



NORTH GROWTH  
MANAGEMENT



## AUGUST 2025 MONTHLY REPORT

SEPTEMBER 5, 2025



## Market and Fund Performance Update

In August, U.S. and Canadian stocks continued to rally with the S&P 500 and the S&P/TSX Composite closing the month with healthy gains of 2.0% and 5.0% respectively. The stock markets maintained strong momentum during the summer as trade tensions eased somewhat, corporate earnings came in better than expected, and market participants increased their expectations for interest rate cuts by the Federal Reserve and Bank of Canada in September.

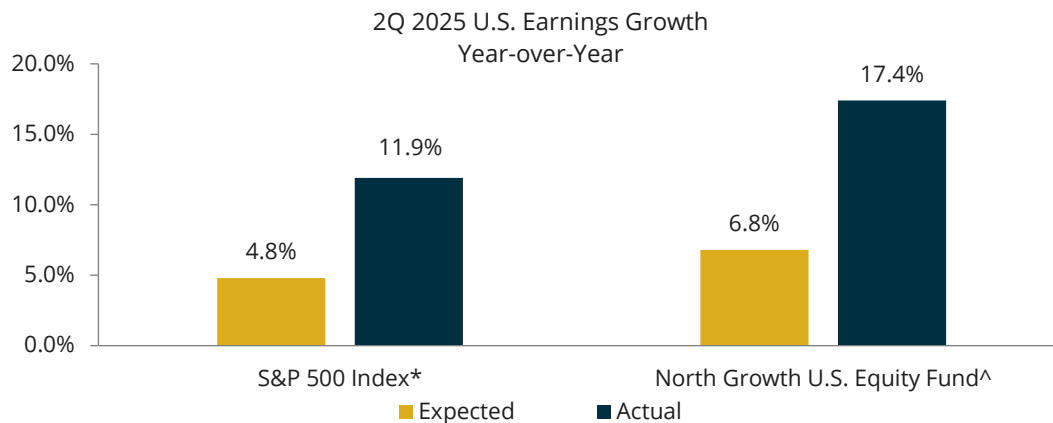
### SECOND QUARTER EARNINGS

A strong second-quarter earnings reporting season is wrapping up. Corporate earnings for the S&P 500 during the period grew by a double-digit percentage year-over-year, marking the third consecutive quarter of earnings growth above 10% for the index. Despite muted business outlooks due to management concerns about inflation and tariffs, analysts are nonetheless raising EPS (earnings per share) estimates for the balance of the year.

In particular, the Magnificent Seven companies all exceeded estimates and combined reported actual earnings growth of 26.6% for the second quarter. By comparison, the other 493 stocks of the S&P 500 reported earnings growth of 8.1% in the latest quarter.

The North Growth U.S. Equity Fund delivered yet another solid quarter of growth. With almost 90% of the portfolio having reported as of September 2<sup>nd</sup>, earnings on a weighted-average basis expanded 82.1% over a year ago. Excluding Lumentum's extraordinary profit gain of over 1,300% year-over-year, the Fund's earnings increased 17.4% year-over-year, beating estimates of 6.8% growth. Furthermore, 90% of the portfolio's earnings results so far have exceeded analysts' forecasts.

As of August 29<sup>th</sup>, with 98% of the companies in the S&P 500 having reported results, earnings during the quarter advanced 11.9% year-over-year while sales grew 6.4%. According to FactSet, 81% of reporting companies posted positive earnings surprises. Eight of the index's eleven sectors reported year-over-year earnings growth, led by Communication Services, Information Technology and Financials. Conversely, three sectors reported a year-over-year decline in profits, led by the Energy sector and followed by Materials and Consumer Staples.



<sup>^</sup>Excluding Lumentum Holdings's reported 2Q EPS \$0.88 v \$0.06 y/y

\*Source for S&P 500 Index: FactSet Earnings Insight August 29, 2025

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 P/E (price/earnings) basis. Currently, the U.S. Equity Fund trades at 23 times trailing 12-month earnings whereas the S&P 500 index is at a trailing P/E multiple of 27 (ref: Bloomberg).

