



NORTH GROWTH  
MANAGEMENT



## NOVEMBER 2023 MONTHLY REPORT

DECEMBER 18, 2023



## Market and Fund Performance Update

Equities rallied spectacularly in November as the S&P 500 recorded one of its best monthly gains on record. Cooling inflation and labour market data fueled speculation that the Federal Reserve will not only end its aggressive interest rate hikes but will also begin cutting rates next year.

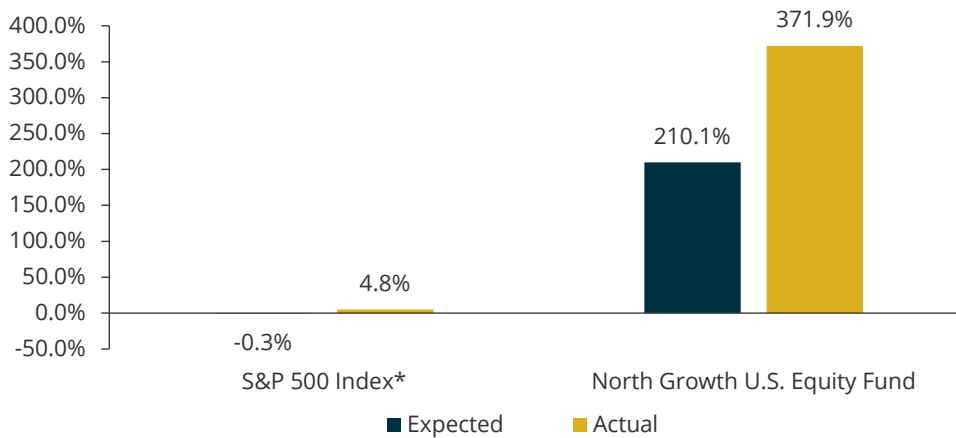
### THIRD QUARTER EARNINGS

For the most part, corporate earnings have stabilized while business executives remain cautious in their outlooks given the enormous amount of macroeconomic uncertainty. The third quarter of 2023 marked the first quarter of year-over-year earnings growth reported by the S&P 500 in exactly one year. However, with lingering concerns in the market about a possible economic slowdown or recession, analysts have lowered profit estimates for the fourth quarter and are projecting muted earnings growth in 2024.

As of December 1<sup>st</sup>, earnings for the S&P 500 companies grew 4.8% year-over-year in the July to September period while sales increased 2.4%. FactSet data indicates that 82% of the reporting companies posted actual EPS (earnings per share) above estimates. Eight of the eleven sectors reported year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, and Financials sectors.

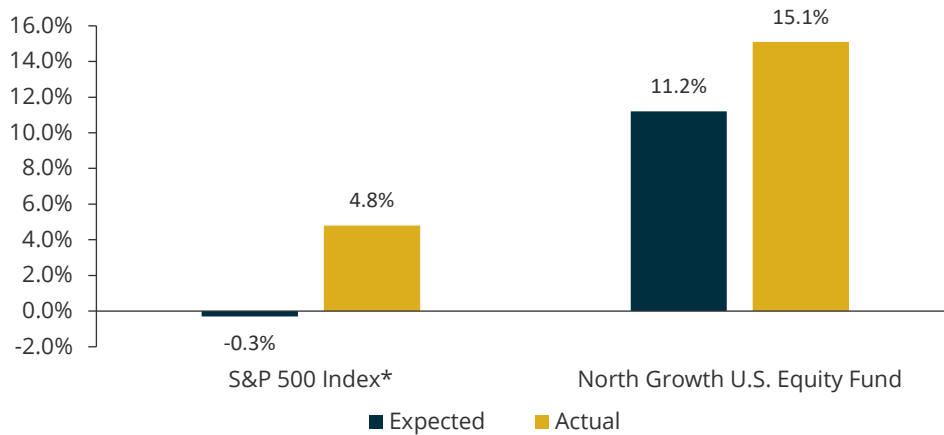
The North Growth U.S. Equity Fund delivered outstanding earnings results in the latest quarter. To date, over 97% of the portfolio has reported, and 78% of the profit reports have exceeded analysts' estimates. Earnings on a weighted-average basis grew 371.9% over a year ago, ahead of estimates of a 210.1% increase. Notably, the Fund's aggregate jump in earnings was disproportionately impacted by the outsized gain reported by Abercrombie & Fitch Co. whose earnings were up 18,200% year-over-year. Excluding this extraordinary result of a holding that constitutes around 2% of the Fund, the overall portfolio generated earnings growth of 15.1% during the quarter.

## 3Q 2023 EARNINGS GROWTH YEAR-OVER-YEAR



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

\*Excluding Abercrombie & Fitch Co earnings



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

Overall, the profit growth rate of the U.S. Fund continues to compare favourably against that of the index. We believe that despite being macro-economically sensitive, the earnings profiles of both the North Growth U.S. and Canadian equity portfolios are solid and broad-based.

