NORTH GROWTH MANAGEMENT



# OCTOBER 2026 MONTHLY REPORT

NOVEMBER 4, 2026

# Market and Fund Performance Update

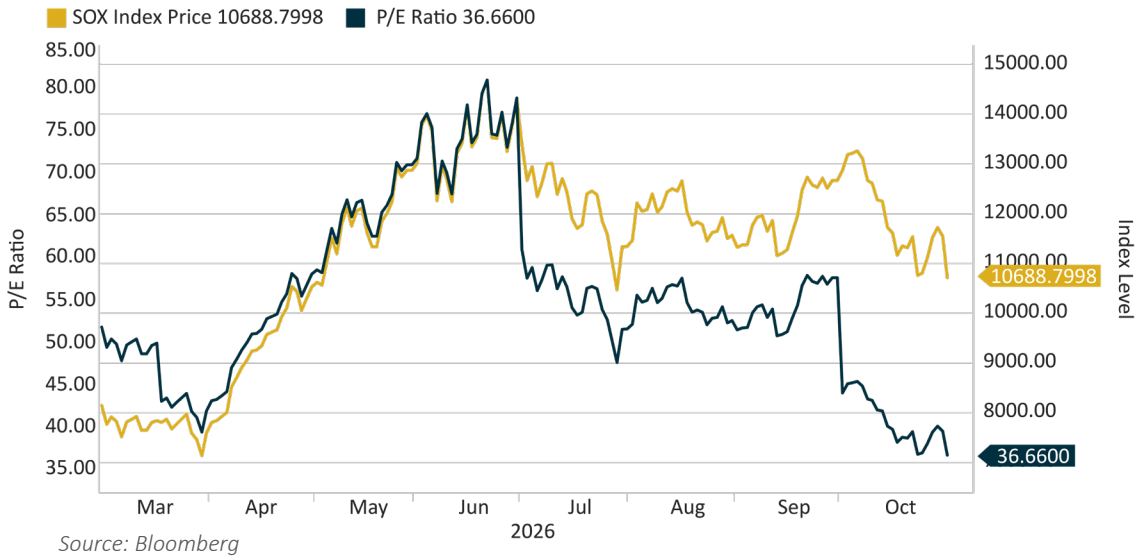
During October, a sharp reversal in the artificial intelligence (AI) trade led to a wide divergence in performance between mega-cap technology and the broader U.S. market. The bifurcation is best illustrated by the significant contrast between the monthly returns of the NASDAQ Composite which declined by more than 5% and the equal-weight S&P 500 which gained 5%.

## CHURN, CHURN, CHURN

Volatility abounds as the U.S. stock market rotates in and out of the AI trade. In September and early October, elevated oil prices and rising bond yields weighed on market sentiment and participants sought refuge in mega-cap American tech shares. During the latter part of October, however, following disappointing earnings results with cash-burn concerns at companies including Alphabet (Google), Amazon, and Intel, a notable sell-off in technology occurred and the market favoured more defensive, value-oriented companies.

The constant churning in the U.S. market over the past months is reflected by the erratic performance of the Philadelphia Semiconductor index (SOX) of chipmakers. After reaching a high in June, the chip stocks have fallen by over 25% as of the end of October. Notwithstanding this recent drawdown, the SOX index is still up more than 50% year-to-date. Meanwhile, as the earnings of these AI suppliers have accelerated drastically, their valuations have improved as price/earnings (P/E) multiples have compressed meaningfully.

Philadelphia Semiconductor Index (SOX) Price & P/E Ratio (Mar. 2 – Oct. 30, 2026)




*Source: Bloomberg*

## OUR VIEW

As always, we remain focused on individual stock analysis that adheres to our "Growth at a Reasonable Price" investment philosophy. Balancing the tremendous demand for AI equipment and phenomenal earnings growth of the networking and semiconductor names against their significant appreciation, we have been actively capping the U.S. Equity Fund's AI exposure. We continue to engage in active stock selection, constructing our Funds from the bottom up, as opposed to making macro-driven investment decisions.

## TAX INFORMATION UPDATE

Tuesday, December 15th is the distribution date for both the North Growth U.S. Equity Fund and North Growth Canadian Equity Fund.

