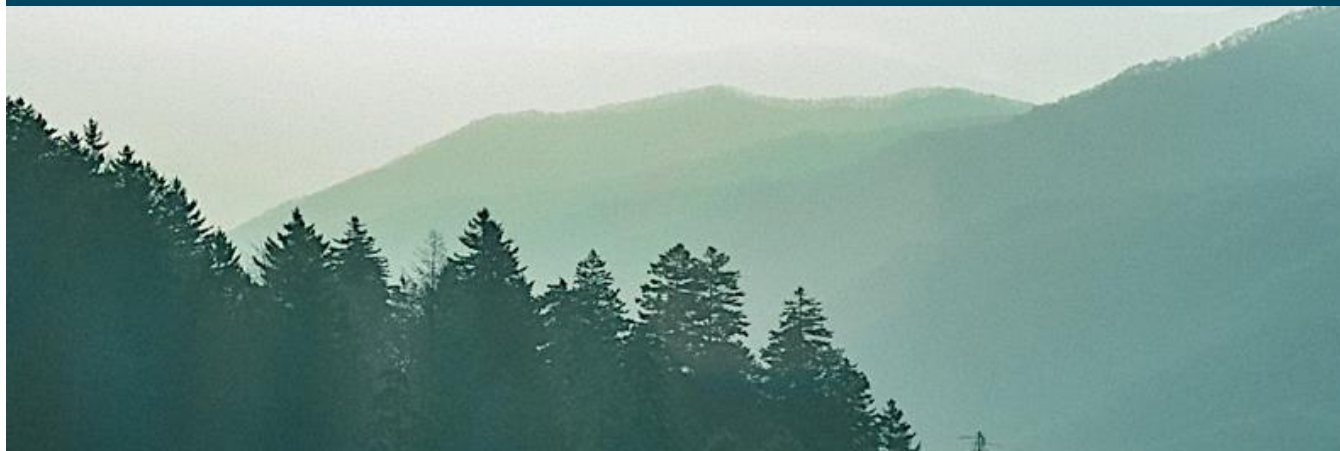




NORTH GROWTH  
MANAGEMENT



# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31, 2024

## NORTH GROWTH U.S. EQUITY ADVISOR FUND

### ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE YEAR ENDED DECEMBER 31, 2024

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling collect 1-604-688-5440, by writing to us at North Growth Management Ltd., Suite 830 One Bentall Centre, 505 Burrard Street, Box 56, Vancouver, BC V7X 1M4 or by visiting our website at [www.northgrowth.com](http://www.northgrowth.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Security holders may also contact us by using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. The Fund's Simplified Prospectus and Fund Facts are similarly available.

#### **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, among other things, 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, without limitation, 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, catastrophic events and the risks detailed from time to time in the Fund's simplified prospectus. 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. The forward-looking information contained in this report is current only as of the date of this report. The Manager of the Fund does not undertake, and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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# Management Discussion of Fund Performance

## INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the North Growth U.S. Equity Advisor Fund (the “Fund”) is to provide long-term capital growth by investing in common shares of United States-based corporations in line with our carbon and tobacco free mandate. In order to achieve this objective, we invest in companies that are undervalued in relation to their expected growth potential. In assessing which companies fit within our “Growth at a Reasonable Price” strategy, we look for superior growth trends, companies within industries that should provide a positive environment for future growth, companies that are dominant within an industry or that have a niche within an industry and companies with management teams that are likely to guide their companies to superior growth.

## RISK

There were no material changes to the Fund over the year that affected its overall level of risk.

This Fund is ideally suited for investors looking for long-term capital appreciation through investment in equity securities of U.S. corporations. Investors should have a medium tolerance for risk and a minimum investment horizon of five years.

The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus. The Fund classifies risk using the methodology prescribed in *National Instrument 81-102 – Investment Funds*.

