



NORTH GROWTH
MANAGEMENT



FEBRUARY 2023 MONTHLY REPORT

MARCH 7, 2023

Market and Fund Performance Update

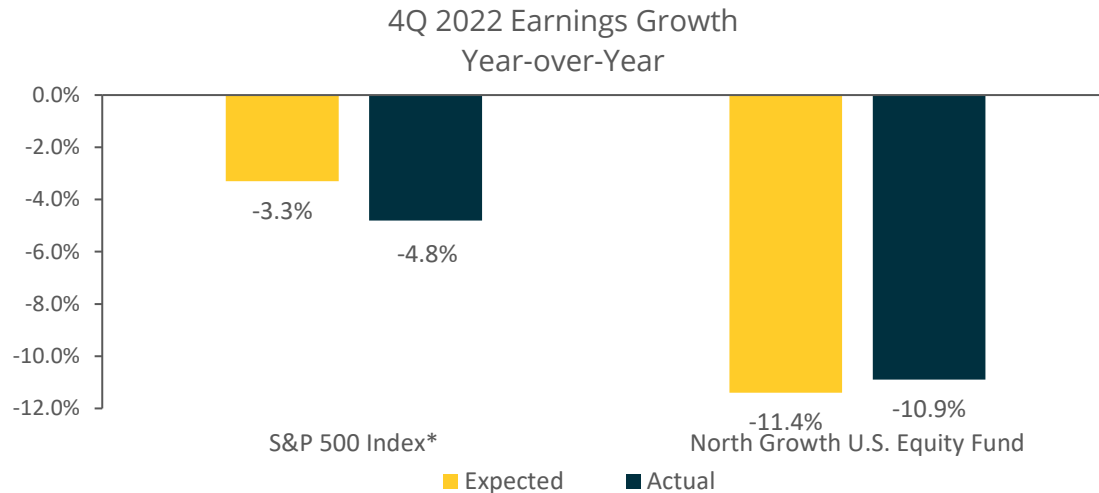
The spectacular equity rally that started 2023 hit a wall in February as market mood soured with growing fears that the U.S. Federal Reserve would need to raise interest rates further to fight inflation. Solid economic data, indicating a continued tight labour market and resilient consumer demand, is consistently at odds with a favourable path for interest rates. Consequently, financial markets are still trying to adjust to the reality that rates will stay higher for longer.

FOURTH QUARTER EARNINGS

The earnings reporting season for the fourth quarter of 2022 has largely passed. Corporate earnings remain in a deteriorating trend as margins continue to be pressured by inflationary costs. Moreover, with widespread anticipation of an economic recession, companies are increasingly cautious in their near-term profit guidance.

For the market in general, both the number and magnitude of positive earnings surprises in the fourth quarter were below historical averages. As of February 24th, with 94% of the S&P 500 having reported results, weighted average earnings declined -4.8% year-over-year while sales increased 5.4% (FactSet Earnings Insight). Once again, Energy was the largest contributor to profit growth for the S&P 500. If Energy were excluded, the S&P 500 would have reported a greater decrease in earnings of -8.9% during the latest quarter.

The North Growth U.S. Equity Fund delivered solid earnings results. To date, almost 90% of the portfolio has reported, and 90% of the profit reports have exceeded analysts' estimates. Earnings on a weighted-average basis declined -10.9% over a year ago, ahead of estimates of an -11.4% drop. Notably, the Fund's aggregate fall in earnings was disproportionately impacted by the outsized loss (due to non-recurring, non-cash charges) reported by Warner Brothers Discovery. Excluding this anomalous result of a holding that constitutes less than 2% of the Fund, the overall portfolio generated earnings growth of 7.8% during the quarter.



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

Overall, the U.S. Fund's growth profile remains solid and broad-based, albeit more macro-economically sensitive than that of the S&P 500. As always, we are focused on individual stock analysis that adheres to our "Growth at a Reasonable Price" investment philosophy. And we engage in active stock selection as opposed to macro-driven investment decisions.

