



SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2017

NORTH GROWTH U.S. EQUITY ADVISOR FUND

Semi-Annual Management Report of Fund Performance
for the period ended June 30, 2017

This semi-annual management report of fund performance contains financial highlights, but does not contain the semi-annual or annual financial statements of the investment fund. You can obtain a copy of the unaudited semi-annual or 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.sedar.com.

Security holders may also contact us by using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. The Fund's Simplified Prospectus, Annual Information Form 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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North Growth U.S. Equity Advisor Fund

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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 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 to high tolerance for risk and a minimum investment horizon of five years.

Results of Operations

Year to date, the Series F units of the Fund gained 6.62% and the Series D units gained 6.46%, both expressed in Canadian dollars. The difference in performance between the Series F units and the Series D units is attributed to the 0.30% per annum trailing commission on the Series D units. Relative to the S&P 500 Index, both funds outperformed by 0.94% and 0.78% respectively. On a U.S. dollar basis, the Series F and Series D units gained 10.32% and 10.16% respectively, while the S&P 500 Index gained 9.34%

The bull market in U.S. equity markets entered its eighth year in 2017. Years of moderate economic expansion coupled with solid corporate earnings have propelled stock markets to near record highs. While we expect the U.S. economy to continue its steady pace of improvement, the combination of expensive market valuations, growing geopolitical risks and uncertainty surrounding U.S. policies has led us to adopt a more cautious outlook on U.S. equities. In this environment, it has been difficult to find investment opportunities that fit our “growth at a reasonable price” philosophy. As such, we have been actively managing our risk profile by reducing the average size of our portfolio holdings while also increasing the number of holdings in the Fund. These recent actions have resulted in increasing our cash weighting from approximately 4.7% to 11.1% of the portfolio.

In the first six months of 2017, some of the more significant weight reductions include: Apple, Cerner, Applied Materials, Cisco, Anthem, SolarEdge, Texas Instruments, Ethan Allen, Citrix, Microsoft, Mohawk Industries and Zimmer Biomet. We eliminated our position in General Electric. We added to our existing positions in Abbott Laboratories, Itron, and Pier 1 Imports and re-initiated a position in First Solar. New holdings within the Fund include: Celgene, HP, Finisar, Applied Optoelectronics, Oclaro, Varex Imaging and LogMeIn. Varex Imaging was the spin-off from Varian Medical while LogMeIn was the result of the merger between LogMeIn and GoToBusiness, a spin-off from Citrix Systems.

Please refer to the North Growth U.S. Equity Advisor Fund Prospectus and AIF for more detailed information about Series D and Series F units of the Fund. You may obtain a copy of these documents, at your request, and at no cost, from your dealer. They are also available on the North Growth website at www.northgrowth.com, or on SEDAR at www.sedar.com.

Recent Developments

U.S. equity markets gained an impressive 9.34% in the first six months of the year, buoyed by solid first quarter corporate earnings and by expectations that the Trump administration's pro-business policies would be enacted. By and large, stocks churned higher amid record low volatility despite a constant barrage of negative headlines on US political dysfunction and growing geopolitical risks. Market breadth was broad and all sectors posted year-to-date gains with the exception of the energy and telecommunication services sectors. Growth and large capitalization stocks fared better against value and small capitalization stocks – a clear reversal from the trends seen during 2016. The technology-heavy NASDAQ Composite posted the strongest gains, up 14.76%. Specifically, the often referenced “FANG” stocks – the acronym for Facebook, Amazon, Netflix and Google (now Alphabet) – drove most of the S&P 500 and NASDAQ returns.

On the monetary front, the Federal Reserve raised the target for the federal funds rate twice so far this year, each by 0.25%, to the most recent range of 1.0-1.25%. The Fed also announced its intention to gradually shrink its \$4.5 trillion portfolio of Treasury and mortgage securities later this year. Economic data has generally been supportive of a moderately growing economy.

Effective July 1, 2017, the North Growth U.S. Equity Advisor Fund's all-inclusive management fee for Series D and F units will be lowered by 20 basis points from 0.90% to 0.70%. Trailing commissions on Series D units will remain at 0.30%. As such, the combined total fund level expenses on Series D units will decrease from 1.20% to 1.00%.