## RESULTS OF OPERATIONS

During the 12-month period ended December 31, 2024, the Series F and D units of the Fund gained 22.60% and 22.23% in U.S. dollars respectively. The difference in performance between the Series F and the Series D units is mostly attributed to the 0.30% trailer commission paid on the Series D units of the Fund. Both series of the Fund underperformed the S&P 500 Index, which increased 25.02%. Due to the depreciation of the Canadian dollar against its U.S. counterpart, the Series F units of the Fund rose 33.38% and the Series D units rallied 32.98% in Canadian dollar terms. This compares with a total return for the S&P 500 Index of 36.01% in Canadian dollar terms.

The S&P 500 closed out 2024 with strong gains. Ending the year just shy of its record high, the index was 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 over 50% of the S&P 500’s rally. The rest of the U.S. equity market, however, posted more mediocre returns.

Given 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 during 2024.

The relative underweighting or lack of exposure in the Magnificent Seven detracted from the Fund's relative performance. Capitalizing on the volatility and weakness of the majority of stocks, the Manager took opportunities to adjust the weights and holdings within the portfolio.

During 2024, the Manager initiated 3 new positions: First Solar Inc., Amentum Holdings Inc., and Nike, Inc. Two positions were eliminated: Axonics Inc., and SolarEdge Technologies, Inc.

The Manager believes that the quality of the portfolio has improved, with new investments possessing more attractive earnings growth prospects relative to their valuations. The Manager continues to believe that many of the Fund's holdings represent undervalued investment opportunities.

Distributions were paid on December 13th and were \$0.31 per unit (consisting of \$0.00 capital gains and \$0.31 of income) for the Series F units and \$0.17 per unit (consisting of \$0.00 capital gains and \$0.17 of income) for the Series D units.

## RECENT DEVELOPMENTS

Toward the end of 2024, the results of the U.S. election, sustained economic growth, and a return to more normalized inflation levels, sparked a broad-based rally. This rally boosted the returns of both the Magnificent Seven and smaller-cap stocks alike. Similar to last year, U.S. equities remain highly volatile. In 2025, the stock market's early gains have been driven by optimism surrounding advancements in AI.

The Manager's core investment philosophy remains focused on identifying investment opportunities that meet its "Growth at a Reasonable Price" criteria. The Manager seeks well-managed companies that offer compelling long-term growth potential and are priced at reasonable valuations.

During 2024, there were no changes to the composition of the Fund's Independent Review Committee.

## RELATED PARTY TRANSACTIONS

North Growth Management Ltd. is the manager and portfolio advisor of the Fund. It provides investment and portfolio management services to the Fund and is responsible for the overall operations of the Fund. The Fund pays the Manager for services provided (see *Management Fee*).

During the year ended December 31, 2024, the Manager neither purchased nor redeemed any units of the Fund (2023 –redeemed 11,962 Series F units of the Fund).

As at December 31, 2024, the Manager, its affiliates and their officers and directors and their spouses beneficially owned 3.40% (December 31, 2023 – 3.14%) of the outstanding units of the Fund.

On December 31, 2024, the Fund carried an outstanding balance payable to the Manager for management fees in the amount of \$38,065 (December 31, 2023 – \$31,550).

## Financial Highlights

For the year ended December 31, 2024 and comparative years ended December 31, 2020 through 2023

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

### SERIES F – NET ASSETS PER UNIT

Net Assets Per Unit <sup>1</sup>	December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year	<b>\$40.63</b>	\$36.32	\$44.67	\$40.39	\$36.58
<b>Increase / (decrease) from operations:</b>					
Total revenue	<b>0.65</b>	0.50	0.34	0.34	0.42
Total expenses	<b>(0.34)</b>	(0.29)	(0.28)	(0.33)	(0.29)
Realized gains / (losses) for the year	<b>6.39</b>	7.50	(0.89)	4.65	10.41
Unrealized gains / (losses) for the year	<b>7.15</b>	(0.24)	(7.77)	2.37	(1.05)
<b>Total increase / (decrease) from operations<sup>2</sup></b>	<b>13.88</b>	7.53	(8.02)	7.06	9.44
<b>Distributions:</b>					
From income	<b>(0.31)</b>	(0.27)	(0.08)	(0.03)	(0.16)
From capital gains	-	(2.07)	-	(2.86)	(5.94)
<b>Total Annual Distributions<sup>3</sup></b>	<b>(0.31)</b>	(2.34)	(0.08)	(2.89)	(6.10)
<b>Net assets at December 31<sup>st</sup> of year shown</b>	<b>\$53.89</b>	\$40.63	\$36.32	\$44.67	\$40.39