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 stocks that fit our “Growth at a Reasonable Price” investment philosophy.

## FUND DISTRIBUTIONS

This year, Friday, December 15<sup>th</sup> was the distribution date for the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. The distribution for the U.S. Fund is 5.2% of the current unit price or \$2.88 per unit (comprised of \$2.76 capital gains and \$0.12 income). For the Canadian Equity Fund Series N, the distribution is 3.0% of the current unit price or \$0.70 per unit (consisting of \$0.50 capital gains and \$0.20 income).

Unitholders who hold the North Growth Funds in non-registered accounts can expect to receive their T-3 tax slips by mail in the early half of February. Quebec residents will also receive a Relevé 16: Trust Income (R-16) slip.

## U.S. EQUITY FUND

In November, the North Growth U.S. Equity Fund gained 9.0%. The Fund slightly underperformed the S&P 500 which advanced 9.1% and the NASDAQ Composite which was up 10.8%, but outperformed the smaller-capitalization indices, the S&P 400 MidCap and S&P 600 SmallCap, which increased 8.5% and 8.3% respectively. In Canadian dollars, the Fund gained 6.8% versus the S&P 500's return of 6.9%.

## CANADIAN EQUITY FUND, SERIES N

Canadian equities rebounded in November with the S&P/TSX Composite rising 7.5%. The North Growth Canadian Equity Fund, Series N, gained 6.5%, lagging its benchmark. Year-to-date, the Fund is down -3.0% while the S&P/TSX Composite is up 7.5%.

## HAPPY HOLIDAYS!

Everyone at North Growth wishes you and your family all the joys of the holiday season and best wishes for 2024!

# North Growth U.S. Equity Fund

## SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED NOVEMBER 30, 2023

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Fund \$CDN</b>	<b>6.75</b>	<b>-4.28</b>	<b>4.15</b>	<b>12.42</b>
S&P 500 in \$CDN	6.86	2.13	10.00	21.14
<b>North Growth U.S. Equity Fund \$U.S.</b>	<b>9.02</b>	<b>-4.64</b>	<b>4.31</b>	<b>12.10</b>
S&P 500 \$U.S.	9.13	1.74	10.17	20.80
S&P 400 MidCap \$U.S.	8.51	-2.68	7.41	7.10
S&P 600 SmallCap \$U.S.	8.27	-4.06	5.02	2.89
NASDAQ Composite \$U.S.	10.84	1.57	10.43	37.00

## ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED NOVEMBER 30, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
<b>North Growth U.S. Equity Fund \$CDN</b>	<b>9.09</b>	<b>3.54</b>	<b>9.28</b>	<b>11.76</b>	<b>13.62</b>	<b>9.01</b>	<b>12.15</b>
S&P 500 \$CDN	14.46	11.47	12.98	14.60	14.42	9.98	10.50
<b>North Growth U.S. Equity Fund \$U.S.</b>	<b>8.50</b>	<b>1.95</b>	<b>8.82</b>	<b>9.05</b>	<b>12.92</b>	<b>8.77</b>	<b>11.83</b>
S&P 500 \$U.S.	13.84	9.76	12.51	11.82	13.71	9.73	10.19
S&P 400 MidCap \$U.S.	1.17	7.36	8.12	8.69	13.05	9.45	11.35
S&P 600 SmallCap \$U.S.	-4.02	5.85	5.63	7.51	12.28	9.09	10.60
NASDAQ Composite \$U.S.	25.14	6.12	15.21	14.56	17.28	11.62	10.85*

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

	November 30, 2023
Unit Price	\$ 52.26 CDN / \$ 38.48 US
Total Assets in Fund	\$ 594.1 Million CDN

## North Growth Canadian Equity Fund, Series N

### SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED NOVEMBER 30, 2023

	1 Month	3 Months	6 Months	YTD
<b>North Growth Canadian Equity Fund, Series N</b>	<b>6.49</b>	<b>-4.54</b>	<b>-6.49</b>	<b>-3.03</b>
Benchmark	7.48	0.56	5.16	7.54

### ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED NOVEMBER 30, 2023

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
<b>North Growth Canadian Equity Fund, Series N</b>	<b>-4.07</b>	<b>3.50</b>	<b>10.76</b>	<b>7.86</b>	<b>10.75</b>
Benchmark	2.28	8.82	9.23	7.42	8.28

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

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

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

	November 30, 2023
Unit Price	\$ 22.92 CDN
Total Assets in Fund	\$ 48.0 Million CDN

## North Growth Canadian Money Market Fund

### ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED NOVEMBER 30, 2023

	Current Yield*	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
<b>North Growth Canadian Money Market Fund</b>	4.96	4.46	1.96	1.66	1.23	1.04
30 Day Treasury Bill	N/A	4.65	2.03	1.70	1.23	1.06

*\* 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.

