



NORTH GROWTH
MANAGEMENT



AUGUST 2024 MONTHLY REPORT

SEPTEMBER 6, 2024

Market and Fund Performance Update

After suffering a steep sell-off at the beginning of the month, U.S. equities recovered to close August with gains. Consumer staples, real estate, and health care were the winning sectors as the markets waffled between an impending economic downturn versus a more sanguine outlook of lower inflation and economic growth.

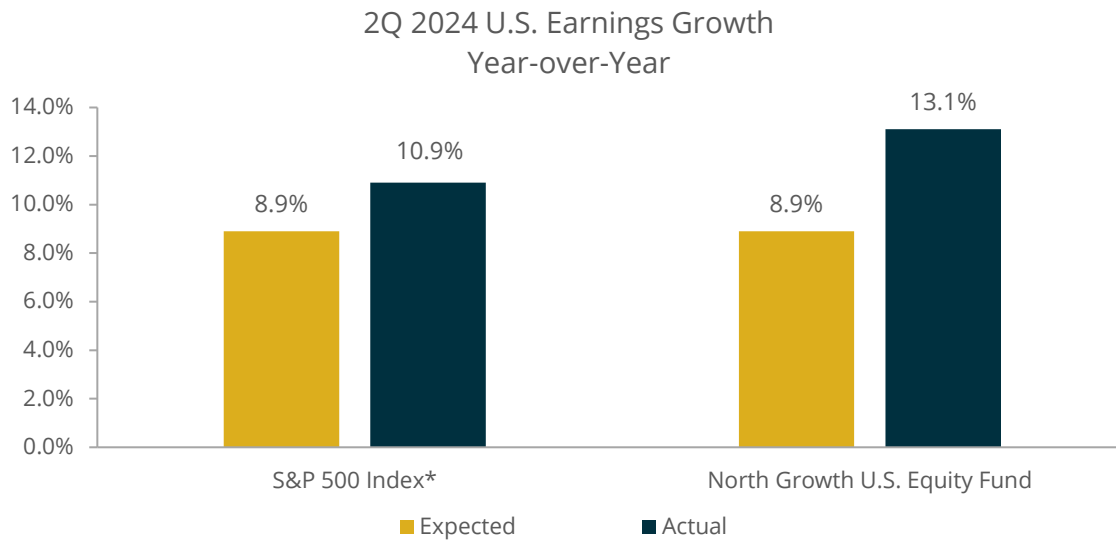
SECOND QUARTER EARNINGS

A strong second-quarter earnings reporting season is wrapping up. Corporate earnings for the S&P 500 during the period grew at the highest year-over-year rate since the fourth quarter of 2021. However, despite reporting better-than-expected earnings results, companies gave muted business outlooks, and in aggregate, earnings guidance has been underwhelming.

Mixed economic data, combined with the uncertainty of the upcoming U.S. presidential election and by extension government policy, form a murky backdrop. In addition to ongoing geopolitical conflicts, the overall business environment remains highly unclear.

The North Growth U.S. Equity Fund delivered another solid quarter. With almost 95% of the portfolio having reported to date, earnings on a weighted-average basis expanded 13.1% over a year ago, beating estimates of 8.9% growth. Furthermore, 79% of the portfolio's earnings results so far have exceeded analysts' forecasts.

As of August 30th, with 93% of the companies in the S&P 500 having reported results, earnings during the quarter advanced 10.9% year-over-year while sales grew 5.2%. According to FactSet, 79% of reporting companies posted positive earnings surprises. Nine of the index's eleven sectors reported year-over-year earnings growth, led by Utilities, Information Technology and Financials. Conversely, two sectors reported a year-over-year decline in profits: Materials and Industrials.



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

The U.S. Equity Fund's earnings profile continues to compare favourably against that of the S&P 500. It is, however, also more macro-economically sensitive than that of the index. We are especially pleased that the Fund's higher earnings growth versus the S&P 500 coincides with its lower valuation multiple on a price/earnings (P/E) basis. Currently, the U.S. Fund trades at 19 times trailing 12-month earnings whereas the S&P 500 index is at a trailing P/E multiple of 24 (ref: Bloomberg).

The extreme bifurcation of the equity markets continues to offer compelling long-term investment opportunities, and we remain laser-focused on individual stock analysis that adheres to our "Growth at a Reasonable Price" philosophy. As always, we engage in active stock selection as opposed to macro-driven investment decisions.