- This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes due to the timing of unitholder transactions during the period. An explanation of these differences can be found in the notes to the financial statements. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the "Net assets at December 31<sup>st</sup> of year shown" balance.*
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period.*
- Distributions were paid in cash or reinvested in additional units of the Fund.*

## Financial Highlights (continued)

### SERIES F – RATIOS AND SUPPLEMENTAL DATA

Ratios and Supplemental Data	December 31				
	2024	2023	2022	2021	2020
Total net asset value (000's) <sup>4</sup>	<b>\$55,737</b>	\$47,062	\$63,644	\$74,594	\$57,220
Number of units outstanding (000's) <sup>4</sup>	<b>1,034</b>	1,158	1,752	1,670	1,417
Management expense ratio <sup>5</sup>	<b>0.70%</b>	0.70%	0.70%	0.70%	0.70%
Management expense ratio before waivers and absorptions <sup>6</sup>	<b>0.74%</b>	0.74%	0.73%	0.73%	0.74%
Trading expense ratio <sup>7</sup>	<b>0.03%</b>	0.07%	0.06%	0.06%	0.09%
Portfolio turnover rate <sup>8</sup>	<b>16.21%</b>	40.14%	50.88%	24.52%	25.66%
Net asset value per unit	<b>\$53.89</b>	\$40.63	\$36.32	\$44.67	\$40.39

4. This information is provided as at December 31<sup>st</sup> of the year shown.

5. Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

6. The Manager pays all fees related to the IRC; the Management expense ratio before waivers and absorptions represents what the MER would be if the Fund paid the IRC fees.

7. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

8. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Financial Highlights (continued)

### SERIES D – NET ASSETS PER UNIT

Net Assets Per Unit <sup>1</sup>	December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year	<b>\$40.74</b>	\$36.47	\$44.93	\$40.53	\$36.70
<b>Increase / (decrease) from operations:</b>					
Total revenue	<b>0.65</b>	0.50	0.31	0.34	0.42
Total expenses	<b>(0.49)</b>	(0.42)	(0.40)	(0.46)	(0.40)
Realized gains / (losses) for the year	<b>6.39</b>	7.50	(0.89)	4.65	10.41
Unrealized gains / (losses) for the year	<b>7.15</b>	(0.24)	(7.77)	2.37	(1.05)
<b>Total increase / (decrease) from operations<sup>2</sup></b>	<b>13.46</b>	6.70	(13.35)	6.80	9.67
<b>Distributions:</b>					
From income	<b>(0.17)</b>	(0.25)	-	-	(0.04)
From capital gains	-	(2.07)	-	(2.65)	(5.94)
<b>Total Annual Distributions<sup>3</sup></b>	<b>(0.17)</b>	(2.32)	-	(2.65)	(5.98)
<b>Net assets at December 31<sup>st</sup> of year shown</b>	<b>\$54.01</b>	\$40.74	\$36.47	\$44.93	\$40.53

- This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes due to the timing of unitholder transactions during the period. An explanation of these differences can be found in the notes to the financial statements. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the "Net assets at December 31<sup>st</sup> of year shown" balance.*
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period.*
- Distributions were paid in cash or reinvested in additional units of the Fund.*



