



NORTH GROWTH  
MANAGEMENT



## MAY 2024 MONTHLY REPORT

JUNE 6, 2024



## Market and Fund Performance Update

In May, U.S. equities rallied sharply on better-than-expected earnings reports and ongoing optimism around artificial intelligence (AI). The S&P 500 booked its strongest May performance since 2009, and all the major indices gained as companies posted a record for share buybacks.

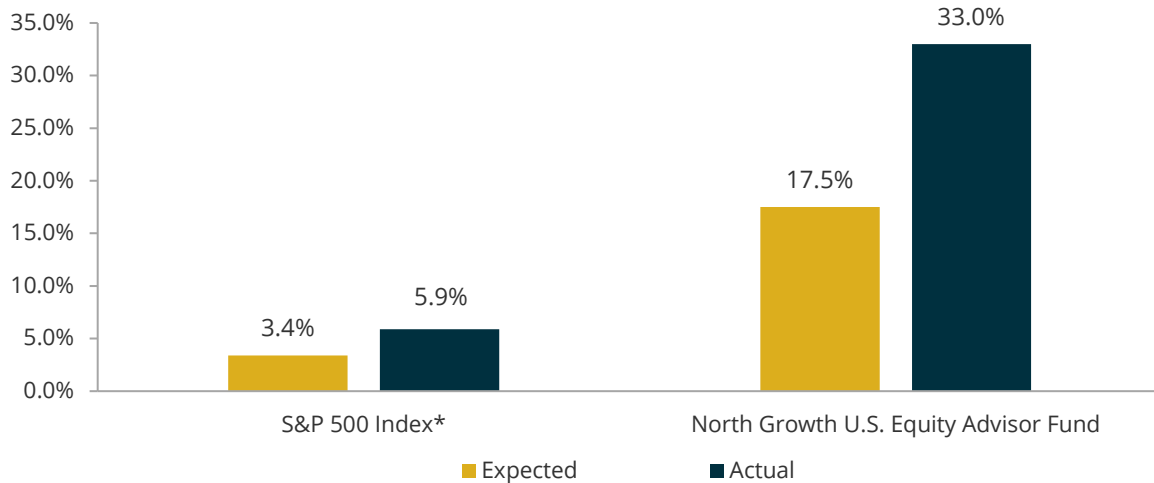
### FIRST QUARTER EARNINGS

With the earnings reporting season for the first quarter of 2024 coming to a close, many public companies have reported positive earnings and revenue surprises. Despite the market's concerns about a possible economic slowdown, analysts have increased their profit estimates in aggregate for the rest of year. For 2024, analysts project S&P 500 earnings to increase 11.3% over 2023.

As of May 31<sup>st</sup>, with 98% of S&P 500 companies having reported actual results, earnings for the index grew 5.9% in the January to March 2024 period while sales increased 4.2%. FactSet data indicates that 78% 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, Utilities, Information Technology, and Consumer Discretionary sectors. Conversely, the Energy, Health Care, and Materials sectors 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, 91% of the portfolio has reported, and 91% of the profit reports have exceeded analysts' estimates. Earnings on a weighted-average basis grew 33.0% over a year ago, ahead of estimates of a 17.5% increase. Notably, Nvidia and Abercrombie & Fitch each reported exceptionally high earnings growth in excess of 400% year-over-year, while SolarEdge Technologies delivered a particularly weak quarter in which last year's profits evaporated into losses.

### 1Q 2024 U.S. Earnings Growth Year-over-Year



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

Overall, the profit growth rate of the U.S. Equity Advisor Fund continues to compare favourably against that of the index. We are especially pleased that the Fund's superior earnings growth versus the S&P 500 coincides with its lower valuation multiple on a price/earnings (P/E) basis compared to the index. Currently, the Fund trades at less than 20 times trailing 12-month earnings whereas the S&P 500 is at a trailing P/E multiple of 25 (ref: Bloomberg).

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.

