



NORTH GROWTH
MANAGEMENT



SEPTEMBER 2023 MONTHLY REPORT

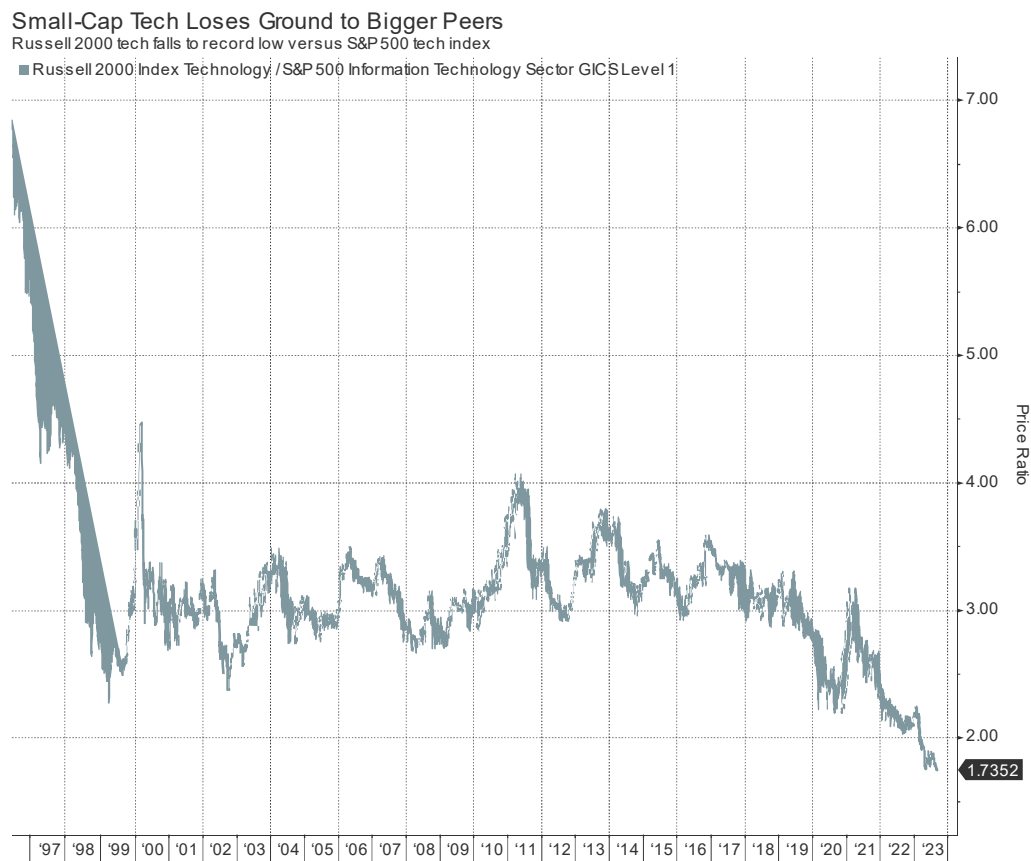
OCTOBER 5, 2023

Market and Fund Performance Update

Equities fell in September, capping their worst month this year. The prospect of a U.S. government shutdown and labour disruptions in the automotive sector added to the sour market sentiment that has been dominated by elevated interest rates and global economic activity set to slow.

THE NARROWEST MARKET IN DECADES

The S&P 500's year-to-date gain has been mostly driven by only seven stocks—Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Tesla, and Meta (Facebook). As these technology behemoths have increasingly influenced the broad index and the S&P 500 has become the most concentrated it has been in decades, investors have piled into big tech over the years. As a result, the ratio between the Russell 2000 (small-cap index) tech and S&P 500 tech indices has reached a record low. Concurrently, the information technology sector which comprises approximately 12% of the Russell 2000, is also at a much lower constitutional weighting—less than half—compared to that of the S&P 500.



Source: Bloomberg

Small-cap stocks in general closed out another bleak month in September; small-caps suffered a more pronounced downturn versus their larger-cap peers. The wide discrepancy in security performance between the Russell 2000 and S&P 500 is not limited to just the tech sector, but is notable across all sectors. Despite September's outperformance in energy stocks due to the rally in oil, the Russell 2000's energy gains paled in comparison with the S&P 500 energy sector. The more modest advances occurred even as energy at 9% of the Russell 2000 is almost twice its weighting in the S&P 500. Similarly, the same phenomenon was observed with utilities and consumer discretionary.

Over the past several years, as most of the stock market has underperformed the S&P 500, stock multiples are not as expensive as the S&P 500 price/earnings (P/E) ratio would imply. Moreover, the thinning of U.S. equity market breadth has given rise to numerous attractive investment opportunities.