For the North Growth U.S. Equity Fund, we continue to estimate that the distribution, comprised almost entirely of capital gains, will be between 10% and 20% of its unit price. As several holdings related to AI have rallied substantially during 2026, we have realized more capital gains than in years past.

For the North Growth Canadian Equity Fund, we estimate that the distribution, also mostly capital gains, will be between 3% and 8% of the unit price.

Due to factors beyond our control, the current estimates for the distributions may still change over the coming month. We will publish the final distribution amounts in the November monthly report on Wednesday, December 16th.

All distributions by the Equity Funds are automatically invested in units of the respective Fund. If you would like to receive your distributions in cash, please notify us in writing by Friday, November 27th.

If you have recently moved and not yet updated your mailing address with us, please do so by November 30th to allow us to use the correct province of residence for tax purposes.

Any questions regarding the distributions should be directed to our CFO, Rachid Nayel, at 604-688-5440 or rachid@northgrowth.com.

## U.S. EQUITY FUND

In October, the North Growth U.S. Equity Fund appreciated 0.8%. The Fund outperformed the S&P 500 and NASDAQ Composite which fell -0.9% and -5.3% respectively, yet lagged the S&P 400 MidCap and S&P 600 SmallCap which gained 1.9% and 3.2% respectively. Due to a strengthening of the Canadian currency, the Fund declined -1.1% in Canadian dollars versus the S&P 500's -2.8% Canadian-dollar loss last month.

## CANADIAN EQUITY FUND, SERIES N

In October, the North Growth Canadian Equity Fund, Series N, gained 0.3% compared to a gain of 1.2% for the S&P/TSX Composite. Energy was the strongest sector last month followed by Consumer Staples and Consumer Discretionary.

As we expect continued market volatility, 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. 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 OCTOBER 31, 2026

| | 1 Month | 3 Months | 6 Months | YTD |
|---|---|---|---|---|
| North Growth U.S. Equity Fund $CDN[x] | **-1.12** | **2.41** | **8.91** | **31.74** |
| S&P 500 in $CDN[x] | -2.75 | 0.98 | 8.34 | 13.84 |
| | | | | |
| North Growth U.S. Equity Fund $U.S. | **0.80** | **2.91** | **6.28** | **29.34** |
| S&P 500 $U.S. | -0.87 | 1.48 | 5.73 | 11.77 |
| S&P 400 MidCap $U.S. | 1.90 | -2.24 | 1.28 | 11.97 |
| S&P 600 SmallCap $U.S. | 3.18 | -3.16 | 2.99 | 17.71 |
| NASDAQ Composite $U.S. | -5.28 | 0.39 | 2.49 | 9.96 |

## ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2026

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | Since Inception |
|---|---|---|---|---|---|---|---|
| North Growth U.S. Equity Fund $CDN[x] | **42.66** | **35.15** | **17.54** | **16.83** | **17.21** | **12.68** | **13.82** |
| S&P 500 $CDN[x] | 11.64 | 23.67 | 14.78 | 15.91 | 17.42 | 12.20 | 11.41 |
| | | | | | | | |
| North Growth U.S. Equity Fund $U.S. | **43.25** | **34.86** | **14.75** | **16.36** | **14.61** | **11.46** | **13.44** |
| S&P 500 $U.S. | 12.11 | 23.40 | 12.06 | 15.44 | 14.81 | 10.99 | 11.03 |
| S&P 400 MidCap $U.S. | 14.35 | 17.39 | 7.20 | 10.98 | 11.62 | 9.67 | 11.63 |
| S&P 600 SmallCap $U.S. | 20.77 | 18.32 | 6.17 | 10.68 | 11.63 | 9.17 | 11.02 |
| NASDAQ Composite $U.S. | 7.86 | 26.44 | 11.24 | 18.28 | 17.39 | 13.76 | 11.76* |

*Source: Bloomberg "Total Return Analysis" as of October 31, 2026*

*The inception of the Fund: October 13, 1992.*

*[x] The North Growth U.S. Equity Fund's $CDN rates of return are calculated using the Bank of Canada daily average exchange rate which may differ from the exchange rate used by Bloomberg to calculate the S&P 500's $CDN rate of return.*

