



NORTH GROWTH
MANAGEMENT



DECEMBER 2022 MONTHLY REPORT

JANUARY 6, 2023

Market and Fund Performance Update

2022 was a terrible, horrible, no good, very bad year for equities. After notching 70 record-high closes in 2021, the S&P 500 recorded only one record close last year, the lowest in a decade. Following a new high on January 3rd, the first trading day of 2022, the S&P 500 proceeded to decline in choppy trading throughout the rest of the year. Global stocks and bonds suffered their heaviest losses since the financial crisis of 2008, as rises in inflation and interest rates, accompanied by geopolitical conflicts including the war in Ukraine, triggered indiscriminate selling across the board. The notable exception was the energy sector of which the S&P 500 energy companies rallied nearly 60% last year.

Amidst elevated volatility and intense market swings throughout the year, the trajectory remained predominantly to the downside especially for technology and consumer discretionary shares. During 2022, the stock markets were essentially macro and sentiment driven, while equity fundamentals including valuations had limited relevance in determining near-term performance.

The continuing bear market offers an abundance of attractive investment opportunities as numerous solid businesses trade at discounts relative to their growth records and potential. 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 we believe North Growth’s equity portfolios are poised to outperform.

FUND DISTRIBUTIONS

As we communicated in the November report, December 15th was the distribution date for the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. There was no distribution for the U.S. Equity Fund. For the Canadian Equity Fund, Series N, the distribution was \$1.93 per unit (consisting of \$1.59 income and \$0.34 capital gains).

Unitholders who hold the North Growth Canadian Equity Fund, Series N, in non-registered accounts can expect to receive their T-3 tax slips via mail by mid-February.

ANNUAL REPORT

Also around mid-February, we plan on publishing our 2022 Annual Report. As usual, the annual report will include a more in-depth discussion of the year in review and our outlook for 2023.

U.S. EQUITY FUND

In December, the North Growth U.S. Equity Fund declined –3.2%. The Fund outperformed all the indices we regularly follow: the S&P 500 which lost –5.8%, the S&P 400 MidCap and S&P 600 SmallCap which fell –5.5% and –6.7% respectively, as well as the NASDAQ Composite which was down –8.7%. In Canadian dollars, the Fund depreciated –3.0% versus the S&P's loss of –5.5%.

In 2022, the Fund declined –24.2%, lagging all the indices we track except for the NASDAQ. For the year, the S&P 500 fell –18.1%, the S&P 400 MidCap and S&P 600 SmallCap lost –13.1% and –16.1% respectively, while the NASDAQ Composite was down –32.5%. In Canadian dollars, the Fund's annual loss was –19.1% versus the S&P 500's loss of –12.5%.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, depreciated –1.1%, outperforming the S&P/TSX Composite Index which was down –4.9%. For the year, the Fund declined –7.3%, slightly lagging the S&P/TSX Composite which fell –5.8% in 2022.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2022

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	-2.96	10.86	11.08	-19.06
S&P 500 in \$CDN	-5.51	5.48	7.53	-12.52
NGM U.S. Equity Fund \$U.S.	-3.22	13.05	5.69	-24.23
S&P 500 \$U.S.	-5.76	7.56	2.31	-18.11
S&P 400 MidCap \$U.S.	-5.54	10.78	8.05	-13.06
S&P 600 SmallCap \$U.S.	-6.71	9.19	3.51	-16.10
NASDAQ Composite \$U.S.	-8.66	-0.78	-4.65	-32.51

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	-19.06	6.57	8.65	14.47	10.36	9.45	12.11
S&P 500 \$CDN	-12.52	9.18	11.11	16.09	11.09	8.96	10.13
NGM U.S. Equity Fund \$U.S.	-24.23	5.09	7.00	10.99	8.09	10.29	11.79
S&P 500 \$U.S.	-18.11	7.66	9.42	12.56	8.81	9.80	9.82
S&P 400 MidCap \$U.S.	-13.06	7.23	6.71	10.78	8.87	10.66	11.46
S&P 600 SmallCap \$U.S.	-16.10	5.80	5.88	10.82	8.89	10.64	10.83
NASDAQ Composite \$U.S.	-32.51	6.16	9.70	14.50	10.80	12.03	*10.07

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

Unit Price	\$ 46.49 CDN \$ 34.32 US
Total Assets in Fund	\$ 557.6 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2022

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	-1.07	10.01	13.09	-7.25
Benchmark	-4.90	5.96	4.47	-5.84

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
NGM Canadian Equity Fund Series N	-7.25	10.20	8.64	11.86	12.06
Benchmark	-5.84	7.54	6.85	7.74	8.28

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

The prospectus inception of the Fund: June 15, 2012.

