



NORTH GROWTH
MANAGEMENT



JANUARY 2025 MONTHLY REPORT

FEBRUARY 12, 2025

Market and Fund Performance Update

The S&P 500 got off to a strong start in 2025. With the fourth quarter earnings reporting season in full swing, the financial markets are reacting to specific corporate results. Overall, the markets are especially fixated on the widely telegraphed U.S. tariffs and the risk of looming trade wars.

OUR VIEW

Bifurcation was a predominant feature of 2024. Last year, the U.S. stock market became evermore concentrated as the rally continued to be driven by the Magnificent Seven—Nvidia, Tesla, Microsoft, Amazon, Apple, Alphabet (Google) and Meta (Facebook). The U.S. economy was similarly powered by the largest American companies and high-income American consumers. Small-cap shares underperformed the S&P 500 index; small and midsize businesses which employ the majority of American workers along with low-income consumers continued to struggle with inflation which remained sticky for most of the year.

As we stated in our recently published Annual Report, given continued uncertainty over the global economy and geopolitical events, we expect elevated market volatility in 2025. We continue to actively look for and research investment opportunities amid the volatility. Opportunities abound given the limited stock market breadth and extreme concentration of market returns over the past years. However, our outlook for U.S. stocks is biased toward caution after two strong years of S&P 500 returns supported by narrow market leadership.

As always, we remain focused on individual stock analysis that adheres to our “Growth at a Reasonable Price” investment philosophy. We engage in active stock selection as opposed to macro-driven investment decisions.

U.S. EQUITY FUND

In January, the North Growth U.S. Equity Fund gained 3.4%. The Fund outperformed all the indices we regularly follow except for the S&P 400 MidCap which increased 3.9%. For the month, the S&P 500 was up 2.8%, the S&P 600 SmallCap appreciated 2.9%, and the NASDAQ Composite advanced 1.7%. A weaker Canadian currency boosted the Fund’s January return to 4.1% in Canadian dollars versus the S&P 500’s 3.5% Canadian-dollar monthly return.

CANADIAN EQUITY FUND, SERIES N

The North Growth Canadian Equity Fund, Series N, declined -0.6% compared to a return of 3.5% for the S&P/TSX Composite Index during January.

As we highlighted in our Annual Report, we expect 2025 to be a volatile year for Canadian equities. The market will over-react as it usually does, but volatility brings about opportunity. We are not day traders, but long-term investors. As famous investor, Warren Buffett, once said, "The stock market is a device for transferring money from the impatient to the patient."

We remain focused 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 or upgrade the portfolio.

T3, T5008, T4RIF AND T4RSP TAX SLIPS

We are in the process of generating T3, T5008, T4RIF and T4RSP slips for the 2024 tax year. We plan on mailing these out on or before February 19th. Please contact our CFO, Rachid Nayel, rachid@northgrowth.com if you do not receive your tax slips by March 3rd.

RRSP AND TFSA REMINDER

We are in RRSP season. The deadline for contributions for the 2024 tax year is Monday, March 3rd. As a reminder, North Growth Management offers both in-house RSP and RIF accounts free of any additional fees.

We also offer in-house TFSA accounts free of any additional fees. The TFSA contribution limit for 2025 is \$7,000. If you have never contributed to a TFSA and have been eligible since its introduction in 2009, your cumulative contribution room will be \$102,000 in 2025.

Please contact our Director of Business Development and Client Service, Marcus Vander Leek, marcus@northgrowth.com, if you have any questions or would like to make a contribution.

North Growth U.S. Equity Fund

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED JANUARY 31, 2025

| | 1 Month | 3 Months | 6 Months | YTD |
|---|-------------|--------------|--------------|-------------|
| North Growth U.S. Equity Fund \$CDN | 4.08 | 13.61 | 16.85 | 4.08 |
| S&P 500 in \$CDN | 3.46 | 10.56 | 15.50 | 3.46 |
| North Growth U.S. Equity Fund \$U.S. | 3.40 | 9.15 | 11.40 | 3.40 |
| S&P 500 \$U.S. | 2.78 | 6.22 | 10.12 | 2.78 |
| S&P 400 MidCap \$U.S. | 3.85 | 4.95 | 5.33 | 3.85 |
| S&P 600 SmallCap \$U.S. | 2.91 | 5.09 | 1.70 | 2.91 |
| NASDAQ Composite \$U.S. | 1.66 | 8.67 | 11.93 | 1.66 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED JANUARY 31, 2025