We remain focused on stock selection according to our "Growth at a Reasonable Price" philosophy. Amid the extreme market concentration, high-quality, reasonably-priced shares are readily available for the picking. Accordingly, we continue to adjust the weightings of portfolio constituents and upgrade the quality of portfolio holdings as market conditions permit. As market leadership alternates between large-cap and small-cap stocks, we believe the Funds are well-positioned to outperform in a broad market recovery.

TAX INFORMATION UPDATE

Friday, December 15th is the distribution date for both the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. We anticipate that there will be annual distributions for both Funds.

We continue to estimate that the distributions for the Funds this year, comprised almost entirely of capital gains, will be between 3% and 10% of their respective unit prices. Due to factors beyond our control, the current estimates for the distributions may change materially over the coming months. We will continue updating our projections in the October monthly report, and will have the final distribution amounts in the November monthly report to be published on Monday, December 18th.

U.S. EQUITY FUND

In September, the North Growth U.S. Equity Fund declined -5.9%. Except for the S&P 600 SmallCap which fell -6.0%, the Fund underperformed all the other indices we regularly track: the S&P 500 which lost -4.8%, the S&P 400 MidCap which depreciated -5.3%, and the NASDAQ Composite which was down -5.8%. In Canadian dollars, the Fund declined -6.0% versus the S&P 500's -4.9% negative monthly return.

Year-to-date, the Fund is up 10.6%. The Fund has underperformed the S&P 500 and NASDAQ Composite which appreciated 13.1% and 27.1% respectively during the same period, while beating the S&P 400 MidCap and S&P 600 SmallCap indices which advanced 4.3% and 0.8% respectively. In Canadian dollars, the Fund has gained 10.4% versus the S&P 500 which is up 12.9%.

CANADIAN EQUITY FUND, SERIES N

An unexpected re-acceleration in inflation fueled by rising oil prices coupled with a drop in Canadian economic activity (as measured by GDP or gross domestic product) accelerated the sell-off in equities that started in August. The S&P/TSX Composite had its worst month since May 2023 with a negative return of -3.3%. The North Growth Canadian Equity Fund, Series N, underperformed the index with a loss of -4.4%. Year-to-date, the Fund is down -2.9% versus the S&P/TSX Composite which is up 3.4%.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	-6.02	-3.46	-0.21	10.38
S&P 500 in \$CDN	-4.85	-1.23	5.08	12.87
NGM U.S. Equity Fund \$U.S.	-5.94	-5.46	-0.11	10.58
S&P 500 \$U.S.	-4.77	-3.27	5.18	13.07
S&P 400 MidCap \$U.S.	-5.26	-4.20	0.45	4.27
S&P 600 SmallCap \$U.S.	-6.00	-4.93	-1.71	0.81
NASDAQ Composite \$U.S.	-5.77	-3.94	8.60	27.11

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	22.37	5.88	8.58	12.66	12.42	9.41	12.15
S&P 500 \$CDN	19.05	10.65	10.88	15.00	13.07	9.73	10.31
NGM U.S. Equity Fund \$U.S.	25.00	5.40	7.64	9.64	10.64	9.40	11.85
S&P 500 \$U.S.	21.62	10.15	9.92	11.91	11.28	9.72	10.01
S&P 400 MidCap \$U.S.	15.51	12.05	6.06	8.94	10.30	9.89	11.32
S&P 600 SmallCap \$U.S.	10.08	12.10	3.21	8.15	9.55	9.63	10.58
NASDAQ Composite \$U.S.	26.21	6.65	11.44	14.59	14.34	11.73	10.65*

Source: Bloomberg "Total Return Analysis" as of September 30, 2023

* This return is a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

Unit Price	\$ 51.31 CDN \$ 37.95 US
Total Assets in Fund	\$ 588.2 Million CDN

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	-4.37	-9.52	-8.55	-2.86
Benchmark	-3.33	-2.20	-1.13	3.38

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
NGM Canadian Equity Fund Series N	6.86	9.05	7.00	8.44	10.93
Benchmark	9.54	9.88	7.27	7.54	8.02

Source: Bloomberg "Total Return Analysis" as of September 30, 2023

The prospectus inception of the Fund: June 15, 2012.

North Growth Canadian Equity Fund Benchmark: S&P/TSX Composite Index.

