



NORTH GROWTH  
MANAGEMENT



2023 ANNUAL REPORT

## 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: January 31, 2024.*

*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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## Message from the CEO

Dear Unitholder,

North Growth Management successfully navigated choppy markets in 2023.

After suffering its worst annual selloff since 2008 in 2022, the S&P 500 posted a massive reversal and recorded a banner 2023. However, despite the exuberant headline return of last year, underneath the surface was increasing volatility and turmoil. The S&P 500's gain was mostly driven by only seven stocks, collectively known as the "Magnificent Seven"—Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Tesla, and Meta (Facebook). Due to the unprecedented concentration and top-heavy skew of the S&P 500, much of the U.S. equity market including small-cap stocks lagged the index and remained in bearish territory during 2023.

The environment was not conducive to the outperformance of our "Growth at a Reasonable Price" investment philosophy. Yet, we are heartened that our flagship North Growth U.S. Equity Advisor Fund, Series F appreciated 21.1% in U.S. dollars (18.2% in Canadian dollars). We are also pleased that the U.S. Equity Advisor Fund ranked in the top one percent and the North Growth Canadian Equity Fund in the top 19 percent of Morningstar's Sustainability metric among all Canadian-based open-end U.S. and Canadian equity funds respectively as of December 31, 2023.

In addition to myself, Alex Joshi and Jorge

Marques manage the North Growth Funds. We recently hired a portfolio administrator to support our trading and back-office operations. Over the past two summers of 2022 and 2023, we employed university student interns to assist in the research and analysis of emerging artificial intelligence (AI) and renewable energy technologies, respectively. This coming year, we plan to continue enhancing our team, adding depth to our increasing analytical and research capabilities.

We remain faithful to our disciplined approach to investing that emphasizes conducting fundamental company research, thoroughly understanding the businesses in which the Funds invest, and avoiding investment in overvalued equities. Over the long run, this strategy of our founder, Rudy North, has delivered solid returns spanning multiple market cycles. We continue to believe that in a broad market recovery when reasonable valuations and sustainable earnings growth are rewarded, North Growth's Equity Funds are positioned well to outperform.

Here's to 2024—as we progress onwards and upwards!

Yours truly,



Erica Lau  
CEO and Lead Portfolio Manager

# Portfolio Management Commentary and Outlook

The S&P 500 and NASDAQ Indices closed out 2023 with strong gains. The S&P 500 ended the year just shy of its record high, driven predominantly by the seven largest U.S. technology stocks. These tech behemoths, the Magnificent Seven—Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Tesla, and Meta (Facebook)—accounted for around two-thirds of the S&P 500’s 26% rally, and propelled the NASDAQ 100’s 55% advance, its best year since 1999.

The rest of the U.S. equity market, however, posted more mediocre returns after a challenging 2022 of prevalent losses. In fact, up until November 2023, the equal-weighted S&P 500 was down, registering a loss, year-to-date. The concentration of the U.S. stock market reached unprecedented heights during 2023.

Apart from the frenzy around artificial intelligence (AI) and weight-loss pharmaceutical shares, most equities gyrated between gains and losses against a backdrop of much uncertainty. From banking shocks in the spring to fears of a U.S. debt-ceiling crisis in the summer and fall, and amid ongoing geopolitical conflicts around the world, market sentiment swung constantly during the year.

The widely predicted economic recession for 2023 did not materialize. The U.S. economy

remained remarkably resilient throughout the Federal Reserve’s aggressive interest rate hikes. Cooling inflation and labour market data by the end of 2023 fuelled a Santa Claus stock rally as it became clear the Fed would conclude its interest rate increases and likely cut rates in 2024.

Looking ahead, we expect the coming year to be as unpredictable and volatile as the past. By and large, business executives are cautious in their outlooks given the enormity of macroeconomic and geopolitical risks. As always, we will stay disciplined and focused on stock selection based on our “Growth at a Reasonable Price” investment philosophy. Opportunities abound amid the narrow equity market breadth and extreme concentration of market returns over the past years.

## ECONOMIC DISCUSSION

Not only was there no recession during 2023, but growth accelerated in the United States. Alongside economic momentum, inflation cooled sharply while employment remained robust throughout the year. Based on the final estimates released by the U.S. Department of Commerce, U.S. gross domestic product or GDP grew at an annualized rate of 2.0% in the first quarter, 2.1% in the second quarter, and 4.9% in the third quarter.

On January 25, 2024, the Commerce Department announced its preliminary estimate that fourth quarter GDP rose at an annual pace of 3.3%. Even though growth slowed in the final quarter of 2023, concerns of a dire downturn for the year did not come to fruition.

Despite rising interest rates, consumer spending was strong and grew to an all-time high. Experiences were the major beneficiary of much of the spending, as travel rebounded drastically and entertainment, as indicated by the U.S. box office, rallied immensely from its Covid-19 pandemic lows.

To meet the better-than-expected demand, businesses restocked, although business investment on equipment decelerated for the first time in two years. Government spending picked up due to federal non-defense spending associated with infrastructure investment legislation passed in 2021 and 2022. Residential investment, which had been contracting since 2021, improved slightly last year while existing home sales remained low.

The best developments of the U.S. economy in 2023 were the significant decline in inflation and solid labour market. According to the U.S. Bureau of Labor Statistics, the consumer price index (CPI) rose 3.1% in November, having gradually moderated from the 6.5% growth at the beginning of the year. Meanwhile, job creation continued to be strong in the United States. In total, the U.S. labour market

added nearly 2.7 million jobs during 2023. Excluding outsized readings from the effects of pandemic-era firings and subsequent re-hiring in 2021 and 2022, last year was the most robust for job increases since 2020 and the third highest since 2015. The unemployment rate ended 2023 at 3.7%, and the average unemployment rate for the year, 3.6%, matched 2022's statistic as the lowest since 1969.

## MONETARY POLICY

During 2023, the Fed was consistent in its messaging of remaining committed to its dual mandate of maximum employment and a long-term inflation rate of 2%. Following its historic interest rate increases totalling 4.25% in 2022, the Fed raised rates at only four of its eight meetings in 2023, for a combined hike of 1.00%. The target range for the federal funds rate ended the year at 5.25% to 5.50% from 4.25% to 4.50% at the beginning of 2023.

While labour market tightness was remarkably consistent throughout most of 2023, data towards the end of the year indicated cooling job additions. Together with subsiding inflation, a more balanced labour market was welcome news for the U.S. Federal Reserve.