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | Since Inception |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| North Growth U.S. Equity Fund \$CDN | 34.20 | 12.47 | 14.66 | 12.85 | 14.65 | 10.57 | 12.98 |
| S&P 500 \$CDN | 36.63 | 16.86 | 17.26 | 15.25 | 16.71 | 11.50 | 11.33 |
| North Growth U.S. Equity Fund \$U.S. | 24.13 | 7.70 | 12.61 | 11.38 | 12.36 | 9.72 | 12.45 |
| S&P 500 \$U.S. | 26.38 | 11.91 | 15.17 | 13.76 | 14.37 | 10.64 | 10.81 |
| S&P 400 MidCap \$U.S. | 20.37 | 8.88 | 11.76 | 10.22 | 12.45 | 10.04 | 11.79 |
| S&P 600 SmallCap \$U.S. | 16.46 | 5.51 | 9.87 | 9.66 | 12.13 | 9.27 | 10.99 |
| NASDAQ Composite \$U.S. | 30.39 | 12.21 | 17.43 | 16.68 | 17.15 | 13.10 | 11.54* |

Source: Bloomberg "Total Return Analysis" as of January 31, 2025

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

The inception of the Fund: October 13, 1992.

| | |
|----------------------|----------------------------|
| | January 31, 2025 |
| Unit Price | \$ 71.74 CDN / \$ 49.53 US |
| Total Assets in Fund | \$ 782.4 Million CDN |

North Growth Canadian Equity Fund, Series N

SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED JANUARY 31, 2025

| | 1 Month | 3 Months | 6 Months | YTD |
|--|--------------|-------------|-------------|--------------|
| North Growth Canadian Equity Fund, Series N | -0.57 | 2.77 | 0.57 | -0.57 |
| S&P/TSX Composite Index | 3.48 | 6.47 | 12.11 | 3.48 |

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED JANUARY 31, 2025

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Prospectus |
|--|--------------|-------------|-------------|-------------|------------------|
| North Growth Canadian Equity Fund, Series N | 14.09 | 3.83 | 8.32 | 8.09 | 11.39 |
| S&P/TSX Composite Index | 25.19 | 9.97 | 11.45 | 8.99 | 9.79 |

Source: Bloomberg "Total Return Analysis" as of January 31, 2025
The prospectus inception of the Fund: June 15, 2012.

| | |
|----------------------|---------------------|
| | January 31, 2025 |
| Unit Price | \$ 26.21 CDN |
| Total Assets in Fund | \$ 45.8 Million CDN |

North Growth Canadian Money Market Fund

ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED JANUARY 31, 2025

| | Current Yield* | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs |
|--|----------------|-------------|-------------|-------------|-------------|-------------|
| North Growth Canadian Money Market Fund | 3.12 | 4.32 | 3.73 | 2.33 | 1.65 | 1.36 |
| 30 Day Treasury Bill | N/A | 4.53 | 3.80 | 2.38 | 1.66 | 1.38 |

** 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.

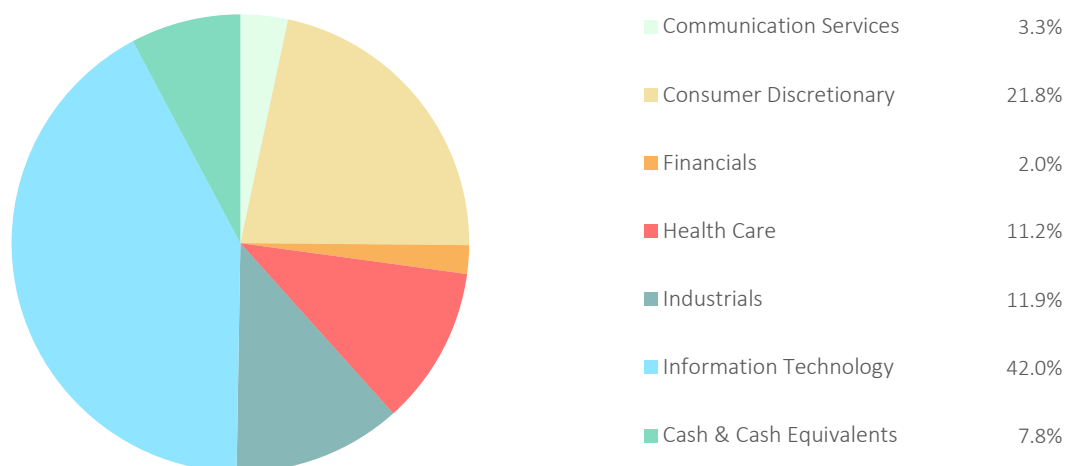
The current yield quoted above is net of the management fee.