TAX INFORMATION UPDATE

This year, Friday, December 13th, is the distribution date for both the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund.

At this time, we do not anticipate that there will be an annual capital gains distribution for the U.S. Equity Fund. Our preliminary estimate is that the distribution for the Canadian Equity Fund will be between 1% and 5% of its respective unit price.

Due to a number of factors beyond our control, the current estimates for the distributions may change materially over the next few months. We will continue updating our projections in subsequent monthly reports.

U.S. EQUITY FUND

In August, the North Growth U.S. Equity Fund gained 1.0%. The Fund underperformed the S&P 500 which increased 2.4%, but beat the NASDAQ Composite which was up 0.7% and the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap indices which declined -0.1% and -1.4% respectively. A strengthening of the Canadian currency against its U.S. counterpart last month lowered the Fund's return in Canadian dollars to -1.3% versus the S&P 500's 0.1% Canadian-dollar monthly return.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, declined -3.0% whereas the S&P/TSX Composite Index gained 1.2% during August.

With 93% of the portfolio having reported, second quarter earnings in the portfolio grew 14.2% compared to last year. In comparison, the S&P/TSX Composite earnings contracted -9.3% over the same period. A laser focus on our "Growth at a Reasonable Price" investment philosophy helps us take advantage of opportunities where we see a dislocation between fundamentals and valuations.



* Source for S&P TSX Composite Index: Bloomberg

NORTH GROWTH U.S. EQUITY FUND

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

	1 Month	3 Months	6 Months	YTD
North Growth U.S. Equity Fund \$CDN	-1.31	1.09	3.26	16.65
S&P 500 in \$CDN	0.07	6.24	10.94	21.92
North Growth U.S. Equity Fund \$U.S.	1.02	2.19	3.87	14.36
S&P 500 \$U.S.	2.43	7.39	11.59	19.53
S&P 400 MidCap \$U.S.	-0.08	4.05	7.79	12.24
S&P 600 SmallCap \$U.S.	-1.44	6.71	9.23	8.41
NASDAQ Composite \$U.S.	0.74	6.04	10.48	18.58

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
North Growth U.S. Equity Fund \$CDN	17.41	4.44	12.41	12.16	13.86	10.31	12.57
S&P 500 \$CDN	26.76	11.85	16.26	15.44	15.86	10.80	10.99
North Growth U.S. Equity Fund \$U.S.	17.76	2.13	12.08	9.76	12.29	10.16	12.28
S&P 500 \$U.S.	27.14	9.38	15.92	12.98	14.26	10.65	10.71
S&P 400 MidCap \$U.S.	18.75	5.62	12.20	9.68	12.63	10.40	11.77
S&P 600 SmallCap \$U.S.	17.31	2.85	10.75	9.35	12.39	9.93	11.03
NASDAQ Composite \$U.S.	27.20	5.96	18.32	15.65	16.88	13.23	11.34*

Source: Bloomberg "Total Return Analysis" as of August 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.

	August 31, 2024
Unit Price	\$ 60.77 CDN / \$ 45.04 US
Total Assets in Fund	\$ 682.7 Million CDN

North Growth Canadian Equity Fund, Series N

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

	1 Month	3 Months	6 Months	YTD
North Growth Canadian Equity Fund, Series N	-3.02	5.05	8.08	10.93
S&P/TSX Composite Index	1.22	5.65	11.01	13.65

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
North Growth Canadian Equity Fund, Series N	11.60	1.00	11.33	7.70	11.47
S&P/TSX Composite Index	18.77	7.58	10.63	7.32	9.22

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

	August 31, 2024
Unit Price	\$ 26.01 CDN
Total Assets in Fund	\$ 46.9 Million CDN

North Growth Canadian Money Market Fund

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

	Current Yield*	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
North Growth Canadian Money Market Fund	4.35	4.88	3.22	2.16	1.54	1.26
30 Day Treasury Bill	N/A	5.06	3.27	2.20	1.54	1.28