With the central bank's target range for interest rates at the highest since 2006, members of the Federal Open Market Committee (FOMC) viewed the benchmark policy rate as likely at or near its peak in

December. Moreover, the Fed indicated its expectation of three quarter-percentage point cuts by the end of 2024.

A pivot from the severely restrictive monetary policy to a more accommodative stance would be undoubtedly favourable for financial assets and business confidence. However, as noted in the FOMC December minutes, there remains an “unusually elevated degree of uncertainty” about the policy path. The Fed stressed “the importance of maintaining a careful and data-dependent approach to making monetary policy decisions and reaffirmed that it would be appropriate for policy to remain at a restrictive stance for some time until inflation was clearly moving down sustainably” toward the long-run 2% objective.

## U.S. COMPANIES AND STOCKS

Corporate profits emerged from a slump and improved throughout 2023. As inflationary pressures moderated and economic conditions defied recessionary expectations, upside earnings surprises took hold. 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. Nonetheless, with lingering concerns in the market still about a possible economic slowdown, analysts lowered profit estimates for the fourth quarter and projected modest profit growth for 2024.

The North Growth U.S. Equity Advisor Fund delivered strong results in 2023. We were

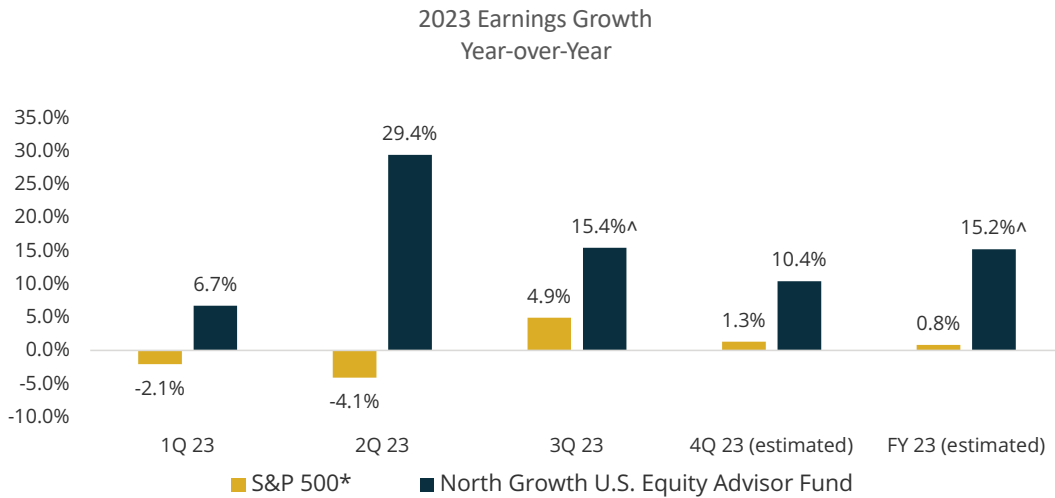
especially pleased with the Fund’s superior earnings growth relative to the S&P 500 every quarter. As depicted in the “2023 Earnings Growth” chart on the following page, earnings for the Fund’s holdings on a weighted-average basis grew 6.7% year-over-year in the first quarter, increased 29.4% in the second quarter, and expanded 363.2% in the third quarter of 2023. Notably, the Fund’s aggregate jump in earnings during the third quarter was disproportionately impacted by the outsized gain reported by Abercrombie & Fitch Co. whose earnings were up 18,200% over a year ago. Excluding this extraordinary result of a holding that constitutes around 2% of the Fund, the overall portfolio generated earnings growth of 15.4% during the third quarter. For the final quarter of 2023, we again expect the earnings growth rate of the Fund’s portfolio holdings to compare favourably to the S&P 500, capping an outstanding year.

We continue to be encouraged by the solid and broad-based earnings profiles of both the North Growth U.S. and Canadian equity portfolios. However, it is noteworthy that the underlying businesses of both Funds are more macro-economically sensitive than those of their respective benchmarks, the S&P 500 and S&P/TSX Composite.

## INVESTMENT OPPORTUNITIES

Over the past several years, most of the U.S. stock market has underperformed the S&P 500 index. During 2023, the meaningful,





<sup>^</sup> Excluding Abercrombie & Fitch (ANF) 3Q earnings -- EPS \$1.83 v \$0.01 y/y  
<sup>\*</sup> Source for S&P 500 Index: FactSet Earnings Insight as of Jan. 5, 2024

exclusive gains of the Magnificent Seven pushed the S&P 500’s concentration to new heights, its highest in decades. Consequently, the ratio between the Russell 2000, an index of 2,000 small and midsize U.S. companies, and the S&P 500 reached an all-time low.

The unprecedented degree to which the American stock market became so concentrated last year is highlighted by the significant underperformance of the equal-weighted S&P 500. The chart on page 10 titled, “A Continuing Bear Market: 2023 Ratio of Equal-weighted versus Market-weighted S&P 500 Index” illustrates the wide discrepancy in returns between the largest technology stocks and the other constituents. As of the start of November 2023, the equal-weighted S&P 500 was posting losses for the year. Even after a stunning rally during the

final two months, the equal-weighted S&P 500 was up only 14% in 2023, substantially lower than the official S&P 500’s 26% total return.

As a result of an extended period of concentrated returns among few stocks and narrow U.S. equity market breadth, an abundance of attractive investment opportunities persists for active managers. Numerous solid businesses continue to trade at discounts relative to their growth records and potential. High-quality, reasonably-priced stocks are readily available, and we continue to position the Funds to outperform in a broad market recovery.

## OUTLOOK FOR 2024

We are not market timers, nor do we make decisions based on top-down economic

A Continuing Bear Market  
2023 Ratio of Equal-weighted versus Market-weighted S&P Index



Source: Bloomberg

forecasts. Given continued extreme uncertainty over the economy and geopolitical events, market volatility is likely to remain elevated in 2024.

This year, as always, we will stay the course—dedicating all our energy and efforts on fundamental analysis and individual stock selection. Focused on the long-term, we will continue to actively manage the equity portfolios according to our well-established “Growth at a Reasonable Price” investment philosophy.