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

| | October 31, 2026 |
|---|---|
| Unit Price | $ 106.11 CDN / $ 76.01 US |
| Total Assets in Fund | $ 970.1 Million CDN |

# North Growth Canadian Equity Fund, Series N

## SHORT TERM RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2026

| | 1 Month | 3 Months | 6 Months | YTD |
|---|---|---|---|---|
| **North Growth Canadian Equity Fund, Series N** | **0.27** | **-1.77** | **6.03** | **18.07** |
| S&P/TSX Composite Index[1] | 1.24 | 1.64 | 6.00 | 14.37 |

## ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2026

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Prospectus |
|---|---|---|---|---|---|
| **North Growth Canadian Equity Fund, Series N** | **22.13** | **24.78** | **10.01** | **13.54** | **13.12** |
| S&P/TSX Composite Index[1] | 20.35 | 26.95 | 14.34 | 12.44 | 11.42 |

*Source: Bloomberg "Total Return Analysis" as of October 31, 2026*
*The prospectus inception of the Fund: June 15, 2012.*
*[1] Source: TSX © Copyright 2026 TSX Inc. All rights reserved.*

| | October 31, 2026 |
|---|---|
| Unit Price | $ 35.75 CDN |
| Total Assets in Fund | $ 60.5 Million CDN |

# North Growth Canadian Money Market Fund

## ANNUALIZED RATES OF RETURN (%) FOR PERIODS ENDED OCTOBER 31, 2026

| | Current Yield* | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs |
|---|---|---|---|---|---|---|
| **North Growth Canadian Money Market Fund** | **2.24** | **2.18** | **3.23** | **3.06** | **1.97** | **1.56** |
| 30 Day Treasury Bill | N/A | 2.30 | 3.38 | 3.15 | 2.01 | 1.59 |

** 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.

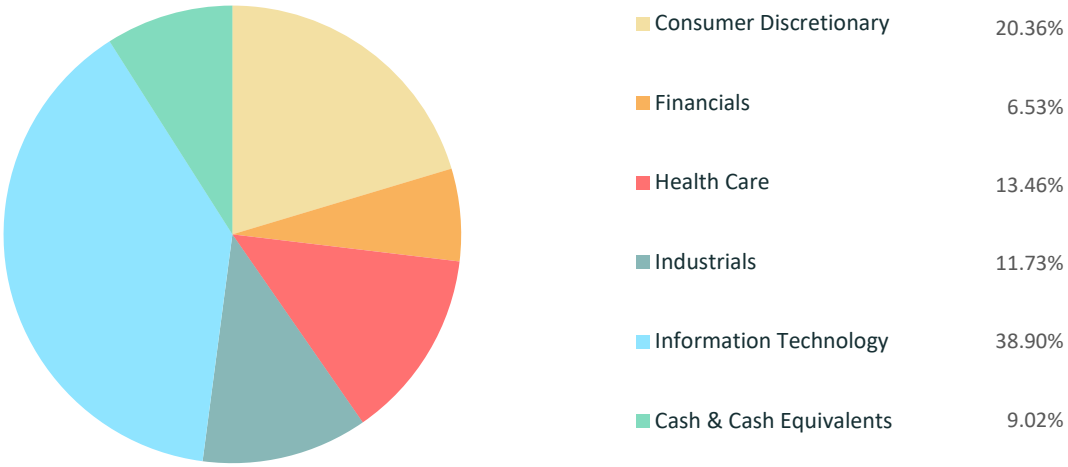
The current yield quoted above is net of the management fee.

