



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.

FUND DISTRIBUTIONS

As we communicated in the November report, December 15th was the distribution date for the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund. The distribution for the U.S. Equity Fund was \$2.88 per unit (comprised to \$2.76 capital gains and \$0.12 income). For the Canadian Equity Fund, Series N, the distribution was \$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 first half of February. Quebec residents will also receive a Releve 16: Trust Income (R-16) slip.

ANNUAL REPORT

Also 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 FUND

In December, the North Growth U.S. Equity Fund gained 8.0%. 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 5.2% 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 N

In December, the North Growth Canadian Equity Fund, Series N, appreciated 5.4%, outperforming the S&P/TSX Composite Index which gained 3.9%. For the year, the Fund was up 2.2%, lagging the S&P/TSX Composite which returned 11.8% in 2023.

North Growth U.S. Equity Fund

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

	1 Month	3 Months	6 Months	YTD
NGM U.S. Equity Fund \$CDN	5.15	7.09	3.39	18.21
S&P 500 in \$CDN	1.80	9.26	7.92	23.32
NGM U.S. Equity Fund \$U.S.	7.98	9.47	3.49	21.05
S&P 500 \$U.S.	4.54	11.69	8.04	26.29
S&P 400 MidCap \$U.S.	8.72	11.67	6.98	16.44
S&P 600 SmallCap \$U.S.	12.80	15.12	9.45	16.05
NASDAQ Composite \$U.S.	5.62	13.84	9.35	44.70

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
NGM U.S. Equity Fund \$CDN	18.21	4.09	11.70	12.22	13.94	9.13	12.30
S&P 500 \$CDN	23.32	11.41	14.97	14.50	14.60	9.80	10.53
NGM U.S. Equity Fund \$U.S.	21.05	2.78	12.39	9.80	13.31	9.02	12.08
S&P 500 \$U.S.	26.29	10.00	15.69	12.03	13.97	9.69	10.32
S&P 400 MidCap \$U.S.	16.44	8.09	12.62	9.27	13.33	9.81	11.62
S&P 600 SmallCap \$U.S.	16.05	7.28	11.03	8.66	12.74	9.65	10.99
NASDAQ Composite \$U.S.	44.70	6.08	18.82	14.87	17.50	11.81	11.01*

Source: Bloomberg "Total Return Analysis" as of December 31, 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	\$ 52.09 CDN \$ 39.39 US
Total Assets in Fund	\$ 601.2 Million CDN

North Growth Canadian Equity Fund, Series N

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

	1 Month	3 Months	6 Months	YTD
NGM Canadian Equity Fund Series N	5.39	5.20	-4.81	2.20
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 Prospectus
NGM Canadian Equity Fund Series N	2.20	4.32	13.46	8.06	11.17%
Benchmark	11.75	9.59	11.30	7.62	8.57

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

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

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

Unit Price \$ 23.44 CDN

Total Assets in Fund \$ 49.7 Million CDN

North Growth Canadian Money Market Fund

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

	*Current Yield	1 Year	3 Years	5 Years	10 Years	15 Years
NGM Canadian Money Market Fund	4.94	4.73	2.16	1.75	1.28	1.07
30 Day Treasury Bill	N/A	4.76	2.17	1.76	1.27	1.08

** 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 DECEMBER 31, 2023

Ranking	Security	% of Net Assets
1	Jabil Inc.	7.03
2	Applied Materials Inc.	5.39
3	Ciena Corp.	4.85
4	Motorola Solutions Inc.	3.62
5	Qualcomm Inc.	3.49
6	Coherent Corp.	3.46
7	HP Inc.	2.93
8	Global Payments Inc.	2.74
9	Elevance Health, Inc.	2.70
10	Tempur Sealy International, Inc.	2.65
11	Booking Holdings Inc.	2.48
12	Jacobs Solutions Inc.	2.45
13	InMode Ltd.	2.41
14	Nvidia Corp.	2.30
15	Abercrombie & Fitch Co.	2.30
16	NVR Inc.	2.21
17	Tapestry Inc.	2.17
18	Lumentum Holdings Inc.	2.10
19	FedEx Corp.	1.95
20	Johnson Controls International plc.	1.88
21	Microsoft Corporation	1.87
22	Brinker International Inc.	1.86
23	Integer Holdings Corporation	1.85
24	Align Technology, Inc.	1.84
25	Fortune Brands Innovations, Inc.	1.78
26	Charles River Laboratories International, Inc.	1.77
27	Electronic Arts Inc.	1.75
28	Thermo Fisher Scientific, Inc.	1.74

Ranking	Security	% of Net Assets
29	Apple Inc.	1.72
30	Texas Instruments Inc.	1.70
31	SolarEdge Technologies Inc.	1.54
32	Warner Bros. Discovery Inc.	1.51
33	Watts Water Technologies Inc.	1.51
34	United Rentals, Inc.	1.33
35	Crocs, Inc.	1.30
36	Old Dominion Freight Line, Inc.	1.24
37	Ulta Beauty Inc.	1.19
38	Atkore Inc.	1.17
39	Arhaus Inc.	1.16
40	RH	1.15
41	West Pharmaceutical Services, Inc.	0.88
42	Biogen Inc.	0.60
43	Masterbrand, Inc.	0.54
44	Axonics Inc.	0.32
Total Equities		94.43
Cash		5.57
Total Assets		100.00