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# 2023 Performance Review

## NORTH GROWTH U.S. EQUITY ADVISOR FUND

In the aftermath of a year characterized by a notable -18.1% decline in the S&P 500 in 2022, marking its most significant downturn since 2008, the index demonstrated resilience by staging a robust recovery, surging by 26.3%. All major indices that we regularly track experienced appreciation, with the S&P 400 Midcap and the S&P 600 SmallCap Indices posting gains of 16.4% and 16.1%, respectively. The NASDAQ Composite, known for its tech-heavy composition, emerged as the frontrunner, registering an impressive appreciation of 44.7%.

During 2023, the North Growth U.S. Equity Advisor Fund, Series F increased 21.1%, underperforming the S&P 500 Index by 5.2%. Taking the weaker U.S. dollar into account, the Fund gained 18.2% in Canadian dollars compared to the S&P 500 Index Canadian dollar return of 23.3%.

Markets were strong in 2023, primarily propelled by the performance of seven key stocks, namely Apple, Microsoft, Alphabet, Amazon, Meta, Nvidia, and Tesla— the Magnificent Seven. An equally weighted Bloomberg Index monitoring the Magnificent Seven's return (Bloomberg Magnificent 7 Total Return Index) soared by an impressive 107.0% in 2023. In contrast, an equal-weighted

S&P 500 Index saw a comparatively modest appreciation of only 13.9%, accentuating the concentration of the index's performance.

The relative underweighting or lack of exposure in the Magnificent Seven detracted from our relative performance. We are disappointed with the magnitude of the underperformance but believe that our discipline in investing in stocks that possess strong long term growth prospects at reasonable valuations will position us well when markets reward earnings rather than multiple expansion alone.

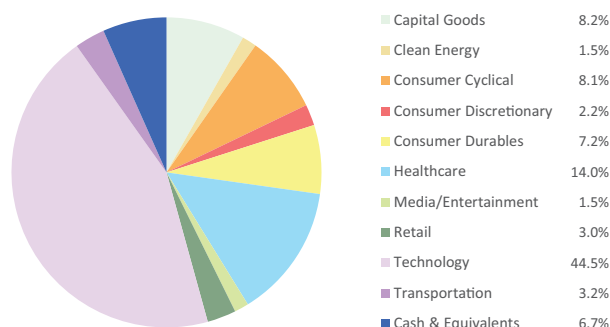
## U.S. EQUITY ADVISOR FUND, SERIES F As of December 31, 2023

### PERFORMANCE

	2023	* Since Inception
NGM US Equity Advisor Fund Series F \$CDN	18.24%	12.30%
S&P 500 \$CDN	23.32%	15.06%

\* since October 23, 2009

### SECTOR MIX



**U.S. EQUITY ADVISOR FUND**

As of December 31, 2023

**PORTFOLIO HOLDINGS**

	%		
Jabil Inc.	6.87	Johnson Controls International plc.	1.67
Ciena Corp	5.56	Apple Inc.	1.61
Applied Materials Inc.	5.33	Charles River Laboratories International, Inc.	1.58
Coherent Corp.	3.70	Texas Instruments Inc.	1.56
Motorola Solutions Inc.	3.61	United Rentals, Inc.	1.41
Qualcomm Inc.	3.50	Watts Water Technologies Inc.	1.40
Global Payments Inc.	2.81	Crocs, Inc.	1.38
Nvidia Corp.	2.79	Warner Bros. Discovery Inc.	1.30
Elevance Health, Inc.	2.75	Ulta Beauty Inc.	1.19
HP Inc.	2.73	Old Dominion Freight Line, Inc.	1.17
Abercrombie & Fitch Co.	2.59	Arhaus Inc.	1.12
Tempur Sealy International, Inc.	2.53	Atkore Inc.	1.09
InMode Ltd.	2.48	SolarEdge Technologies Inc.	1.06
Jacobs Solutions Inc.	2.48	RH	0.98
Booking Holdings Inc.	2.39	West Pharmaceutical Services, Inc.	0.91
Tapestry Inc.	2.23	Biogen Inc.	0.56
NVR Inc.	2.19	Masterbrand, Inc.	0.50
Lumentum Holdings Inc.	2.15	Axonics Inc.	0.34
Microsoft Corporation	1.93	<b>Total Equities</b>	<b>93.96</b>
Integer Holdings Corporation	1.88	<b>Cash</b>	<b>6.04</b>
FedEx Corp.	1.82	<b>Total Assets</b>	<b>100.00</b>
Align Technology, Inc.	1.80		
Brinker International Inc.	1.80		
Fortune Brands Innovations, Inc.	1.77		
Electronic Arts Inc.	1.72		
Thermo Fisher Scientific, Inc.	1.72		

## 2023 Performance Review

### NORTH GROWTH CANADIAN EQUITY FUND, SERIES F

Following the same trend as 2022, 2023 was a tale of two halves for the North Growth Canadian Equity Fund.

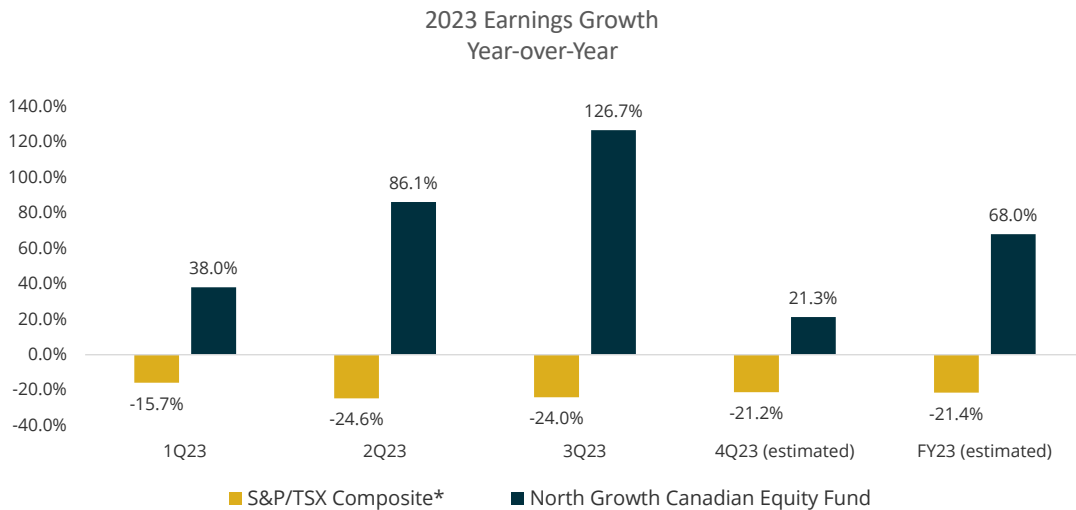
If the year had ended in June, the North Growth Canadian Equity Fund, Series F, would have outperformed with a return of 7.4% while the S&P/TSX Composite returned 5.8%. Technology, Consumer Discretionary and Industrials (of which transportation is a sub-sector), the three largest sectors within the North Growth Canadian Equity Fund by allocation, were also the top performers in the S&P/TSX Composite. The Fund held meaningful positions in two of the top 10 performers in the index: ATS Corporation and Open Text Corporation.