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

Unit Price \$ 23.63 CDN

Total Assets in Fund \$ 65.0 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED DECEMBER 31, 2022

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	4.20	1.75	0.81	1.10	0.90	0.95
30 Day Treasury Bill	N/A	1.72	0.80	1.08	0.89	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

U.S. EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2022

Ranking	Security	% of Net Assets
1	Ciena Corp.	5.78
2	Jabil Inc.	5.67
3	Horizon Therapeutics, plc.	3.90
4	D.R. Horton, Inc.	3.66
5	Applied Materials Inc.	3.57
6	Elevance Health, Inc.	3.53
7	Bristol-Myers Squibb Company	3.46
8	Motorola Solutions Inc.	3.29
9	SolarEdge Technologies Inc.	3.21
10	Qualcomm Inc.	2.93
11	HP Inc.	2.89
12	RH	2.59
13	Jacobs Solutions Inc.	2.50
14	Tapestry Inc.	2.46
15	Best Buy Co., Inc.	2.33
16	Coherent Corp.	2.32
17	Lumentum Holdings Inc.	2.31
18	Johnson Controls International plc.	2.30
19	Tempur Sealy International, Inc.	2.24
20	Fiserv, Inc.	2.20
21	InMode Ltd.	2.17
22	FedEx Corp.	1.98
23	Crocs, Inc.	1.95
24	Texas Instruments Inc.	1.82
25	Electronic Arts Inc.	1.72
26	Nvidia Corp.	1.72
27	PerkinElmer, Inc.	1.65
28	Align Technology, Inc.	1.62

Ranking	Security	% of Net Assets
29	Foot Locker, Inc.	1.56
30	Booking Holdings Inc.	1.55
31	Brinker International Inc.	1.52
32	Microsoft Corporation	1.50
33	Apple Inc.	1.43
34	Warner Bros. Discovery Inc.	1.30
35	Herc Holdings Inc.	1.25
36	Syneos Health Inc.	1.25
37	Fortune Brands Innovations, Inc.	1.21
38	Abercrombie & Fitch Co.	1.17
39	Watts Water Technologies Inc.	1.17
40	Old Dominion Freight Line, Inc.	0.76
41	Biogen Inc.	0.71
42	Masterbrand, Inc.	0.16
Total Equities		94.31
Cash		5.69
Total Assets		100.00

CANADIAN EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2022

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	Aritzia Inc.	8.33	29	Quisitive Technology Solutions Inc.	0.41
2	TFI International Inc.	7.58	30	Shopify Inc.	0.38
3	ATS Corporation	6.74	31	Perimeter Medical Imaging AI, Inc.	0.25
4	Calian Group Ltd.	6.51	32	Blackberry Ltd.	0.19
5	Bombardier Inc., Class B	4.99	Total Equities		89.94
6	Leon's Furniture Ltd.	4.91	Cash		10.06
7	CAE Inc.	4.35	Total Assets		100.00
8	Heroux-Devtek Inc.	3.55			
9	Profound Medical Corp.	3.48			
10	Innergex Renewable Energy Inc.	3.29			
11	Sierra Wireless Inc.	3.19			
12	Knight Therapeutics Inc.	3.16			
13	TELUS Corporation	3.08			
14	Open Text Corporation	2.85			
15	Converge Technology Solutions Corp.	2.84			
16	Restaurant Brands International	2.64			
17	Dollarama Inc.	2.13			
18	Canadian Solar Inc.	1.94			
19	Polaris Renewable Energy Inc.	1.92			
20	Canadian National Railway Company	1.84			
21	Constellation Software Inc.	1.67			
22	AutoCanada Inc.	1.55			
23	dentalcorp Holdings Inc.	1.51			
24	Evertz Technologies Limited	1.41			
25	Zymeworks Inc.	1.23			
26	Bombardier Recreational Products Inc.	0.96			
27	Lululemon Athletica Inc.	0.60			
28	Jamieson Wellness Inc.	0.46			

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.

