



NORTH GROWTH  
MANAGEMENT



## DECEMBER 2023 MONTHLY REPORT

JANUARY 5, 2024



## Market and Fund Performance Update

Against the backdrop of much uncertainty in 2023, mega-cap technology stocks rallied dramatically whereas most other equities failed to keep pace. Bolstered by artificial intelligence (AI) exuberance, big tech posted blockbuster gains that overcame worries of a banking sector crisis, U.S. government debt default and ongoing conflicts in the Middle East and Europe.

Collectively, the stocks known as the “Magnificent Seven” or “Mag Seven”—Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Tesla, and Meta (Facebook)—increased around 75% in 2023. Meanwhile, the remaining 493 constituents of the S&P 500 rose a more modest 12%, resulting in the index as a whole gaining 24% on a simple price appreciation basis for the year.

The concentration of the U.S. equity market in which the Magnificent Seven represent about 30% of the S&P 500’s market value is unprecedented. Even on a global scale, the influence of the technology behemoths is extraordinary, as within the MSCI All Country World Index, a benchmark that supposedly covers 85% of the global investible equity universe, the total weighting of the Magnificent Seven is greater than that of all the stocks from Japan, France, China and the U.K. combined.

With numerous solid businesses continuing to trade at discounts relative to their growth records and potential, the narrow U.S. equity market breadth offers many attractive investment opportunities. We remain focused on actively managing the equity funds, picking individual stocks that adhere to our “Growth at a Reasonable Price” investment philosophy. Knowing that market leadership alternates between large-cap and small-cap stocks over the long-term, we believe that North Growth’s equity portfolios are poised to outperform in a broad market recovery.

### ANNUAL REPORT

Around mid-February, we plan on publishing our 2023 Annual Report. As usual, the annual report will include a more in-depth discussion of the year in review and our outlook for 2024.

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

In December, the North Growth U.S. Equity Advisor Fund, Series F gained 7.9%. A Santa Claus rally occurred on optimism that the Federal Reserve can successfully cool inflation without inducing a major economic recession. Of all the indices we regularly follow, the Fund outperformed the S&P 500 which rallied 4.5% and NASDAQ Composite which was up 5.6%, but lagged the S&P 400 MidCap and S&P 600

SmallCap which rose 8.7% and 12.8% respectively. In Canadian dollars, the Fund appreciated 5.1% versus the S&P 500's gain of 1.8%.

In 2023, the Fund gained 21.1%, lagging the S&P 500 and NASDAQ Composite indices, but outperforming the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap indices. For the year, the S&P 500 was up 26.3%, the S&P 400 MidCap and S&P 600 SmallCap rallied 16.4% and 16.1% respectively, while the NASDAQ Composite recorded a substantial 44.7% increase. In Canadian dollars, the Fund's annual return was 18.2% versus the S&P 500's gain of 23.3%.

### CANADIAN EQUITY FUND, SERIES F

In December, the North Growth Canadian Equity Fund, Series F, appreciated 5.4%, outperforming the S&P/TSX Composite Index which gained 3.9%. For the year, the Fund was up 2.5%, lagging the S&P/TSX Composite which returned 11.8% in 2023.

## North Growth U.S. Equity Advisor Fund

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>5.11</b>	<b>7.10</b>	<b>3.50</b>	<b>18.24</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>5.08</b>	<b>7.02</b>	<b>3.35</b>	<b>17.99</b>
S&P 500 in \$CDN	1.80	9.26	7.92	23.32
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>7.93</b>	<b>9.48</b>	<b>3.61</b>	<b>21.08</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>7.91</b>	<b>9.40</b>	<b>3.46</b>	<b>20.83</b>
S&P 500 \$U.S.	4.54	11.69	8.04	26.29

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>18.24</b>	<b>4.28</b>	<b>11.93</b>	<b>12.32</b>	<b>13.13</b>
<b>NGM U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>17.99</b>	<b>3.98</b>	<b>11.60</b>	<b>11.96</b>	<b>12.71</b>
S&P 500 \$CDN	23.32	11.41	14.97	14.50	15.06
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>21.08</b>	<b>2.97</b>	<b>12.63</b>	<b>9.90</b>	<b>11.32</b>
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>20.83</b>	<b>2.67</b>	<b>12.30</b>	<b>9.54</b>	<b>10.91</b>
S&P 500 \$U.S.	26.29	10.00	15.69	12.03	13.21

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

\*Date of inception: October 24, 2009.