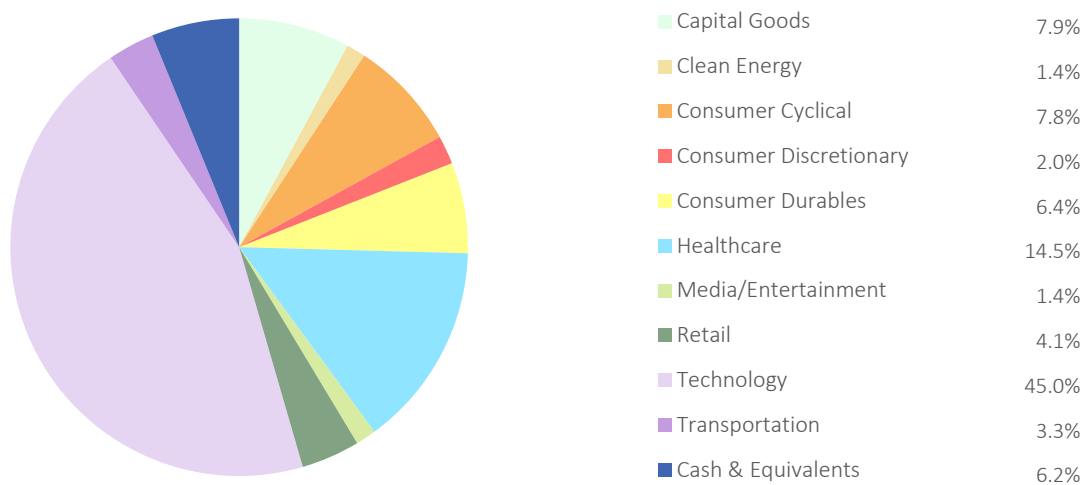


## Equity Fund Holdings and Composition

### U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc.	7.76
2	Applied Materials Inc.	5.17
3	Ciena Corp.	5.14
4	Motorola Solutions Inc.	3.88
5	Qualcomm Inc.	3.23
6	Coherent Corp.	3.04
7	HP Inc.	2.97
8	Elevance Health, Inc.	2.85
9	InMode Ltd.	2.67
10	Global Payments Inc.	2.61
<b>Top 10</b>		<b>39.32</b>
<b>Total Equities</b>		<b>93.80</b>
<b>Cash</b>		<b>6.20</b>
<b>Total Assets</b>		<b>100.00</b>

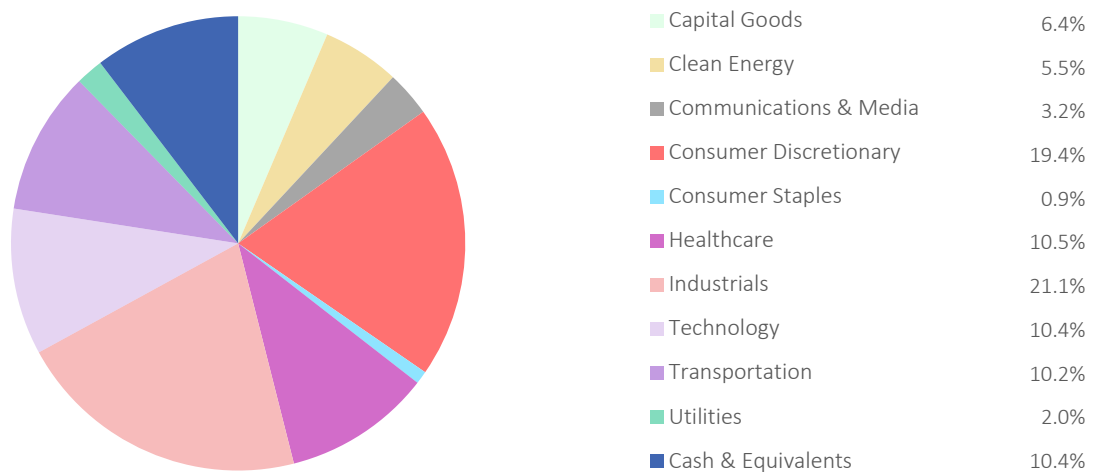
### U.S. EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 2023



## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT NOVEMBER 30, 2023

Ranking	Security	% of Net Assets
1	TFI International Inc.	7.16
2	ATS Corporation	6.42
3	Calian Group Ltd.	6.17
4	Leon's Furniture Ltd.	5.90
5	Bombardier Inc., Class B	5.09
6	CAE Inc.	5.00
7	Open Text Corporation	4.75
8	Heroux-Devtek Inc.	4.73
9	Aritzia Inc.	3.60
10	Knight Therapeutics Inc.	3.51
<b>Top 10</b>		<b>52.33</b>
<b>Total Equities</b>		<b>89.62</b>
<b>Cash</b>		<b>10.38</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT NOVEMBER 30, 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.

