



NORTH GROWTH  
MANAGEMENT



## MAY 2025 MONTHLY REPORT

JUNE 10, 2025



## Market and Fund Performance Update

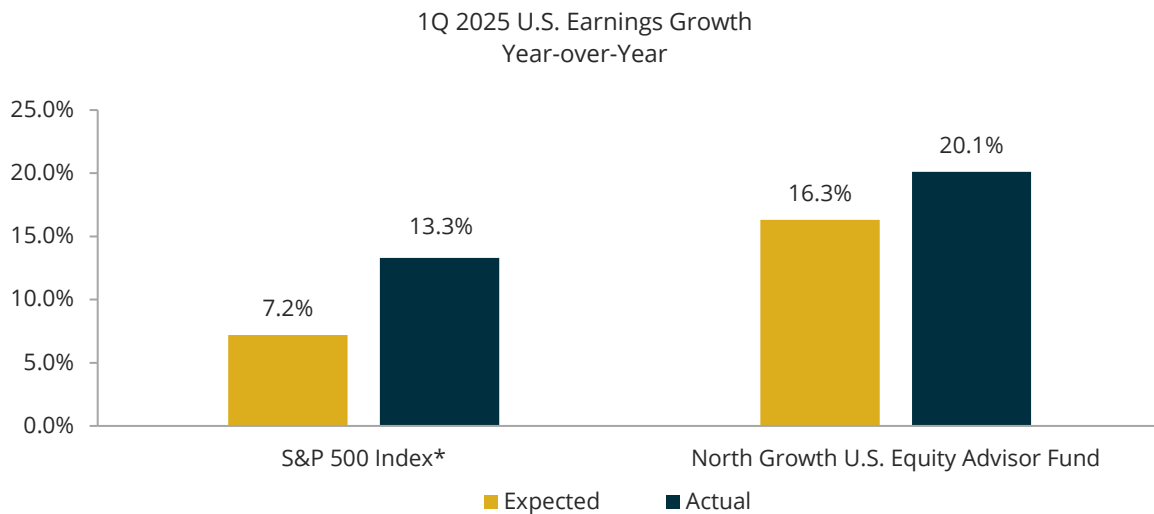
In May, stocks rallied sharply following a trade deal announcement between the U.S. and U.K., igniting hopes for more agreements and an easing of trade tensions. Looking past trade policy uncertainty, the S&P 500 closed out the best May since 1990 with a 6% gain as earnings results for the first quarter of 2025 came in better than expected.

### FIRST QUARTER EARNINGS

The earnings reporting season for the first quarter, January-to-March period, has largely passed, and most public companies have reported positive earnings surprises. Given ongoing concerns about tariffs and inflation, analysts have lowered EPS (earnings per share) estimates for the second quarter while businesses remain cautious and conservative in their outlooks. Nonetheless, the consensus projection is for the S&P 500 to grow earnings by 9.1% in 2025 on sales growth of 4.9%. Stock analysts' expectations for the probability of an economic slowdown have increased slightly but they certainly have not discounted an outright recession this year.

As of May 30<sup>th</sup>, with 98% of S&P 500 companies having reported actual results, earnings for the index grew 13.3% in the first quarter while sales increased 4.9%. FactSet data indicates that 78% of the reporting companies posted actual EPS above estimates. Eight of the eleven sectors reported year-over-year earnings growth, led by the Health Care, Communications Services, Information Technology, and Utilities sectors. Conversely, the Energy, Consumer Staples 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, 93% of the portfolio has reported, and 77% of the profit reports have exceeded analysts' estimates. Earnings on a weighted-average basis grew 20.1% over a year ago, ahead of estimates of a 16.3% increase. Notably, Lumentum Holdings and Brinker International had outstanding results, each reporting exceptionally high earnings growth of around 100% year-over-year.