The second half of the year was a difficult one for the Fund. The North Growth Canadian Equity Fund, Series F, underperformed with a loss of -4.8% while the S&P/TSX Composite returned +5.7%. The S&P/TSX Composite's performance was led by Health Care, Technology and Financials. The Fund held meaningful positions in two of the bottom 10 performers in the index: Aritzia and Innergex Renewable Energy.

In 2023, the Fund was up 2.5% compared to the S&P/TSX Composite which gained 11.8%. After the blistering pace at which the Bank

of Canada hiked interest rates in 2022, there was moderation with only 0.75% of rate hikes in 2023. While a soft-landing—slowdown in inflation without a significant economic recession—would be the ideal outcome, monetary tightening usually acts with a lag. This was evident as the Canadian economy shrank by -0.3% in the third quarter of 2023, six quarters after the first rate hikes began in the first quarter of 2022. This marked the Canadian economy's first decline since the second quarter of 2021. The result underscored the fact that higher interest rates from the Bank of Canada are showing up in the Canadian economy, backtracking from robust growth earlier in the year.

The S&P Global Canada Composite PMI (Purchasing Managers Index) edged lower in December, the seventh consecutive decline in activity in the Canadian private-sector economy. New orders at the aggregate level contracted at the fastest pace in over three years, pressured by poor demand in both goods and services. The lower demand for capacity drove private-sector firms to reduce headcounts with the unemployment rate hitting a 22-month high by December 2023. With rising unemployment, consumer credit in Canada also rose, setting an all-time record. Housing starts dipped in 2023 notwithstanding the highest rate of population growth since 1957.



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

Despite a weak economic outlook, the underlying companies in the North Growth Canadian Equity Fund continue to make progress. Over time, earnings are the primary driver of share prices. During 2023, the Fund's holdings delivered growth in earnings that significantly beat those of the S&P/TSX Composite. The performance of the Fund's holdings in 2023 is shown by the graph above.

## CANADIAN MARKET COMMENTARY

The overarching investment philosophy of the North Growth Canadian Equity Fund remains "Growth at a Reasonable Price". The Fund has always focused on fundamental, bottom-up security selection.

An index fund employs a momentum strategy—acquiring more of what is already

performing well, with no consideration for value. This leads to prolonged cycles of performance. With every additional dollar invested in an index fund, a larger portion is allocated to the best-performing stocks, which then leads to an increase in their weight within the index.

When these stocks stop performing, it takes a long time for their weights to come down, leading to long periods of stagnation. Portfolio managers have found it hard to resist the siren song of large companies. Many active funds increasingly resemble the very indices they aim to outperform.

The North Growth Canadian Equity Fund is a concentrated portfolio that consists of some high conviction bets. While the index holds over 230 names, the Fund holds 31.

An actively-managed portfolio, the Fund is comprised of high-conviction picks from a “market of stocks” and is not invested in the “stock market”. The Fund does not aim to replicate the index.

News headlines have rarely been good. Since the turn of the millennium, the world has survived wars, recessions, a pandemic and even an apocalypse as predicted by the Mayan calendar in 2012.

Economic output and corporate profits—the engines of prosperity—have continued to progress despite the bad news. Good companies have endured and adapted to changing geopolitics, monetary or fiscal policies and black swan events. Since 2000, the TSX Composite is up more than 360%.

Equities remain the best investment asset class for long-term capital growth. And the North Growth Canadian Equity Fund is positioned the same way it has always been, managed with the same investment philosophy. When the pandemic hit in 2020, the Fund added positions in economically-sensitive stocks that fit “Growth at a Reasonable Price” which helped drive strong performance for the ensuing years. When inflation started rising and negative forecasts were the rage, the Fund again stuck by the same philosophy. We remain optimistic in the long run performance of our portfolio.

## CANADIAN EQUITY FUND, SERIES F

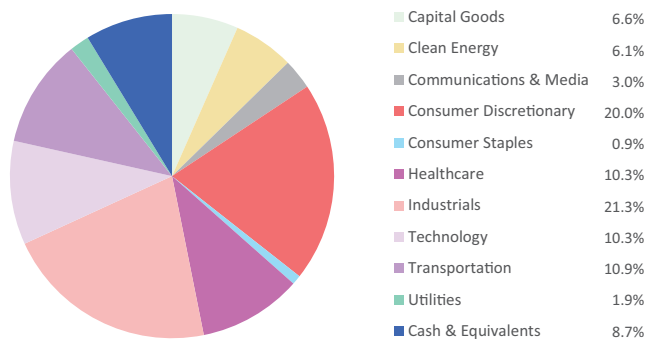
As of December 31, 2023

### PERFORMANCE

	2023	* Since Prospectus
NGM Canadian Equity Fund Series F	2.50%	11.40%
S&P/TSX Composite	11.75%	8.57%

\* since June 15, 2012

### SECTOR MIX





**CANADIAN EQUITY FUND**

As of December 31, 2023

**PORTFOLIO HOLDINGS**

	%		
TFI International Inc.	7.75	Innergex Renewable Energy Inc.	0.87
ATS Corporation	6.62	Lululemon Athletica Inc.	0.46
Calian Group Ltd.	6.05	Blackberry Ltd.	0.21
Leon's Furniture Ltd.	5.75	Perimeter Medical Imaging AI, Inc.	0.20
Bombardier Inc., Class B	5.57	Lumine Group Inc.	0.08
CAE Inc.	5.11	<b>Total Equities</b>	<b>91.29</b>
Open Text Corporation	4.70	<b>Cash &amp; Cash Equivalents</b>	<b>8.71</b>
Heroux-Devtek Inc.	4.57	<b>Total Assets</b>	<b>100.00</b>
Aritzia Inc.	3.62		
Canadian Solar Inc.	3.56		
Knight Therapeutics Inc.	3.42		
Restaurant Brands International	3.38		
Canadian National Railway Company	3.11		
TELUS Corporation	3.02		
Bombardier Recreational Products Inc.	2.83		
Constellation Software Inc.	2.77		
Zymeworks Inc.	2.68		
Profound Medical Corp.	2.29		
AutoCanada Inc.	1.98		
Polaris Renewable Energy Inc.	1.93		
Dollarama Inc.	1.89		
dentalcorp Holdings Inc.	1.73		
Evertz Technologies Limited	1.67		
Boralex Inc.	1.63		
Jamieson Wellness Inc.	0.93		
Shopify Inc.	0.91		

