



NORTH GROWTH  
MANAGEMENT



# JANUARY 2023 MONTHLY REPORT

FEBRUARY 8, 2023



## Market and Fund Performance Update

Equities got off to a strong start in 2023. Better-than-feared fourth quarter earnings reports and encouraging inflation data overshadowed any downbeat headlines to fuel January's spectacular rally. In a dramatic reversal from the bearish sentiment last year, the risk appetite of market participants returned with a vengeance in January as there appeared to be indiscriminate buying across the board.

### OUR VIEW

Notably, the 50 worst-performing stocks of 2022 registered solid gains in January. On average, these equities increased 20.1% last month (Truist Advisory Service). By contrast, the 50 best-performing stocks of 2022 were up an average of only 1.9%. January's market action seemed to reflect a short-term reversion of oversold names rather than a fundamental change in market leadership.

As we stated in our recently published Annual Report, given continued extreme uncertainty over the economy and global events, we believe market volatility will remain elevated this year. We are actively looking for and researching investment opportunities amid the volatility.

As always, we remain focused on individual equity analysis that adheres to our "Growth at a Reasonable Price" investment philosophy. We engage in active stock selection as opposed to macro-driven investment decisions.

### U.S. EQUITY ADVISOR FUND, SERIES F

In January, the North Growth U.S. Equity Advisor Fund, Series F gained 10.7% in US Dollars. The Fund outperformed the S&P 500 which increased 6.3%, as well as the S&P 400 MidCap and S&P 600 SmallCap indices which were up 9.2% and 9.5% respectively. The Fund slightly lagged the NASDAQ Composite which rallied 10.7%. A stronger Canadian currency lowered the Fund's January return to 9.1% in Canadian dollars versus the S&P 500's 4.8% Canadian-dollar monthly return.

### CANADIAN EQUITY FUND, SERIES F

2023 started off with a strong risk-on sentiment from the global equity markets. With a strong belief that the worst of the macroeconomic uncertainty is behind us, market participants reduced their short exposure and went all-in on risky assets. Further fueled by dovish commentary from the Bank of Canada on the pace and size of future rate hikes, the S&P/TSX Composite posted a return of 7.4%. Despite

Financials, Materials and Energy being three of the top four sectors, the North Growth Canadian Equity Fund, Series F, outperformed the index with a return of 8.6% in January.

### **T3, T5008, T4RIF AND T4RSP TAX SLIPS**

We are in the process of generating T3, T5008, T4RIF and T4RSP slips for the 2022 tax year. We plan on mailing these out on or before February 17<sup>th</sup>.

## North Growth U.S. Equity Advisor Fund

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED JANUARY 31, 2023

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>9.10</b>	<b>12.93</b>	<b>7.57</b>	<b>9.10</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>9.08</b>	<b>12.76</b>	<b>7.32</b>	<b>9.08</b>
S&P 500 in \$CDN	4.76	3.44	3.64	4.76
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>10.69</b>	<b>15.46</b>	<b>3.33</b>	<b>10.69</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>10.66</b>	<b>15.29</b>	<b>3.09</b>	<b>10.66</b>
S&P 500 \$U.S.	6.28	5.76	-0.44	6.28

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JANUARY 31, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>-4.50</b>	<b>10.11</b>	<b>10.48</b>	<b>14.94</b>	<b>13.41</b>
<b>NGM U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>-4.86</b>	<b>9.76</b>	<b>10.13</b>	<b>14.64</b>	<b>12.98</b>
S&P 500 \$CDN	-3.66	10.21	11.36	16.01	14.76
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>-9.02</b>	<b>9.79</b>	<b>8.67</b>	<b>11.64</b>	<b>11.39</b>
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>-9.36</b>	<b>9.43</b>	<b>8.33</b>	<b>11.25</b>	<b>10.97</b>
S&P 500 \$U.S.	-8.22	9.88	9.54	12.68	12.72

Source: Bloomberg "Total Return Analysis" as of January 31, 2023

\*Date of inception: October 23, 2009.