Unit Price \$ 22.96 CDN

Total Assets in Fund \$ 48.2 Million CDN

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	4.85	4.39	1.74	1.59	1.17	1.02
30 Day Treasury Bill	N/A	4.38	1.75	1.58	1.16	1.03

** The Current Yield for the Money Market Fund is the average of the annualized daily yield for the most recent seven-day period. This measure is no longer available for the 30-day T-Bill Index.*

We take a very simple approach to managing the North Growth Canadian Money Market Fund. We invest in a portfolio of high-quality short-term bonds. The average maturity of the portfolio is often around 30 days. Historically, the Fund has generated very competitive yields with this simple approach because of our 0.25% management fee.

We manage the portfolio to ensure high liquidity and have no intention to extend maturities or reduce the quality of the holdings. We believe the Fund has superior liquidity characteristics due to its very low average maturity. The North Growth Canadian Money Market Fund's yield tends to correspond with changes in the Bank of Canada's overnight rate.

The current yield quoted above is net of the management fee.

Equity Fund Holdings

U.S. EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc.	8.83
2	Ciena Corp.	5.32
3	Applied Materials Inc.	4.81
4	Horizon Therapeutics, plc.	3.99
5	Motorola Solutions Inc.	3.29
6	Qualcomm Inc.	2.80
7	Coherent Corp.	2.71
8	Jacobs Solutions Inc.	2.69
9	HP Inc.	2.62
10	Global Payments Inc.	2.61
11	Elevance Health, Inc.	2.60
12	InMode Ltd.	2.49
13	Bristol-Myers Squibb Company	2.40
14	FedEx Corp.	2.39
15	Tempur Sealy International, Inc.	2.36
16	Booking Holdings Inc.	2.25
17	Nvidia Corp.	2.11
18	NVR Inc.	1.97
19	Best Buy Co., Inc.	1.91
20	Lumentum Holdings Inc.	1.89
21	Align Technology, Inc.	1.85
22	Abercrombie & Fitch Co.	1.82
23	Johnson Controls International plc	1.81
24	Tapestry Inc.	1.77
25	Texas Instruments Inc.	1.66
26	Microsoft Corporation	1.64
27	Electronic Arts Inc.	1.61
28	Apple Inc.	1.60

Ranking	Security	% of Net Assets
29	Charles River Laboratories International, Inc.	1.54
30	RH	1.52
31	Fortune Brands Innovations, Inc.	1.52
32	Brinker International Inc.	1.43
33	SolarEdge Technologies Inc.	1.39
34	Revvity Inc.	1.38
35	Warner Bros. Discovery Inc.	1.32
36	Watts Water Technologies Inc.	1.31
37	Crocs, Inc.	1.29
38	United Rentals, Inc.	1.07
39	Old Dominion Freight Line, Inc.	1.03
40	Ulta Beauty Inc.	1.01
41	West Pharmaceutical Services, Inc.	0.76
42	Atkore Inc.	0.74
43	Biogen Inc.	0.62
44	Arhaus Inc.	0.52
45	Masterbrand, Inc.	0.46
46	Axonics Inc.	0.30
Total Equities		95.01
Cash		4.99
Total Assets		100.00

CANADIAN EQUITY FUND — HOLDINGS AS AT SEPTEMBER 30, 2023

Ranking	Security	% of Net Assets
1	TFI International Inc	8.83
2	ATS Corporation	6.93
3	Leon's Furniture Ltd	6.02
4	CAE Inc.	5.85
5	Calian Group Ltd	5.57
6	Bombardier Inc., Class B	5.12
7	Heroux-Devtek Inc.	4.98
8	Open Text Corporation	4.15
9	Canadian Solar Inc.	3.27
10	Aritzia Inc	3.21
11	Knight Therapeutics Inc	3.06
12	Restaurant Brands International	3.03
13	TELUS Corporation	2.93
14	Profound Medical Corp	2.91
15	Constellation Software Inc	2.44
16	Dollarama Inc.	2.21
17	AutoCanada Inc	2.17
18	Polaris Renewable Energy Inc	2.14
19	Bombardier Recreational Products Inc.	2.13
20	Converge Technology Solutions Corp	2.12
21	Canadian National Railway Company	1.89
22	Zymeworks Inc	1.72
23	Evertz Technologies Limited	1.55
24	dentalcorp Holdings Inc	1.52
25	Boralex Inc.	1.46
26	Innergex Renewable Energy Inc	0.99
27	Jamieson Wellness Inc.	0.74
28	Shopify Inc.	0.68

Ranking	Security	% of Net Assets
29	Lululemon Athletica Inc.	0.36
30	Blackberry Ltd.	0.31
31	Perimeter Medical Imaging AI, Inc.	0.21
32	Quisitive Technology Solutions Inc.	0.20
33	Lumine Group Inc.	0.05
Total Equities		90.75
Cash		9.25
Total Assets		100.00

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.