\*Source for S&P 500 Index: FactSet Earnings Insight May 30, 2025

Overall, the profit growth rate of the U.S. Equity Advisor Fund continues to compare favourably against that of the index despite being more macro-economically sensitive. We are especially pleased that the Fund's superior earnings growth versus the S&P 500 coincides with its lower valuation multiple on a P/E (price/earnings) basis compared to the index. Currently, the Fund trades at 21 times trailing 12-month earnings whereas the S&P 500 is at a trailing P/E multiple of 26 (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.

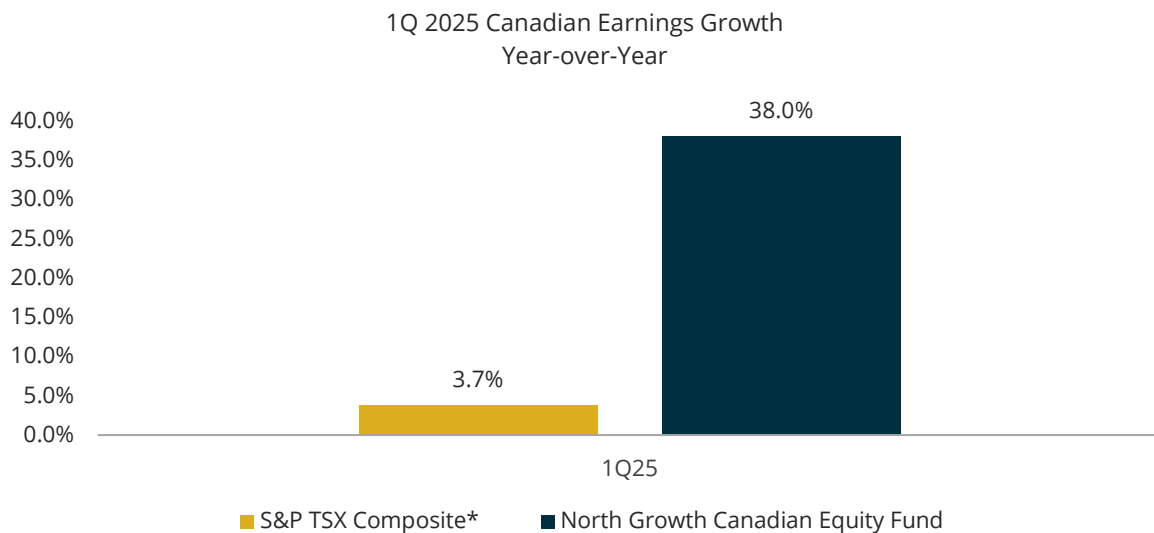
## U.S. EQUITY ADVISOR FUND, SERIES F

In May, the North Growth U.S. Equity Advisor Fund, Series F, appreciated 7.6%. The Fund outperformed the S&P 500 which grew 6.3%, as well as the S&P 400 MidCap and S&P 600 SmallCap indices which increased 5.4% and 5.2% respectively. The Fund's monthly performance lagged the NASDAQ Composite which was up 9.7%. Due to a slightly weaker U.S. currency last month, in Canadian dollars, the Fund gained 7.2% versus the S&P 500's 5.9% return.

## CANADIAN EQUITY FUND, SERIES F

In May, the North Growth Canadian Equity Fund, Series F, returned 9.5% compared to 5.6% for the S&P/TSX Composite Index. All sectors of the S&P/TSX Composite posted positive performance during the month, led by Industrials, Consumer Discretionary and Information Technology.

With 97% of the portfolio having reported quarter-to-date, the portfolio's earnings have grown 38.0% on a year-over-year basis in Q1 2025 compared to 3.7% for the S&P/TSX Composite.



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

As we have highlighted in every single report published this year, we expect 2025 to be a volatile year. Our belief regarding market volatility presenting opportunity remains unwavering. We continue to abide by our “Growth at a Reasonable Price” investment philosophy which guides our stock picking and has helped us generate long-term outperformance. As such, we view any pullbacks in the market as opportunities to add to or upgrade the portfolio.

As famed investor Shelby C. Davis once said, “you make most of your money in a bear market, you just don't realize it at the time.”