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

## TAX INFORMATION UPDATE

This year, Monday, December 15<sup>th</sup>, 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 a meaningful distribution for either Fund. Our preliminary estimates are that if any distributions are made, the distribution for the U.S. Equity Fund and for the Canadian Equity Fund will be between 0% and 5% of each of their 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.

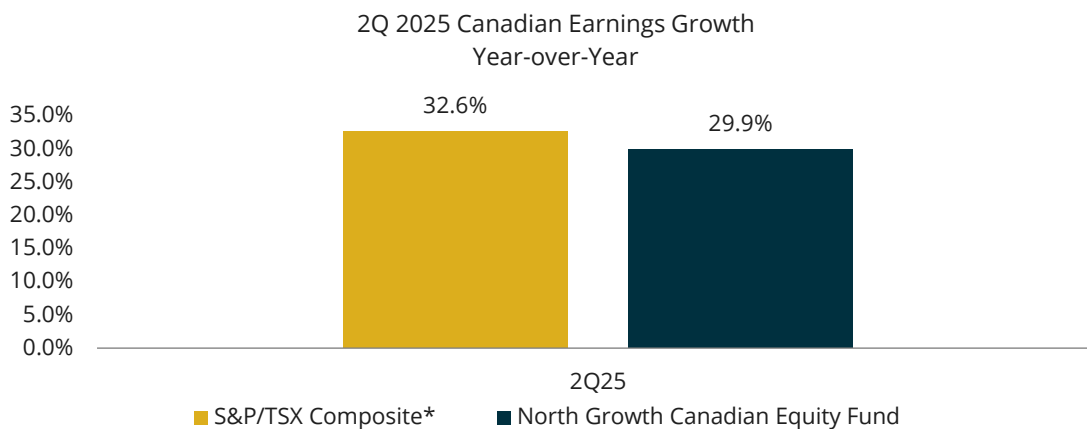
## U.S. EQUITY FUND

In August, the North Growth U.S. Equity Fund gained 1.8%. The Fund underperformed the S&P 500 which increased 2.0% as well as the smaller-capitalization S&P 400 MidCap and S&P 600 SmallCap indices which appreciated 3.4% and 7.1% respectively, but beat the NASDAQ Composite which was up 1.7%. A strengthening of the Canadian currency against its U.S. counterpart last month reduced the Fund's return in Canadian dollars to 1.1% versus the S&P 500's 1.3% Canadian-dollar monthly return.

## CANADIAN EQUITY FUND, SERIES N

In August, the North Growth Canadian Equity Fund, Series N, returned 2.4% compared to 5.0% for the S&P/TSX Composite Index. The S&P/TSX Composite was led by Materials, Health Care and Information Technology, with all sectors except for Consumer Staples and Industrials posting positive performance during the month.

With 94% of the Canadian Equity Fund portfolio having reported quarter-to-date, the fund's earnings have grown 29.9% on a year-over-year basis in the second quarter compared to 32.6% for the S&P/TSX Composite.



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

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. We view any pullbacks in the market as opportunities to add to or upgrade the portfolio.

## North Growth U.S. Equity Fund

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth U.S. Equity Fund \$CDN</b>	<b>1.09</b>	<b>13.30</b>	<b>5.22</b>	<b>3.69</b>
S&P 500 in \$CDN	1.27	9.49	3.95	5.81
<b>North Growth U.S. Equity Fund \$U.S.</b>	<b>1.84</b>	<b>13.43</b>	<b>10.55</b>	<b>8.57</b>
S&P 500 \$U.S.	2.03	9.62	9.21	10.79
S&P 400 MidCap \$U.S.	3.39	8.83	5.98	5.28
S&P 600 SmallCap \$U.S.	7.06	12.43	6.39	3.23
NASDAQ Composite \$U.S.	1.65	12.45	14.26	11.62