U.S. EQUITY FUND

In February, the North Growth U.S. Equity Fund declined –0.8%. The Fund outperformed all the indices we regularly follow: the S&P 500 which fell –2.4%, the S&P 400 MidCap and S&P 600 SmallCap which decreased –1.8% and –1.2% respectively, as well as the NASDAQ Composite which lost –1.0%. Due to the stronger U.S. currency last month, in Canadian dollars, the Fund gained 1.2% versus the S&P 500's –0.6% Canadian-dollar monthly loss.

CANADIAN EQUITY FUND, SERIES N

After a very strong bullish sentiment in January, February returned the Canadian equity markets back to the dominant themes of 2022. Back-to-back blowout numbers for jobs data soured market sentiment, suggesting the possibility that the Bank of Canada would not stick to the interest rate pause it announced earlier in the year. As a result, the S&P/TSX Composite, which barely budged with a move of –0.2% in the first half of the month, quickly lost ground to close down –2.5% for February. The North Growth Canadian Equity Fund, Series N, outperformed with a return of –0.8%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2023

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	1.16	6.83	14.94	10.09
S&P 500 in \$CDN	-0.55	-1.55	5.10	4.19
North Growth U.S. Equity Fund \$U.S.	-0.76	6.04	10.73	9.56
S&P 500 \$U.S.	-2.44	-2.28	1.26	3.69
S&P 400 MidCap \$U.S.	-1.81	1.31	7.89	7.25
S&P 600 SmallCap \$U.S.	-1.23	0.89	6.42	8.15
NASDAQ Composite \$U.S.	-1.00	0.12	-2.60	9.61

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	-1.71	11.97	9.62	14.44	11.96	10.42	12.39
S&P 500 \$CDN	-1.07	12.65	11.16	15.41	12.16	9.75	10.23
North Growth U.S. Equity Fund \$U.S.	-8.29	11.48	8.30	11.31	9.57	10.90	12.06
S&P 500 \$U.S.	-7.69	12.15	9.82	12.25	9.76	10.23	9.90
S&P 400 MidCap \$U.S.	-0.62	14.47	8.58	10.67	9.98	11.34	11.66
S&P 600 SmallCap \$U.S.	-3.50	13.84	7.86	10.91	10.06	11.45	11.05
NASDAQ Composite \$U.S.	-15.93	11.07	10.54	15.00	12.63	12.53	*10.34

Source: Bloomberg "Total Return Analysis" as of February 28, 2023

* This return is a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

	February 28, 2023
Unit Price	\$ 51.17 CDN / \$ 37.60 US
Total Assets in Fund	\$ 604.1 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2023

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	-0.84	6.46	10.92	7.61
Benchmark	-2.45	-0.35	6.30	4.78

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
North Growth Canadian Equity Fund, Series N	4.04	13.71	10.27	11.32	12.64
Benchmark	-1.21	10.83	8.82	7.86	8.62

Source: Bloomberg "Total Return Analysis" as of February 28, 2023

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

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

	February 28, 2023
Unit Price	\$ 25.43 CDN
Total Assets in Fund	\$ 69.6 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2023

	Current Yield*	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	4.37	2.41	0.94	1.20	0.95	0.95
30 Day Treasury Bill	N/A	2.37	0.93	1.17	0.94	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.

