



NORTH GROWTH
MANAGEMENT



JULY 2024 MONTHLY REPORT

AUGUST 7, 2024

Market and Fund Performance Update

Volatility gripped U.S. equities in July. As bifurcation between S&P 500 performance and market breadth reached one of the worst levels in three decades at the end of June, the mega cap tech trade subsequently faltered last month. The NASDAQ Composite declined in July while small-cap stocks rallied strongly.

IS THERE A “GREAT ROTATION” UNDERWAY IN THE MARKET? NO

With the Russell 2000 index of small and midsize U.S. companies up 10% in July, news articles highlighted a great market rotation taking shape. However, July’s market action seemed to reflect a short-term reversion to laggard equities rather than a fundamental change in leadership.

What really drove July’s market were interest rate-sensitive stocks as unexpected declines in inflation readings fueled speculation of imminent rate cuts. Prospects of lower interest rates buoyed the industries that had underperformed significantly over the last twelve months. In July, regional banks surged 18.5% and homebuilder shares gained 17.6%.

IS THE U.S. ECONOMY IN A RECESSION? NO

Following the so-called “great rotation”, U.S. equities broadly declined in the early days of August as fears of an economic recession dictated global markets. Weak U.S. data in manufacturing and construction, along with a jobs report that showed a sharp slowdown in hiring, drove panic that the Fed will have waited too long to begin cutting rates. The narrative quickly shifted from “bad news is good news” to “bad news is bad news.”

Concerns about an economic slowdown are not necessarily invalid, but so far, there is virtually no evidence to suggest an economic implosion. Overall, the U.S. economy appears resilient, and the second-quarter reporting season has brought largely decent earnings results with most companies beating analysts’ forecasts. While business outlooks have been underwhelming, they are by no means dire.

...BUT WE MAY BE HEADING INTO A BEAR MARKET

The economy need not be in a recession for a bear market to materialize. Often, stocks are forward-looking, and the current market rout is a reflection of participants swiftly pricing in poor economic

conditions. Additionally, some whiff of weaker data may have led speculative bets to go awry and trigger a cascade of automated trades.

The U.S. stock market has been in a precarious state over the past year as market gains have been excessively concentrated in a few mega-cap technology names, so a selloff or downturn is not unwarranted. Moreover, volatility is likely to remain elevated against a fragile market, ongoing geopolitical tensions and a chaotic leadup to the U.S. election in November.

During these challenging times, we continue to adhere to our disciplined, long-term investment approach. We are focused on what we have been doing over the past decades—researching and investing in companies that meet our “Growth at a Reasonable Price” criteria. Volatility in the equity markets will provide opportunities for us to deploy some of the Funds’ cash as well as adjust the weightings of individual portfolio constituents based on company fundamentals and stock valuations. As always, we firmly believe that stock selection is the key to long-term outperformance.

U.S. EQUITY FUND

In July, the North Growth U.S. Equity Fund appreciated 0.7%. The Fund underperformed the S&P 500 which gained 1.2% and the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap indices which were up 5.8% and 10.8% respectively, but beat the NASDAQ Composite which declined -0.7%. A weaker Canadian currency against its U.S. counterpart boosted the Fund’s monthly return to 1.6% in Canadian dollars versus the S&P 500’s 2.1% Canadian-dollar return.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, returned 6.7% compared to 5.9% for the S&P/TSX Composite Index in July. On July 11th, the Fund’s second largest holding, Heroux-Devtek, an aircraft landing gear manufacturer based in Quebec, announced a transaction to be taken private. It was one amongst a series of transactions announced over the last few months that involved Canadian small- or mid-cap companies being acquired or taken private.

We continue to maintain laser focus on our "Growth at a Reasonable Price" investment philosophy which guides our stock picking and has helped us generate long-term outperformance. The team views any pullbacks in the market as opportunities to add to and/or upgrade the portfolio.