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 management fees to the Manager for services provided (see *Management Fee*).

During the period ended June 30, 2017, the Manager neither purchased nor redeemed units of the Fund (2015 – 7,358,819 units purchased for \$200,000, no redemptions).

As at June 30, 2017, affiliates, officers and directors of the Manager owned 57.48% (2015 – 58.35%) of the units of the Fund.

On June 30, 2017, the Fund carried an outstanding payable to the Manager for management fees in the amount of \$45,608 (2015 – \$43,977).

Statements of Cash Flows

Embedded in the Net realized gain on sale of investment balance of the Statement of Cash Flows for the period ended June 30, 2017 is a foreign exchange loss of \$147,000 Canadian dollars (2016 – \$62,000 loss).

Financial Highlights

Series F

For the period ended June 30, 2017 and for the comparative years ended December 31, 2010 through 2016, and for the period from inception on May 7, 2009 to December 31, 2009

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 selected periods identified. The financial information shown for the years ending December 31, 2010 to 2016, and the period from inception to December 31, 2009 is derived from the related audited financial statements.

Net Assets per unit ¹	June 30,	December 31,							
	2017 (IFRS)	2016 (IFRS)	2015 (IFRS)	2014 (IFRS)	2013 (IFRS)	2012 (GAAP)	2011 (GAAP)	2010 (GAAP)	2009 (GAAP)
Net Assets, beginning of period ²	\$29.39	\$28.96	\$24.22	\$20.12	\$14.33	\$13.48	\$13.28	\$11.87	\$10.00
Increase from Operations									
Total revenue	0.20	0.50	0.39	0.30	0.25	0.24	0.15	0.12	0.07
Total expenses	(0.14)	(0.26)	(0.29)	(0.29)	(0.22)	(0.18)	(0.17)	(0.16)	(0.08)
Net investment gain (loss)	0.06	0.24	0.10	0.01	0.03	0.06	(0.02)	(0.04)	(0.01)
Realized (losses) gains for the period	3.68	1.89	1.03	1.11	0.83	(0.05)	0.19	0.49	(0.04)
Unrealized (losses) gains for the period	(1.76)	(1.04)	3.86	3.17	5.30	0.65	0.05	0.98	1.92
Net gains for the period	1.92	0.85	4.89	4.28	6.13	0.60	0.24	1.47	1.88
Total Increase from Operations ³	1.98	1.09	4.98	4.29	6.16	0.66	0.22	1.43	1.87
Distributions:									
From dividends	-	(0.26)	(0.08)	(0.03)	(0.03)	(0.07)	-	-	-
From capital gains	-	(0.39)	(0.17)	(0.18)	(0.27)	-	(0.16)	(0.34)	-
Total Annual Distributions ⁴	-	(0.64)	(0.25)	(0.21)	(0.30)	(0.07)	(0.16)	(0.34)	-
Net Assets, End of Period	\$31.34	\$29.39	\$28.96	\$24.22	\$20.12	\$14.27	\$13.48	\$13.28	\$11.87

1. This information is derived from the Fund's IFRS audited financial statements for years ended June 30, 2017, with comparative December 31, 2013 through 2015, and Canadian GAAP financial statements for the periods ended December 31, 2012, 2011, 2010 and 2009. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the Net Assets, End of Period balance.
2. Inception for Series F was May 7, 2009.
3. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from investment operations is based on the weighted average number of units outstanding over the financial period.
4. Capital gains and income distributions were paid in cash or reinvested in additional units of the Fund.

Financial Highlights (continued)