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since Inception
<b>North Growth U.S. Equity Fund \$CDN</b>	<b>17.95</b>	<b>19.31</b>	<b>11.83</b>	<b>12.54</b>	<b>14.65</b>	<b>10.35</b>	<b>12.73</b>
S&P 500 \$CDN	18.04	21.43	15.95	15.10	16.98	11.63	11.20
<b>North Growth U.S. Equity Fund \$U.S.</b>	<b>15.80</b>	<b>17.45</b>	<b>10.67</b>	<b>12.05</b>	<b>12.73</b>	<b>9.54</b>	<b>12.39</b>
S&P 500 \$U.S.	15.88	19.54	14.74	14.60	15.02	10.81	10.86
S&P 400 MidCap \$U.S.	6.86	12.00	12.76	10.41	12.29	9.55	11.62
S&P 600 SmallCap \$U.S.	3.51	8.62	11.64	9.53	12.08	8.83	10.80
NASDAQ Composite \$U.S.	22.00	23.01	13.65	17.34	17.97	13.37	11.63*

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

	August 31, 2025
Unit Price	\$ 71.47 CDN / \$ 52.01 US
Total Assets in Fund	\$ 752.3 Million CDN

## North Growth Canadian Equity Fund, Series N

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

	1 Month	3 Months	6 Months	YTD
<b>North Growth Canadian Equity Fund, Series N</b>	<b>2.35</b>	<b>13.88</b>	<b>19.00</b>	<b>12.98</b>
S&P/TSX Composite Index	4.96	9.85	14.09	17.59

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

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Prospectus
<b>North Growth Canadian Equity Fund, Series N</b>	<b>17.84</b>	<b>11.25</b>	<b>12.30</b>	<b>10.49</b>	<b>11.94</b>
S&P/TSX Composite Index	25.86	17.49	14.98	10.82	10.40

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

	August 31, 2025
Unit Price	\$ 29.78 CDN
Total Assets in Fund	\$ 45.4 Million CDN

# North Growth Canadian Money Market Fund

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

	Current Yield*	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
<b>North Growth Canadian Money Market Fund</b>	<b>2.59</b>	<b>3.07</b>	<b>4.06</b>	<b>2.55</b>	<b>1.77</b>	<b>1.45</b>
30 Day Treasury Bill	N/A	3.25	4.17	2.62	1.79	1.48

\* 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.

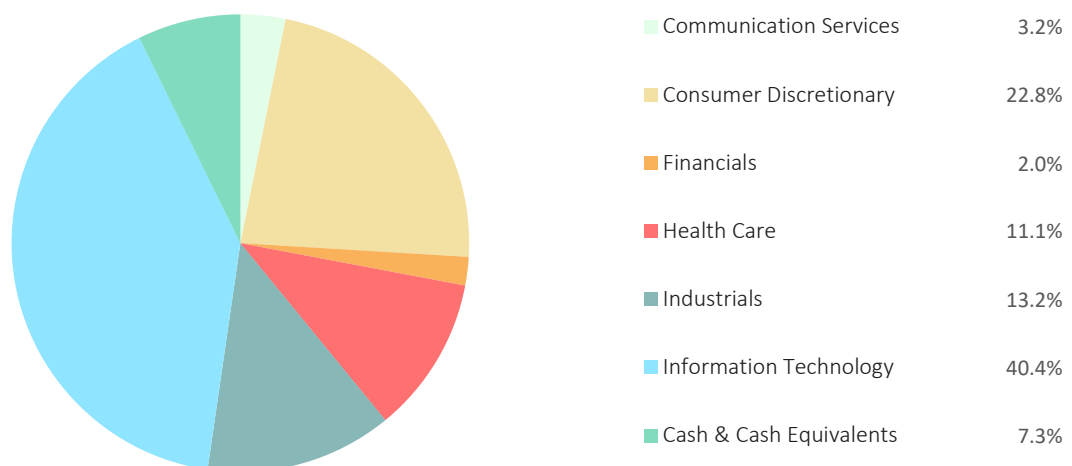
The current yield quoted above is net of the management fee.