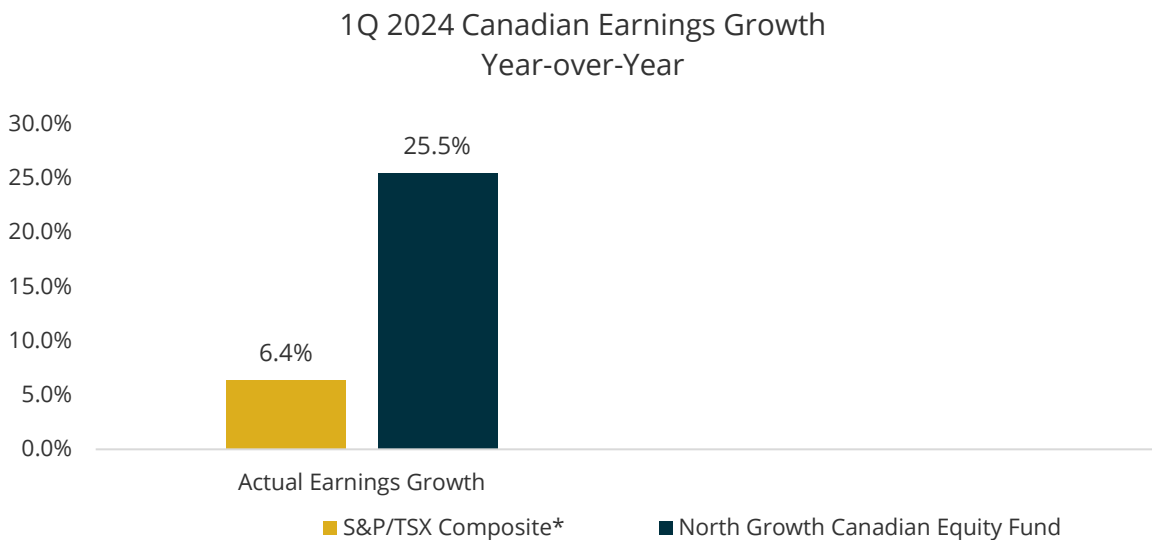
### U.S. EQUITY ADVISOR FUND, SERIES F

In May, the North Growth U.S. Equity Advisor Fund, Series F appreciated 7.0%. The Fund outperformed the S&P 500 which grew 5.0%, as well as the S&P 400 MidCap and S&P 600 SmallCap indices which increased 4.4% and 5.0% respectively. The Fund's monthly performance was in-line with the NASDAQ Composite which was also up 7.0%. Due to the weaker U.S. currency last month, in Canadian dollars, the Fund gained 6.1% versus the S&P 500's 4.1% return.

## CANADIAN EQUITY FUND, SERIES F

The North Growth Canadian Equity Fund, Series F, returned 4.6% compared to 2.8% for the S&P/TSX Composite in May.

We continue to maintain laser focus on our “Growth at a Reasonable Price” investment philosophy. With 89% of the portfolio having reported, first quarter earnings in the portfolio grew 25.5% compared to last year. In comparison, the S&P/TSX Composite earnings grew +6.4% over the same period.



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

## North Growth U.S. Equity Advisor Fund

### SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2024

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>6.14</b>	<b>2.27</b>	<b>21.56</b>	<b>15.65</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>6.11</b>	<b>2.19</b>	<b>21.38</b>	<b>15.51</b>
S&P 500 in \$CDN	4.13	4.42	16.83	14.76
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>6.98</b>	<b>1.77</b>	<b>21.07</b>	<b>12.17</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>6.96</b>	<b>1.69</b>	<b>20.89</b>	<b>12.03</b>
S&P 500 \$U.S.	4.96	3.91	16.35	11.30

### ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2024

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>NGM U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>26.85</b>	<b>6.51</b>	<b>13.52</b>	<b>12.90</b>	<b>13.86</b>
<b>NGM U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>26.47</b>	<b>6.19</b>	<b>13.19</b>	<b>12.54</b>	<b>13.44</b>
S&P 500 \$CDN	28.51	14.07	15.99	15.31	15.69
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>26.53</b>	<b>2.30</b>	<b>13.34</b>	<b>10.34</b>	<b>11.86</b>
<b>NGM U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>26.16</b>	<b>2.00</b>	<b>13.00</b>	<b>9.99</b>	<b>11.45</b>
S&P 500 \$U.S.	28.19	9.57	15.80	12.69	13.65

Source: Bloomberg "Total Return Analysis" as of May 31, 2024

\*Date of inception: October 23, 2009.

## North Growth Canadian Equity Fund

### SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2024

	1 Month	3 Months	6 Months	YTD
<b>NGM Canadian Equity Fund Series F</b>	<b>4.63</b>	<b>2.96</b>	<b>11.46</b>	<b>5.73</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>4.61</b>	<b>2.88</b>	<b>11.29</b>	<b>5.60</b>
S&P/TSX Composite Index	2.77	5.07	11.79	7.58

### ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED MAY 31, 2024

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus*
<b>NGM Canadian Equity Fund Series F</b>	<b>4.38</b>	<b>4.20</b>	<b>10.94</b>	<b>7.50</b>	<b>11.50</b>
<b>NGM Canadian Equity Fund Series D</b>	<b>4.07</b>	<b>3.89</b>	<b>10.61</b>	<b>7.15</b>	<b>10.91</b>
S&P/TSX Composite Index	17.55	7.35	10.14	7.53	8.92

