



NORTH GROWTH
MANAGEMENT



FEBRUARY 2023 MONTHLY REPORT

MARCH 8, 2023

Market and Fund Performance Update

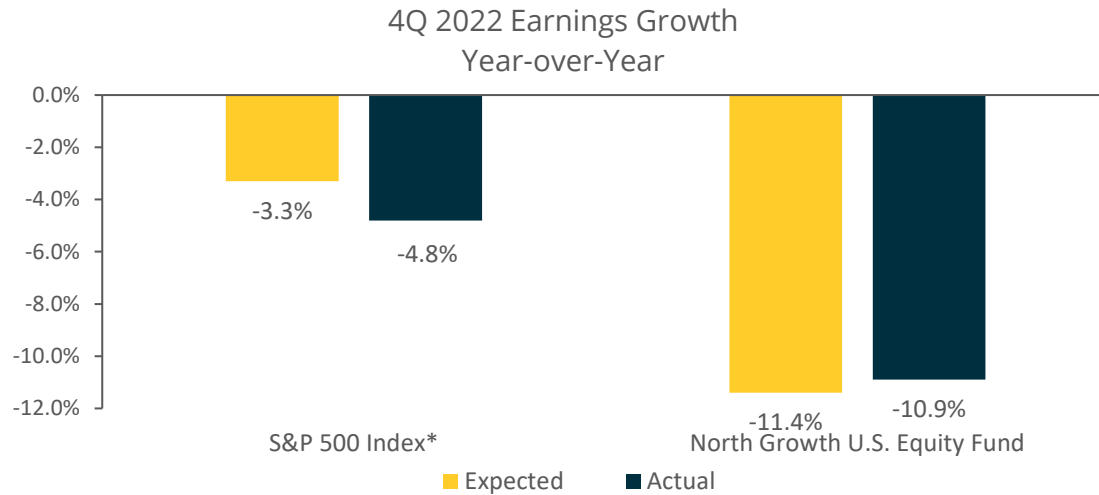
The spectacular equity rally that started 2023 hit a wall in February as market mood soured with growing fears that the U.S. Federal Reserve would need to raise interest rates further to fight inflation. Solid economic data, indicating a continued tight labour market and resilient consumer demand, is 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.



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 ADVISOR FUND, SERIES F

In February, the North Growth U.S. Equity Advisor 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 F

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 F, outperformed with a return of –0.8%.

North Growth U.S. Equity Advisor Fund

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

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Advisor Fund \$CDN (Series F)	1.09	7.10	15.36	10.29
North Growth U.S. Equity Advisor Fund \$CDN (Series D)	1.06	6.94	15.11	10.24
S&P 500 in \$CDN	-0.55	-1.55	5.10	4.19
North Growth U.S. Equity Advisor Fund \$U.S. (Series F)	-0.84	6.30	11.14	-7.75
North Growth U.S. Equity Advisor Fund \$U.S. (Series D)	-0.86	6.15	10.89	-8.09
S&P 500 \$U.S.	-2.44	-2.28	1.26	6.28

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
NGM U.S. Equity Advisor Fund \$CDN (Series F)	-1.13	12.27	9.85	14.50	13.42
NGM U.S. Equity Advisor Fund \$CDN (Series D)	-1.50	11.91	9.50	14.10	12.99
S&P 500 \$CDN	-1.07	12.65	11.16	15.41	14.62
NGM U.S. Equity Advisor Fund \$U.S. (Series F)	-7.75	11.78	8.52	11.37	11.26
NGM U.S. Equity Advisor Fund \$U.S. (Series D)	-8.09	11.41	8.18	10.98	10.83
S&P 500 \$U.S.	-7.69	12.15	9.82	12.25	12.44

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

*Date of inception: October 23, 2009.

