



NORTH GROWTH
MANAGEMENT



NOVEMBER 2022 MONTHLY REPORT

DECEMBER 15, 2022

Market and Fund Performance Update

Equities posted strong gains in November. Hopes that inflation may have peaked, paving the way for slower interest rate hikes, coupled with signs of China easing its strict Covid policies, fueled the markets' advance.

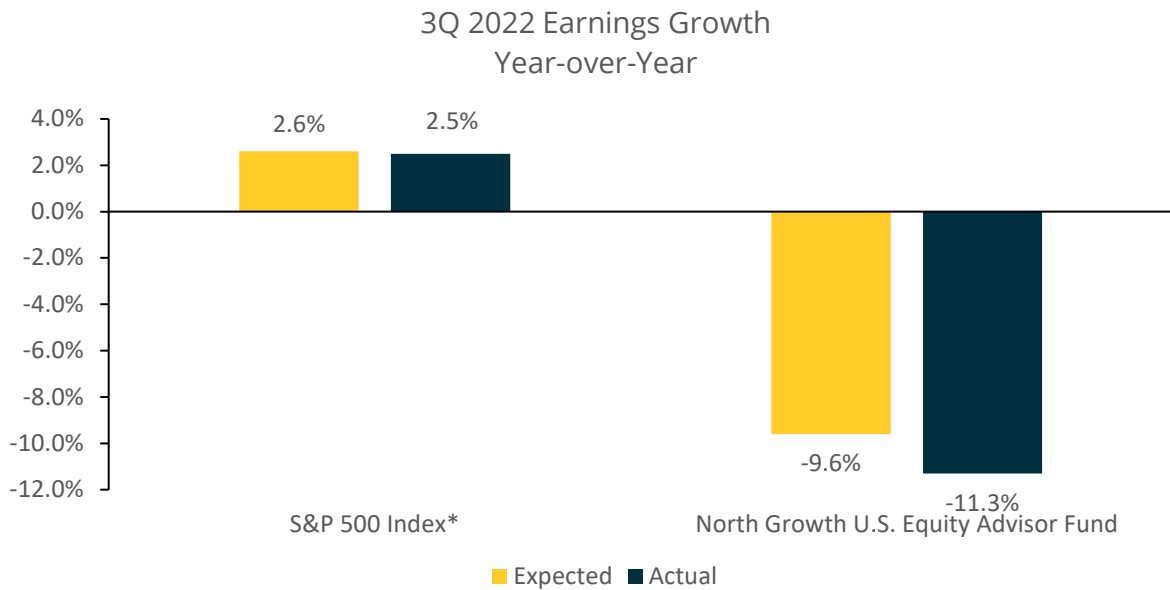
THIRD QUARTER EARNINGS

Notwithstanding perceived favourable news on the inflation and monetary policy front, corporate earnings results have weakened significantly with gloomy outlooks prevalent among executives. Given widespread concerns about a possible economic recession, companies are cautious in their near-term profit guidance, and analysts continue to lower earnings estimates by a larger degree than normal.

The earnings reporting season for the third quarter of 2022 is largely behind us. For the market in general, both the number and magnitude of negative earnings surprises were above historical averages. Moreover, according to FactSet, the S&P 500 reported the lowest year-over-year earnings growth rate since the third quarter of 2020.

As of December 2nd, earnings for the S&P 500 companies grew 2.5% year-over-year in the latest quarter while sales increased 10.9%. FactSet data indicates that 70% of the reporting companies posted actual EPS (earnings per share) above estimates. However, only four of the index's eleven sectors reported year-over-year earnings growth, while the seven remaining sectors reported a year-over-year decline in earnings. Similar to the second quarter, Energy was clearly the largest contributor to earnings growth for the S&P 500. If Energy were excluded, the S&P 500 would have reported a decrease in earnings of -5.0%.

For the first time since the second quarter of 2018, the profit growth rate of the North Growth U.S. Equity Advisor Fund lagged that of the S&P 500. With over 97% of the portfolio having reported to date, profits on a weighted-average basis in the third quarter declined -11.3% year-over-year versus estimates of a -9.6% decrease, even though 73% of the earnings results exceeded analysts' forecasts.



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

Despite the U.S. Equity Advisor Fund’s lower earnings growth rate relative to the S&P 500 Index in the near-term, we continue to believe that the portfolio’s growth profile is solid and broad-based. Clearly, however, the Fund’s constituents are more macro-economically sensitive than those of the index.