Source: Bloomberg "Total Return Analysis" as of May 31, 2024

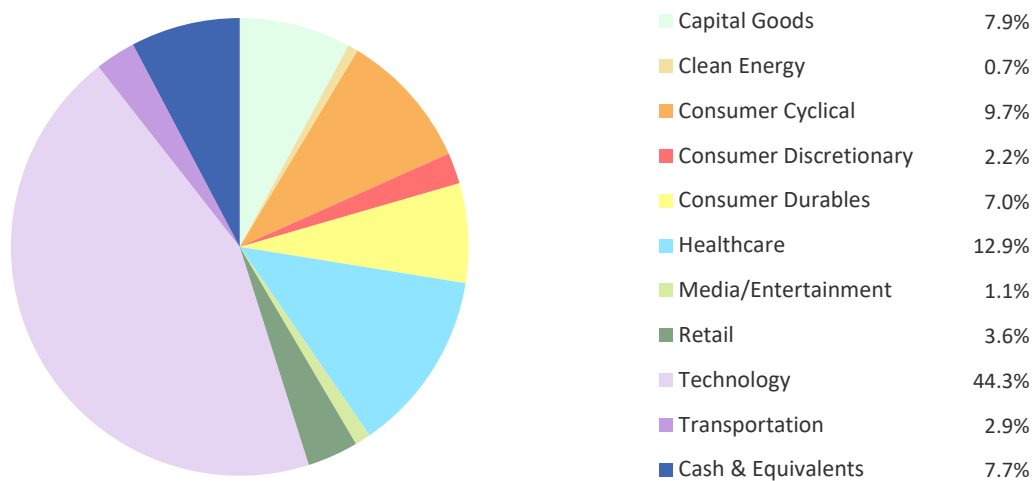
\* The S&P/TSX Composite Index since Prospectus return is calculated from the Series F date of prospectus inception, June 15, 2012. The Series D date of prospectus inception is June 29, 2012

## Equity Fund Holdings and Composition

### U.S. EQUITY ADVISOR FUND — TOP 10 HOLDINGS AS AT MAY 31, 2024

Ranking	Security	% of Net Assets
1	Applied Materials Inc.	6.41
2	Jabil Inc.	6.26
3	Ciena Corp.	4.66
4	Motorola Solutions Inc.	3.79
5	Coherent Corp.	3.63
6	Qualcomm Inc.	3.22
7	HP Inc.	3.19
8	Elevance Health, Inc.	2.76
9	Brinker International Inc.	2.74
10	Abercrombie & Fitch Co.	2.58
<b>Top 10</b>		<b>39.24</b>
<b>Total Equities</b>		<b>92.28</b>
<b>Cash</b>		<b>7.72</b>
<b>Total Assets</b>		<b>100.00</b>

### U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT MAY 31, 2024

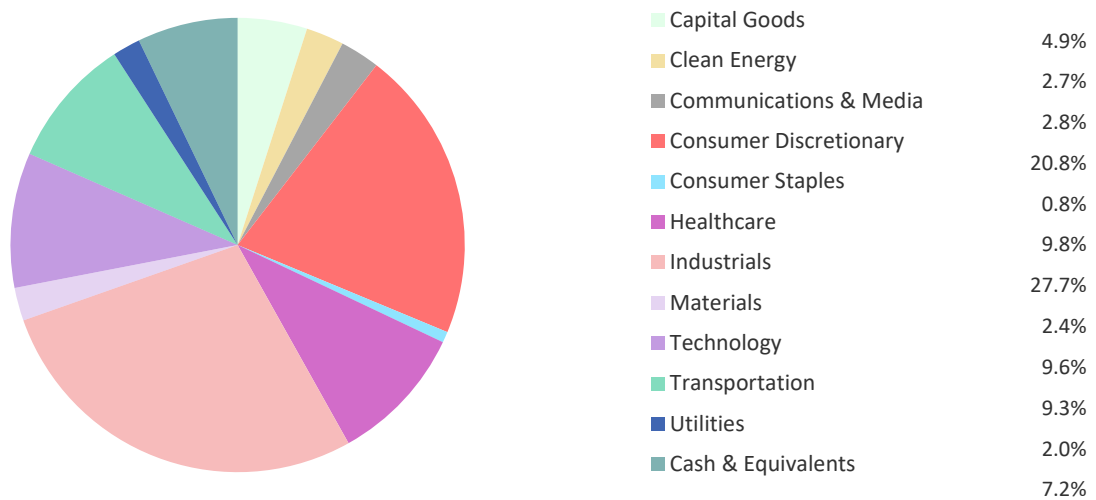




## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT MAY 31, 2024

Ranking	Security	% of Net Assets
1	Bombardier Inc., Class B	8.41
2	Heroux-Devtek Inc.	6.81
3	Leon's Furniture Ltd.	6.79
4	TFI International Inc.	6.11
5	Calian Group Ltd.	5.73
6	ATS Corporation	4.95
7	CAE Inc.	4.50
8	Aritzia Inc.	3.99
9	Knight Therapeutics Inc.	3.88
10	Open Text Corporation	3.79
<b>Top 10</b>		<b>54.96</b>
<b>Total Equities</b>		<b>92.84</b>
<b>Cash</b>		<b>7.16</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT MAY 31, 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