## 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:

**Marcus Vander Leek, CFA**

*Director of Business Development and Client Service*

Email: [marcus@northgrowth.com](mailto:marcus@northgrowth.com)

## WHERE TO FIND NGM FUND PRICES

Please visit [www.northgrowth.com](http://www.northgrowth.com) to view the Funds’ daily prices or to be added to our e-mail list to receive daily notification of the Funds’ prices.

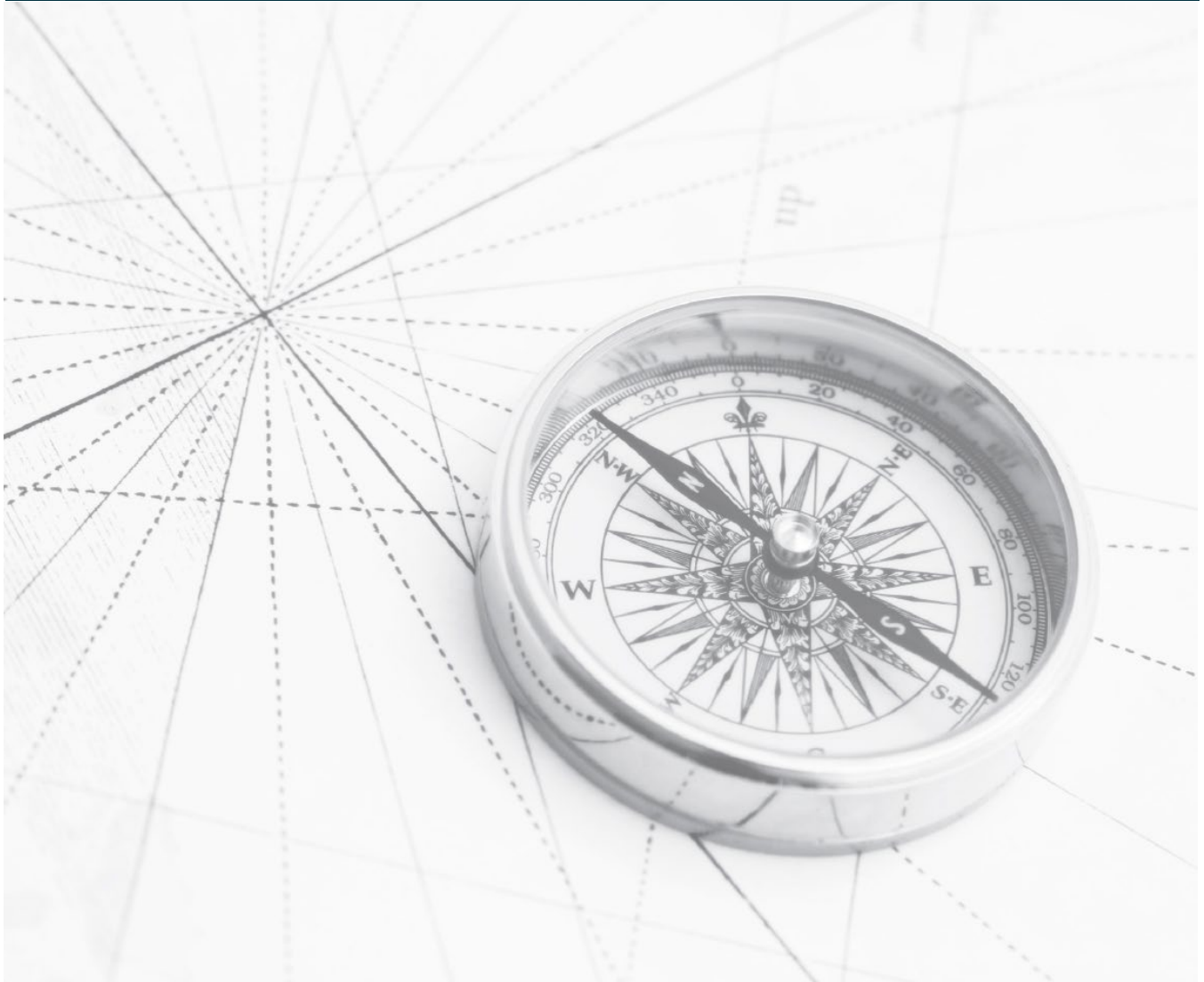


## A NOTE ON FORWARD-LOOKING STATEMENTS

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.



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](mailto:info@northgrowth.com)

[northgrowth.com](http://northgrowth.com)