We remain focused on the fundamental characteristics of individual equities, adhering to our long-standing principles of active management and stock selection. The challenging markets during this past year continue to present numerous attractive investment opportunities. As always, we are steadfastly disciplined in identifying and picking equities that fit our “Growth at a Reasonable Price” investment philosophy.

FUND DISTRIBUTIONS

This year, Thursday, December 15th was the distribution date for the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. There is no distribution for the U.S. Equity Advisor Fund. For the Canadian Equity Fund, Series F, the distribution is 7.5% of the unit price or \$1.93 per unit (consisting of \$1.59 income and \$0.34 capital gains). For Series D, the distribution is 6.29% of the unit price or \$1.68 per unit (consisting of \$1.34 income and \$0.34 capital gains).

Unitholders who hold the North Growth Canadian Equity Fund, Series F or D, in non-registered accounts can expect to receive their T-3 tax slips by mail in early to mid-February.

U.S. EQUITY ADVISOR FUND

In November, the North Growth U.S. Equity Advisor Fund, Series F gained 7.7%. The Fund outperformed all the indices we regularly follow: the S&P 500 which advanced 5.6%, the smaller-capitalization indices—the S&P 400 MidCap and S&P 600 SmallCap which increased 6.1% and 4.2% respectively, as well as the NASDAQ Composite which was up 4.5%. In Canadian dollars, the Fund gained 6.6% versus the S&P 500's return of 4.5%.

CANADIAN EQUITY FUND

November followed October as another strong month for Canadian equities. Powered by dovish commentary from the Bank of Canada on the pace and size of future rate hikes, the Financials and Materials sectors pushed the S&P/TSX Composite to a gain of 5.5%. The North Growth Canadian Equity Fund, Series F, underperformed the index with a return of 5.0%. As a testament to our laser focus on our “Growth at a Reasonable Price” investment philosophy, two portfolio companies announced strategic reviews last month to unlock further value for shareholders given their attractive valuations relative to the market.

HAPPY HOLIDAYS!

Everyone at North Growth wishes you and your family all the joys of the holiday season and best wishes for 2023!

North Growth U.S. Equity Advisor Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2022

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Advisor Fund \$CDN (Series F)	6.59	7.72	3.00	-16.10
North Growth U.S. Equity Advisor Fund \$CDN (Series D)	6.57	7.64	2.84	-16.34
S&P 500 in \$CDN	4.50	6.76	6.38	-7.42
North Growth U.S. Equity Advisor Fund \$U.S. (Series F)	7.70	4.55	-3.56	-21.26
North Growth U.S. Equity Advisor Fund \$U.S. (Series D)	7.68	4.47	-3.70	-21.48
S&P 500 \$U.S.	5.59	3.63	-0.40	-13.10

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
NGM U.S. Equity Advisor Fund \$CDN (Series F)	-11.98	8.37	9.09	15.01	13.10
NGM U.S. Equity Advisor Fund \$CDN (Series D)	-12.25	8.04	8.76	14.61	12.67
S&P 500 \$CDN	-4.13	11.51	12.02	16.87	15.06
NGM U.S. Equity Advisor Fund \$U.S. (Series F)	-16.65	7.78	8.07	11.53	10.96
NGM U.S. Equity Advisor Fund \$U.S. (Series D)	-16.90	7.46	7.74	11.14	10.54
S&P 500 \$U.S.	-9.21	10.91	10.98	13.34	12.88

Source: Bloomberg "Total Return Analysis" as of November 30, 2022

*Date of inception: October 23, 2009.

North Growth Canadian Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2022

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series F	4.97	4.27	7.76	-5.99
NGM Canadian Equity Fund Series D	4.94	4.19	7.60	-6.25
Benchmark**	5.54	6.68	0.29	-1.00

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED NOVEMBER 30, 2022

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
NGM Canadian Equity Fund Series F	-2.45	11.25	9.00	12.77	12.51
NGM Canadian Equity Fund Series D	-2.74	10.91	8.67	12.38	11.87
Benchmark**	2.04	9.52	8.18	8.49	8.87

Source: Bloomberg "Total Return Analysis" as of November 30, 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.