CANADIAN EQUITY FUND — HOLDINGS AS AT DECEMBER 31, 2023

Ranking	Security	% of Net Assets
1	TFI International Inc.	7.75
2	ATS Corporation	6.62
3	Calian Group Ltd.	6.05
4	Leon's Furniture Ltd.	5.75
5	Bombardier Inc., Class B	5.57
6	CAE Inc.	5.11
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	Innervex Renewable Energy Inc.	0.87
28	Lululemon Athletica Inc.	0.46

Ranking	Security	% of Net Assets
29	Blackberry Ltd.	0.21
30	Perimeter Medical Imaging AI, Inc.	0.20
31	Lumine Group Inc.	0.08
Total Equities		91.29
Cash		8.71
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.

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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.

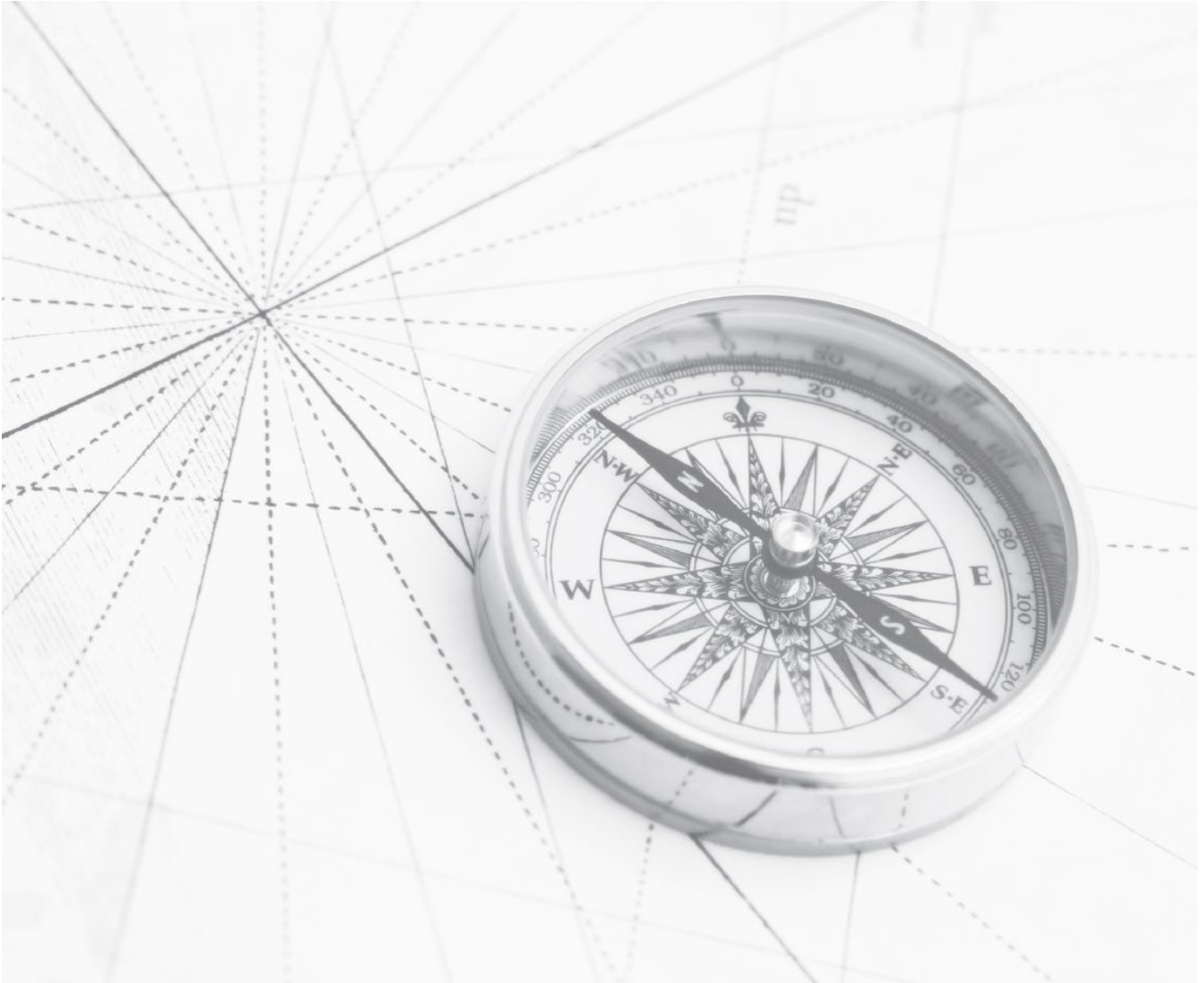


A NOTE ON FORWARD-LOOKING STATEMENTS

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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