Ratios and Supplemental Data	June 30,	December 31,							
	2017 (IFRS)	2016 (IFRS)	2015 (IFRS)	2014 (IFRS)	2013 (IFRS)	2012 (GAAP)	2011 (GAAP)	2010 (GAAP)	2009 (GAAP)
Net asset value (000's)	\$51,063	\$50,385	\$47,946	\$38,189	\$31,165	\$22,694	\$17,103	\$15,620	\$12,634
Number of units outstanding (000's)	1,629	1,714	1,655	1,577	1,549	1,590	1,268	1,176	1,064
Management expense ratio January – June ⁵	0.90%	0.90%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Management expense ratio July – December ⁵	0.90%	0.90%	0.90%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Pre-absorption management expense ratio ⁶	1.10%	1.01%	1.07%	1.23%	1.24%	1.26%	1.28%	1.29%	n/a
Trading expense ratio ⁷	0.04%	0.05%	0.03%	0.04%	0.04%	0.10%	0.06%	0.08%	0.10%
Portfolio turnover rate ⁸	9.94%	18.55%	9.68%	15.12%	15.84%	12.14%	12.06%	13.26%	2.66%
Net asset value per unit	\$31.34	\$29.39	\$28.96	\$24.22	\$20.12	\$14.17	\$13.49	\$13.29	\$11.87

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 the IRC fee; the pre-absorption management fee 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 assets 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

For the period ended June 30, 2017, and for the comparative periods ended December 31, 2010 through 2016, and the period from inception on September 17, 2009 to December 31, 2009

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 selected periods identified. The financial information shown for the years ending December 31, 2010 to 2016, and the period from inception to December 31, 2009 is derived from the related audited financial statements.

Net Assets per unit ¹	June 30,	December 31,							
	2017 (IFRS)	2016 (IFRS)	2015 (IFRS)	2014 (IFRS)	2013 (IFRS)	2012 (GAAP)	2011 (GAAP)	2010 (GAAP)	2009 (GAAP)
Net Assets, beginning of period ²	\$29.46	\$29.04	\$24.27	\$20.11	\$14.26	\$13.48	\$13.21	\$11.86	\$11.18
Increase from Operations									
Total revenue	0.20	0.51	0.39	0.30	0.25	0.24	0.15	0.12	0.07
Total expenses	(0.18)	(0.35)	(0.40)	(0.39)	(0.31)	(0.25)	(0.23)	(0.22)	(0.08)
Net investment gains (loss)	0.02	0.16	(0.01)	(0.09)	(0.06)	(0.01)	(0.08)	(0.10)	(0.01)
Realized gains (losses) for the period	4.04	1.89	1.03	1.10	0.83	(0.05)	0.19	0.49	(0.04)
Unrealized (losses) gains for the period	(1.76)	(1.04)	3.86	3.17	5.30	0.65	0.05	0.98	0.73
Net gains for the period	1.91	0.85	4.89	4.37	6.13	0.60	0.24	1.47	0.69
Total Increase from Operations ³	2.30	1.01	4.88	4.18	6.07	0.59	0.16	1.37	0.68
Distributions:									
From dividends	-	(0.17)	-	-	-	(0.01)	-	-	-
From capital gains	-	(0.39)	(0.12)	(0.03)	(0.19)	-	-	(0.24)	-
Total Annual Distributions⁴	-	(0.56)	(0.12)	(0.03)	(0.19)	(0.01)	-	(0.24)	-
Net Assets, End of Period	\$31.37	\$29.46	\$29.04	\$24.27	\$20.11	\$14.25	\$13.48	\$13.21	\$11.86

1. This information is derived from the Fund's IFRS audited financial statements for years ended June 30, 2017, with comparative IFRS information at December 31, 2013 through 2016, and Canadian GAAP financial statements for the periods ended December 31, 2012, 2011, 2010 and 2009. Due to potential rounding differences, the sum of the individual components of the disclosed information does not necessarily amount to the Net Assets, End of Period balance.
2. Inception for Series D was September 17, 2009.
3. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from investment operations is based on the weighted average number of units outstanding over the financial period.
4. Capital gains and income distributions were paid in cash or reinvested in additional units of the Fund.

Financial Highlights (continued)

