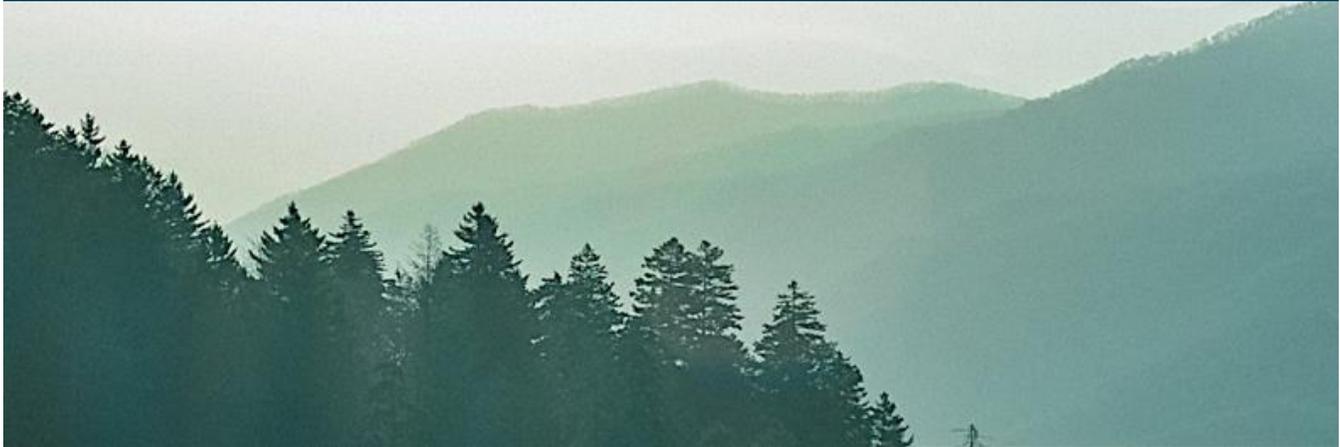




NORTH GROWTH
MANAGEMENT



ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31, 2025

NORTH GROWTH BALANCED FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE FOR THE PERIOD FROM JULY 23, 2025 TO DECEMBER 31, 2025

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 or SEDAR+ at 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.

NORTH GROWTH BALANCED FUND

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Management Discussion of Fund Performance

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the North Growth Balanced Fund (the “Fund”) is to provide long-term capital growth and capital appreciation with moderated volatility by investing primarily in equity securities of U.S. and Canadian based corporations and short-term debt securities 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 an investment that combines capital preservation with the potential of capital appreciation through investment in U.S. and Canadian equity securities. Investors should have a low to 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 period from August 18, 2025 to December 31, 2025, the Series F and A units of the Fund gained 9.52% and 9.01%, respectively, in Canadian dollars. During this period the Manager rebated 75 bps of its management fee to the Fund pursuant to a promotional event. The difference in performance between the Series F and the Series A units is mostly attributed to the 1.00% trailer commission paid on the Series A units of the Fund.

North American equity markets delivered robust results in 2025, marking another strong year for U.S. benchmarks. However, the path was anything but linear, defined by a strategic tug-of-war between monetary easing and trade-induced volatility. The year began with significant turbulence as "Liberation Day" tariff announcements precipitated a sharp April correction, nearly pushing indices into bear market territory. Yet, markets demonstrated remarkable resilience, rebounding swiftly as trade tensions moderated and central banks on both sides of the border pursued aggressive accommodative cycles.

While U.S. benchmarks were propelled by a relentless "AI arms race" and massive data-center infrastructure spending, the Canadian market found unique strength in its Financials and Materials sectors. These sectors benefited immensely from surging gold prices and a steady decline in borrowing costs, allowing the S&P/TSX to frequently outpace its southern peers in 2025.

Monetary policy remained a primary catalyst for this momentum, specifically through the Bank of Canada's continued easing cycle. After starting the year at 3.25%, the Bank executed a series of 25 bps cuts in January and March, followed by a mid-year pause. Easing resumed in the second half with additional 25 bps reductions in September and October, bringing the benchmark rate to 2.25%. The Bank maintained this level through December, signaling that the policy rate was appropriate to keep inflation near the 2% target while supporting the economy through a period of structural adjustment.

There was no distribution for the Fund in 2025.

RECENT DEVELOPMENTS

In the final months of 2025, U.S. positive macroeconomic data sparked a wave of industrial optimism, particularly for domestic manufacturing. However, this momentum entered 2026 shadowed by heightened volatility; while AI continue to drive early gains, the "AI disruption" narrative has led to severe drawdowns in the software sector as investors reassess long-term SaaS defensibility.

In Canada, the focus shifted toward stability and structural adjustment. The Bank of Canada began 2026 by holding its policy rate at 2.25%, a cautious stance maintained in the face of ongoing U.S. trade uncertainty and the upcoming CUSMA review. While inflation has largely stabilized near the 2% target, the broader economy continues to navigate the friction of new tariffs. This "wait-and-see" approach from policymakers has created a tempered market environment, where the benefits of previous easing are balanced against the reality of a cautious business investment landscape

For equities 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.