## Equity Fund Holdings and Composition

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

Ranking	Security	% of Net Assets
1	Jabil Inc.	6.99
2	Ciena Corp.	6.17
3	Lumentum Holdings Inc.	4.07
4	Applied Materials Inc.	3.93
5	Motorola Solutions Inc.	3.82
6	Brinker International Inc.	3.35
7	Coherent Corp.	3.34
8	Booking Holdings Inc.	3.19
9	Somnigroup International Inc.	2.99
10	Johnson Controls International plc.	2.74
<b>Top 10</b>		<b>40.59</b>
<b>Total Equities</b>		<b>92.72</b>
<b>Cash</b>		<b>7.28</b>
<b>Total Assets</b>		<b>100.00</b>

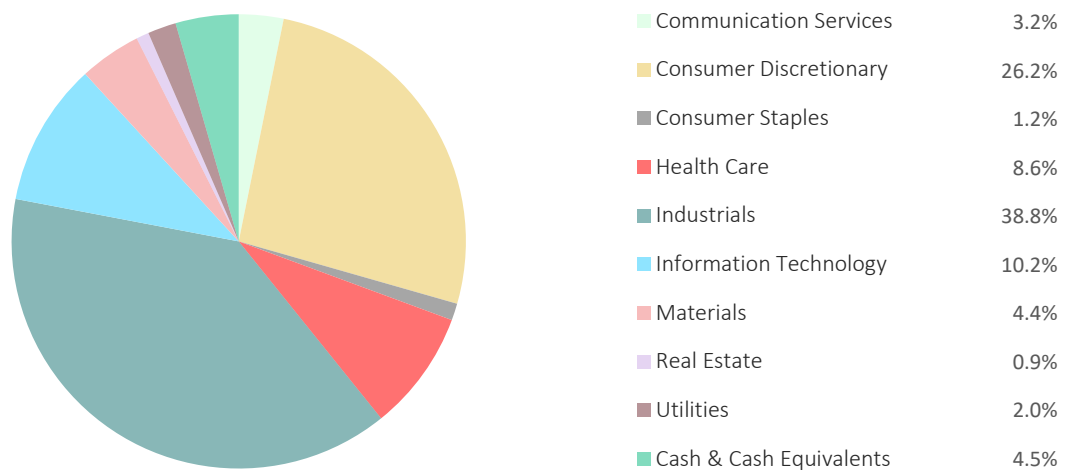
### U.S. EQUITY FUND — SECTOR MIX AS AT AUGUST 31, 2025



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

Ranking	Security	% of Net Assets
1	Bombardier Inc., Class B	9.61
2	Leon's Furniture Ltd.	8.41
3	Bird Construction Inc.	5.87
4	ATS Corporation	5.31
5	Constellation Software Inc.	4.39
6	Zymeworks Inc.	4.34
7	AutoCanada Inc.	3.62
8	Aritzia Inc.	3.57
9	MDA Space Ltd.	3.45
10	TFI International Inc.	3.35
<b>Top 10</b>		<b>51.92</b>
<b>Total Equities</b>		<b>95.51</b>
<b>Cash</b>		<b>4.49</b>
<b>Total Assets</b>		<b>100.00</b>

## CANADIAN EQUITY FUND — SECTOR MIX AS AT AUGUST 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 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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*Director of Business Development and Client Service*

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### WHERE TO FIND NGM FUND PRICES

Please visit [www.northgrowth.com](http://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.