Ratios and Supplemental Data	June 30,	December 31,							
	2017 (IFRS)	2016 (IFRS)	2015 (IFRS)	2014 (IFRS)	2013 (IFRS)	2012 (GAAP)	2011 (GAAP)	2010 (GAAP)	2009 (GAAP)
Net asset value (000's)	\$7,424	\$9,506	\$9,847	\$7,525	\$5,481	\$2,672	\$1,138	\$1,228	\$691
Number of units outstanding (000's)	237	323	340	310	273	187	84	93	58
Management expense ratio January – June ⁴	1.20%	1.20%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
Management expense ratio July – December ⁴	1.20%	1.20%	1.20%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
Pre-absorption management expense ratio ⁵	1.27%	1.25%	1.47%	1.73%	1.74%	1.76%	1.78%	1.79%	n/a
Trading expense ratio ⁶	0.04%	0.05%	0.03%	0.04%	0.04%	0.10%	0.06%	0.08%	0.10%
Portfolio turnover rate ⁷	9.94%	18.55%	9.68%	15.12%	15.84%	12.14%	12.06%	13.26%	2.66%
Net asset value per unit pre-consolidation ⁸	\$31.37	\$29.46	\$29.04	\$24.27	\$20.11	\$14.25	\$13.35	\$13.21	\$11.86
Net asset value per unit post-consolidation	n/a	n/a	n/a	n/a	n/a	n/a	\$13.49	n/a	n/a

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 the IRC fee; the pre-absorption management fee 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 assets 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.
9. On December 31, 2011, the Fund reduced the number of Series D units such that the price per unit of Series D units was the same as Series F. The reduction in units had no effect on the relative Net Asset Value between the two series. The factor applied to Series D units was 0.989518, resulting in 1 pre-trailer fee consolidation Series D unit being equivalent to 0.989518 post-trailer fee consolidation Series D units. The aggregate effect of the trailer fee consolidation reduced the number of Series D units from 85,329.525 to 84,435.065 and increased the unit price per Series D unit from \$13.34 to \$13.48. This trailer fee consolidation has no effect on the number or price of Series F units. There have been no such adjustments since.

Management Fee

North Growth Management Ltd. is the 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 0.90% 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, interest charges, if any, and trailer fees. It is not reimbursed for these costs.

Effective July 1, 2017, the North Growth U.S. Equity Advisor Fund's all-inclusive management fee for Series D and F units will be lowered by 20 basis points from 0.90% to 0.70%. Trailing commissions on Series D units will remain at 0.30%. As such, the combined total fund level expenses on Series D units will decrease from 1.20% to 1.00%.

The Fund is distributed by registered dealers. Series D pays a trailing commission of 0.30%. Series F units are available through dealers who are generally compensated by their clients on a fee-for-service basis.