## North Growth Canadian Equity Fund

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

	1 Month	3 Months	6 Months	YTD
<b>NGM Canadian Equity Fund Series F</b>	<b>5.42</b>	<b>5.28</b>	<b>-4.67</b>	<b>2.50</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>5.39</b>	<b>5.20</b>	<b>-4.81</b>	<b>2.20</b>
Benchmark**	3.91	8.10	5.72	11.75

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM Canadian Equity Fund Series F</b>	<b>2.50</b>	<b>4.63</b>	<b>13.80</b>	<b>8.32</b>	<b>11.40</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>2.20</b>	<b>4.32</b>	<b>13.46</b>	<b>7.96</b>	<b>10.80</b>
Benchmark**	11.75	9.59	11.30	7.62	8.57

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

\*Series F Date of Inception: June 15, 2012, Series D Date of Inception: June 29, 2012

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

## Equity Fund Holdings

U.S. EQUITY ADVISOR FUND — HOLDINGS AS AT DECEMBER 31, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc	7.06
2	Applied Materials Inc.	5.31
3	Ciena Corp	4.78
4	Motorola Solutions Inc	3.57
5	Qualcomm Inc.	3.44
6	Coherent Corp.	3.42
7	HP Inc.	2.89
8	Global Payments Inc.	2.70
9	Elevance Health, Inc.	2.65
10	Tempur Sealy International, Inc.	2.61
11	Booking Holdings Inc	2.44
12	Jacobs Solutions Inc.	2.42
13	InMode Ltd.	2.36
14	Nvidia Corp.	2.27
15	Abercrombie & Fitch Co.	2.26
16	NVR Inc.	2.19
17	Tapestry Inc	2.14
18	Lumentum Holdings Inc.	2.07
19	FedEx Corp.	1.93
20	Align Technology, Inc.	1.87
21	Integer Holdings Corporation	1.85
22	Johnson Controls International plc	1.85
23	Microsoft Corporation	1.85
24	Brinker International Inc.	1.84
25	Fortune Brands Innovations, Inc.	1.75
26	Charles River Laboratories International, Inc.	1.75
27	Electronic Arts Inc.	1.72
28	Thermo Fisher Scientific, Inc.	1.71

Ranking	Security	% of Net Assets
29	Apple Inc.	1.70
30	Texas Instruments Inc.	1.68
31	SolarEdge Technologies Inc.	1.51
32	Warner Bros. Discovery Inc.	1.49
33	Watts Water Technologies Inc	1.48
34	United Rentals, Inc.	1.31
35	Crocs, Inc.	1.29
36	Old Dominion Freight Line, Inc.	1.23
37	Ulta Beauty Inc.	1.17
38	Atkore Inc.	1.16
39	Arhaus Inc	1.15
40	RH	1.14
41	West Pharmaceutical Services, Inc.	0.87
42	Biogen Inc	0.59
43	Masterbrand, Inc.	0.54
44	Axonics Inc	0.32
	<b>Total Equities</b>	<b>93.33</b>
	<b>Cash</b>	<b>6.67</b>
	<b>Total Assets</b>	<b>100.00</b>

## CANADIAN EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2023

Ranking	Security	% of Net Assets	Ranking	Security	% of Net Assets
1	TFI International Inc.	7.75	29	Blackberry Ltd.	0.21
2	ATS Corporation	6.62	30	Perimeter Medical Imaging AI, Inc.	0.20
3	Calian Group Ltd.	6.05	31	Lumine Group Inc.	0.08
4	Leon's Furniture Ltd.	5.75		<b>Total Equities</b>	<b>91.29</b>
5	Bombardier Inc., Class B	5.57		<b>Cash</b>	<b>8.71</b>
6	CAE Inc.	5.11		<b>Total Assets</b>	<b>100.00</b>
7	Open Text Corporation	4.70			
8	Heroux-Devtek Inc.	4.57			
9	Aritzia Inc.	3.62			
10	Canadian Solar Inc.	3.56			
11	Knight Therapeutics Inc.	3.42			
12	Restaurant Brands International	3.38			
13	Canadian National Railway Company	3.11			
14	TELUS Corporation	3.02			
15	Bombardier Recreational Products Inc.	2.83			
16	Constellation Software Inc.	2.77			
17	Zymeworks Inc.	2.68			
18	Profound Medical Corp.	2.29			
19	AutoCanada Inc.	1.98			
20	Polaris Renewable Energy Inc.	1.93			
21	Dollarama Inc.	1.89			
22	dentalcorp Holdings Inc.	1.73			
23	Evertz Technologies Limited	1.67			
24	Boralex Inc.	1.63			
25	Jamieson Wellness Inc.	0.93			
26	Shopify Inc.	0.91			
27	Innergex Renewable Energy Inc.	0.87			
28	Lululemon Athletica Inc.	0.46			