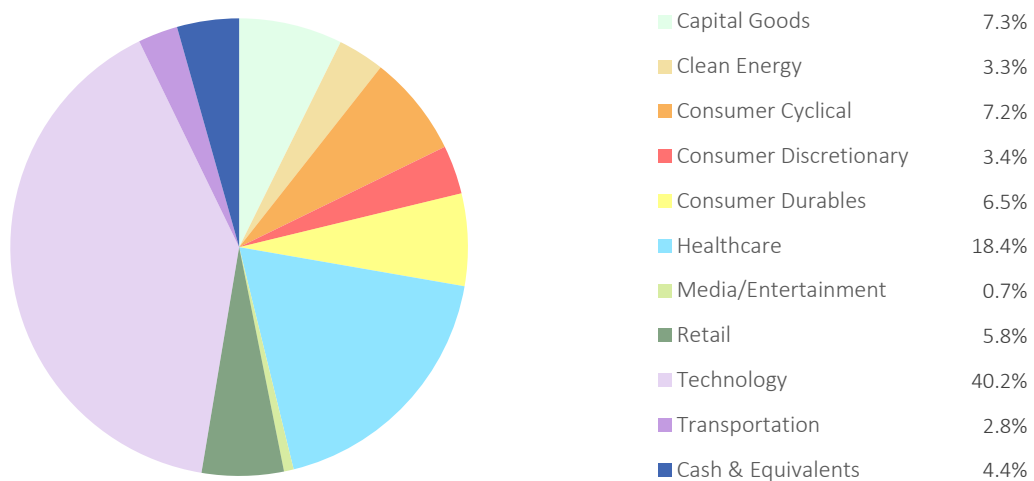
** Benchmark = S&P/TSX Composite Index

Equity Fund Holdings and Composition

U.S. EQUITY ADVISOR FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2022

Ranking	Security	% of Net Assets
1	Jabil Inc.	5.85
2	Ciena Corp.	4.91
3	Bristol-Myers Squibb Company	4.29
4	Applied Materials Inc.	3.88
5	Elevance Health, Inc.	3.56
6	D.R. Horton, Inc.	3.44
7	Motorola Solutions Inc.	3.39
8	Horizon Therapeutics, plc	3.35
9	SolarEdge Technologies Inc.	3.30
10	Qualcomm Inc.	3.25
Top 10		39.22
Total Equities		95.62
Cash		4.38
Total Assets		100.00

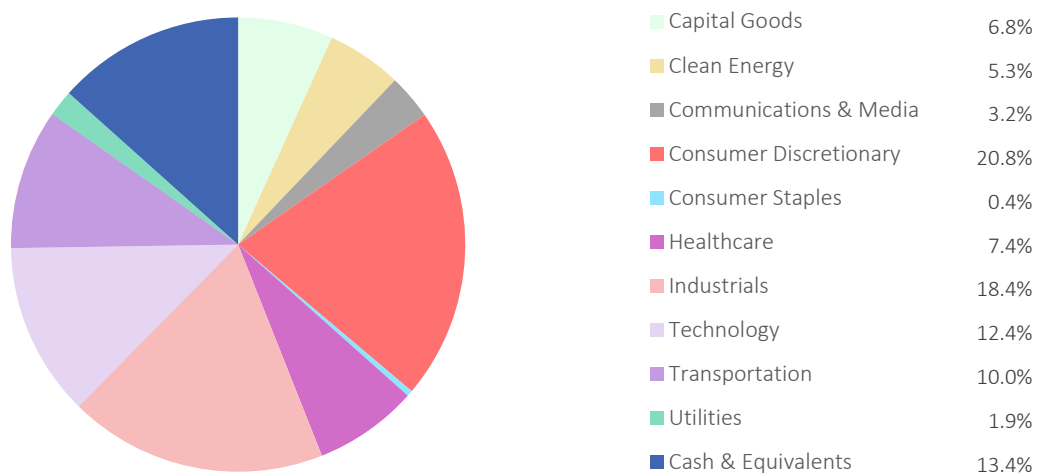
U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT NOVEMBER 30, 2022



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2022

Ranking	Security	% of Net Assets
1	Aritzia Inc.	8.50
2	TFI International Inc.	8.13
3	ATS Automation Tooling Systems Inc.	6.77
4	Calian Group Ltd.	6.14
5	CAE Inc.	4.55
6	Leon's Furniture Ltd.	4.47
7	Bombardier Inc., Class B	4.27
8	Heroux-Devtek Inc.	3.43
9	Innergex Renewable Energy Inc.	3.23
10	TELUS Corporation	3.19
Top 10		52.68
Total Equities		86.62
Cash		13.38
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 2022