North Growth U.S. Equity Fund

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

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	1.62	8.70	14.85	18.20
S&P 500 in \$CDN	2.12	10.55	18.30	21.84
North Growth U.S. Equity Fund \$U.S.	0.72	8.20	11.42	13.21
S&P 500 \$U.S.	1.22	10.05	14.77	16.70
S&P 400 MidCap \$U.S.	5.81	8.70	14.28	12.33
S&P 600 SmallCap \$U.S.	10.80	13.73	14.51	9.99
NASDAQ Composite \$U.S.	-0.73	12.61	16.49	17.71

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	19.32	5.31	12.09	12.94	14.22	10.24	12.65
S&P 500 \$CDN	28.01	13.41	16.13	15.86	16.26	10.75	11.02
North Growth U.S. Equity Fund \$U.S.	13.86	1.76	11.00	10.31	12.34	10.03	12.28
S&P 500 \$U.S.	22.15	9.60	15.00	13.15	14.35	10.54	10.65
S&P 400 MidCap \$U.S.	15.41	6.33	11.26	10.24	12.96	10.39	11.80
S&P 600 SmallCap \$U.S.	14.10	4.04	10.05	9.97	12.67	9.96	11.11
NASDAQ Composite \$U.S.	23.68	7.12	17.56	16.14	16.95	13.04	11.35*

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

* This return is a simple price appreciation because total return data is not available on Bloomberg.

The inception of the Fund: October 13, 1992.

	July 31, 2024
Unit Price	\$ 61.58 CDN / \$ 44.59 US
Total Assets in Fund	\$ 692.5 Million CDN

North Growth Canadian Equity Fund, Series N

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

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	6.68	13.31	13.44	14.39
S&P/TSX Composite Index	5.87	7.26	11.67	12.28

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
North Growth Canadian Equity Fund, Series N	10.58	3.56	11.45	7.97	11.84
S&P/TSX Composite Index	15.73	7.72	10.46	7.41	9.18

Source: Bloomberg "Total Return Analysis" as of July 31, 2024
The prospectus inception of the Fund: June 15, 2012.

	July 31, 2024
Unit Price	\$ 26.82 CDN
Total Assets in Fund	\$ 54.6 Million CDN

North Growth Canadian Money Market Fund

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

	Current Yield*	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	4.53	4.93	3.10	2.12	1.51	1.24
30 Day Treasury Bill	N/A	5.10	3.15	2.15	1.51	1.26

* 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.

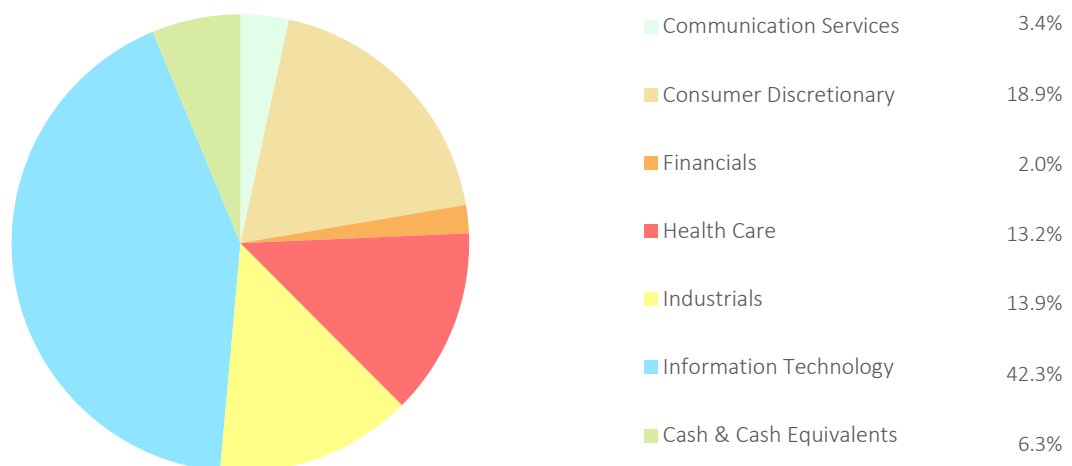
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT JULY 31, 2024