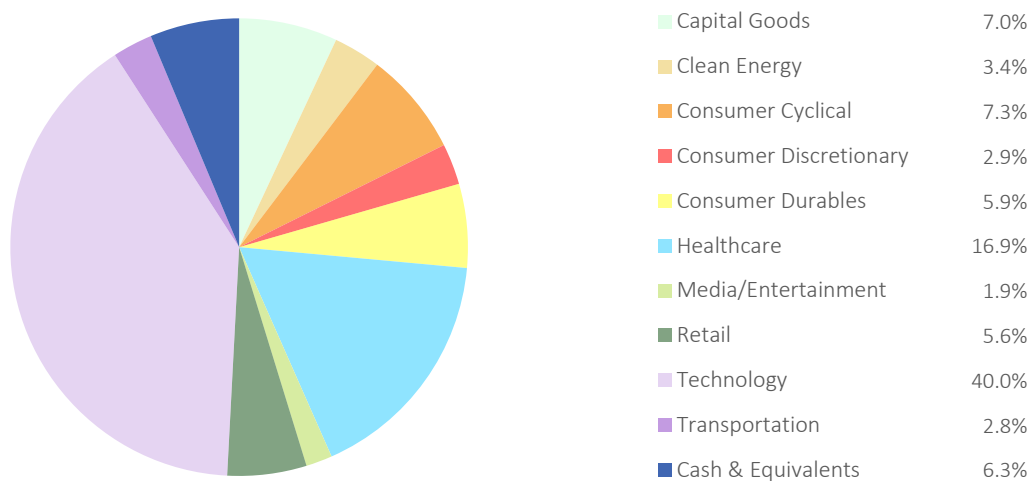
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT FEBRUARY 28, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc.	6.40
2	Ciena Corp.	5.07
3	Applied Materials Inc.	3.95
4	Horizon Therapeutics, plc.	3.48
5	SolarEdge Technologies Inc.	3.34
6	Motorola Solutions Inc.	3.11
7	Bristol-Myers Squibb Company	3.08
8	Qualcomm Inc.	3.05
9	HP Inc.	2.95
10	D.R. Horton, Inc.	2.90
Top 10		37.33
Total Equities		93.69
Cash		6.31
Total Assets		100.00

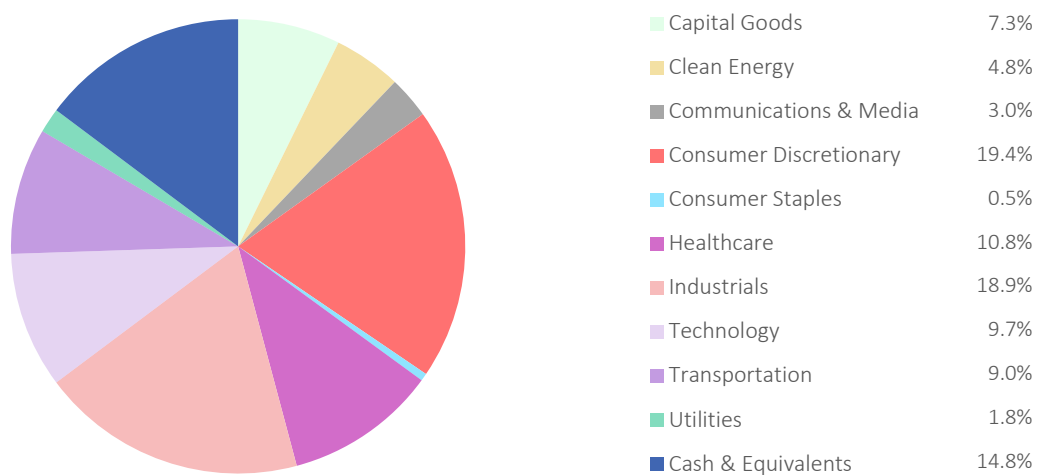
U.S. EQUITY FUND — SECTOR MIX AS AT FEBRUARY 28, 2023



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT FEBRUARY 28, 2023

Ranking	Security	% of Net Assets
1	TFI International Inc.	7.33
2	ATS Corporation	7.28
3	Aritzia Inc.	6.42
4	Calian Group Ltd.	5.50
5	Leon's Furniture Ltd.	5.27
6	Bombardier Inc., Class B	5.24
7	CAE Inc.	4.76
8	Profound Medical Corp.	3.92
9	Heroux-Devtek Inc.	3.43
10	Open Text Corporation	3.12
Top 10		52.27
Total Equities		85.23
Cash		14.77
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT FEBRUARY 28, 2023