## Financial Highlights (continued)

### SERIES D – RATIOS AND SUPPLEMENTAL DATA

Ratios and Supplemental Data	December 31				
	2024	2023	2022	2021	2020
Total net asset value (000's) <sup>4</sup>	<b>\$7,699</b>	\$5,747	\$5,655	\$16,248	\$11,778
Number of units outstanding (000's) <sup>4</sup>	<b>143</b>	141	155	362	291
Management expense ratio <sup>5</sup>	<b>1.00%</b>	1.00%	1.00%	1.00%	1.00%
Management expense ratio before waivers and absorptions <sup>6</sup>	<b>1.04%</b>	1.04%	1.03%	1.03%	1.04%
Trading expense ratio <sup>7</sup>	<b>0.03%</b>	0.07%	0.06%	0.06%	0.09%
Portfolio turnover rate <sup>8</sup>	<b>16.21%</b>	40.14%	50.88%	24.52%	25.66%
Net asset value per unit	<b>\$54.01</b>	\$40.74	\$36.47	\$44.93	\$40.53

4. *This information is provided as at December 31<sup>st</sup> of the year shown.*
5. *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.*
6. *The Manager pays all fees related to the IRC; the Management expense ratio before waivers and absorptions represents what the MER would be if the Fund paid the IRC fees.*
7. *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.*
8. *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*

## Financial Highlights (continued)

### MANAGEMENT FEE

North Growth Management Ltd. is the trustee, fund accountant, transfer agent, portfolio advisor and manager of the Fund and receives a management fee from the Fund for these services. The Fund has two series: Series D and Series F. The management fee for both series is 0.70% of assets under management, calculated daily and paid monthly based on the daily net asset value of each series.

The Manager pays all operating costs of the Fund from its management fee, except for brokerage fees, any taxes payable, interest charges, if any, and trailer fees. It is not reimbursed for these costs.

The Fund is distributed by registered dealers. Series D pays a trailing commission of 0.30%. Series F units do not pay a trailing commission and are available through discount brokers and dealers who are generally compensated by their clients on a fee-for-service basis.