## North Growth U.S. Equity Advisor Fund

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>7.22</b>	<b>-6.89</b>	<b>-7.84</b>	<b>-8.12</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>7.19</b>	<b>-6.96</b>	<b>-7.98</b>	<b>-8.23</b>
S&P 500 in \$CDN	5.88	-5.07	-3.12	-3.37
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>7.64</b>	<b>-2.29</b>	<b>-6.15</b>	<b>-3.91</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>7.61</b>	<b>-2.36</b>	<b>-6.29</b>	<b>-4.02</b>
S&P 500 \$U.S.	6.29	-0.37	-1.35	1.06

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series F)</b>	<b>5.97</b>	<b>13.17</b>	<b>11.24</b>	<b>11.06</b>	<b>13.34</b>
<b>North Growth U.S. Equity Advisor Fund \$CDN (Series D)</b>	<b>5.65</b>	<b>12.83</b>	<b>10.91</b>	<b>10.73</b>	<b>12.93</b>
S&P 500 \$CDN	14.53	17.67	15.90	14.01	15.61
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series F)</b>	<b>5.03</b>	<b>10.04</b>	<b>11.29</b>	<b>9.95</b>	<b>11.41</b>
<b>North Growth U.S. Equity Advisor Fund \$U.S. (Series D)</b>	<b>4.72</b>	<b>9.71</b>	<b>10.96</b>	<b>9.62</b>	<b>11.00</b>
S&P 500 \$U.S.	13.52	14.41	15.94	12.86	13.64

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

\*Date of inception: October 23, 2009.

## North Growth Canadian Equity Fund

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth Canadian Equity Fund Series F</b>	<b>9.51</b>	<b>4.58</b>	<b>-2.24</b>	<b>-0.66</b>
<b>North Growth Canadian Equity Fund Series D</b>	<b>9.49</b>	<b>4.50</b>	<b>-2.38</b>	<b>-0.79</b>
S&P/TSX Composite Index	5.56	3.87	3.54	7.05

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus*
<b>North Growth Canadian Equity Fund Series F</b>	<b>9.02</b>	<b>8.01</b>	<b>11.51</b>	<b>8.03</b>	<b>11.31</b>
<b>North Growth Canadian Equity Fund Series D</b>	<b>8.70</b>	<b>7.69</b>	<b>11.18</b>	<b>7.70</b>	<b>10.73</b>
S&P/TSX Composite Index	21.05	11.55	14.92	8.99	9.82

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

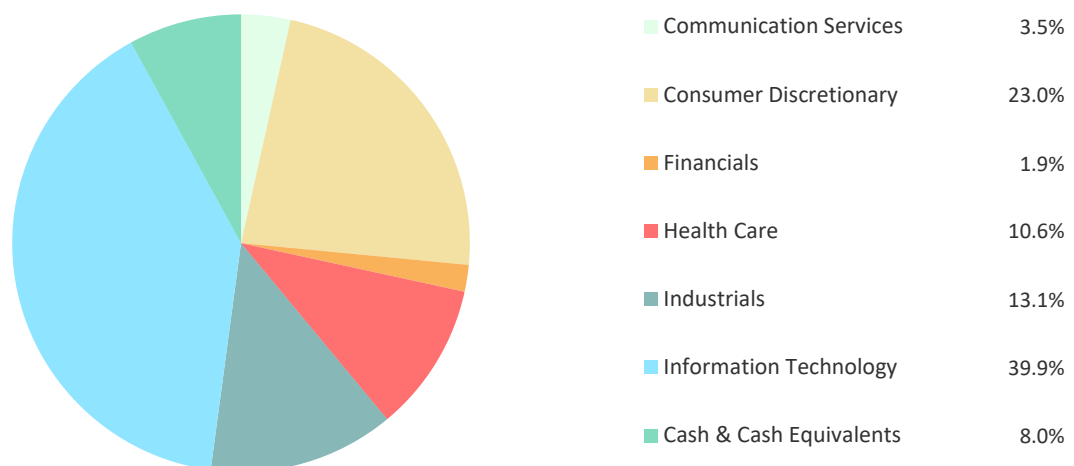
\* The S&P/TSX Composite Index since Prospectus return is calculated from the Series F date of prospectus inception, June 15, 2012. The Series D date of prospectus inception is June 29, 2012