# Equity Fund Holdings and Composition

## U.S. EQUITY FUND — TOP 10 HOLDINGS AS AT OCTOBER 31, 2026

| Ranking | Security | % of Net Assets |
|---|---|---|
| 1 | Jabil Inc. | 5.24 |
| 2 | Lumentum Holdings Inc. | 4.69 |
| 3 | Ciena Corp. | 4.14 |
| 4 | Applied Materials Inc. | 4.13 |
| 5 | Motorola Solutions Inc. | 3.62 |
| 6 | Nvidia Corp. | 3.30 |
| 7 | Brinker International Inc. | 3.24 |
| 8 | HP Inc. | 3.08 |
| 9 | West Pharmaceutical Services, Inc. | 2.92 |
| 10 | IQVIA Holdings Inc. | 2.92 |
| **Top 10** | | **37.28** |
| **Total Equities** | | 90.98 |
| **Cash** | | 9.02 |
| **Total Assets** | | **100.00** |

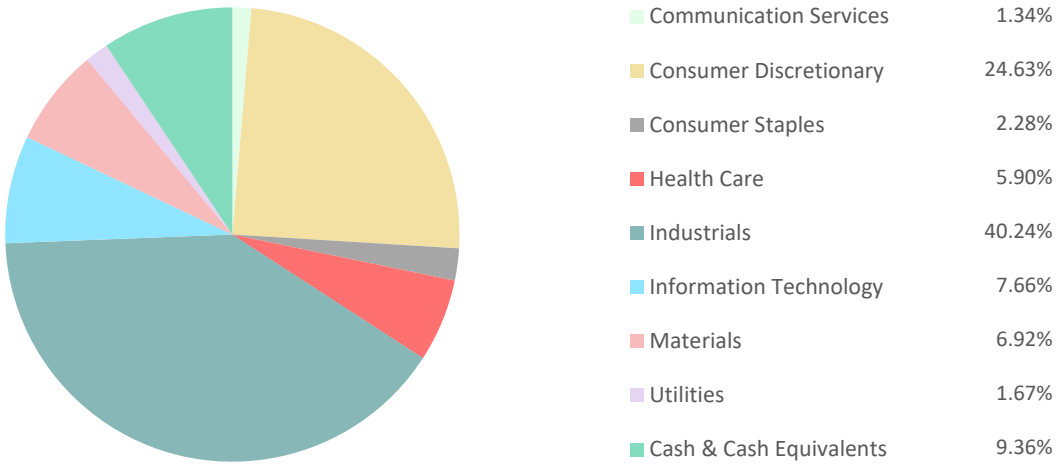
## U.S. EQUITY FUND — SECTOR MIX AS AT OCTOBER 31, 2026



## CANADIAN EQUITY FUND — TOP 10 HOLDINGS AS AT OCTOBER 31, 2026

| Ranking | Security | % of Net Assets |
|---|---|---|
| 1 | Bird Construction Inc. | 8.65 |
| 2 | Bombardier Inc., Class B | 8.33 |
| 3 | Leon's Furniture Ltd. | 5.72 |
| 4 | Constellation Software Inc. | 5.71 |
| 5 | Aritzia Inc. | 4.64 |
| 6 | ADF Group Inc. | 4.05 |
| 7 | ATS Corporation | 3.51 |
| 8 | Badger Infrastructure Solutions Ltd. | 3.33 |
| 9 | Canadian National Railway Company | 3.27 |
| 10 | Zymeworks Inc. | 2.93 |
| **Top 10** | | **50.14** |
| **Total Equities** | | 90.64 |
| **Cash** | | 9.36 |
| **Total Assets** | | **100.00** |

## CANADIAN EQUITY FUND — SECTOR MIX AS AT OCTOBER 31, 2026



# 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

**** Please Note: our transaction cut-off times have not changed, however, due to the permanent adoption of Daylight Savings Time in British Columbia, the corresponding cut-off times in jurisdictions that recently switched back to Standard Time is now an hour earlier.***

The cut-off time for same-day equity fund transactions is 11:00am Pacific Time (1:00pm Eastern Standard Time or 2:00pm Eastern Daylight Time), and for same-day Money Market Fund redemptions is 10:00am Pacific Time (12:00pm Eastern Standard Time or 1:00pm Eastern Daylight 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 9:00am Pacific Time (11:00am Eastern Standard Time or 12:00pm Eastern Daylight Time). Orders received after the applicable cut-off time will be processed on the next business day.