For fixed income securities, the Manager takes a simple approach, investing in a well-diversified portfolio of Canadian money market securities with an emphasis on high credit ratings.

In 2025, Tony Barke's term ended as a member of the Fund's Independent Review Committee (IRC), and Terry Neill was appointed as a member of the IRC for a three-year term.

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*).

In 2025, the Manager subscribed to 1,000 Series A units and 24,000 Series F units of the Fund and subsequently switched all its Series A units to Series F units.

As at December 31, 2025, the Manager, its affiliates and their officers and directors and their spouses beneficially owned 8.88% of the outstanding units of the Fund.

On December 31, 2025, the Fund carried an outstanding balance payable to the Manager for management fees in the amount of \$507.

Financial Highlights

For the period from July 23, 2025 to December 31, 2025

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

SERIES F – NET ASSETS PER UNIT

Net Assets Per Unit ¹	December 31 2025
Net Assets, beginning of period	\$10.00
Increase / (decrease) from operations:	
Total revenue	0.08
Total expenses	(0.02)
Realized gains / (losses) for the period	0.02
Unrealized gains / (losses) for the period	1.01
Total increase / (decrease) from operations²	1.14
Distributions:	
From income	-
From capital gains	-
Total Annual Distributions³	-
Net assets at December 31st of year shown	\$10.95

- 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 31st 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 2025
Total net asset value (000's) ⁴	\$2,600
Number of units outstanding (000's) ⁴	237
Management expense ratio ⁵	0.95%
Management expense ratio before waivers and absorptions ⁶	1.80%
Trading expense ratio ⁷	0.07%
Portfolio turnover rate ⁸	0.23%
Net asset value per unit	\$10.95

4. *This information is provided as at December 31st 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 A – NET ASSETS PER UNIT

Net Assets Per Unit ¹	December 31 2025
Net Assets, beginning of period	\$10.00
Increase / (decrease) from operations:	
Total revenue	0.08
Total expenses	(0.05)
Realized gains / (losses) for the period	0.02
Unrealized gains / (losses) for the period	1.01
Total increase / (decrease) from operations²	0.79
Distributions:	
From income	-
From capital gains	-
Total Annual Distributions³	-
Net assets at December 31st of year shown	\$10.90

- 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 31st 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 A – RATIOS AND SUPPLEMENTAL DATA

Ratios and Supplemental Data	December 31 2025
Total net asset value (000's) ⁴	\$532
Number of units outstanding (000's) ⁴	49
Management expense ratio ⁵	1.95%
Management expense ratio before waivers and absorptions ⁶	3.95%
Trading expense ratio ⁷	0.07%
Portfolio turnover rate ⁸	0.23%
Net asset value per unit	\$10.90

4. *This information is provided as at December 31st 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 A and Series F. The management fee for both series is 0.95% 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 A pays a trailing commission of 1.00%. 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

Year-by-year return and annual compound return performance data are not available because the Fund is new.

The Fund became a reporting issuer and began offering its units to the public on August 18, 2025. Canadian securities regulation prohibits funds from providing past performance data for any period if it was not a reporting issuer at all times during the period.

Summary of Investment Portfolio

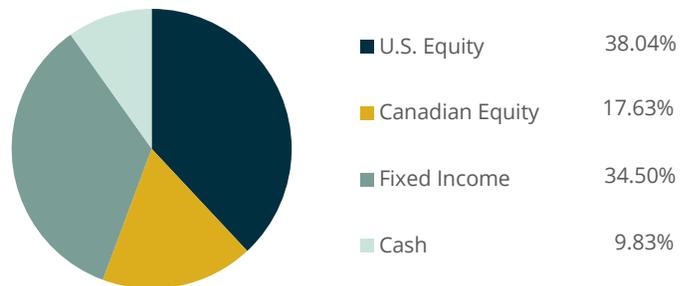
As of December 31, 2025

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.