## North Growth Canadian Equity Fund received the FundGrade A+ Award for the fourth consecutive year



*Portfolio Managers: Jorge Marques and Alex Joshi*



*Awarded in 2020, 2021, 2022, 2023*

## Performance Results

### AVERAGE ANNUAL COMPOUND RATES OF RETURN

It is virtually impossible to correctly judge a long term average rate of performance from looking at a series of annual results. One needs to have some sense of average annual

compound rates of return in order to make financial planning decisions and to compare alternative investments.

### NORTH GROWTH (NGM) EQUITY ADVISOR FUNDS AND MARKET INDICES

Annualized Rates of Return (%) for periods ending December 31, 2023

<b>U.S. Equities</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>Since Inception*</b>
<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	50.06
<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	13.22
S&P 400 Mid Cap \$U.S.	16.44	8.09	12.62	9.27	11.91
S&P 600 Small Cap \$U.S.	16.05	7.28	11.03	8.66	12.08
NASDAQ Composite \$U.S.	44.70	6.08	18.82	14.87	15.86
<b>Canadian Equities</b>	<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>Since Prospectus**</b>
<b>NGM CDN Equity Fund (Series F) \$CDN</b>	<b>2.50</b>	<b>4.63</b>	<b>13.80</b>	<b>8.32</b>	<b>11.40</b>
<b>NGM CDN Equity Fund (Series D) \$CDN</b>	<b>2.20</b>	<b>4.32</b>	<b>13.46</b>	<b>7.96</b>	<b>10.80</b>
S&P/TSX Composite \$CDN	11.75	9.59	11.30	7.62	8.57

Source: Bloomberg, "Total Return Analysis" as of January 2, 2024

\* NGM U.S. Equity Advisor Fund Inception October 23, 2009

\*\* The S&P/TSX Composite 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

## ANNUAL PERFORMANCE RESULTS

This data gives you insight into the typical annual variations in investment results. Annual results explain how long term results come about and will reveal whether a record is dependent largely on earlier results, more recent results, or more ideally a balance of both. This data also shows that our outstanding long term results were not achieved by having stellar results in every single year. In equity investing, it should be noted that performance results may periodically fall below expected or desired

levels and this is why we emphasize these longer term results in the evaluation of performance. Furthermore, a year or more of exceptionally strong performance should not give rise to unreasonably high long term expectations. A superior long term record does not mean every year was (or will be) exceptional but it does mean that despite some years of low returns we have delivered on our mandate to provide superior long term results.

### NORTH GROWTH (NGM) EQUITY ADVISOR FUNDS AND MARKET INDICES

Annual Rates of Return (%) for Calendar Years 2019-2023

U.S. Equities	2023	2022	2021	2020	2019
<b>NGM U.S. Equity Advisor Fund (Series F) \$CDN</b>	<b>18.2</b>	<b>-18.5</b>	<b>17.7</b>	<b>27.3</b>	<b>21.7</b>
<b>NGM U.S. Equity Advisor Fund (Series D) \$CDN</b>	<b>18.0</b>	<b>-18.8</b>	<b>17.4</b>	<b>27.0</b>	<b>21.3</b>
S&P 500 \$CDN	23.3	-12.5	28.2	16.1	25.2
<b>NGM U.S. Equity Advisor Fund (Series F) \$U.S.</b>	<b>21.1</b>	<b>-23.7</b>	<b>18.2</b>	<b>29.9</b>	<b>27.8</b>
<b>NGM U.S. Equity Advisor Fund (Series D) \$U.S.</b>	<b>20.8</b>	<b>-24.0</b>	<b>17.9</b>	<b>29.5</b>	<b>27.4</b>
S&P 500 \$U.S.	26.3	-18.1	28.7	18.4	31.5
S&P 400 Mid Cap \$U.S.	16.4	-13.1	24.8	13.7	26.2
S&P 600 Small Cap \$U.S.	16.1	-16.1	26.8	11.3	22.8
NASDAQ Composite \$U.S.	44.7	-32.5	22.2	45.1	36.7

Source: Bloomberg "Total Return Analysis" as of January 2, 2024

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.

## NORTH GROWTH (NGM) EQUITY ADVISOR FUNDS AND MARKET INDICES

Annual Rates of Return (%) for Calendar Years 2019-2023

Canadian Equities	2023	2022	2021	2020	2019
NGM CDN Equity Fund (Series F) \$CDN	2.5	-7.0	20.1	20.9	37.9
NGM CDN Equity Fund (Series D) \$CDN	2.2	-7.3	20.5	20.5	37.5
S&P/TSX Composite \$CDN	11.8	-5.8	25.1	5.6	22.9

Source: Bloomberg "Total Return Analysis" as of January 2, 2024

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## North Growth U.S. Equity Advisor Fund Portfolio

**Abercrombie & Fitch Co.** – is a leading, global specialty retailer of apparel and accessories for men, women and kids through five renowned brands including Abercrombie & Fitch, abercrombie kids, Hollister, Gilly Hicks, and Social Tourist.

**Align Technology, Inc.** – designs and manufactures the Invisalign system, intraoral scanners, and computer-aided design software. Align mass-customizes aligners to treat cases ranging from overbite to general teeth straightening.

**Apple Inc.** – is one of the leading technology companies in the world. The company designs, manufactures and markets mobile communication and media devices and personal computers. It also sells a variety of related software and services. Some of the company's most popular hardware products include the iPhone, iPad, Mac, Apple Watch, AirPods and Apple TV.

**Applied Materials Inc.** – provides manufacturing equipment, services, and software primarily to the semiconductor and display industries. Its semiconductor segment offers a portfolio of products that help customers fabricate semiconductor chips and improve device performance, yield, and cost. The display and adjacent markets segment sells leading edge products used in

the manufacture of screens for TVs, personal computers, mobile phones, and other consumer-oriented devices.