CONDUCTING TRANSACTIONS

The cut-off time for same-day transactions is one hour before the applicable markets close, normally 3 p.m. Eastern Time or 12 p.m. (noon) Pacific Time. Please note that U.S. markets close early on the day before Independence Day and on the Friday after U.S. Thanksgiving and both U.S. and Canadian markets close early on Christmas Eve. The cut-off time on those days is 12 p.m. (noon) Eastern Time or 9 a.m. Pacific Time. Orders received after the cut-off time will be processed on the next business day.

Please contact:

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WHERE TO FIND NGM FUND PRICES

Please visit www.northgrowth.com to view the Fund’s daily prices or to be added to our e-mail list to receive daily notification of the Funds’ prices.

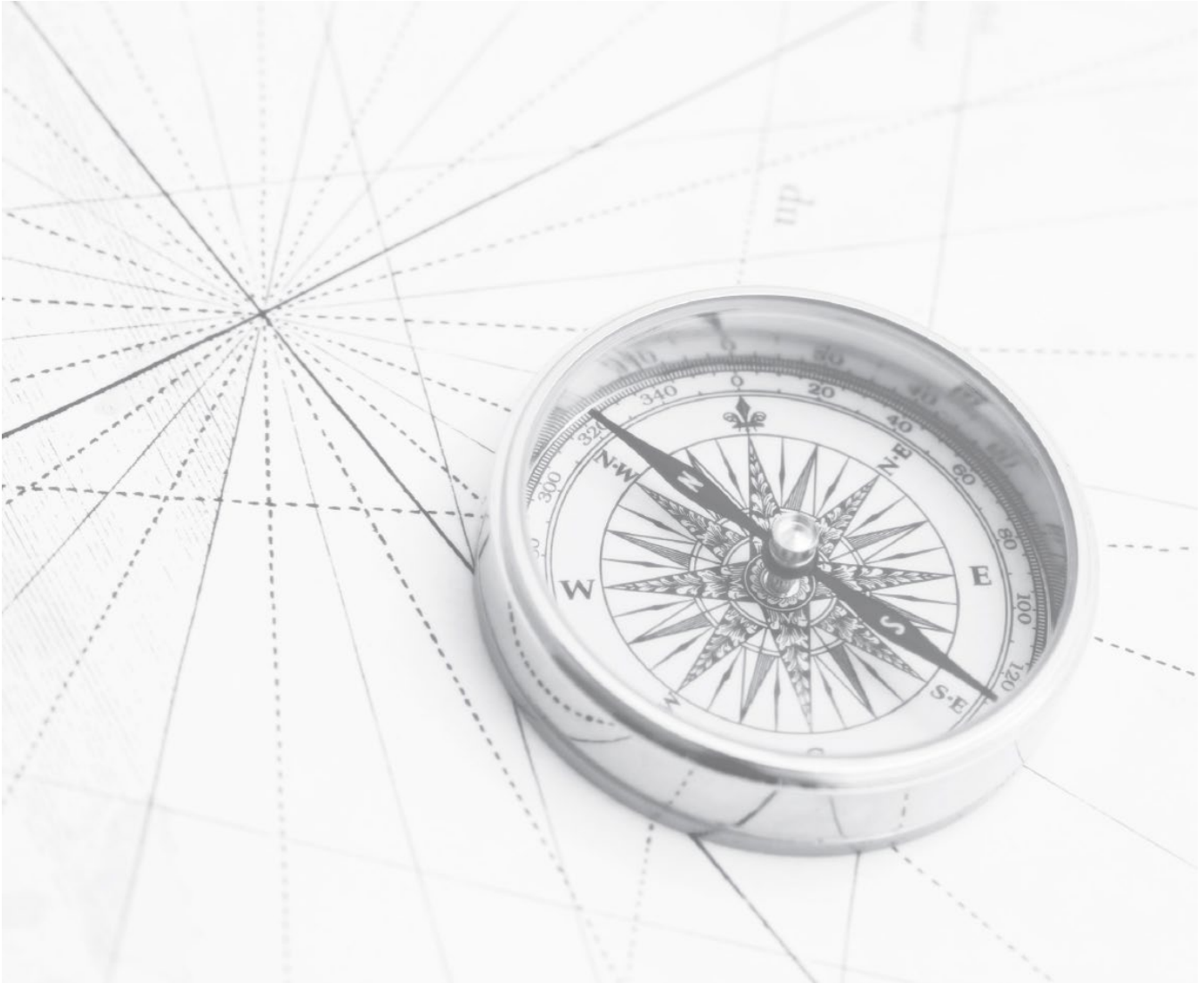


A NOTE ON FORWARD-LOOKING STATEMENTS

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.



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