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:

Marcus Vander Leek, CFA

Director of Business Development and Client Service

Email: marcus@northgrowth.com Phone: 604-354-9275



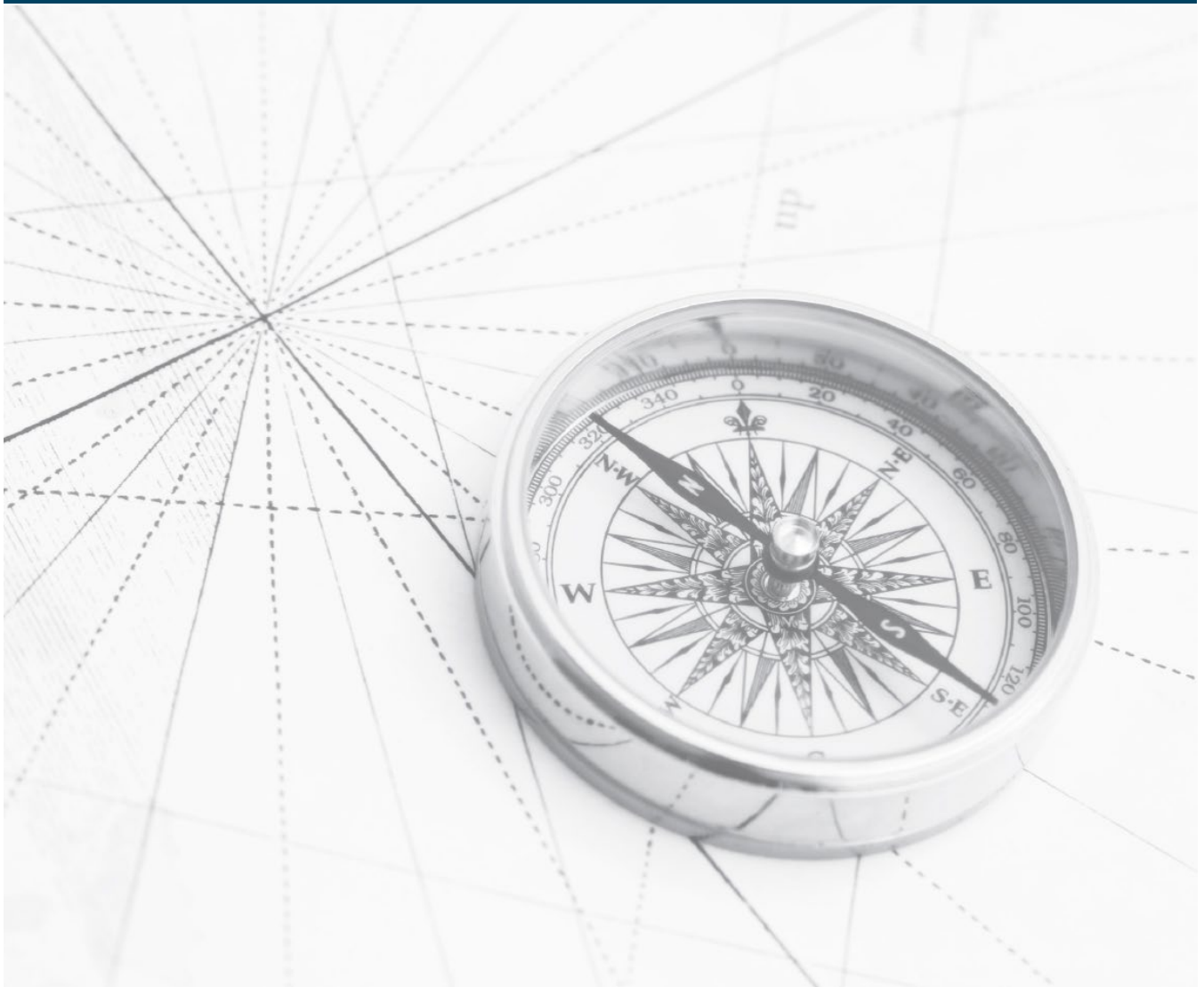
A NOTE ON FORWARD-LOOKING STATEMENTS

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.



NORTH GROWTH
MANAGEMENT



Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

T: 604-688-5440
F: 604-688-5402
info@northgrowth.com

northgrowth.com