly outperform the index with a return of 6.0% on the back of strong performance from its Industrial and Consumer Discretionary holdings.

North Growth U.S. Equity Fund

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

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	7.26	-4.69	-4.03	-21.69
S&P 500 in \$CDN	6.83	0.19	0.84	-11.40
North Growth U.S. Equity Fund \$U.S.	8.53	-10.45	-10.05	-27.26
S&P 500 \$U.S.	8.10	-5.86	-5.50	-17.70
S&P 400 MidCap \$U.S.	10.52	-2.76	-1.85	-13.27
S&P 600 SmallCap \$U.S.	12.37	-3.18	-0.77	-13.66
NASDAQ Composite \$U.S.	3.94	-11.13	-10.52	-29.31

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	-16.52	7.02	7.92	14.25	9.93	9.56	12.05
S&P 500 \$CDN	-5.89	11.56	11.71	16.36	11.18	9.08	10.24
North Growth U.S. Equity Fund \$U.S.	-24.26	5.72	6.70	10.74	7.27	10.29	11.71
S&P 500 \$U.S.	-14.61	10.22	10.44	12.79	8.48	9.81	9.90
S&P 400 MidCap \$U.S.	-11.54	9.20	7.47	11.23	8.46	10.72	11.52
S&P 600 SmallCap \$U.S.	-11.81	8.96	7.12	11.61	8.48	10.89	11.00
NASDAQ Composite \$U.S.	-28.53	10.76	11.36	15.26	10.60	12.32	*10.31

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

	October 31, 2022
Unit Price	\$ 44.98 CDN / \$ 32.95 US
Total Assets in Fund	\$ 543.0 Million CDN

North Growth Canadian Equity Fund, Series N

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

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	5.96	-1.30	0.74	-10.67
Benchmark	5.57	-0.55	-4.92	-6.19

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
North Growth Canadian Equity Fund, Series N*	-12.29	11.52	7.72	11.90	11.86
Benchmark	-4.89	8.84	7.12	7.76	8.38

Source: Bloomberg "Total Return Analysis" as of October 31, 2022

The prospectus inception of the Fund: 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.

	October 31, 2022
Unit Price	\$ 24.60 CDN
Total Assets in Fund	\$ 66.0 Million CDN

North Growth Canadian Money Market Fund

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

	*Current Yield	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	3.36	1.11	0.68	1.00	0.85	0.96
30 Day Treasury Bill	N/A	1.08	0.69	0.98	0.84	0.94

** 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.

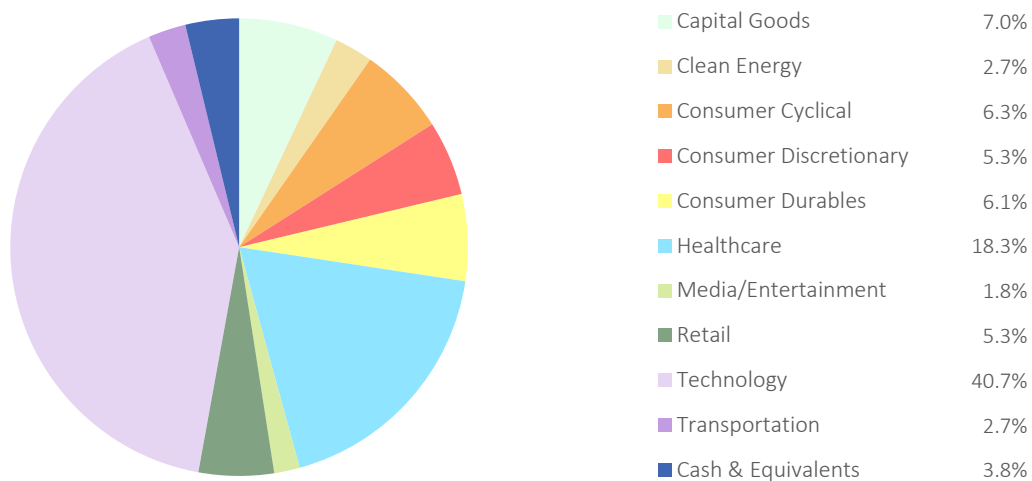
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

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

Ranking	Security	% of Net Assets
1	Ciena Corp.	5.62
2	Jabil Inc.	5.53
3	Bristol-Myers Squibb Company	4.39
4	Elevance Health, Inc.	3.89
5	Lumentum Holdings Inc.	3.41
6	Applied Materials Inc.	3.35
7	Motorola Solutions Inc.	3.30
8	D.R. Horton, Inc.	3.27
9	Qualcomm Inc.	3.24
10	HP Inc.	3.08
Top 10		39.08
Total Equities		96.22
Cash		3.78
Total Assets		100.00