North Growth Canadian Equity Fund

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

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series F	-0.82	6.54	11.08	7.66
NGM Canadian Equity Fund Series D	-0.84	6.46	10.92	7.61
Benchmark**	-2.45	-0.35	6.30	4.78

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
NGM Canadian Equity Fund Series F	4.35	14.06	10.61	11.56	12.87
NGM Canadian Equity Fund Series D	4.04	13.72	10.28	11.17	12.24
Benchmark**	-1.21	10.83	8.82	7.86	8.62

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

* 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

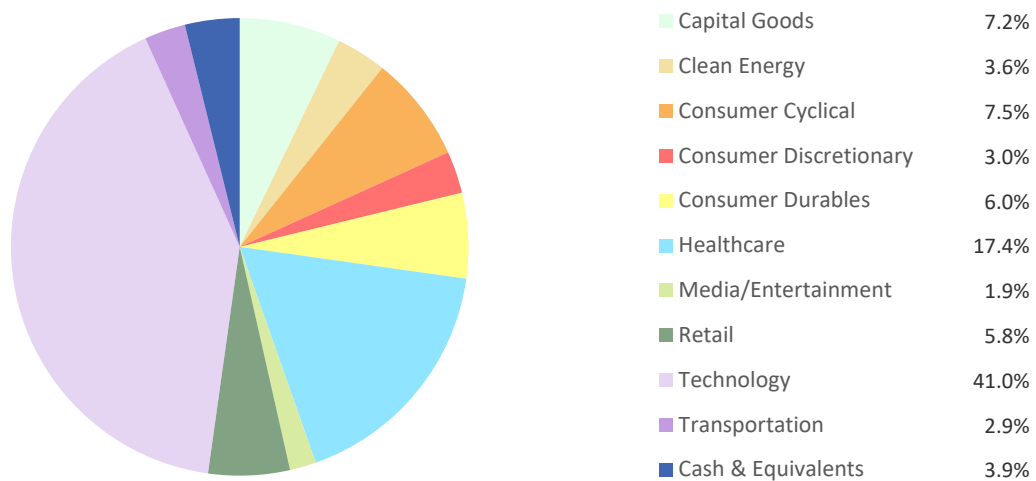
** Benchmark = S&P/TSX Composite Index

Equity Fund Holdings and Composition

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

Ranking	Security	% of Net Assets
1	Jabil Inc.	6.58
2	Ciena Corp.	5.21
3	Applied Materials Inc.	4.07
4	Horizon Therapeutics, plc	3.58
5	SolarEdge Technologies Inc.	3.56
6	Motorola Solutions Inc.	3.20
7	Bristol-Myers Squibb Company	3.16
8	Qualcomm Inc.	3.13
9	HP Inc.	3.03
10	D.R. Horton, Inc.	2.97
Top 10		38.49
Total Equities		96.14
Cash		3.86
Total Assets		100.00

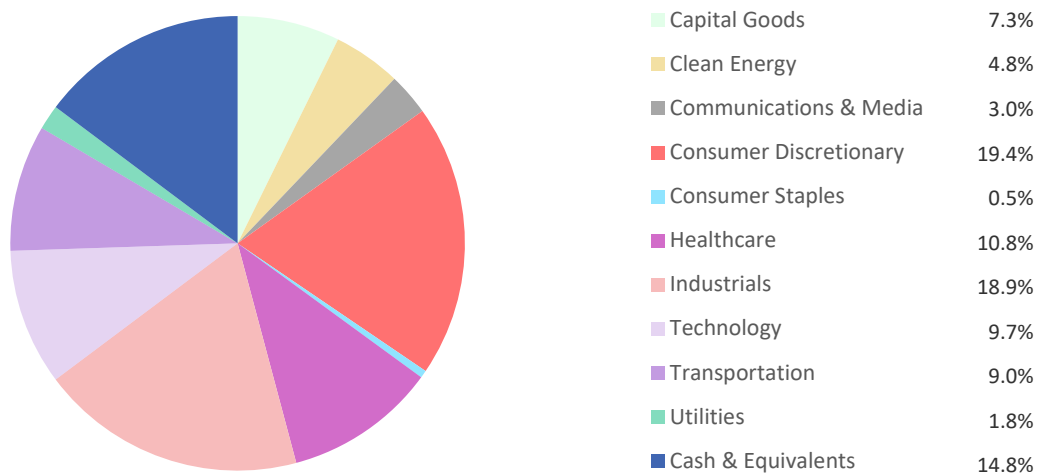
U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT FEBRUARY 28, 2023



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.