** 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.

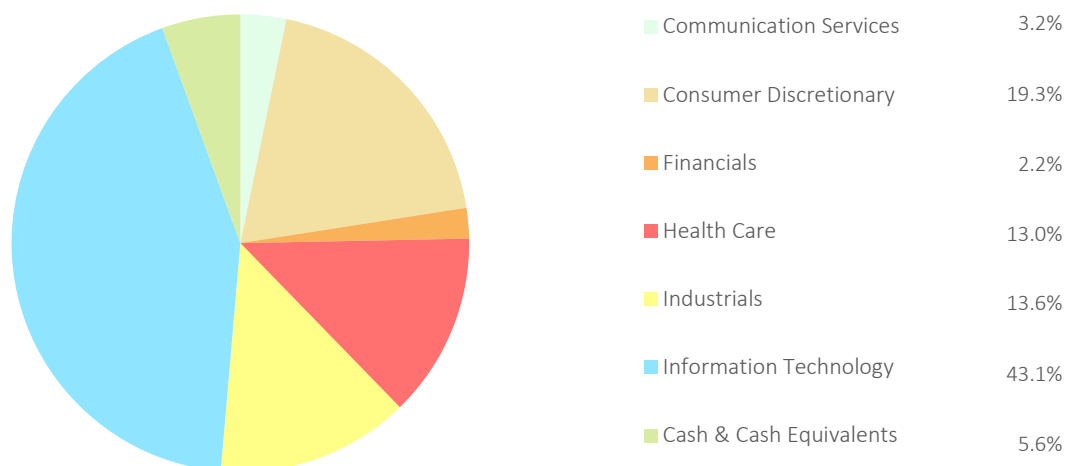
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

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

Ranking	Security	% of Net Assets
1	Applied Materials Inc.	5.89
2	Jabil Inc.	5.76
3	Ciena Corp.	5.58
4	Motorola Solutions Inc.	4.60
5	Coherent Corp.	4.39
6	HP Inc.	3.17
7	Elevance Health, Inc.	2.86
8	Brinker International Inc.	2.77
9	Qualcomm Inc.	2.76
10	Jacobs Solutions Inc.	2.56
Top 10		40.34
Total Equities		94.45
Cash		5.55
Total Assets		100.00

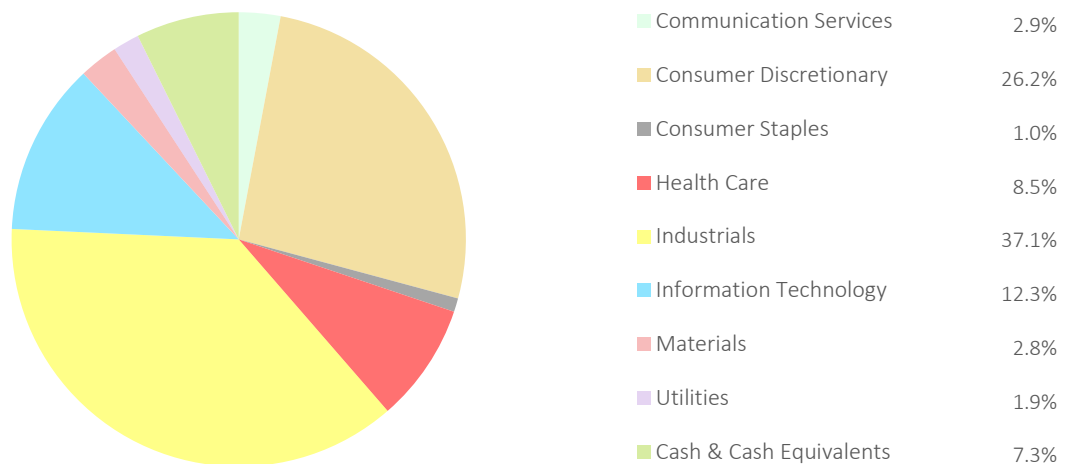
U.S. EQUITY FUND — SECTOR MIX AS AT AUGUST 31, 2024



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

Ranking	Security	% of Net Assets
1	Leon's Furniture Ltd.	9.52
2	Bombardier Inc., Class B	9.16
3	TFI International Inc.	7.30
4	Aritzia Inc.	5.83
5	ATS Corporation	4.83
6	Calian Group Ltd.	4.61
7	CAE Inc.	4.42
8	Open Text Corporation	4.41
9	Constellation Software Inc.	3.96
10	Zymeworks Inc.	3.27
Top 10		57.31
Total Equities		92.67
Cash		7.33
Total Assets		100.00

CANADIAN EQUITY FUND — SECTOR MIX AS AT AUGUST 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.