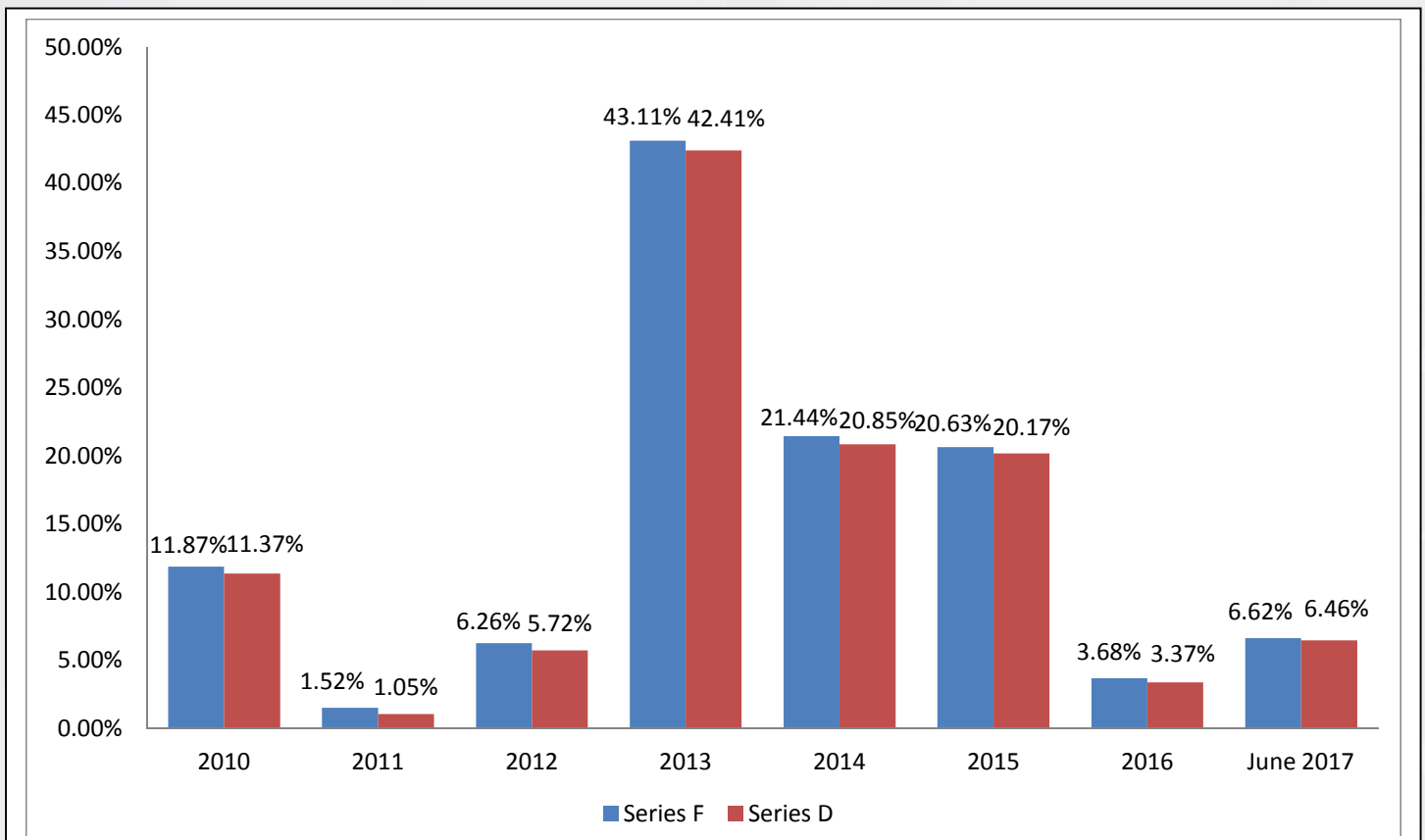
Past Performance

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.