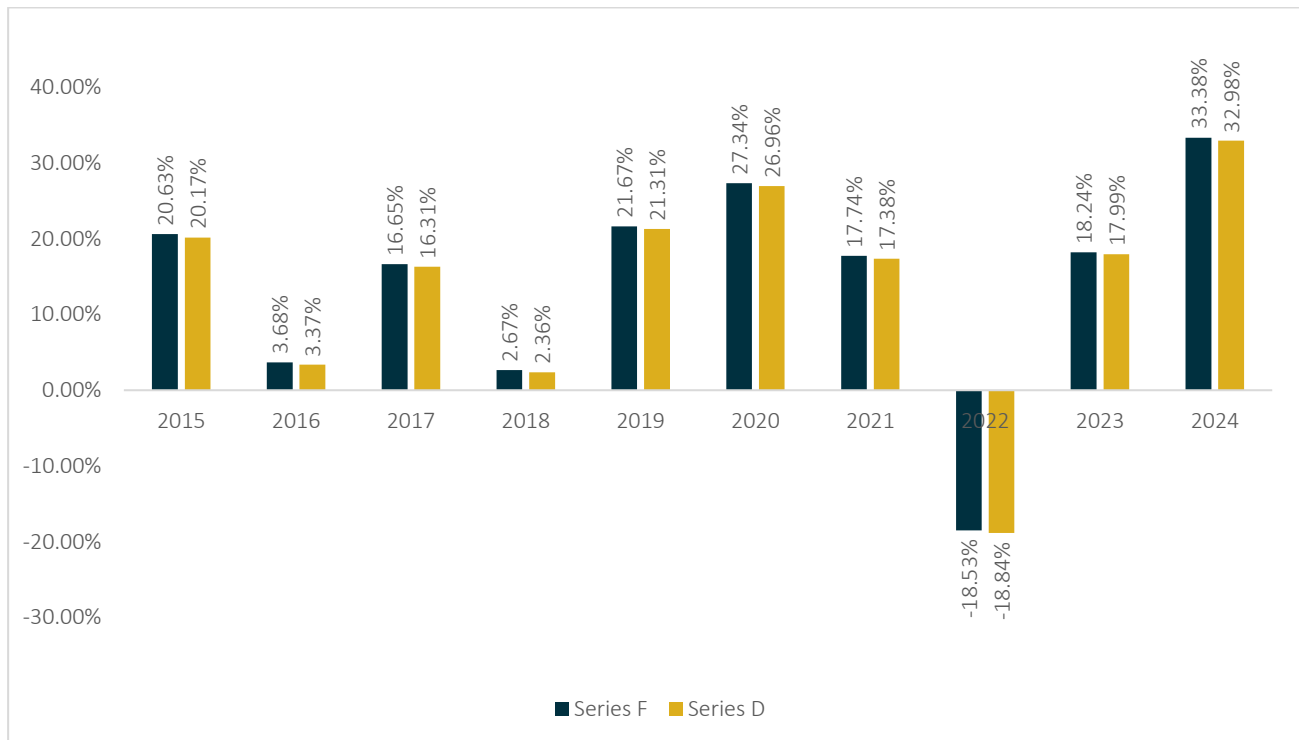
## Past Performance

The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The Fund's returns are after the deduction of fees and expenses, and the difference in returns between series of units is primarily due to the 0.30% per annum trailing commission on the Series D units. See *Financial Highlights* for the management expense ratio.

### YEAR-BY-YEAR RETURNS

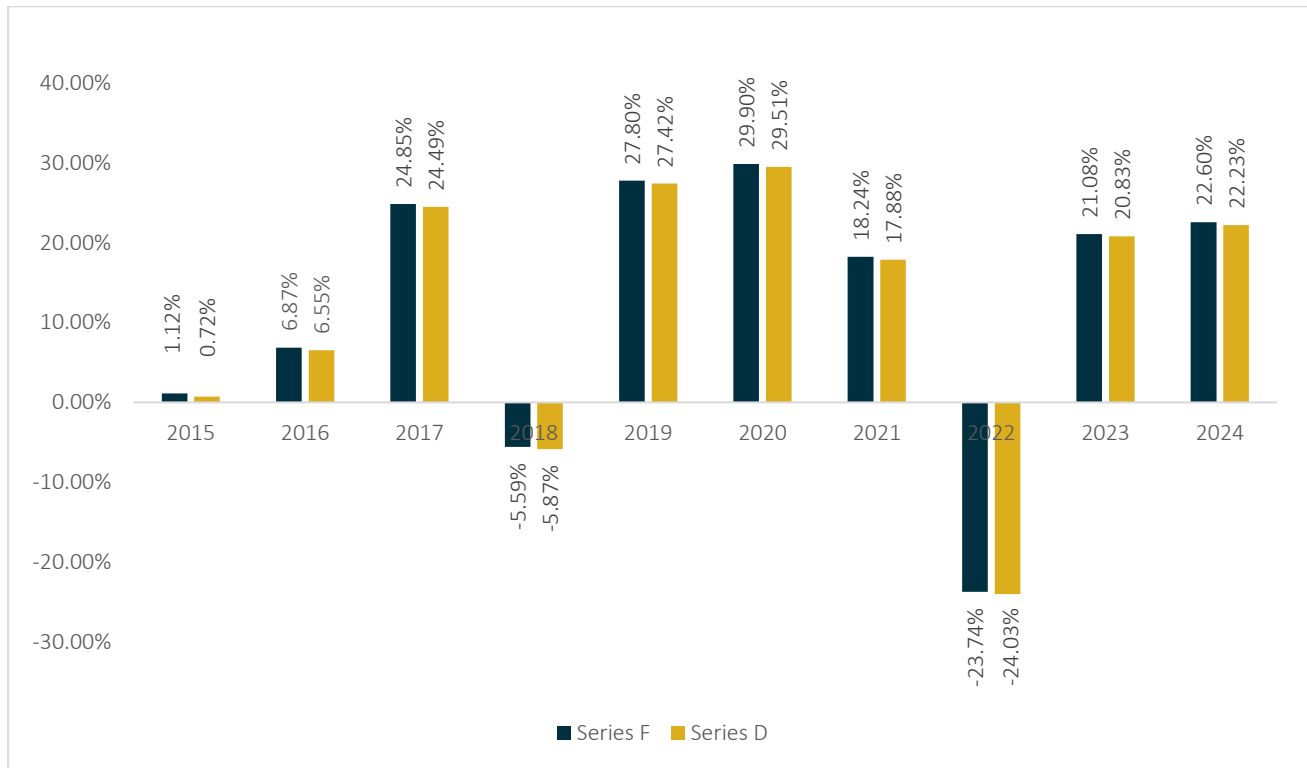
The bar charts indicate the Fund's annual performance for each of the years shown, and illustrate how the Fund's performance has changed from year to year. The bar charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year in Canadian dollars and in U.S. dollars.