## North Growth Canadian Equity Fund

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED JANUARY 31, 2023

	1 Month	3 Months	6 Months	YTD
<b>NGM Canadian Equity Fund Series F</b>	<b>8.55</b>	<b>12.75</b>	<b>11.37</b>	<b>8.55</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>8.53</b>	<b>12.67</b>	<b>11.20</b>	<b>8.53</b>
Benchmark**	7.41	7.81	7.22	7.41

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED JANUARY 31, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM Canadian Equity Fund Series F</b>	<b>3.64</b>	<b>11.57</b>	<b>11.32</b>	<b>12.04</b>	<b>13.05</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>3.33</b>	<b>11.24</b>	<b>10.99</b>	<b>11.65</b>	<b>12.42</b>
Benchmark**	1.55	9.50	8.69	8.27	8.94

Source: Bloomberg "Total Return Analysis" as of January 31, 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

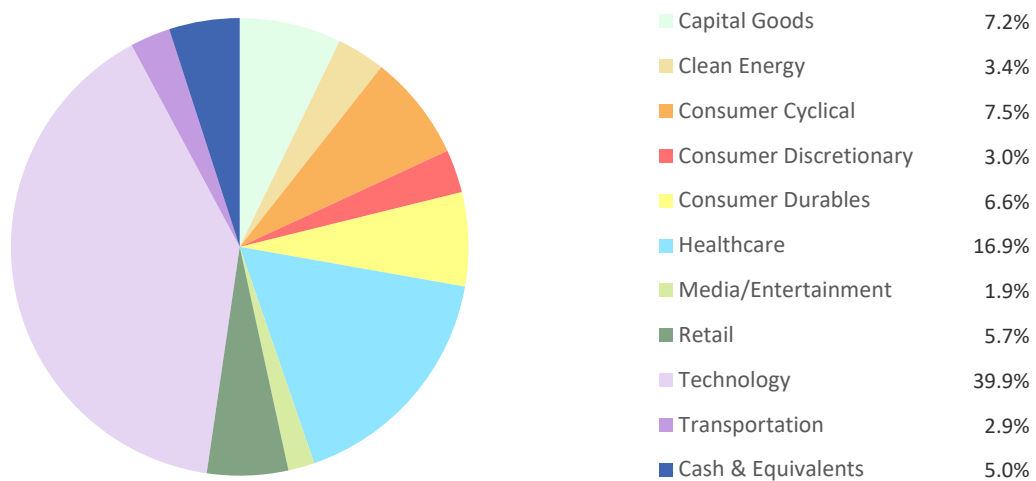
\*\* Benchmark = S&P/TSX Composite Index

## Equity Fund Holdings and Composition

### U.S. EQUITY ADVISOR FUND — TOP 10 HOLDINGS AS AT JANUARY 31, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc.	5.99
2	Ciena Corp.	5.40
3	Applied Materials Inc.	3.75
4	Horizon Therapeutics, plc	3.44
5	SolarEdge Technologies Inc.	3.43
6	Qualcomm Inc.	3.25
7	Bristol-Myers Squibb Company	3.20
8	D.R. Horton, Inc.	3.04
9	Motorola Solutions Inc.	3.01
10	Elevance Health, Inc.	2.89
<b>Top 10</b>		<b>37.40</b>
<b>Total Equities</b>		<b>95.02</b>
<b>Cash</b>		<b>4.98</b>
<b>Total Assets</b>		<b>100.00</b>

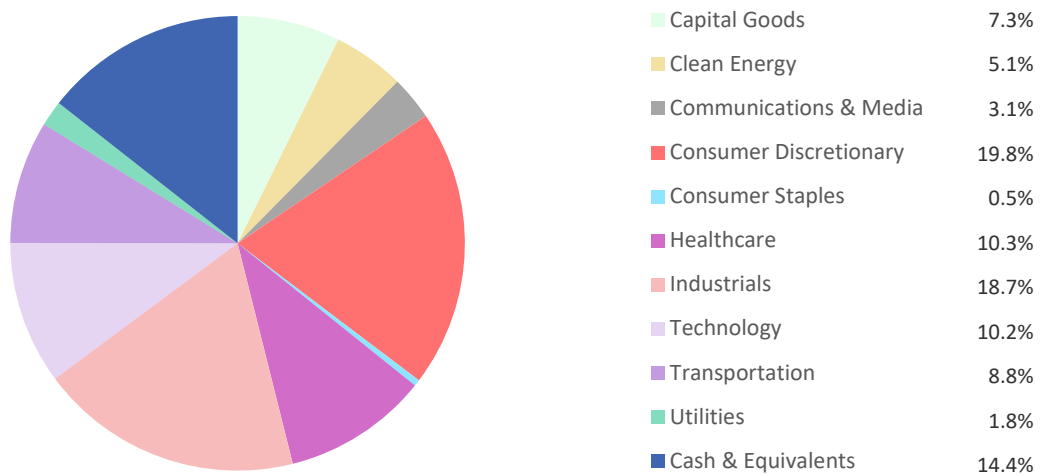
### U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT JANUARY 31, 2023



## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT JANUARY 31, 2023

Ranking	Security	% of Net Assets
1	Aritzia Inc.	7.34
2	ATS Corporation	7.32
3	TFI International Inc.	7.08
4	Calian Group Ltd.	5.54
5	Leon's Furniture Ltd.	5.01
6	Bombardier Inc., Class B	4.89
7	CAE Inc.	4.59
8	Heroux-Devtek Inc.	3.72
9	Profound Medical Corp.	3.55
10	Converge Technology Solutions Corp.	3.25
<b>Top 10</b>		<b>52.29</b>
<b>Total Equities</b>		<b>85.59</b>
<b>Cash</b>		<b>14.41</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT JANUARY 31, 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

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

For any questions contact:

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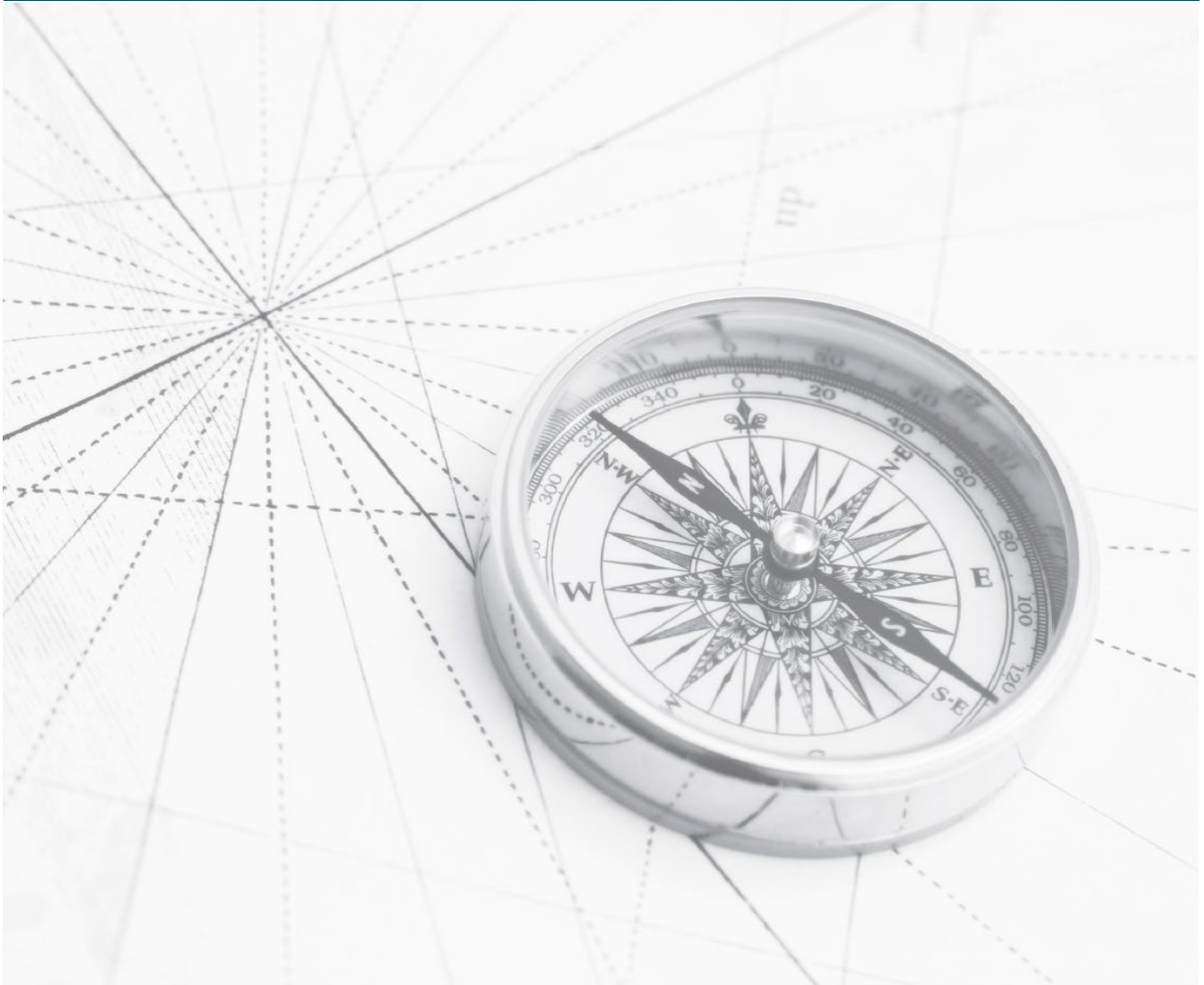
## A NOTE ON FORWARD-LOOKING STATEMENTS

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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