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

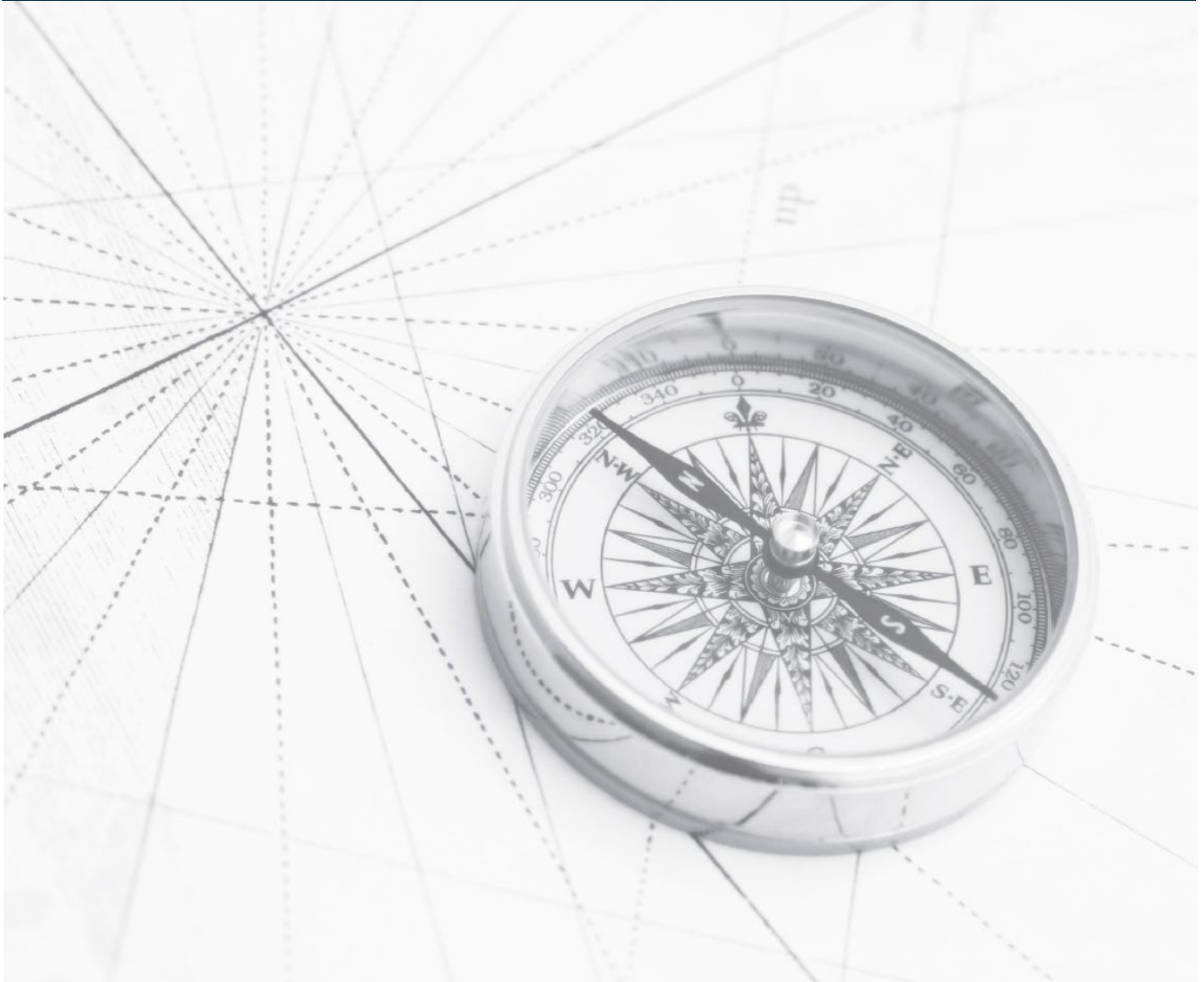


A NOTE ON FORWARD-LOOKING STATEMENTS

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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