*Year-by-Year Returns Expressed in Canadian Dollars*



## Past Performance (Continued)

Year-by-Year Returns Expressed in United States Dollars



## Past Performance (Continued)

### ANNUAL COMPOUND RETURNS

The S&P 500 Total Return Index is widely regarded as the best single gauge of the large cap U.S. equities market. It is comprised of 500 leading companies in leading industries of the U.S. economy, capturing approximately 75% coverage of U.S. equities.

The tables below show the most recent annual return for each series and the annual compound rate of return of each series for the periods indicated ended on the last day of the Fund's financial year compared to the S&P 500 Total Return Index in Canadian dollars and in U.S. dollars.

#### *Annual Compound Returns Expressed in Canadian Dollars*

	Year Ended December 31, 2024	Past 3 Years	Past 5 Years	Past 10 Years
<b>Series F</b>	<b>33.38%</b>	<b>8.71%</b>	<b>14.01%</b>	<b>13.38%</b>
<b>Series D</b>	<b>32.98%</b>	<b>8.39%</b>	<b>13.67%</b>	<b>13.03%</b>
S&P 500 Index \$CDN	36.01%	13.64%	16.90%	15.56%

#### *Annual Compound Returns Expressed in United States Dollars*

	Year Ended December 31, 2024	Past 3 Years	Past 5 Years	Past 10 Years
<b>Series F</b>	<b>22.60%</b>	<b>4.22%</b>	<b>11.70%</b>	<b>10.96%</b>
<b>Series D</b>	<b>22.23%</b>	<b>3.91%</b>	<b>11.37%</b>	<b>10.63%</b>
S&P 500 Index \$U.S.	25.02%	8.94%	14.53%	13.10%

## Summary of Investment Portfolio

As at December 31, 2024

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. It is updated quarterly, within 60 days of quarter end, and is available as indicated on the front cover of this report.

