



NORTH GROWTH  
MANAGEMENT



## FEBRUARY 2024 MONTHLY REPORT

MARCH 12, 2024



## Market and Fund Performance Update

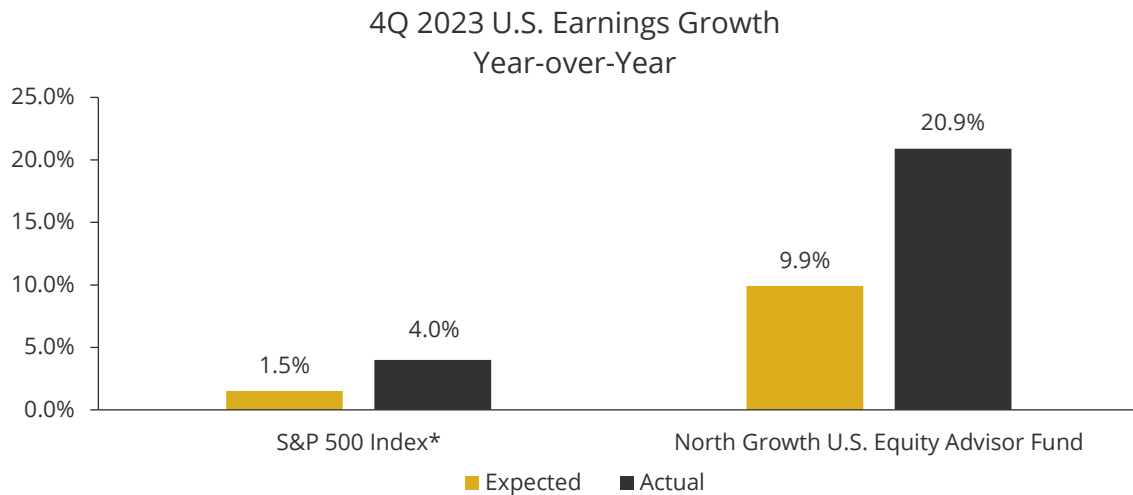
In February, the S&P 500 rose sharply as ongoing optimism around artificial intelligence sustained a rally in technology shares. More inclusive market appreciation was observed even though the Russell 2000 index of 2,000 small and midsize U.S. companies continues to lag the S&P 500 significantly in performance year-to-date.

### FOURTH QUARTER EARNINGS

The earnings reporting season for the fourth quarter of 2023 has largely passed. Corporate earnings increased for a second consecutive quarter despite persistent concerns in the market about a possible economic slowdown or recession. Generally, business executives remain cautious in their outlooks given the enormous amount of macroeconomic and geopolitical uncertainty. Yet, equity analysts expect earnings growth to accelerate during the coming year and expand 11% in 2024.

As of February 29<sup>th</sup>, with 97% of S&P 500 companies having reported actual results, earnings for the index grew 4.0% in the October to December 2023 period while sales increased 4.2%. FactSet data indicates that 73% of the reporting companies posted actual EPS (earnings per share) above estimates. Seven of the eleven sectors reported year-over-year earnings growth, led by the Communication Services, Consumer Discretionary, Utilities, and Information Technology sectors. Conversely, the remaining four sectors of the S&P 500—Energy, Materials, Health Care, and Financials—reported year-over-year declines in earnings.

The North Growth U.S. Equity Advisor Fund delivered strong earnings results in the latest quarter. To date, 84% of the portfolio has reported, and 87% of the profit reports have exceeded analysts' estimates. Earnings on a weighted-average basis grew 20.9% over a year ago, ahead of estimates of a 9.9% increase.



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

Overall, the profit growth rate of the U.S. Equity Advisor 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. As always, we are steadfastly disciplined in identifying and picking stocks that fit our “Growth at a Reasonable Price” investment philosophy.