Equity Fund Holdings and Composition

U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT JANUARY 31, 2025

| Ranking | Security | % of Net Assets |
|-----------------------|----------------------------------|-----------------|
| 1 | Jabil Inc. | 7.39 |
| 2 | Ciena Corp. | 6.37 |
| 3 | Brinker International Inc. | 4.90 |
| 4 | Applied Materials Inc. | 4.47 |
| 5 | Coherent Corp. | 4.20 |
| 6 | Motorola Solutions Inc. | 4.03 |
| 7 | Lumentum Holdings Inc. | 3.14 |
| 8 | Tapestry Inc. | 2.87 |
| 9 | Booking Holdings Inc. | 2.74 |
| 10 | Tempur Sealy International, Inc. | 2.72 |
| Top 10 | | 42.83 |
| Total Equities | | 92.21 |
| Cash | | 7.79 |
| Total Assets | | 100.00 |

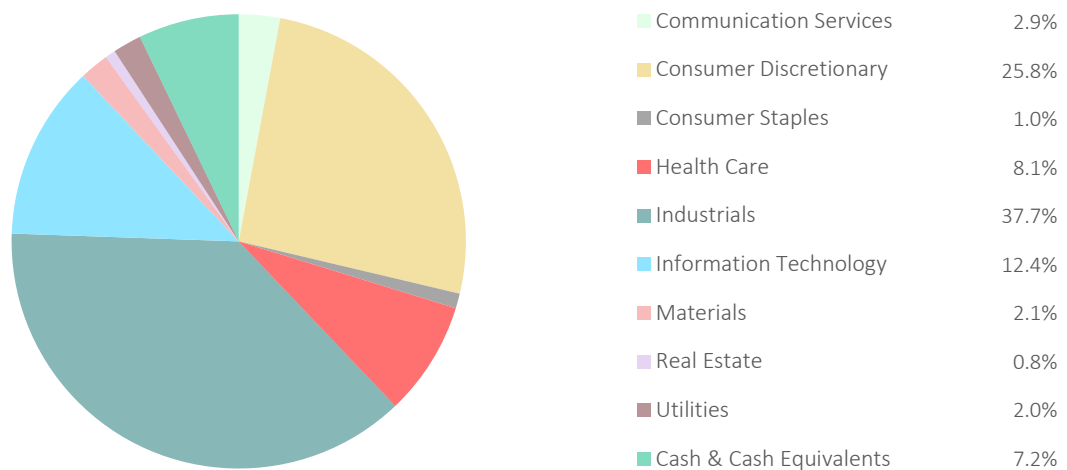
U.S. EQUITY FUND — SECTOR MIX AS AT JANUARY 31, 2025



CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT JANUARY 31, 2025

| Ranking | Security | % of Net Assets |
|-----------------------|-----------------------------|-----------------|
| 1 | Bombardier Inc., Class B | 8.23 |
| 2 | Leon's Furniture Ltd. | 7.47 |
| 3 | Aritzia Inc. | 7.35 |
| 4 | TFI International Inc. | 7.17 |
| 5 | ATS Corporation | 5.36 |
| 6 | Zymeworks Inc. | 4.47 |
| 7 | Constellation Software Inc. | 4.36 |
| 8 | CAE Inc. | 4.33 |
| 9 | Open Text Corporation | 4.22 |
| 10 | Bird Construction Inc. | 4.10 |
| Top 10 | | 57.06 |
| Total Equities | | 92.83 |
| Cash | | 7.17 |
| Total Assets | | 100.00 |

CANADIAN EQUITY FUND — SECTOR MIX AS AT JANUARY 31, 2025



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:

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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.