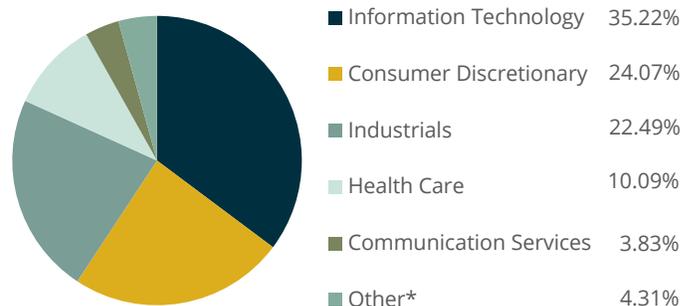
Top 25 Holdings

Top Equity Holdings	% of Net Assets
Ciena Corp.	3.63
Jabil Inc.	2.65
Lumentum Holdings Inc.	2.60
Bombardier Inc., Class B	2.21
Applied Materials Inc.	2.06
Coherent Corp.	1.72
Leon's Furniture Ltd.	1.44
Bird Construction Inc.	1.35
Brinker International Inc.	1.14
Somnigroup International Inc.	1.08
Tapestry Inc.	1.07
Motorola Solutions Inc.	1.06
Johnson Controls International plc	1.05
ATS Corporation	0.96
Booking Holdings Inc.	0.94
Aritzia Inc.	0.93
Top Fixed Income Holdings	% of Net Assets
Government of Canada (2026-01-14 – 2026-07-15)	21.74
Government of QC (2026-02-27)	2.23
Province of MB (2026-02-25)	2.07
Province of NB (2026-03-05)	1.75
Province of SK (2026-02-03)	1.75
Government of NL (2026-01-19)	1.44
Province of ON (2026-01-14)	1.28
Government of PEI (2026-03-03)	1.27
Provincial Treasurer of AB (2026-01-06)	0.96

Asset Mix



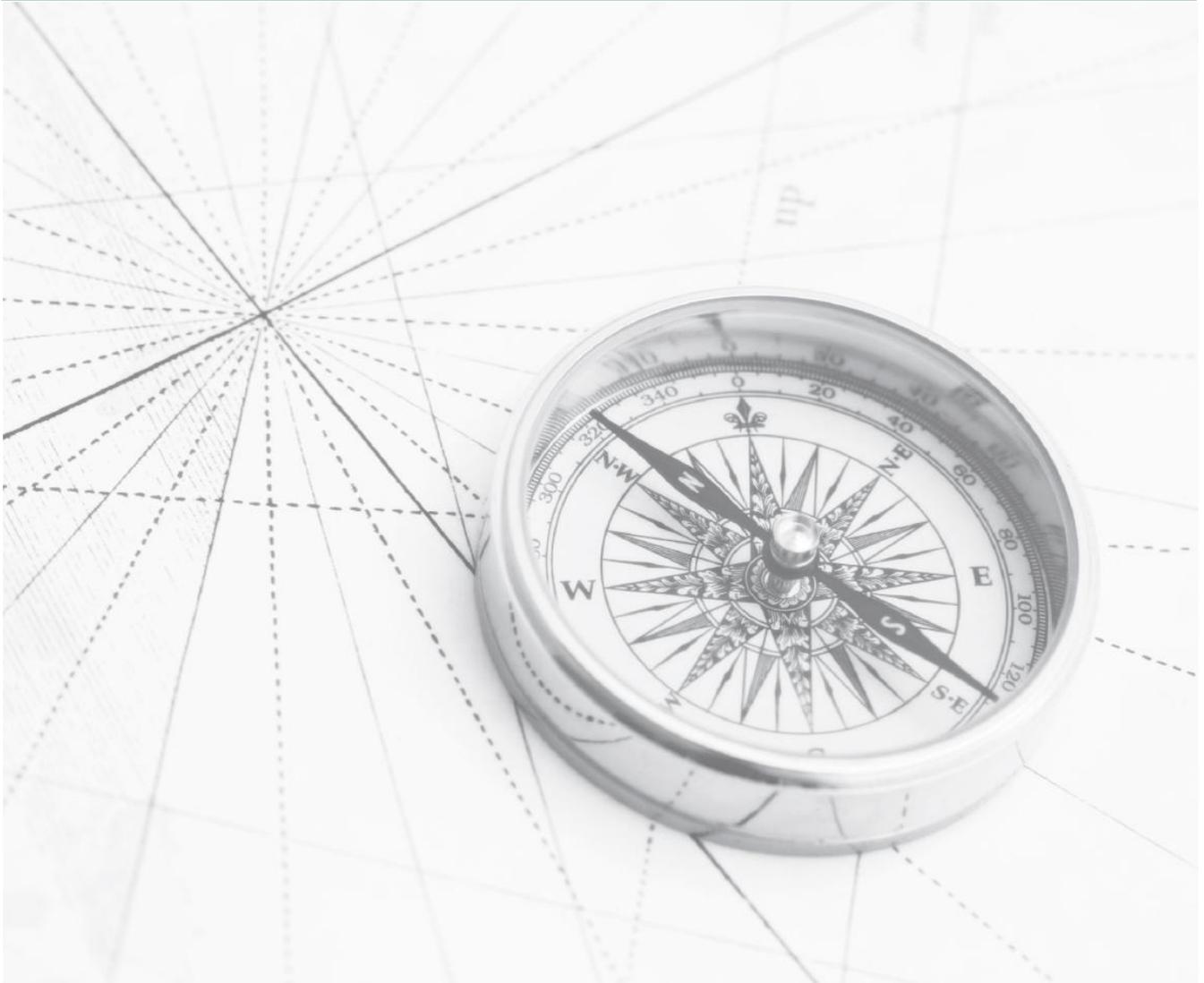
Equity Sector Mix



* Materials, Financials, Utilities, Real Estate, Consumer Staples



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