**Arhaus Inc.** – is a lifestyle brand and omni-channel retailer of premium home furnishings. Through a differentiated proprietary model that directly designs and sources products from leading manufacturers and artisans around the world, Arhaus offers an exclusive assortment of heirloom quality products that are sustainably sourced, lovingly made, and built to last.

**Atkore Inc.** – is a leading provider of electrical, safety and infrastructure solutions. The company manufactures and supplies metal products and electrical raceway solutions. The company offers steel tubes and pipes, electrical conduit, armored wire and cable, cable trays, metal framing systems, and building components.

**Axonics Inc.** – is a global medical technology company that is developing and commercializing novel products for adults with bladder and bowel dysfunction. The company is in the process of being acquired by Boston Scientific Corporation (NYSE: BSX).

**Biogen Inc.** – discovers, develops, and delivers worldwide innovative therapies for people living with serious neurological

and neurodegenerative diseases, including multiple sclerosis, spinal muscular atrophy, and Alzheimer's disease.

**Booking Holdings Inc.** – engages in the provision of online travel and related solutions. The company offers services through the following brands: Booking.com, KAYAK, priceline, agoda, Rentalcars.com, and OpenTable.

**Brinker International Inc.** – is one of the world's leading casual dining restaurant companies and home of Chili's® Grill & Bar, Maggiano's Little Italy® and virtual brand: It's Just Wings®.

**Charles River Laboratories International, Inc.** – provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading academic institutions around the globe accelerate their research and drug development efforts.

**Ciena Corporation** – is a supplier of telecommunications networking equipment, software, and services. Its products support the transport, switching, aggregation, delivery and management of voice, video, and data traffic on communication networks. Ciena's customers include telecom service providers, cable companies, large enterprises, and government entities.

**Coherent Corporation** – previously II-VI Inc., is a vertically integrated manufacturing

company that develops, manufactures, and markets engineered materials, optoelectronic components and devices, and lasers for use in industrial materials processing, optical communications, aerospace, and defense, and more.

**Crocs, Inc.** – designs casual footwear for men, women, and children. The company's brands include Crocs—clogs made with a proprietary material, and HEYDUDE—a loafer popular with teens.

**Electronic Arts Inc.** – develops, publishes, and distributes interactive entertainment software for video game consoles, personal computers, handheld game devices, and mobile phones.

**Elevance Health, Inc.** – previously Anthem, Inc., is one of the largest health benefits companies in the United States. It provides health, dental and vision, and pharmacy benefits, as well as life and disability insurance.

**FedEx Corporation** – provides worldwide express delivery, ground small parcel delivery, less-than-truckload freight delivery, supply chain management services, customs brokerage services and other related business services.

**Fortune Brands Innovations, Inc.** – provides a portfolio of products for the home that includes faucets, sinks, showers, doors, composite decking, and security locks.

**Global Payments Inc.** – is a leading payments technology company delivering innovative software and services to their customers globally.

**HP Inc.** – is a technology company that operates in two primary segments: Personal Systems and Printing. Its Personal Systems unit provides commercial and consumer personal computers, notebooks, workstations, tablets and other related devices and services. Its Printing unit provides printer hardware, supplies, solutions, and related services to both the consumer and commercial markets.

**InMode Ltd.** – develops, manufactures, and markets patent protected, minimally-invasive, radiofrequency-based devices for uses in plastic surgery, gynecology, dermatology, otolaryngology, and ophthalmology.

**Integer Holding Corporation** – is one of the largest medical device outsource (MDO) manufacturers in the world serving the cardiac, neuromodulation, vascular and portable medical markets.

**Jabil Inc.** – is a manufacturing solutions provider with over 200,000 employees across 100 locations in 30 countries. The world's leading brands rely on Jabil's unmatched breadth and depth of end-market experience, technical and design capabilities, manufacturing know-how, supply chain insights and global product management expertise.

**Jacobs Solutions Inc.** – engages in the provision of a diverse range of technical, professional, and construction services to industrial, commercial, and governmental clients.

**Johnson Controls International plc** – provides building products and technology solutions to customers around the world. Its products include air systems, building management, heating, ventilating, air-condition (HVAC) controls, security, and fire safety solutions.

**Lumentum Holdings Inc.** – is a market-leading designer and manufacturer of innovative optical and photonic products enabling optical networking and laser applications worldwide.

**MasterBrand, Inc.** – previously Fortune Brands' cabinet business, the new independent company is the largest manufacturer of residential cabinets in North America.

**Microsoft Corporation** – develops and sells software, subscription-based cloud services, and devices to businesses and consumers. The company is perhaps best known for its Windows operating system, Office productivity suite, LinkedIn professional network, Azure cloud services, Xbox gaming consoles, and partnership with OpenAI.

**Motorola Solutions Inc.** – is a leading provider of public safety and mission-critical communication infrastructure, devices, accessories, and services.



**NVIDIA Corporation.** – designs, develops, and markets graphics processors and related software. NVIDIA’s invention of the GPU in 1999 sparked the growth of the PC gaming market, redefined modern computer graphics and revolutionized parallel computing. More recently, GPU deep learning ignited modern AI — the next era of computing — with the GPU acting as the brain of computers, robots and self-driving cars that can perceive and understand the world.

**NVR Inc.** – is one of America’s leading homebuilders. The Company serves homebuyers in thirty-five metropolitan areas in fifteen states.

**Old Dominion Freight Line, Inc.** – is one of the largest less-than-truckload motor carriers in North America. The company provides regional, inter-regional, and national shipping services, including expedited transportation.

**Qualcomm Inc.** – is a global leader in the development and commercialization of foundational technologies for the wireless industry. Its inventions have helped power the growth in smartphones.

**RH** – provides home furnishing products and design services. The Company offers its collections through its retail galleries across the world.

**SolarEdge Technologies Inc.** – designs and sells power optimizers that attach to the back


of solar panels and inverters that harvest and convert the panel-generated energy from direct current (DC) into the usable alternating current (AC). Its differentiated technology maximizes the power generation at the individual solar module level while lowering the cost of energy produced by the solar photovoltaic system.

**Tapestry Inc.** – is a leading house of modern luxury accessories and lifestyle brands, including Coach, kate spade New York, and Stuart Weitzman. The company is in the process of acquiring Capri Holdings Ltd. (NYSE: CPRI)

**Tempur Sealy International, Inc.** – develops, manufactures, markets, and distributes bedding products. Its products include mattresses, adjustable bases, pillows and other sleep and relaxation products.