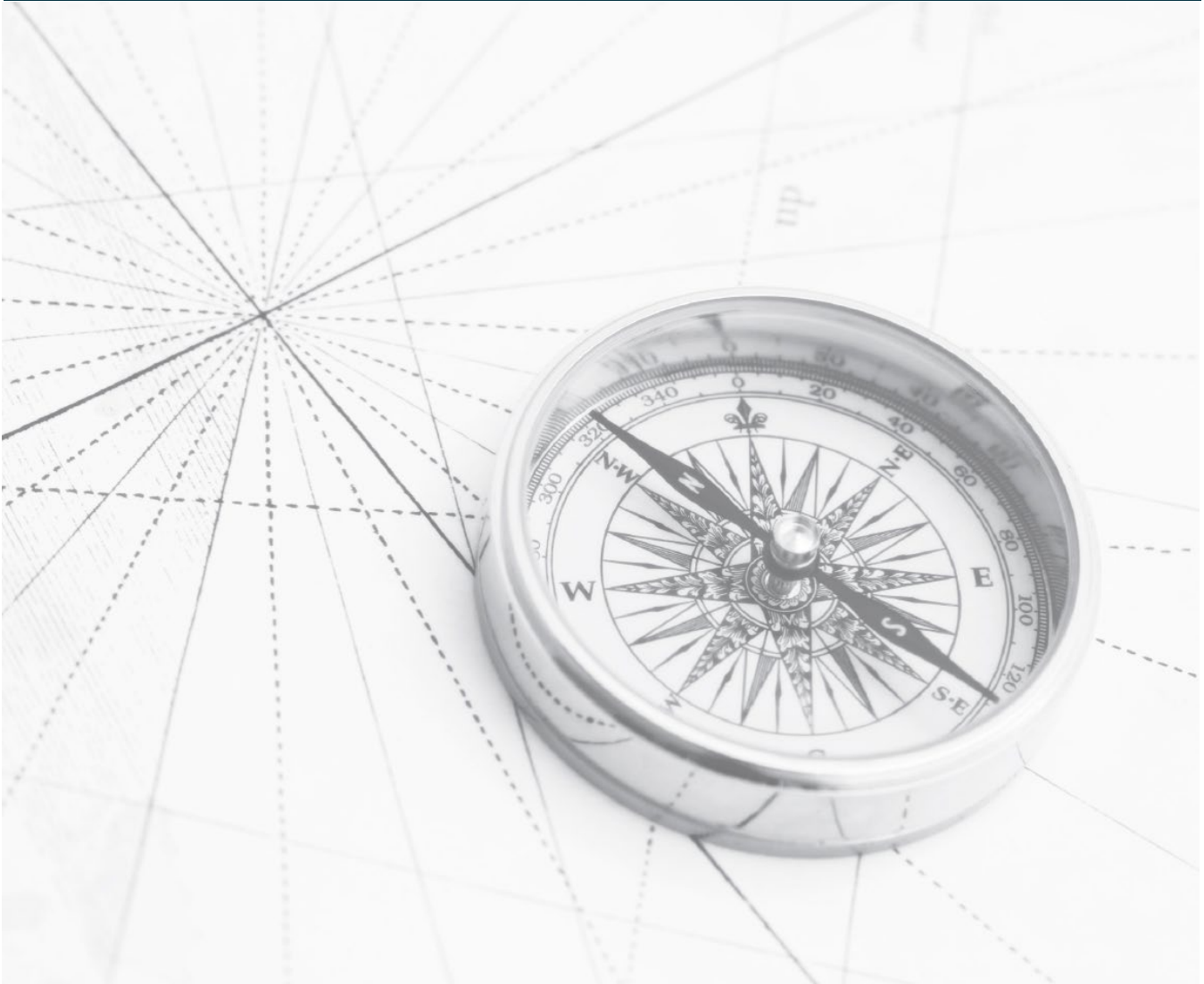


A NOTE ON FORWARD-LOOKING STATEMENTS

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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