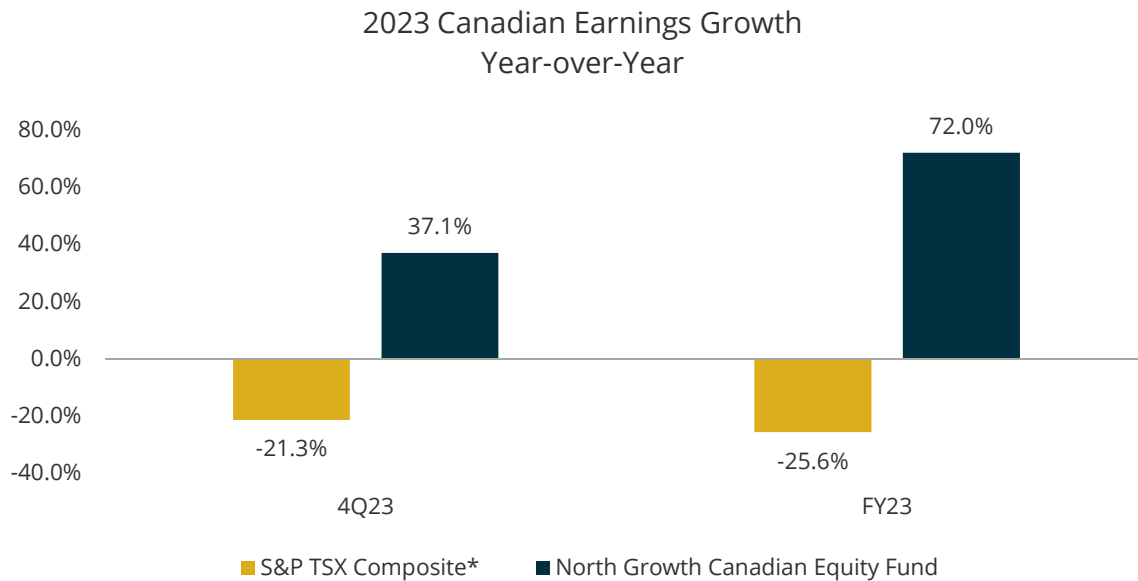
## U.S. EQUITY ADVISOR FUND, SERIES F

In February, the North Growth U.S. Equity Fund, Series F appreciated 8.5%. The Fund outperformed all the indices we regularly follow: the S&P 500 which grew 5.3%, the S&P 400 MidCap and S&P 600 SmallCap which increased 5.9% and 3.3% respectively, as well as the NASDAQ Composite which was up 6.2%. Due to the stronger U.S. currency last month, in Canadian dollars, the Fund gained 9.9% versus the S&P 500’s 6.7% Canadian-dollar monthly return.

## CANADIAN EQUITY FUND, SERIES F

The North Growth Canadian Equity Fund, Series F returned 1.8% in February, in line with the S&P/TSX Composite index.

We continue to invest according to our “Growth at a Reasonable Price” philosophy. While the portfolio has underperformed the S&P/TSX Composite in the recent past, the earnings growth of the underlying holdings has been robust. With 51.6% of the portfolio having reported as of March 1st, the Fund’s earnings have grown 37.1% in the fourth quarter of 2023 versus a decline of -21.3% for the S&P/TSX Composite. For the full year of 2023, the portfolio’s earnings grew by 72% compared to a decrease of -25.6% for the S&P/TSX Composite. We derive confidence in our Fund from the belief that over the long-term equity returns are based on underlying corporate fundamentals.



\* Source for S&P TSX Composite Index: Bloomberg

## North Growth U.S. Equity Advisor Fund

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2024

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>9.85</b>	<b>18.86</b>	<b>13.82</b>	<b>13.08</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>9.82</b>	<b>18.77</b>	<b>13.64</b>	<b>13.03</b>
S&P 500 in \$CDN	6.70	11.88	14.26	9.90
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>8.45</b>	<b>18.96</b>	<b>13.49</b>	<b>10.22</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>8.42</b>	<b>18.88</b>	<b>13.32</b>	<b>10.16</b>
S&P 500 \$U.S.	5.34	11.98	13.93	7.11

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2024

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>21.23</b>	<b>7.05</b>	<b>12.91</b>	<b>12.98</b>	<b>13.95</b>
<b>NGM U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>20.98</b>	<b>6.73</b>	<b>12.58</b>	<b>12.61</b>	<b>13.53</b>
S&P 500 \$CDN	30.08	14.45	15.46	15.01	15.64
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>21.58</b>	<b>4.67</b>	<b>12.24</b>	<b>10.70</b>	<b>11.94</b>
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>21.33</b>	<b>4.36</b>	<b>11.91</b>	<b>10.35</b>	<b>11.53</b>
S&P 500 \$U.S.	30.45	11.91	14.76	12.70	13.60

Source: Bloomberg "Total Return Analysis" as of February 29, 2024

\*Date of inception: October 23, 2009.

## North Growth Canadian Equity Fund

### SHORT TERM RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2024

	1 Month	3 Months	6 Months	YTD
<b>NGM Canadian Equity Fund Series F</b>	<b>1.82</b>	<b>8.25</b>	<b>3.41</b>	<b>2.69</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>1.79</b>	<b>8.17</b>	<b>3.26</b>	<b>2.64</b>
S&P/TSX Composite Index*	1.82	6.39	6.99	2.38

### ANNUALIZED RATES OF RETURN (%) FOR THE PERIOD ENDED FEBRUARY 29, 2024

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM Canadian Equity Fund Series F</b>	<b>-2.23</b>	<b>3.23</b>	<b>11.27</b>	<b>7.51</b>	<b>11.49</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>-2.52</b>	<b>2.93</b>	<b>10.93</b>	<b>7.16</b>	<b>10.89</b>
S&P/TSX Composite Index*	9.19	9.01	9.29	7.37	8.67