**Texas Instruments Inc.** – designs and makes semiconductors that are, in turn, sold to electronics designers and manufacturers worldwide. The company’s broad portfolio of products is used in a wide range of applications and target the personal electronics, automotive, communications, enterprise, and industrial markets.

**Thermo Fisher Scientific, Inc.** – is a global leader in scientific research services, providing life sciences solutions, analytical instruments, and specialty diagnostics. The company offers a diverse range of products and services,



including reagents, instruments, and laboratory equipment for genomics, proteomics, clinical diagnostics, and pharmaceutical development.

**Ulta Beauty, Inc.** – is an American chain of beauty stores. Ulta Beauty carries both high-end and low-end cosmetics, fragrances, nail products, bath and body products, beauty tools and haircare products.

**United Rentals, Inc.** – is the largest equipment rental company in the world. The company offers approximately 4,600 classes of equipment for rent. United Rentals serve construction and industrial customers, utilities, municipalities, homeowners and others.

**Warner Bros. Discovery Inc.** – is a global media and entertainment company that creates and distributes content. Their brands include HBO, Warner Bros., DC Superheroes, CNN, Discovery Channel, HGTV, Food Network, and more.

**Watts Water Technologies, Inc.** – engages in the manufacture and provision of products for water conservation, safety, and flow control. Its services include plumbing and flow control solutions, water quality and conditioning, water reuse and drainage, heating, ventilation, and air conditioning, and municipal waterworks.

**West Pharmaceutical Services, Inc.** – is a leading global manufacturer in the design and production of technologically advanced, high-quality, integrated containment and delivery systems for injectable medicines.

## North Growth Canadian Equity Fund Portfolio

**Aritzia Inc.** – is a vertically integrated, innovative design house of exclusive fashion brands. Its unique multi-brand portfolio and product mix allows flexibility to address evolving fashion trends and to appeal to clients across multiple life stages.

**ATS Corporation** – is an industry-leading automation solutions provider. ATS has an extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services including pre-automation and after-sales services. It addresses the sophisticated manufacturing automation systems and service needs of multinational customers.

**AutoCanada Inc.** – is a multi-location automotive dealership group operating in both Canada and the United States. The Canadian operations segment operates 60 franchised dealerships, comprising 25 brands, in eight provinces. The U.S. operations segment, branded as Leader Automotive Group, operates 18 franchises, comprised of 16 brands, in Illinois.

**Blackberry Ltd.** – provides intelligent security software solutions. The company offers artificial intelligence and machine learning for cybersecurity, safety, and data privacy solutions, as well as endpoint security and

management, encryption, and embedded systems. BlackBerry serves governments and enterprise sectors worldwide.

**Bombardier Inc.** – manufactures private jets. The Company focuses on designing, manufacturing, and servicing business jets for multinational corporations, charter and fractional ownership providers, governments, and private individuals.

**Bombardier Recreational Products Inc.** – is a global leader in the world of powersports vehicles and propulsion systems built on over 80 years of ingenuity and intensive consumer focus. The portfolio of industry-leading and distinctive products includes Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft, Can-Am On-Road and Can-Am Off-Road vehicles, Alumacraft, Manitou and Quintrex boats, and Rotax marine propulsion systems, Rotax engines for karts and recreational aircraft, as well as dedicated parts, accessories, and clothing.

**Boralex Inc.** – is an electricity producer whose core business is the development and operation of renewable energy power stations. The Corporation operates assets in the following power generation types- wind, hydroelectric, thermal, and solar.

**CAE Inc.** – is a world-leader in modeling, simulation and training for the civil aviation, defense and security.

**Calian Group Ltd.** – delivers diverse products and solutions for private sector, government, and defense customers in North American and global markets. It operates in four segments: Advanced Technologies, Health, Learning, and Information Technologies.

**Canadian National Railway Company** – operates in the rail and related transportation business. Its network of approximately 20,000 route miles of track spans Canada and the United States. The company also provides vessels and docks, transloading and distribution, automotive logistics, and freight forwarding and transportation management services.

**Canadian Solar Inc.** – designs, manufactures, and sells solar module products that convert sunlight into electricity for a variety of uses. The Company's products include a range of solar modules for use in a wide range of residential, commercial, and industrial solar power generation systems.

**Constellation Software Inc.** – acquires, builds, and manages vertical market software companies which provide specialized, mission-critical software solutions. Its portfolio of companies operates in over 100 different verticals.

**dentalcorp Holdings Ltd.** – owns and operates Canada's largest network of dental practices. dentalcorp offers dental professionals the opportunity to retain their clinical autonomy, while unlocking their potential for growth through industry-leading technology, know-how, and scale.

**Dollarama Inc.** – is a major Canadian value retailer offering a broad assortment of general merchandise, consumable products, and seasonal items at compelling values (low, fixed price points). It owns and operates over 1,500 stores across all provinces, with stores located in high-traffic areas, metropolitan areas, mid-sized cities, and small towns.

**Evertz Technologies Ltd.** – is a leading supplier of software, equipment, and technology solutions to the television broadcast, telecommunications, and new media industries.

**Heroux-Devtek Inc.** – specializes in the design, development, manufacture, repair, and overhaul of landing gear, actuation systems and components for the Aerospace market.

**Innergex Renewable Energy Inc.** – is a leading independent renewable power producer. Innergex develops, acquires, owns, and operates hydroelectric facilities, wind farms, and solar farms. Its operations span Canada, the United States, France, and Chile.

**Jamieson Wellness Inc.** – is Canada’s leading branded manufacturer, distributor, and marketer of high-quality natural health products. Jamieson offers consumers a comprehensive and innovative line of branded vitamins, minerals, and supplements, as well as sports nutrition products. The company also offers manufacturing and product development services to select consumer health companies and retailers worldwide.

**Knight Therapeutics Inc.** – is a specialty pharmaceutical company. The company focuses on developing, acquiring, in-licensing, out-licensing, marketing, and distributing pharmaceutical products, consumer health products, and medical devices in Canada and select international markets.

**Leon’s Furniture Ltd.** – is the largest retailer of furniture, mattresses, appliances, and electronics in Canada. Its retail banners include Leon's, The Brick, The Brick Mattress Store, and The Brick Outlet. Through its Midnorthern Appliance and Appliance Canada banners, Leon’s is Canada's largest commercial retailer of appliances to builders, developers, hotels, and property management companies.