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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.

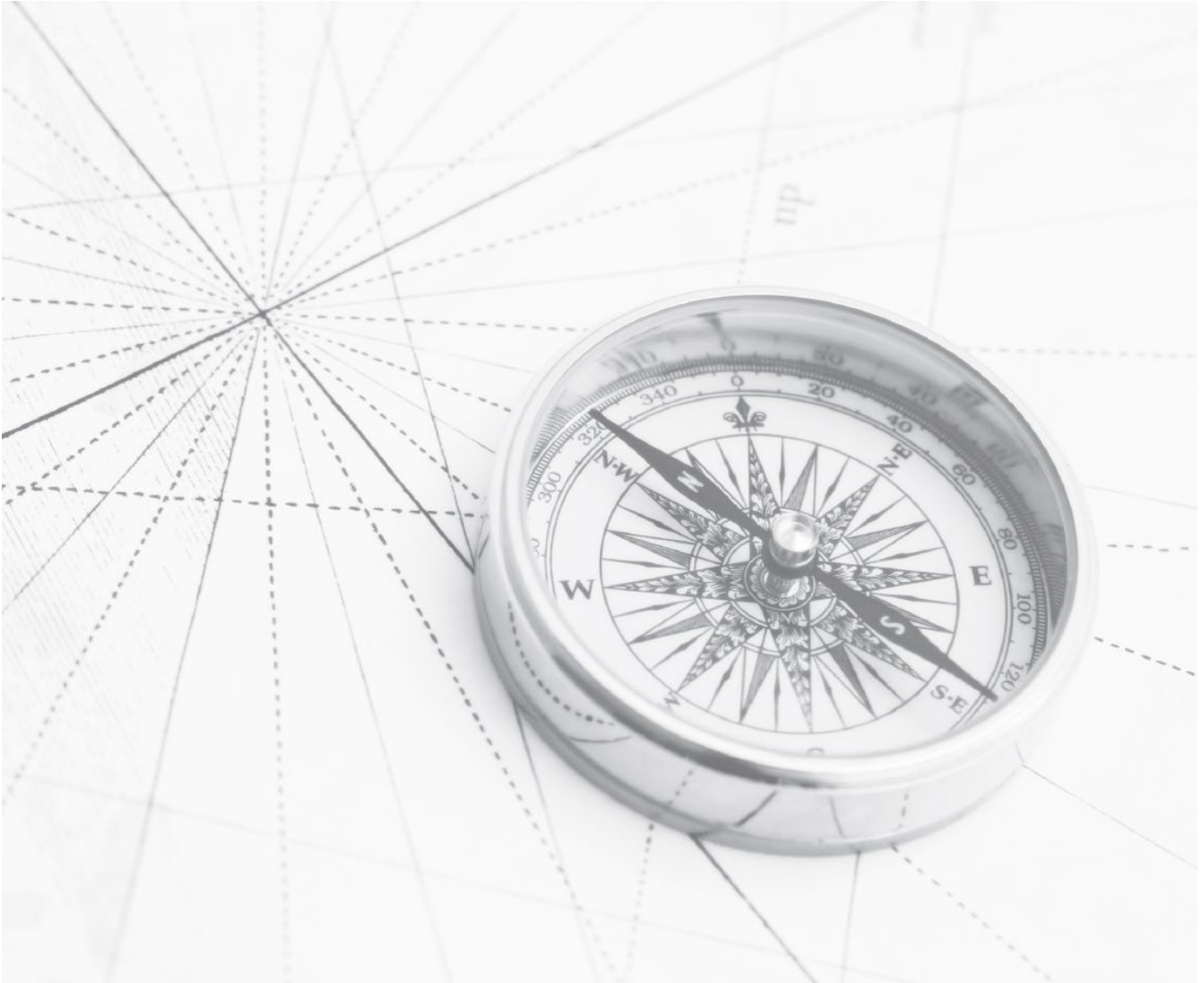


A NOTE ON FORWARD-LOOKING STATEMENTS

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.



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