Please contact:

Marcus Vander Leek, CFA

Director of Business Development and Client Service

Email: marcus@northgrowth.com

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.

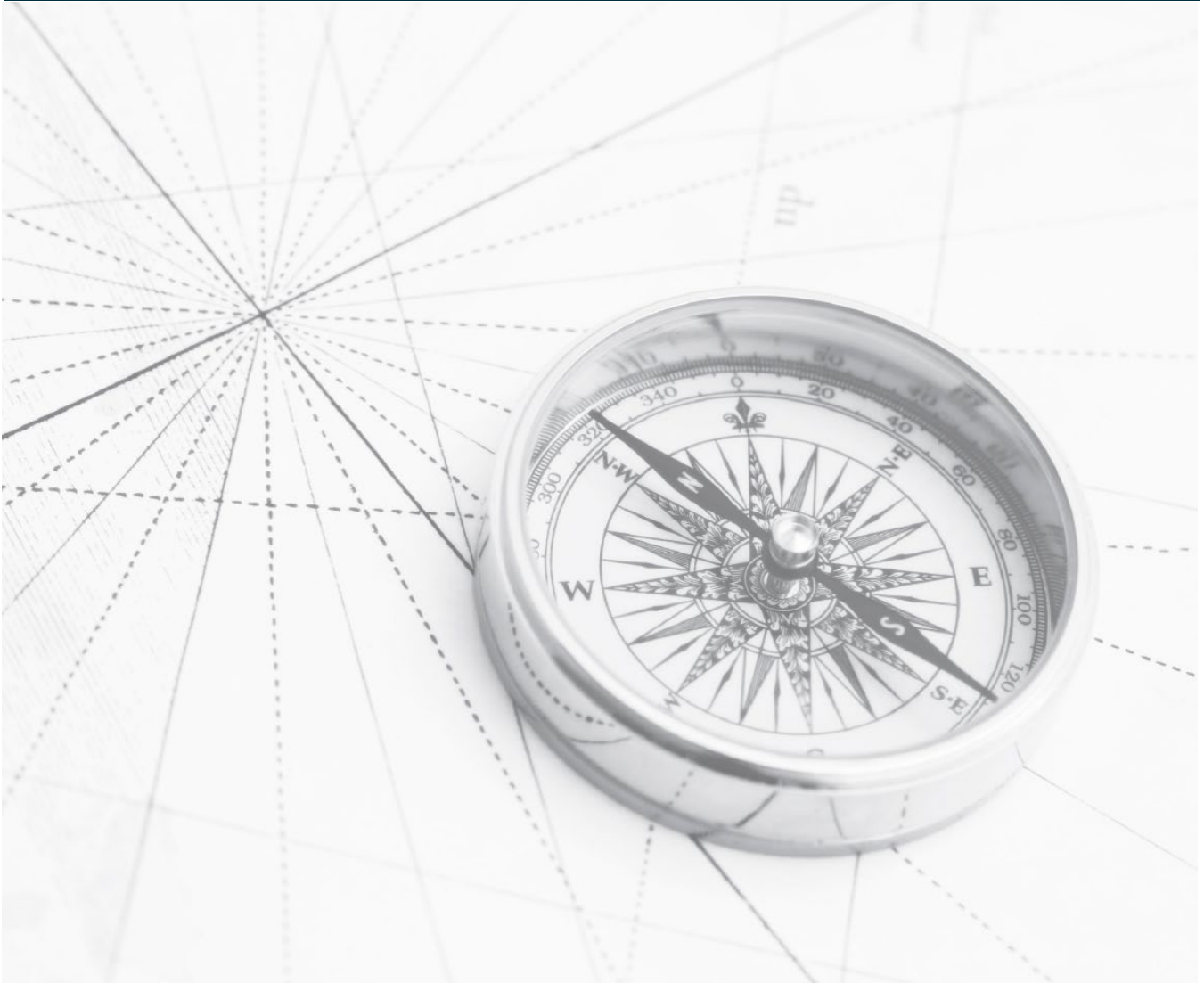


A NOTE ON FORWARD-LOOKING STATEMENTS

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.



NORTH GROWTH
MANAGEMENT



Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

T: 604-688-5440
F: 604-688-5402
info@northgrowth.com

northgrowth.com