**Lululemon Athletica Inc.** – is a designer, distributor, and retailer of healthy lifestyle inspired athletic apparel and accessories. The brand attracts guests seeking an active, mindful, and balanced life through its top quality, technically advanced product, and its strong commitment to community.

**Lumine Group Inc.** – acquires, strengthens, and grows vertical market software companies in the communications and media industry.


**Open Text Corporation** – develops enterprise software for digital transformation in the Enterprise Information Management (EIM) market. Its solutions facilitate the exchange of information and transactions between supply chain participants, such as manufacturers, retailers, distributors, and financial institutions.

**Perimeter Medical Imaging AI Inc.** – is a medical technology company driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address areas of high unmet medical need.

**Polaris Renewable Energy Inc.** – is a company engaged in the acquisition, development and operation of Renewable Energy projects in Latin America.

**Profound Medical Corporation** – is a medical technology company focused on a therapeutics platform that provides the precision of real-time Magnetic Resonance Imaging combined with the safety and ablation power of directional and focused ultrasound technology for the incision-free ablation of diseased tissue.

**Restaurant Brands International** – is one of the world’s largest quick service restaurant companies. It owns four of the world’s most



prominent and iconic quick service restaurant brands – TIM HORTONS®, BURGER KING®, POPEYES®, and FIREHOUSE SUBS®.

**Shopify Inc.** – is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size.

**TELUS Corporation** – is Canada’s fastest-growing national telecommunications company. TELUS provides a wide range of communications products and services.

**TFI International Inc.** – is a North American leader in logistics and transportation diversified across multiple geographies, industry verticals and business segments, including Package and Courier, Less-Than-Truckload, Truckload and Logistics.

**Zymeworks Inc.** – is an innovative, clinical-stage biopharmaceutical company dedicated to the discovery, development, and commercialization of next-generation multifunctional biotherapeutics.

## Investing with North Growth Management

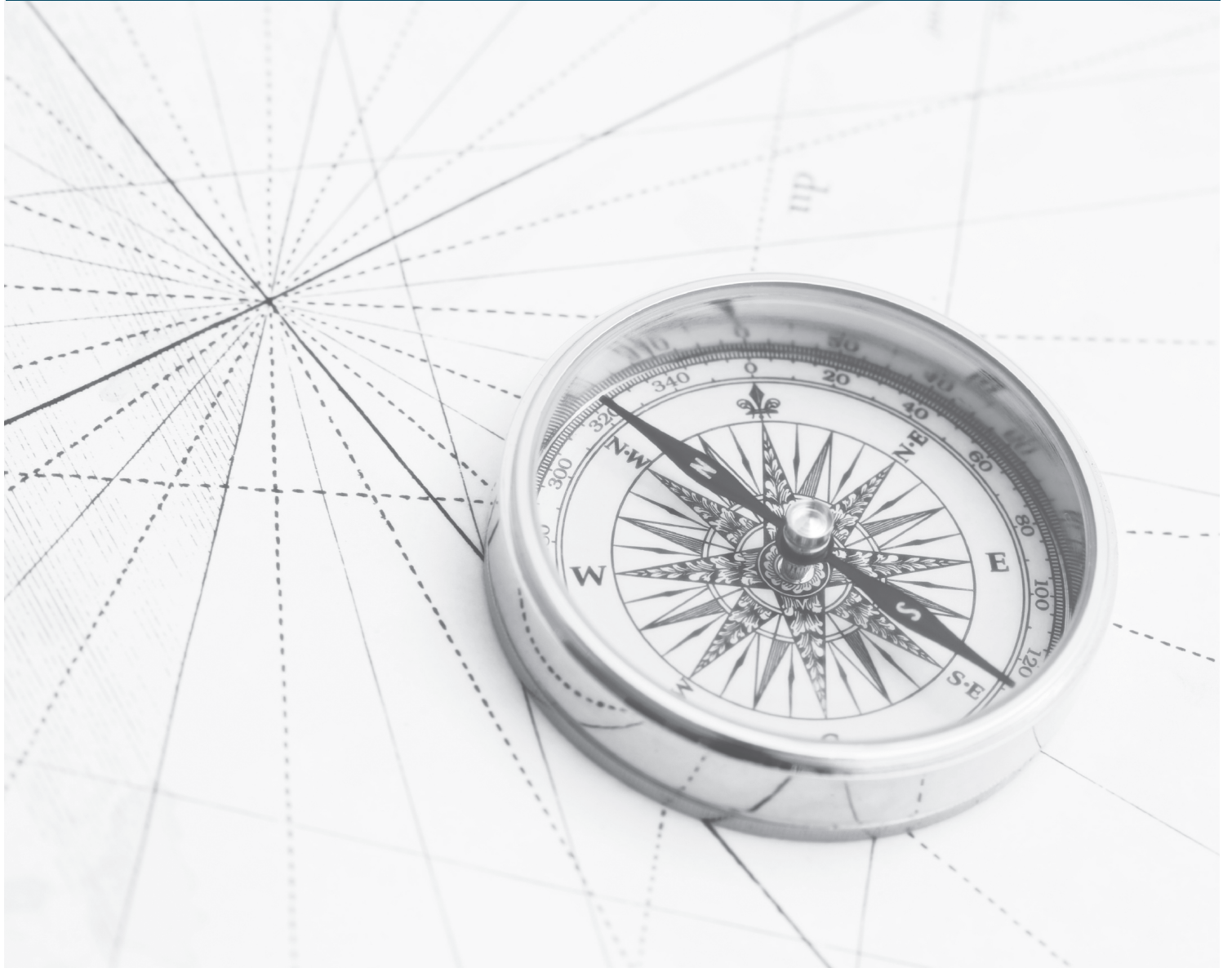
### NGM U.S. EQUITY ADVISOR FUND SERIES F AND SERIES D NGM CANADIAN EQUITY FUND SERIES F AND SERIES D

Fund Code	Fund Series	Trailer Fee	MER (incl. trailer fee)
370 (C\$) 371 (US\$)	U.S. Equity Advisor Fund Series F	N/A	0.70%
372 (C\$) 373 (US\$)	U.S. Equity Advisor Fund Series D	0.30%	1.00%
270	Canadian Equity Fund Series F	N/A	0.70%
272	Canadian Equity Fund Series D	0.30%	1.00%

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