



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.

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 ADVISOR FUND

In December, the North Growth U.S. Equity Advisor Fund, Series F, 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, Series F depreciated –2.9% versus the S&P’s loss of –5.5%.

In 2022, Series F declined –23.7%, 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, Series F’s annual loss was –18.5% versus the S&P 500’s loss of –12.5%.

CANADIAN EQUITY FUND

The North Growth Canadian Equity Fund, Series F, depreciated -1.1%, outperforming the S&P/TSX Composite Index which was down -4.9%. For the year, Series F declined -7.0%, slightly lagging the S&P/TSX Composite which fell -5.8% in 2022.

North Growth U.S. Equity Advisor Fund

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

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Advisor Fund \$CDN (Series F)	-2.89	11.12	-11.30	-18.53
North Growth U.S. Equity Advisor Fund \$CDN (Series D)	-2.99	10.96	-11.05	-18.84
S&P 500 in \$CDN	-5.51	5.48	7.53	-12.52
North Growth U.S. Equity Advisor Fund \$U.S. (Series F)	-3.15	-13.31	5.89	-23.74
North Growth U.S. Equity Advisor Fund \$U.S. (Series D)	-3.25	-13.14	5.66	-24.03
S&P 500 \$U.S.	-5.76	7.56	2.31	-18.11

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
NGM U.S. Equity Advisor Fund \$CDN (Series F)	-18.53	6.89	8.82	14.49	12.76
NGM U.S. Equity Advisor Fund \$CDN (Series D)	-18.84	6.55	8.48	14.08	12.33
S&P 500 \$CDN	-12.52	9.18	11.11	16.09	14.46
NGM U.S. Equity Advisor Fund \$U.S. (Series F)	-23.74	5.41	7.16	11.01	10.62
NGM U.S. Equity Advisor Fund \$U.S. (Series D)	-24.03	5.07	6.82	10.62	10.19
S&P 500 \$U.S.	-18.11	7.66	9.42	12.56	12.29

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

*Date of inception: October 23, 2009.

North Growth Canadian Equity Fund

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

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series F	-1.05	10.09	13.26	-6.98
NGM Canadian Equity Fund Series D	-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 Inception*
NGM Canadian Equity Fund Series F	-6.98	10.54	8.96	12.09	12.29
NGM Canadian Equity Fund Series D	-7.25	10.20	8.64	11.70	11.65
Benchmark**	-5.84	7.54	6.85	7.74	8.28

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

* The Benchmark Since Inception return is calculated from the Series F Date of Inception, June 15, 2012. The Series D Date of Inception is June 29, 2012.

** Benchmark = S&P/TSX Composite Index

Equity Fund Holdings

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

Ranking	Security	% of Net Assets
1	Ciena Corp.	5.42
2	Jabil Inc.	5.12
3	Horizon Therapeutics, plc.	4.40
4	D.R. Horton, Inc.	3.52
5	Applied Materials Inc.	3.42
6	Elevance Health, Inc.	3.36
7	Bristol-Myers Squibb Company	3.36
8	Motorola Solutions Inc.	3.23
9	SolarEdge Technologies Inc.	3.12
10	Qualcomm Inc.	3.03
11	HP Inc.	2.96
12	RH	2.65
13	Jacobs Solutions Inc.	2.60
14	Tapestry Inc.	2.55
15	Best Buy Co., Inc.	2.40
16	Coherent Corp.	2.30
17	Lumentum Holdings Inc.	2.21
18	Johnson Controls International plc.	2.13
19	Fiserv, Inc.	2.07
20	Tempur Sealy International, Inc.	2.07
21	InMode Ltd.	2.00
22	FedEx Corp.	1.99
23	Crocs, Inc.	1.93
24	Texas Instruments Inc.	1.92
25	Electronic Arts Inc.	1.84
26	Nvidia Corp.	1.79
27	PerkinElmer, Inc.	1.73
28	Align Technology, Inc.	1.72

Ranking	Security	% of Net Assets
29	Booking Holdings Inc.	1.64
30	Foot Locker, Inc.	1.63
31	Microsoft Corporation	1.61
32	Brinker International Inc.	1.60
33	Apple Inc.	1.56
34	Warner Bros. Discovery Inc.	1.54
35	Herc Holdings Inc.	1.43
36	Syneos Health Inc.	1.43
37	Fortune Brands Innovations, Inc.	1.28
38	Watts Water Technologies Inc.	1.25
39	Abercrombie & Fitch Co.	1.13
40	Old Dominion Freight Line, Inc.	1.11
41	Biogen Inc.	1.09
42	Masterbrand, Inc.	0.77
	Total Equities	96.69
	Cash	3.31
	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.