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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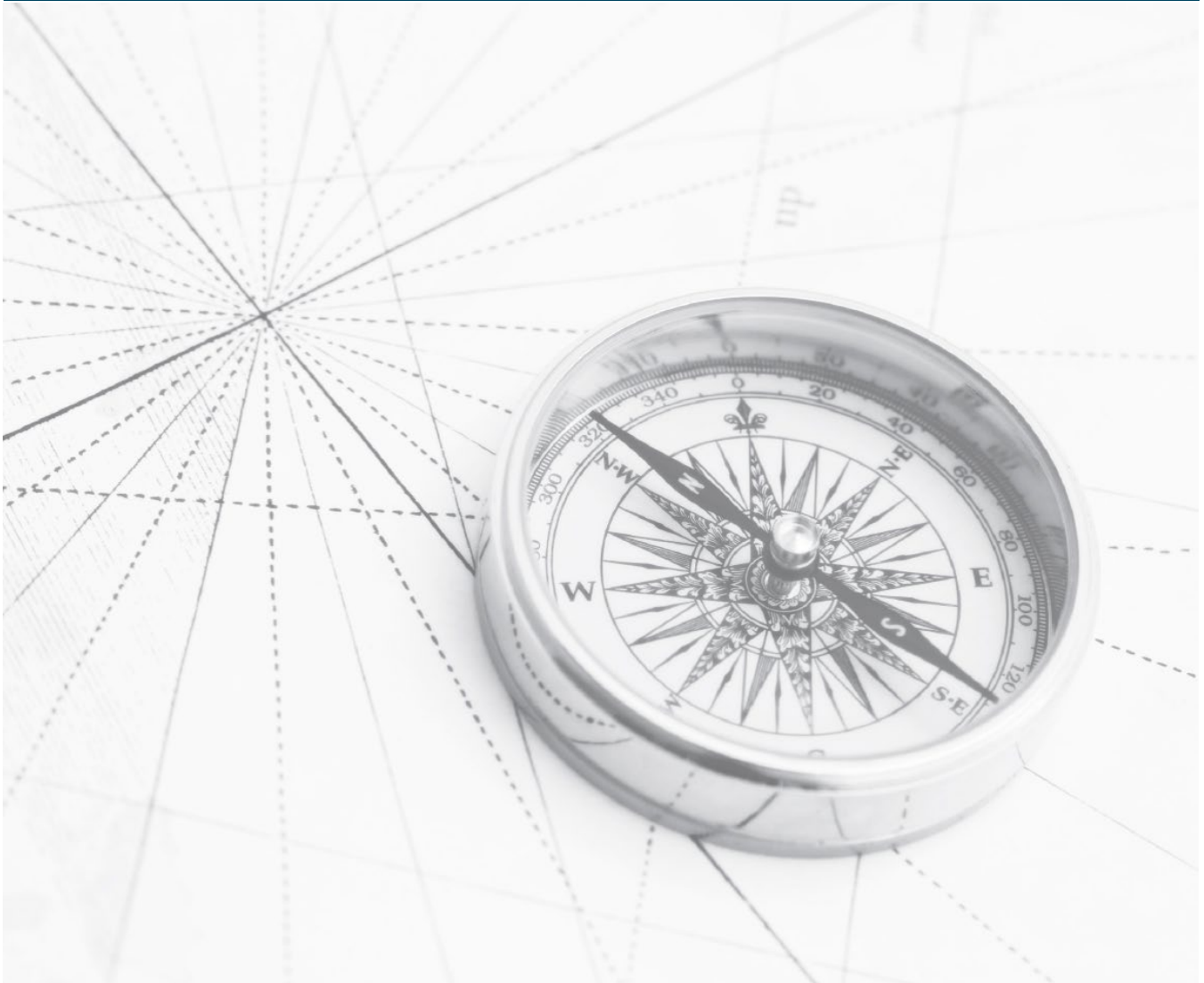
A NOTE ON FORWARD-LOOKING STATEMENTS

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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