Source: Bloomberg "Total Return Analysis" as of February 29, 2024

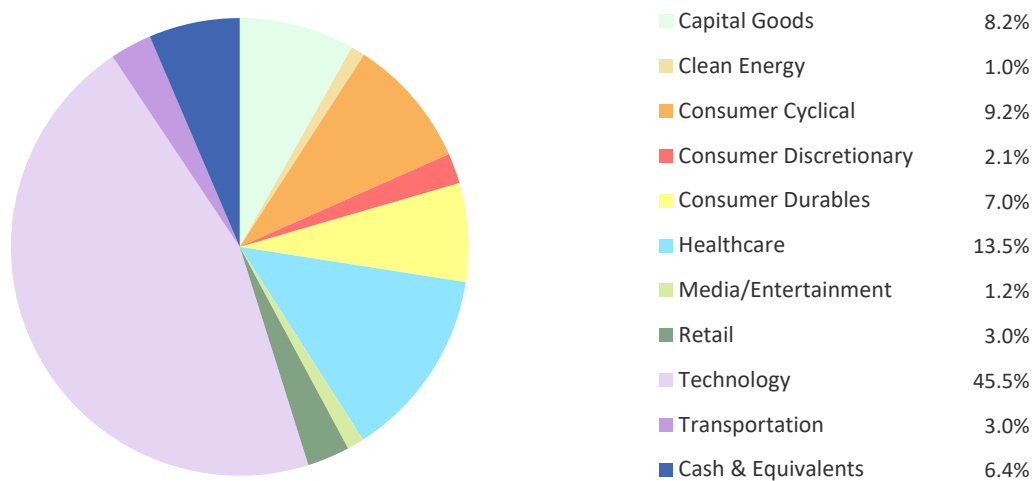
\* The S&P/TSX Composite Index since Prospectus return is calculated from the Series F date of prospectus inception, June 15, 2012. The Series D date of prospectus inception is June 29, 2012

## Equity Fund Holdings and Composition

### U.S. EQUITY ADVISOR FUND — TOP 10 HOLDINGS AS AT FEBRUARY 29, 2024

Ranking	Security	% of Net Assets
1	Jabil Inc.	7.15
2	Applied Materials Inc.	6.03
3	Ciena Corp.	5.53
4	Coherent Corp.	3.80
5	Motorola Solutions Inc.	3.44
6	Qualcomm Inc.	3.42
7	Abercrombie & Fitch Co.	2.99
8	Nvidia Corp.	2.74
9	Elevance Health, Inc.	2.58
10	Tempur Sealy International, Inc.	2.55
<b>Top 10</b>		<b>40.23</b>
<b>Total Equities</b>		<b>93.58</b>
<b>Cash</b>		<b>6.42</b>
<b>Total Assets</b>		<b>100.00</b>