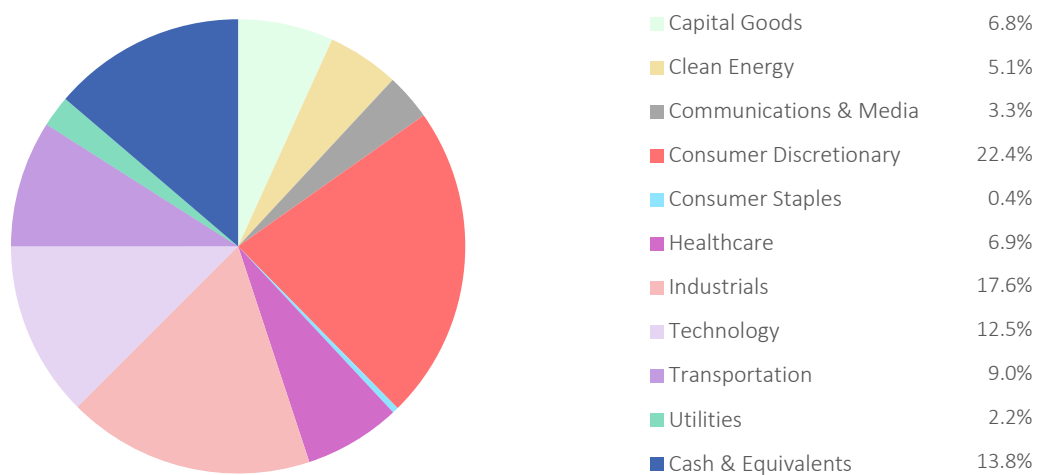
U.S. EQUITY FUND — SECTOR MIX AS AT OCTOBER 31, 2022



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

Ranking	Security	% of Net Assets
1	Aritzia Inc.	10.17
2	TFI International Inc.	7.20
3	ATS Automation Tooling Systems Inc.	6.79
4	Calian Group Ltd.	5.51
5	Leon's Furniture Ltd.	4.85
6	Bombardier Inc., Class B	4.48
7	CAE Inc.	4.24
8	Heroux-Devtek Inc.	3.35
9	Knight Therapeutics Inc.	3.33
10	TELUS Corporation	3.30
Top 10		53.22
Total Equities		86.24
Cash		13.76
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT OCTOBER 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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Director of Business Development and Client Service

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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.

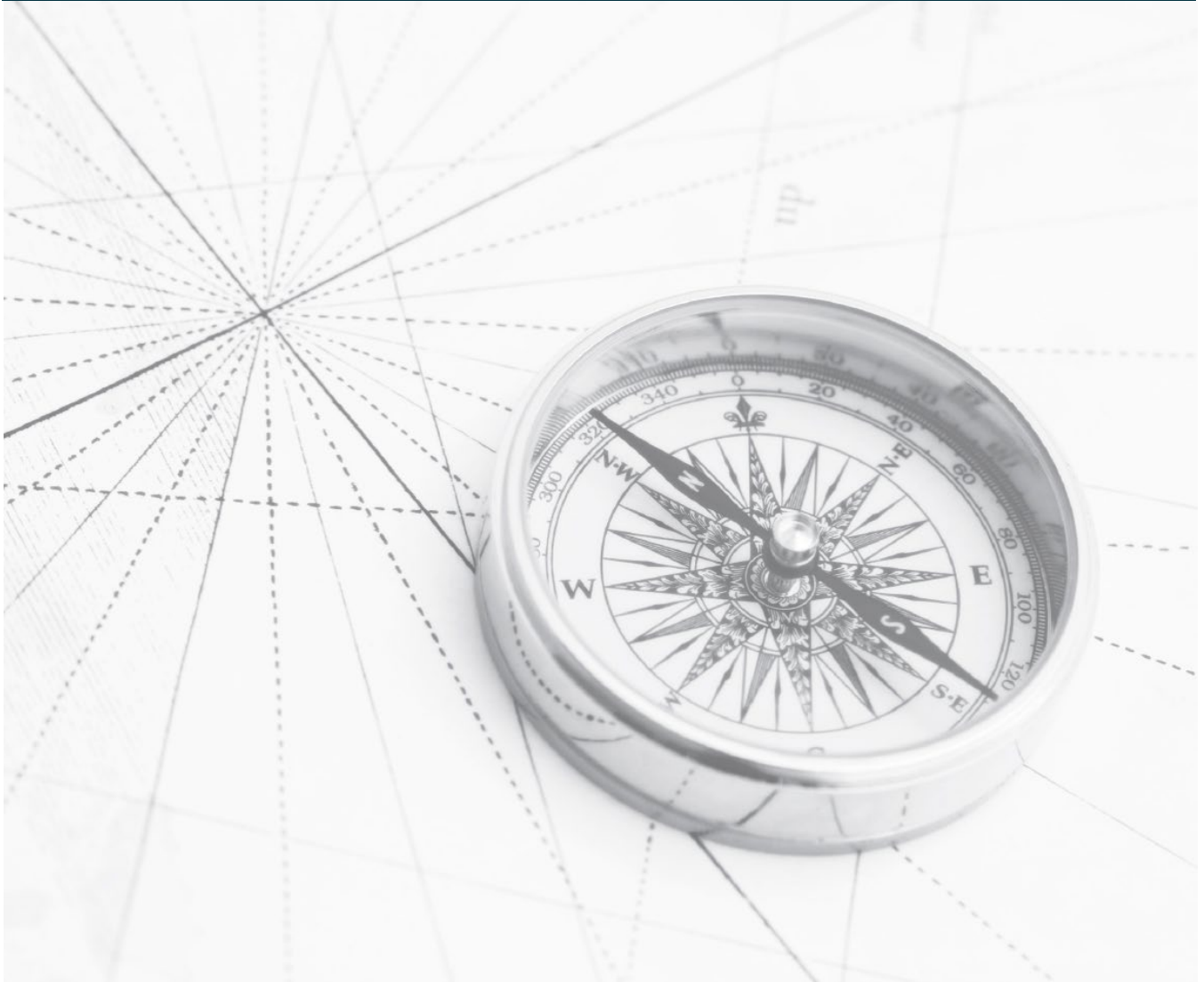


A NOTE ON FORWARD-LOOKING STATEMENTS

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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