## Equity Fund Holdings and Composition

### U.S. EQUITY ADVISOR FUND — TOP 10 HOLDINGS AS AT MAY 31, 2025

Ranking	Security	% of Net Assets
1	Jabil Inc.	7.12
2	Ciena Corp.	6.02
3	Applied Materials Inc.	4.22
4	Brinker International Inc.	4.10
5	Motorola Solutions Inc.	3.70
6	Coherent Corp.	3.48
7	Booking Holdings Inc.	3.46
8	Somnigroup International Inc.	3.06
9	Johnson Controls International plc.	2.97
10	Lumentum Holdings Inc.	2.90
<b>Top 10</b>		<b>41.03</b>
<b>Total Equities</b>		<b>92.01</b>
<b>Cash</b>		<b>7.99</b>
<b>Total Assets</b>		<b>100.00</b>

### U.S. EQUITY ADVISOR FUND — SECTOR MIX AS AT MAY 31, 2025

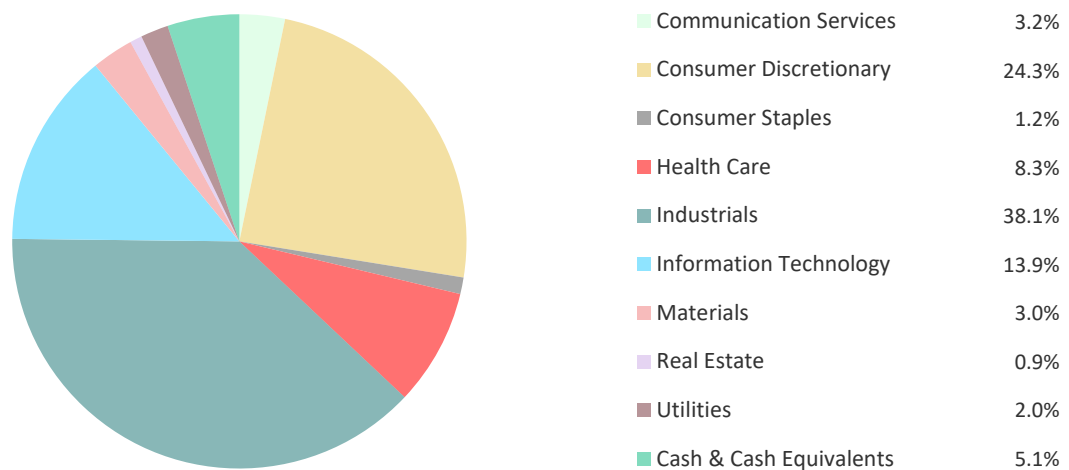




## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT MAY 31, 2025

Ranking	Security	% of Net Assets
1	Bombardier Inc., Class B	9.62
2	Leon's Furniture Ltd.	8.20
3	Bird Construction Inc.	5.99
4	ATS Corporation	5.60
5	Constellation Software Inc.	4.92
6	CAE Inc.	4.61
7	Open Text Corporation	3.97
8	Aritzia Inc.	3.88
9	Canadian National Railway Company	3.61
10	Restaurant Brands International	3.57
<b>Top 10</b>		<b>53.97</b>
<b>Total Equities</b>		<b>94.88</b>
<b>Cash</b>		<b>5.12</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT MAY 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.

## 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**

To better align with the commonly adopted naming convention for mutual fund series that pay a trailing commission, the letter designation of the Series D units of the North Growth Canadian Equity Fund and the North Growth U.S. Equity Advisor Fund is changing from “D” to “A”. Effective from the anticipated June 13, 2025 date of our prospectus renewal, FundServ, the North Growth Funds simplified prospectus and fund fact documents and our website at [www.northgrowth.com](http://www.northgrowth.com) will refer to each Fund’s two series of units as Series A and Series F.