### U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT FEBRUARY 29, 2024

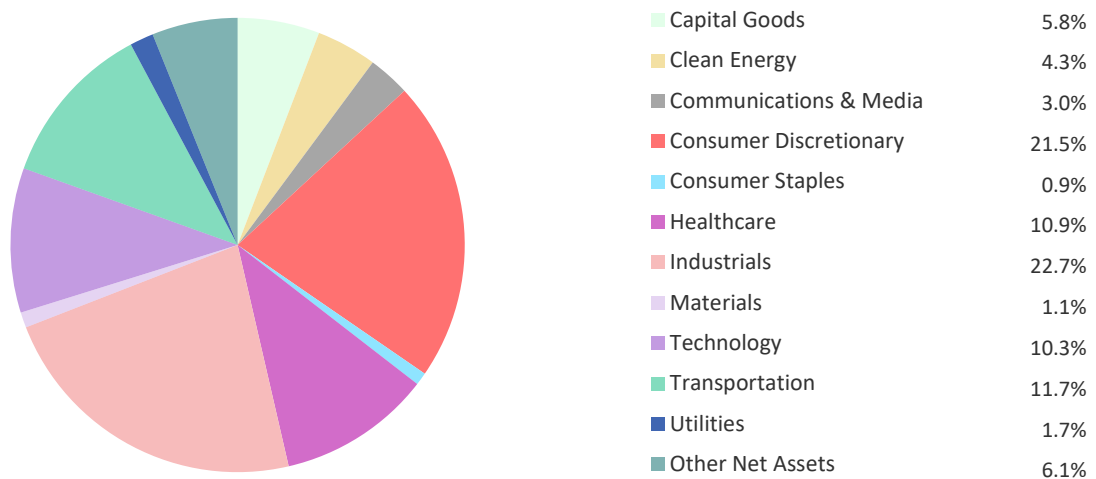




## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT FEBRUARY 29, 2024

Ranking	Security	% of Net Assets
1	TFI International Inc.	8.50
2	Leon's Furniture Ltd.	6.95
3	Calian Group Ltd.	6.15
4	ATS Corporation	5.84
5	Bombardier Inc., Class B	5.60
6	Heroux-Devtek Inc.	5.46
7	CAE Inc.	4.46
8	Open Text Corporation	4.34
9	Aritzia Inc.	4.21
10	Knight Therapeutics Inc.	3.53
<b>Top 10</b>		<b>55.04</b>
<b>Total Equities</b>		<b>93.90</b>
<b>Cash</b>		<b>6.10</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT FEBRUARY 29, 2024



## 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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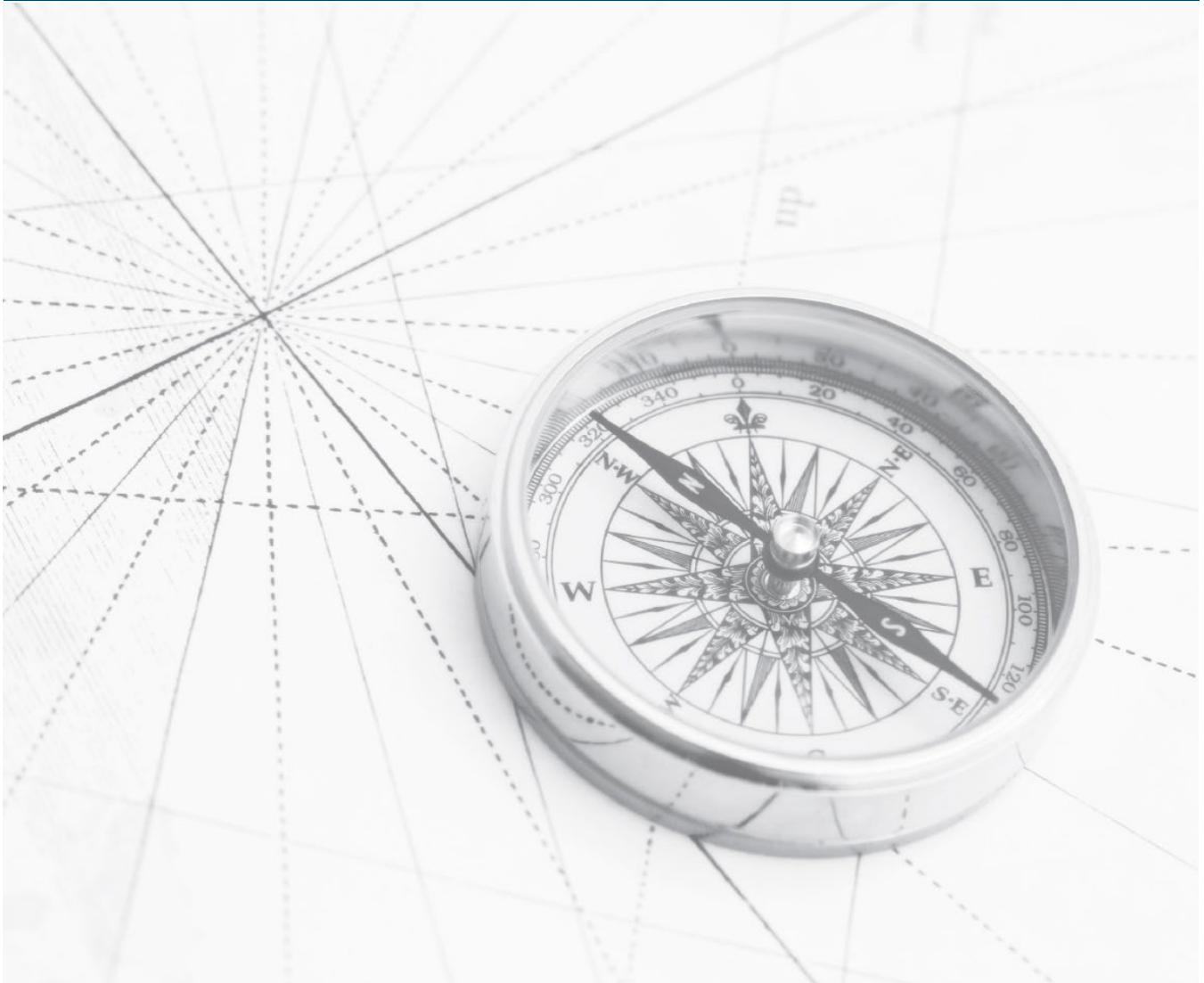
## A NOTE ON FORWARD-LOOKING STATEMENTS

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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