Ranking	Security	% of Net Assets
1	Applied Materials Inc.	6.40
2	Jabil Inc.	6.01
3	Ciena Corp.	5.16
4	Motorola Solutions Inc.	4.19
5	Coherent Corp.	3.97
6	HP Inc.	3.19
7	Qualcomm Inc.	2.88
8	Elevance Health, Inc.	2.76
9	Brinker International Inc.	2.61
10	Jacobs Solutions Inc.	2.50
Top 10		39.67
Total Equities		93.75
Cash		6.25
Total Assets		100.00

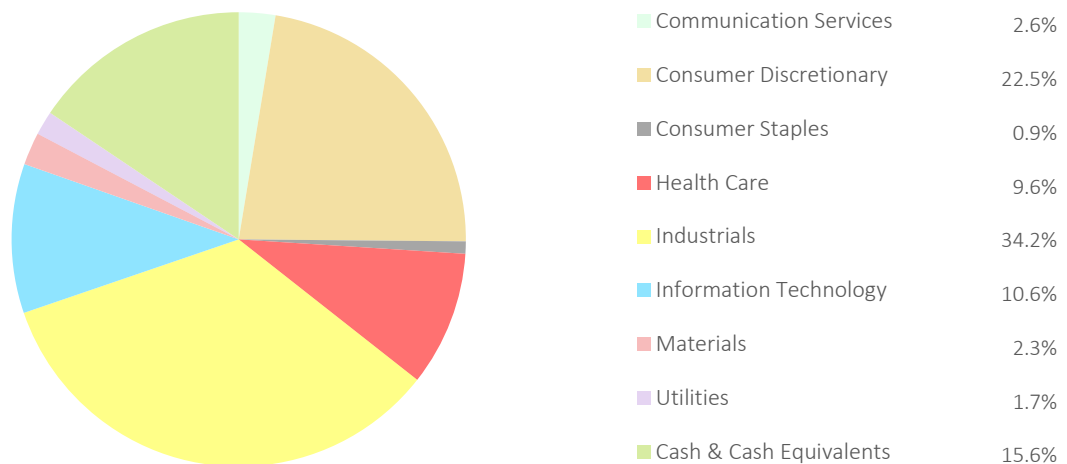
U.S. EQUITY FUND — SECTOR MIX AS AT JULY 31, 2024



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

Ranking	Security	% of Net Assets
1	Bombardier Inc., Class B	7.91
2	Leon's Furniture Ltd.	7.89
3	TFI International Inc.	6.75
4	Calian Group Ltd.	5.41
5	Aritzia Inc.	4.92
6	ATS Corporation	4.38
7	CAE Inc.	3.95
8	Open Text Corporation	3.84
9	Constellation Software Inc.	3.35
10	Knight Therapeutics Inc.	3.02
Top 10		51.42
Total Equities		84.41
Cash		15.59
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT JULY 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.

CONDUCTING TRANSACTIONS

The settlement cycles in the Canadian and U.S. securities industries have been shortened from trade date plus two business days to trade date plus one business day (“T+1”). Accordingly, the settlement cycles for the North Growth Funds have also changed to T+1.

To accommodate these shorter settlement cycles, the cut-off time for same-day equity fund transactions is two hours before the applicable market closes, normally 2 p.m. Eastern Time or 11 a.m. Pacific Time, and for same-day Money Market Fund redemptions is 1 p.m. Eastern Time or 10 a.m. Pacific Time. However, redemption requests for amounts equal to or greater than 10% of the Fund’s net asset value require five business days notice. 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 applicable 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 Funds’ daily prices or to be added to our e-mail list to receive daily notification of the Funds’ prices.