### Top 25 Holdings

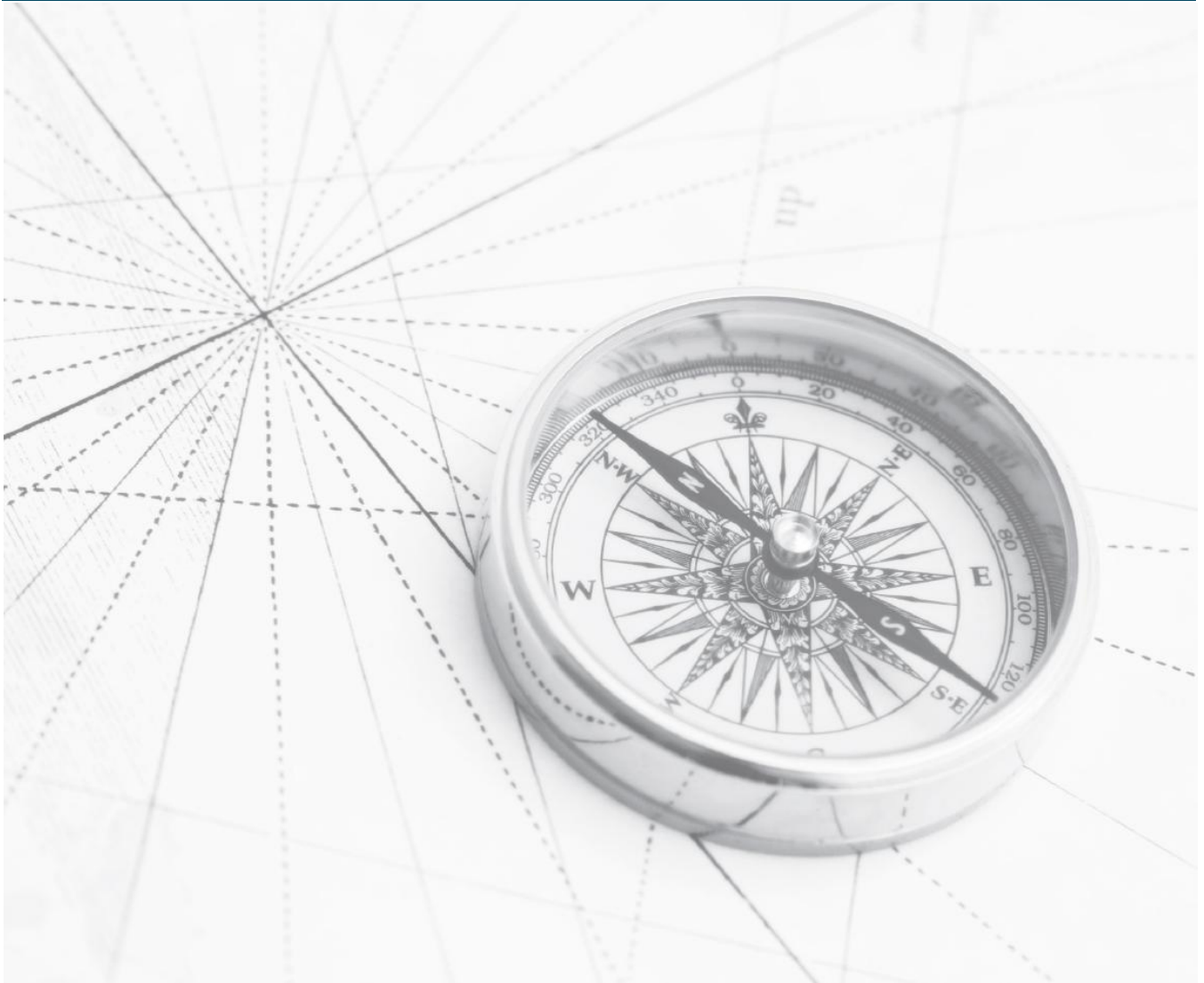
Ranking	Security	% of Net Assets
1	Jabil Inc.	7.06
2	Ciena Corp.	6.81
3	Coherent Corp.	4.44
4	Applied Materials Inc.	4.07
5	Motorola Solutions Inc.	4.01
6	Brinker International Inc.	3.97
7	Lumentum Holdings Inc.	3.12
8	Booking Holdings Inc.	2.87
9	HP Inc.	2.66
10	Tapestry Inc.	2.60
11	Tempur Sealy International, Inc.	2.46
12	Nvidia Corp.	2.30
13	Qualcomm Inc.	2.25
14	Integer Holdings Corporation	2.22
15	Johnson Controls International plc.	2.15
16	Jacobs Solutions Inc.	2.11
17	Abercrombie & Fitch Co.	2.07
18	Global Payments Inc.	2.02
19	NVR Inc.	1.95
20	Warner Bros. Discovery Inc.	1.87
21	Texas Instruments Inc.	1.86
22	Elevance Health, Inc.	1.76
23	InMode Ltd.	1.69
24	FedEx Corp.	1.63
25	Crocs, Inc.	1.61

### Sector Allocation

Sector	% of Net Assets
Information Technology	42.13
Consumer Discretionary	20.62
Industrials	11.76
Health Care	10.84
Communication Services	3.43
Financials	2.02
<b>Equities Total</b>	<b>90.80</b>
<b>Cash</b>	<b>9.20</b>
<b>Portfolio Total</b>	<b>100.00</b>



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