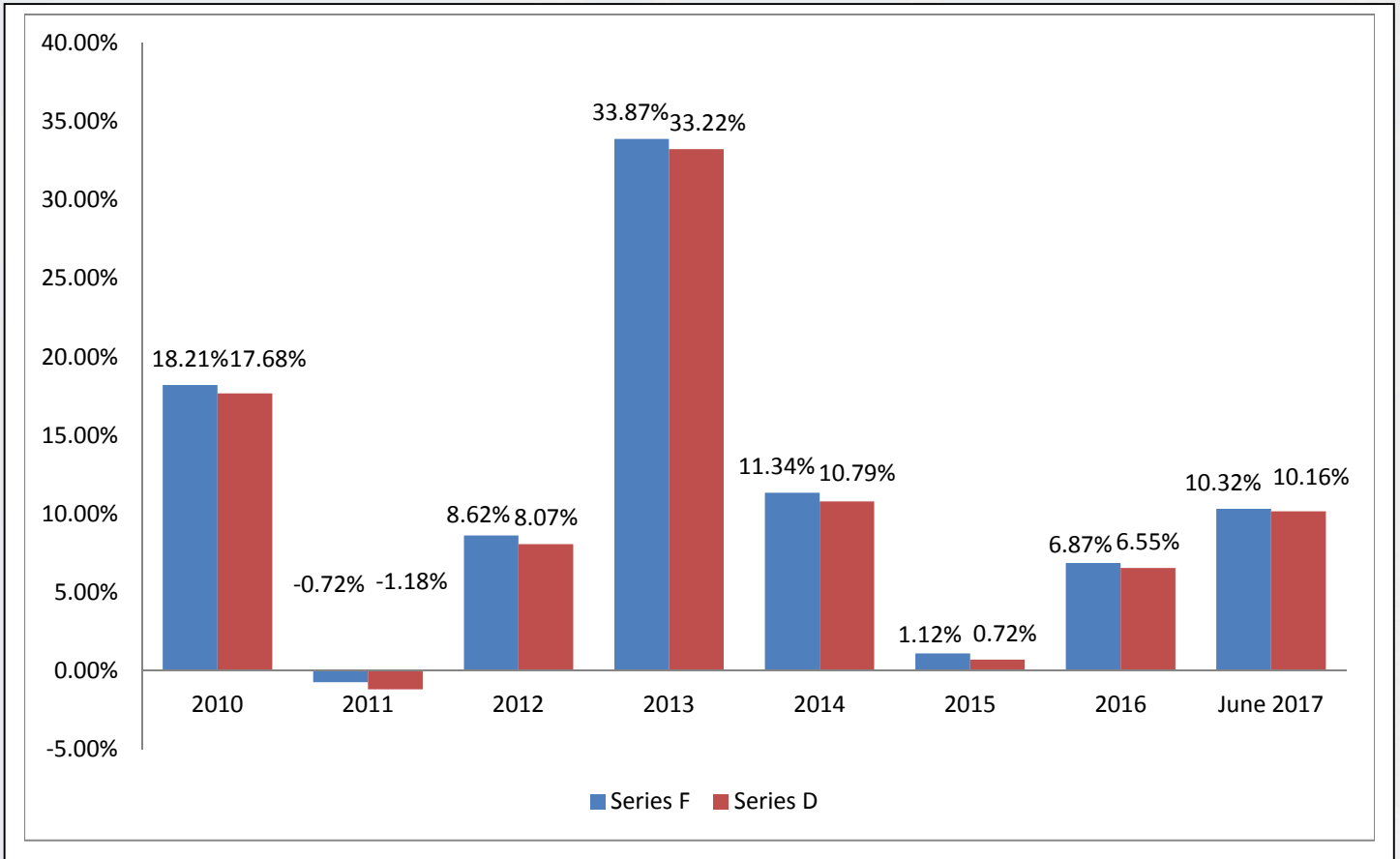
Annual and Year-by-Year Returns

The bar charts indicate the Fund's performance for each of the years shown and the 6 month period ended June 30, 2017. 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.

Summary of Performance Expressed in Canadian Dollars



Summary of Performance Expressed in United States Dollars



Past Performance (Continued)

Annual Compound Returns and Annual Return

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 table below shows the annual return for each series, and the annual compound rate of return of each series for the periods indicated compared to the S&P 500 Total Return Index in Canadian dollar terms.

	Period Ended June 30, 2017	Past 3 Years	Past 5 Years	*Since Inception
Series F	6.62%	13.70%	18.01%	14.95%
Series D	6.46%	13.29%	17.53%	14.45%
S&P 500 \$CDN	5.68%	17.00%	20.33%	16.61%

* For the purpose of calculating returns, the inception date used is *October 23, 2009*.

The table below shows the annual return for each series, and the annual compound rate of return of each series for the periods indicated compared to the S&P 500 Total Return Index in U.S. dollar terms.

	Period Ended June 30, 2017	Past 3 Years	Past 5 Years	*Since Inception
Series F	10.32%	6.52%	12.43%	11.85%
Series D	10.16%	6.13%	11.96%	11.37%
S&P 500 \$U.S.	9.34%	9.61%	14.63%	13.47%

* For the purpose of calculating returns, the inception date used is *October 23, 2009*.

Summary of Investment Portfolio as at June 30, 2017

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment 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.	Cisco Systems Inc.	7.16
2.	Apple Inc.	6.78
3.	Intel Corporation	4.40
4.	Applied Materials Inc.	4.35
5.	Microsoft Corporation	3.95
6.	Zimmer Biomet Holdings Inc.	3.53
7.	American Eagle Outfitters Inc.	3.20
8.	Anthem Inc.	3.11
9.	Boston Scientific Corporation	2.95
10.	Johnson Controls International plc	2.95
11.	Abbott Laboratories	2.93
12.	FedEx Corp.	2.89
13.	Mohawk Industries Inc.	2.70
14.	Amgen Inc.	2.64
15.	Gilead Sciences Inc.	2.57
16.	Cerner Corporation	2.46
17.	DSP Group Inc.	2.45
18.	Pfizer Inc.	2.45
19.	Texas Instruments Inc.	2.42
20.	Citrix Systems Inc.	2.40
21.	Itron Inc.	2.34
22.	Herman Miller Inc.	2.26
23.	Varian Medical Systems Inc.	2.19
24.	Electronic Arts Inc.	2.08
25.	Pier 1 Imports Inc.	2.02