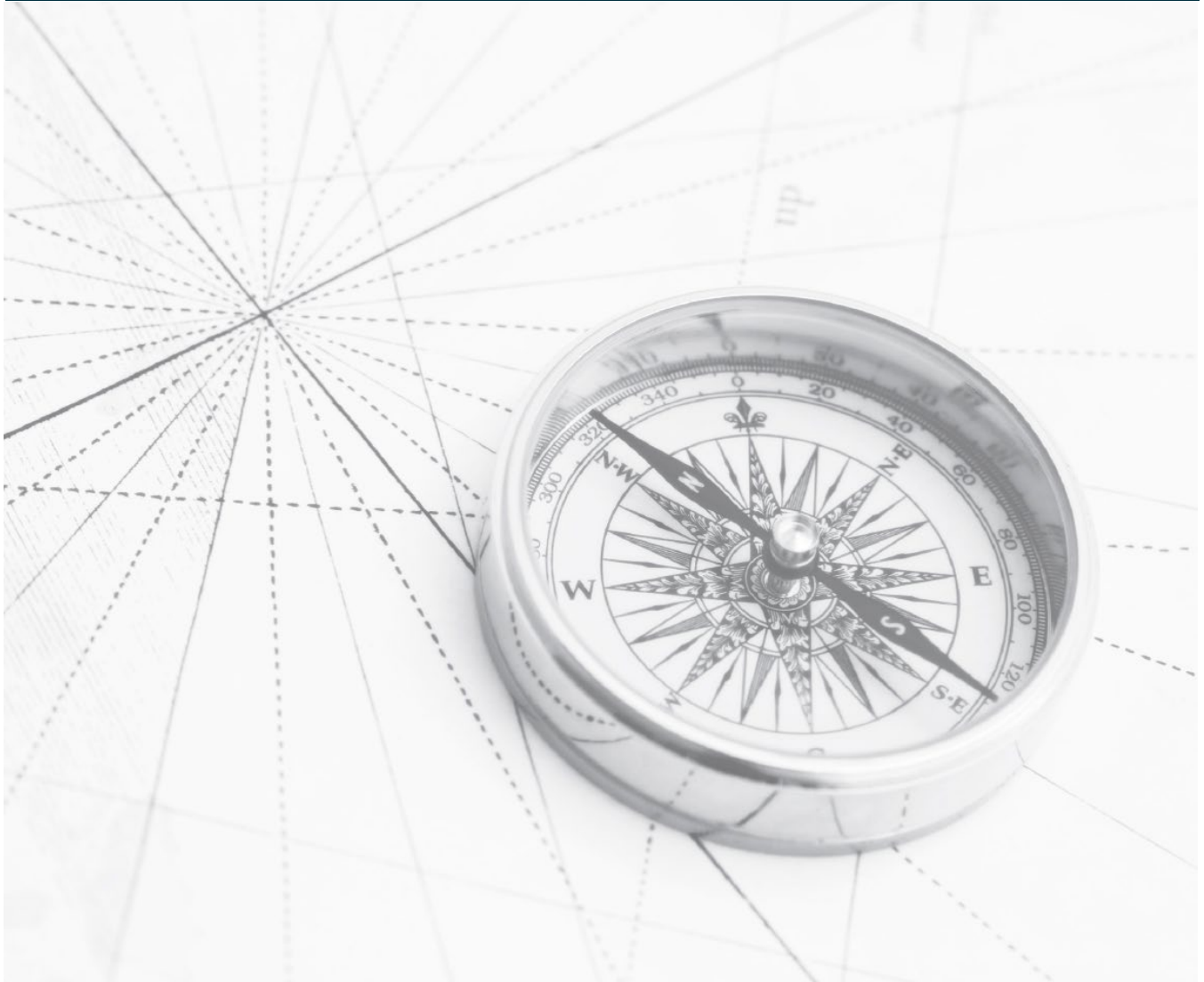


A NOTE ON FORWARD-LOOKING STATEMENTS

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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