**Canadian Equity Fund**  
(only Canadian dollar investments)

**Series D** reference Fund Code **NGM 272**  
**Series F** reference Fund Code **NGM 270**

**U.S. Equity Advisor Fund**  
(for investments in Canadian dollars)

**Series D** reference Fund Code **NGM 372**  
**Series F** reference Fund Code **NGM 370**

**U.S. Equity Advisor Fund**  
(for investments in U.S. dollars)

**Series D** reference Fund Code **NGM 373**  
**Series F** reference Fund Code **NGM 371**

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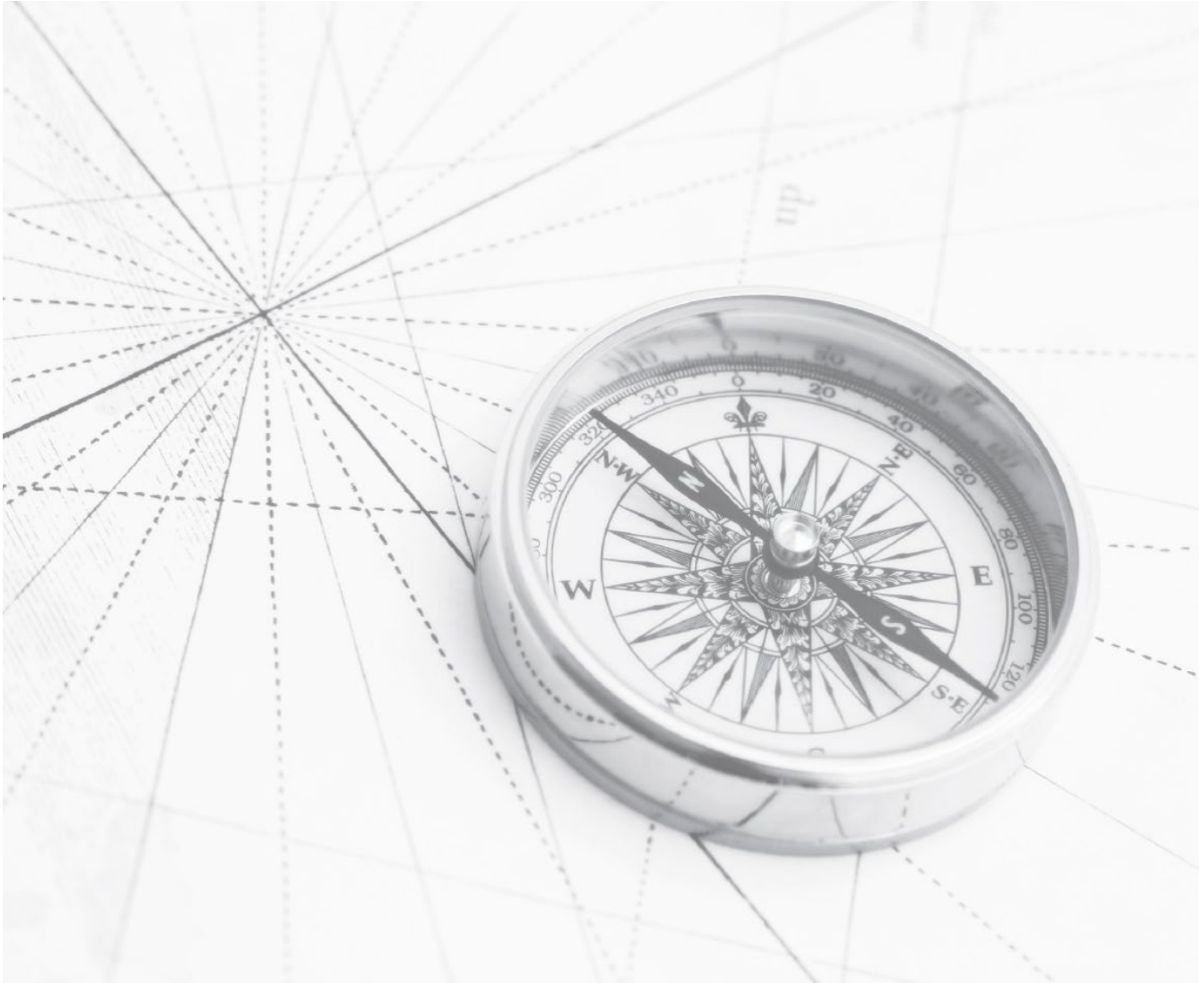
## A NOTE ON FORWARD-LOOKING STATEMENTS

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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