For any questions contact:

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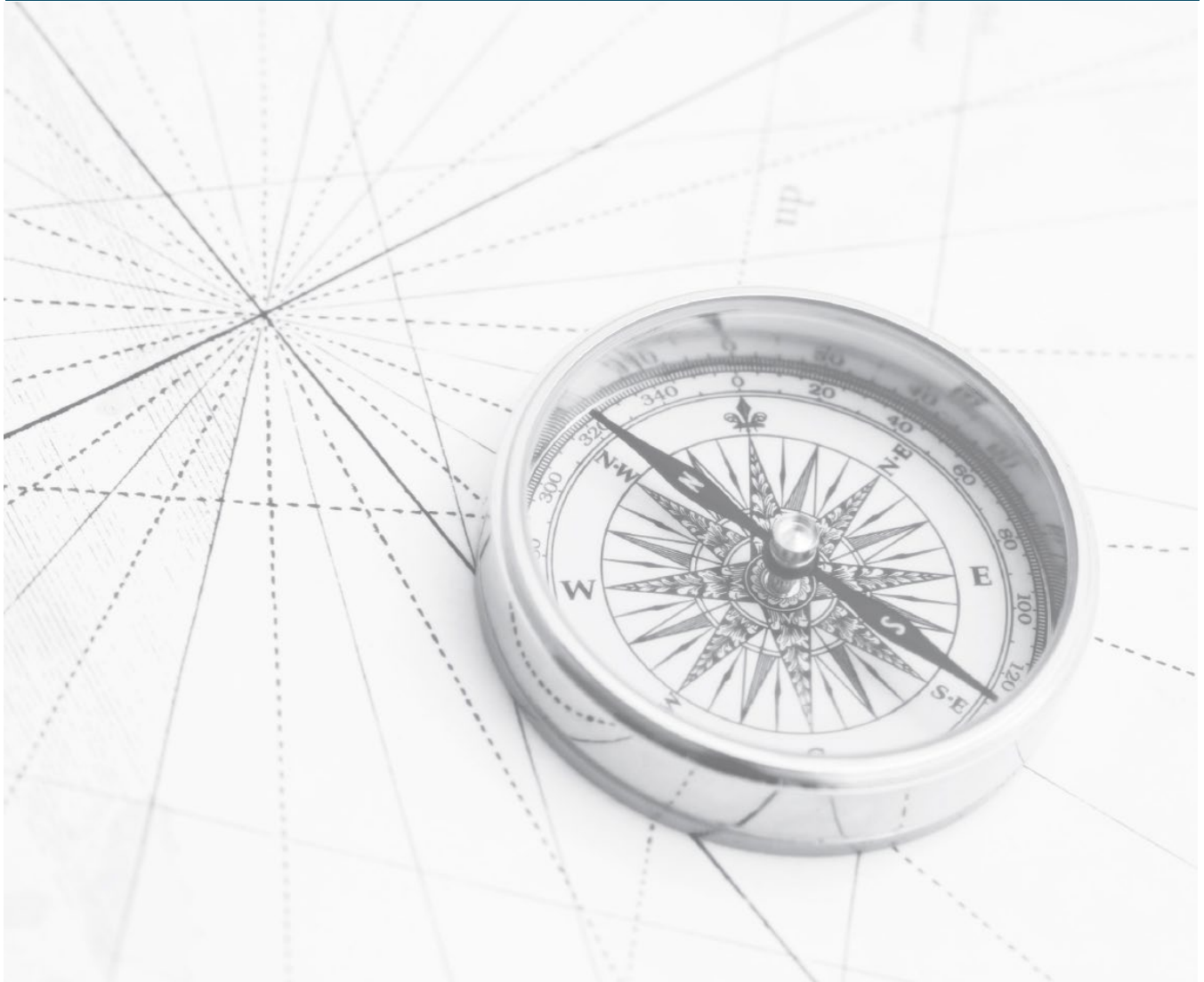
## A NOTE ON FORWARD-LOOKING STATEMENTS

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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