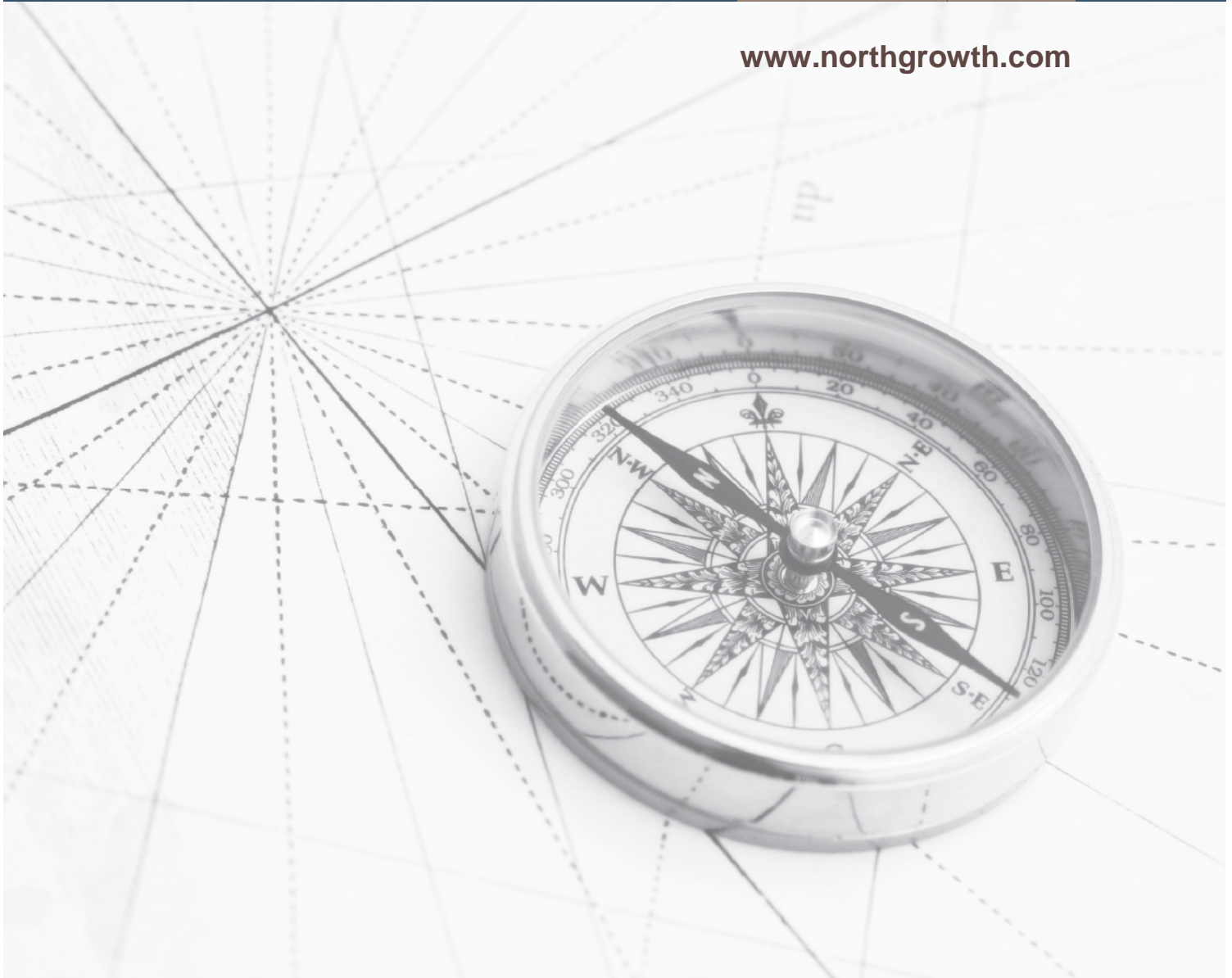
Sector Allocation

Sector	% of Net Assets
Technology	41.12
Healthcare	25.02
Capital Goods	5.62
Consumer Durables	5.61
Energy	3.43
Consumer Cyclical	3.20
Transportation	2.89
Retail	2.02
Equities Total	88.91
Other Net Assets	11.09
Portfolio Total	100.00



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