

February 16, 2023

Dear Unitholder,

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”), North Growth Management Ltd. (the “Manager”) has established an Independent Review Committee (the “IRC”) for the North Growth Funds (the “Funds”).

Since its establishment in August 2009, the IRC has functioned in accordance with applicable securities laws, including NI 81-107. The IRC’s purpose is, within the scope of NI 81-107, to represent the best interests of the Funds in any matter where the Manager has a conflict of interest. In this context, our focus is on the question of whether the Manager’s actions or proposed actions achieve a fair and reasonable result for the Funds.

All members of the IRC are “independent” as defined in NI 81-107. As a matter of IRC policy, this independence is affirmed at each meeting of the IRC.

The IRC has adopted a written charter that includes its mandate and responsibilities and the policies and procedures it will follow when performing its functions. Key duties of the IRC include reviewing and assessing the adequacy and effectiveness of the Manager’s written policies and procedures relating to conflict of interest matters in respect of the Funds, as well as conducting a self-assessment of the IRC’s independence, compensation and effectiveness. The IRC has undertaken all of its mandated activities in 2022, which are reported on in our Annual Report.

We are pleased to present this 2022 annual report for the unitholders of the North Growth Funds. The IRC looks forward to continuing to work with the Manager to ensure that, through open communication and an effective working relationship, the best interests of the Funds are served when the Manager is faced with a conflict of interest matter.

*“Jill Leversage”*

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Jill Leversage  
Chair, North Growth Funds Independent Review Committee

**Independent Review Committee of the North Growth Funds  
2022 Report to Unitholders**

**North Growth Funds**

The following investment funds (the “Funds”) managed by North Growth Management Ltd. (the “Manager”) are served by the Independent Review Committee (“IRC”):

North Growth U.S. Equity Advisor Fund  
North Growth Canadian Equity Fund

This report is available on the Manager’s website at ([www.northgrowth.com](http://www.northgrowth.com)) or you may request a copy, at no cost to you, by contacting the Manager at (604) 688-5440.

**Mandate of the IRC**

Pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”), when a conflict of interest matter (“COIM”) arises with respect to the Funds, the Manager must refer the COIM and its proposed action to the IRC. The mandate of the IRC is to review and provide its recommendation or, if applicable, its approval to the Manager on COIMs that the Manager refers to the IRC, as well as to review and assess the Manager’s written policies and procedures which deal with COIMs at least annually.

Certain proposed actions require the IRC’s prior approval whereas other proposed actions require the IRC to provide a recommendation to the Manager as to whether or not, in the IRC’s opinion after reasonable inquiry, the Manager’s proposed action achieves a fair and reasonable result for the Fund(s). For recurring COIMs, the IRC can provide the Manager with standing instructions (“Standing Instructions”).

**Members of the IRC**

In 2022 there were no changes to the composition of the IRC. Tony Barke, whose initial term expired on June 30<sup>th</sup>, was appointed by the IRC to a second three year term.

<b>Member Name</b>	<b>Member Since</b>	<b>Other IRC the Member Serves</b>
Jill Leversage, Chair	January 1, 2019	n/a
Tony Barke	July 1, 2019	n/a
Sharon Morrisroe	January 1, 2020	HSBC Mutual Funds & HSBC Pooled Funds

Each member of the IRC is independent of the Funds, the Manager and any person or company that provides services to the Funds or the Manager. As at December 31, 2022, no member of the IRC beneficially owned, directly or indirectly, any securities of any class or series of voting or equity securities of the Funds, the Manager or any service provider to the Funds or the Manager.

**Compensation and Indemnification of the IRC**

The aggregate compensation paid by the Funds to the IRC during the 2022 calendar year was \$21,000. The compensation consisted of retainers of \$8,000 for the Chair and \$6,500 for each of the other members.

The Manager pays all compensation and expenses of the IRC members on behalf of the Funds from its management fee.

The IRC reviews its compensation annually in a manner consistent with reasonability and good governance practices, giving consideration to the following:

1. the best interests of the Funds;
2. that the compensation paid to the IRC should fairly and reasonably reflect the general and specific benefits accruing to the Funds;
3. the number, nature and complexity of the Funds for which the IRC acts, including the commitment of time and energy that is expected from each member;
4. industry best practices, including industry averages and surveys on IRC compensation;
5. the Manager's recommendations, if any; and
6. the IRC's most recent assessment of its compensation.

In 2022 the IRC decided that three (rather than four) fixed meetings of the IRC will be scheduled per year and that the annual compensation for each member will be adjusted from \$8,000 per year to \$7,500 per year, while maintaining the additional \$1,500 per year for the member serving as Chair .

### **Conflict of Interest Matters**

The IRC is not aware of any instance in 2022 when the Manager acted in a COIM referred to the IRC for which the IRC did not give a positive recommendation. Nor is the IRC aware of any instance in 2022 in which the Manager acted in a COIM but did not meet a condition imposed by the IRC in its recommendation or approval.

During 2022, the Manager did not refer any COIMs to the IRC and did not have the need to rely on any Standing Instructions of the IRC.

The IRC reviewed and assessed the adequacy and effectiveness of the standing instructions it has provided to the Manager, which as at December 31, 2022 are as follows:

1.	<b>NAV Discrepancy</b>	This Standing Instruction governs the correction of a material error made in calculation of a Fund's NAV.
2.	<b>Personal Trading</b>	This Standing Instruction governs the personal investing of employees of the Manager.
3.	<b>Large Unitholder Transactions</b>	This Standing Instruction governs the disposition of a large number of units by a large unitholder of a Fund.