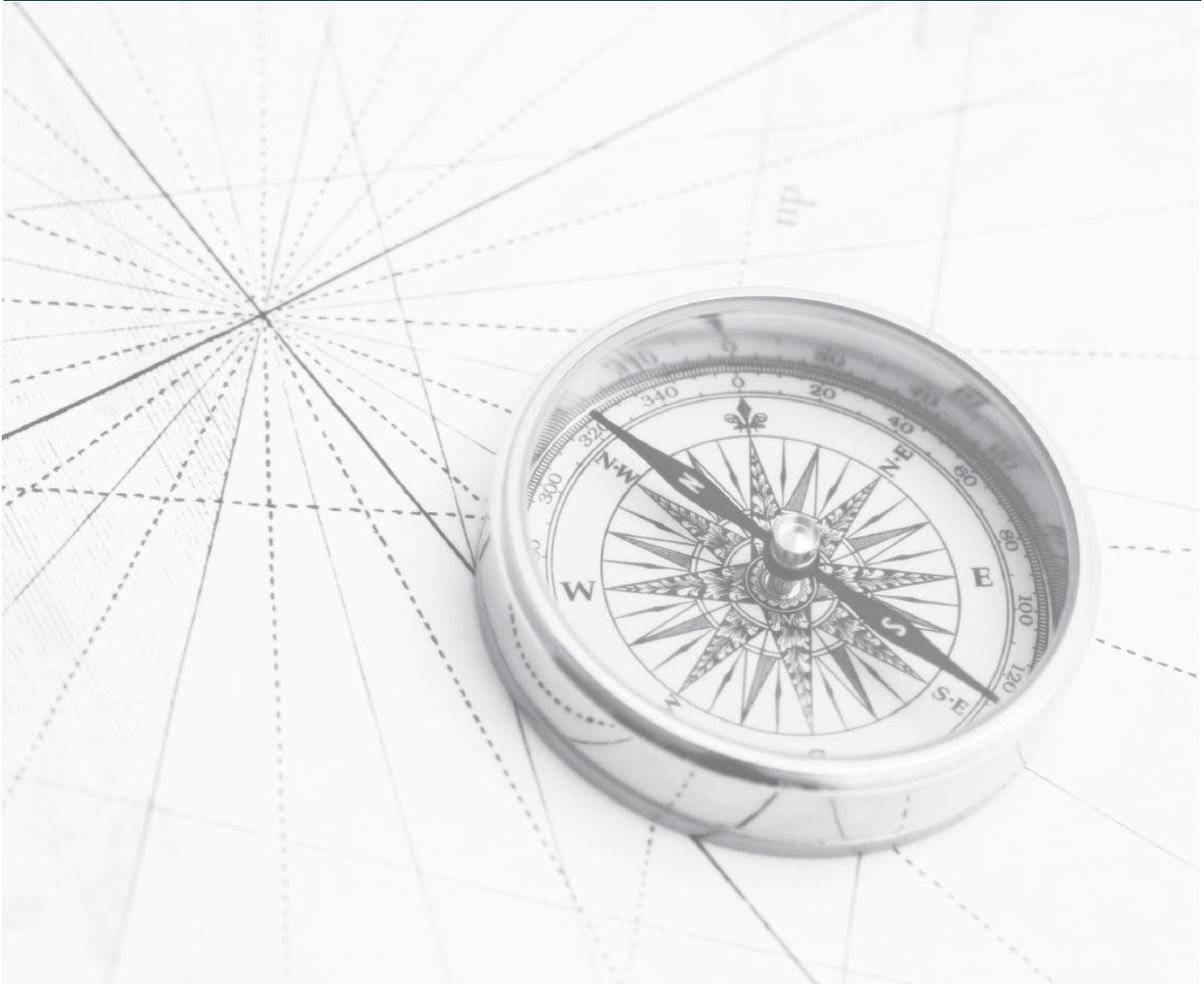


## A NOTE ON FORWARD-LOOKING STATEMENTS

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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