FUND CODES

Canadian Equity Fund (only Canadian dollar investments)	Series D reference Fund Code NGM 272 Series F reference Fund Code NGM 270
U.S. Equity Advisor Fund (for investments in Canadian dollars)	Series D reference Fund Code NGM 372 Series F reference Fund Code NGM 370
U.S. Equity Advisor Fund (for investments in U.S. dollars)	Series D reference Fund Code NGM 373 Series F reference Fund Code NGM 371

For any questions contact:

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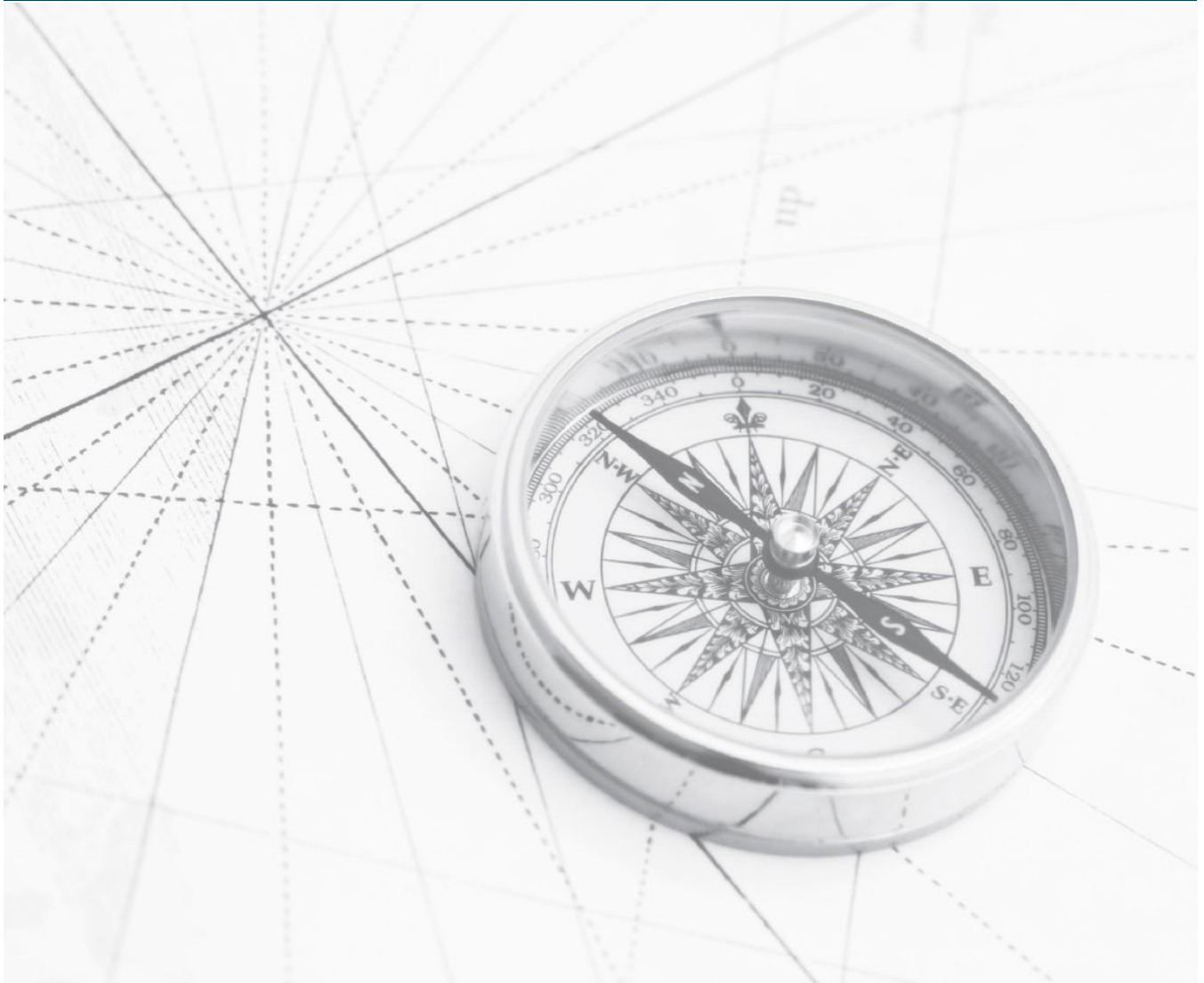
A NOTE ON FORWARD-LOOKING STATEMENTS

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.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.



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