For assistance, please contact:

Marcus Vander Leek, CFA
*Director of Business Development and Client Service*
Email: marcus@northgrowth.com

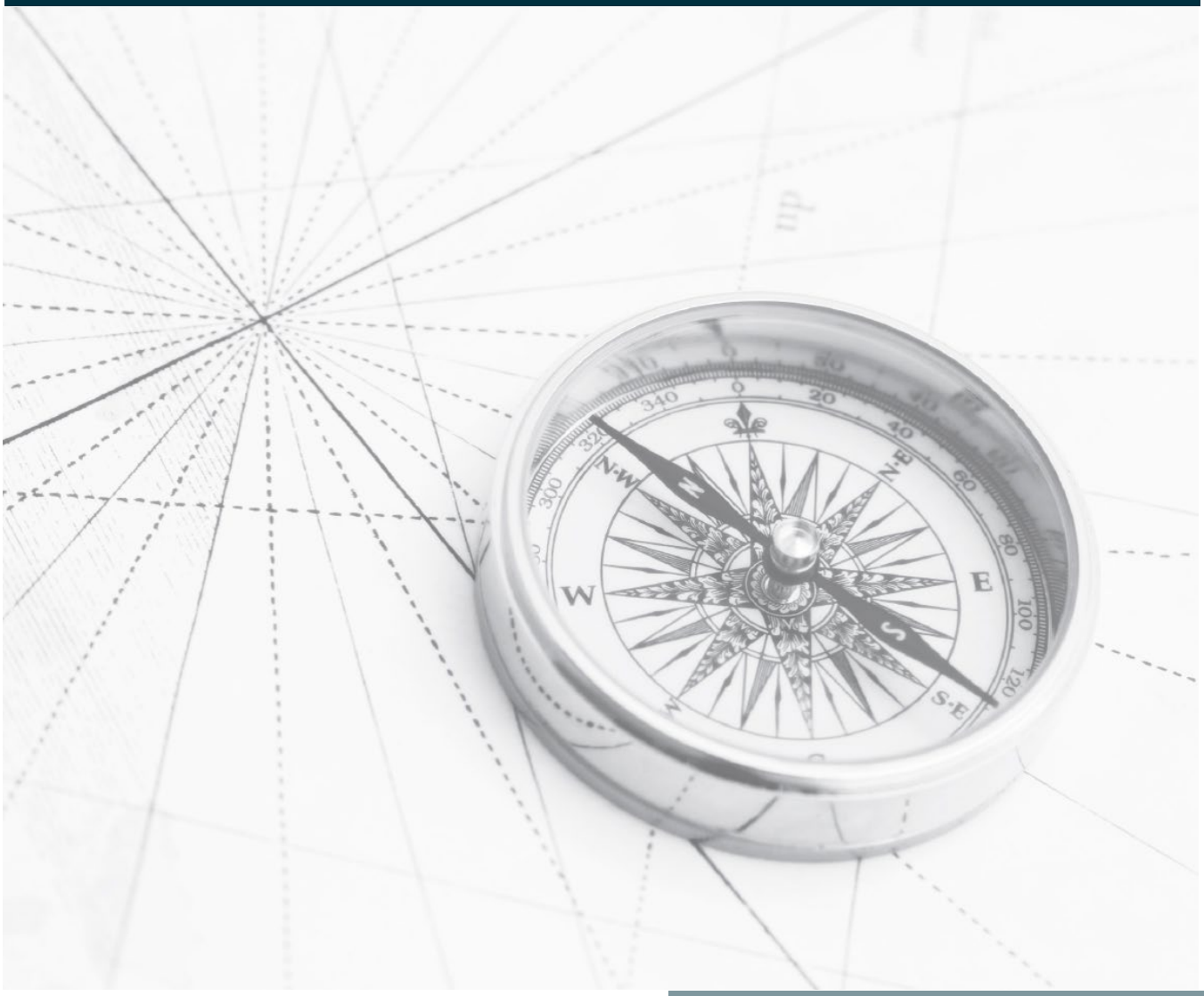
## WHERE TO FIND NORTH GROWTH FUND PRICES

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.

NORTH GROWTH
MANAGEMENT




Suite 830, One Bentall Centre
505 Burrard Street, Box 56
Vancouver, BC V7X 1M4

T: 604-688-5440

F: 604-688-5402

info@northgrowth.com