## 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>

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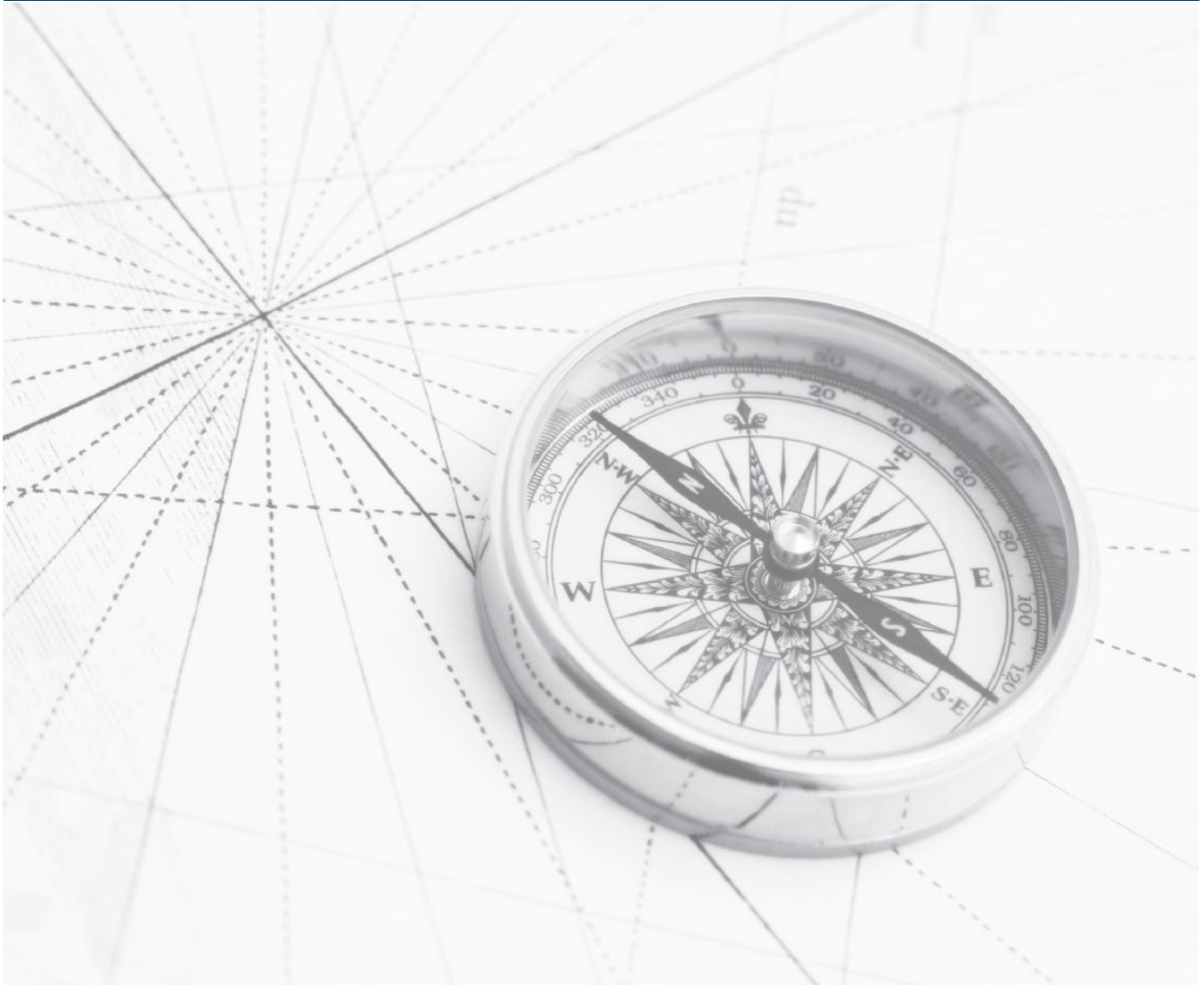
## A NOTE ON FORWARD-LOOKING STATEMENTS

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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