

Fund Review

We were recently approached by a UK based investment firm that took exception to our use of the name AlphaOne. In order to put our full energy and resources into managing money, we have decided to change our name to avoid a lengthy and costly legal battle. Effective immediately, we have changed our name to AlphaNorth Asset Management and the fund name to AlphaNorth Partners Fund. In addition, we have upgraded our monthly format which now displays more information.

We are extremely pleased with performance for the month of June. The value of the portfolio increased by 19.2% during the month. This is especially significant as both of the Canadian indices that we track were down in June. The S&P/TSX Venture Composite index declined by 0.8% and the large capitalization S&P/TSX Composite Total Return index declined by 1.4%.

During June, all of the short sales which we made were profitable and many of our long positions had very good returns. In fact, there were eight long positions which each contributed approximately 1% or more to total performance on a gross basis. All of our short sales were closed out by the end of June. Several of our key names continued to perform well in June and rallied on positive news. During the month, it was largely our resource investments that generated the bulk of returns as potash, coal, precious metal and energy stocks continued to enjoy a very favourable environment of rising commodity prices. Colossus Minerals continued to report stellar drill results from its Serra Pelada project in Brazil. Colossus Minerals has risen over 200% since its IPO in February 2008.

During June, another one of our private investments was revalued higher by 70% at the time of its IPO. At the end of June, the Fund was employing leverage of 1.05x and held no short positions. Over the first seven months, the Fund has built a substantial warrant portfolio. Many of these warrants are not yet free trading and thus, have been given zero value in the portfolio at this time. However, they are expected to add to returns when they are revalued to intrinsic value over the course of the next few months.

Monthly Performance (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007												7.4	7.4
2008	(5.0)	21.6	(10.1)	(5.6)	8.1	19.2							

Performance Analysis

	AlphaNorth Partners Fund	TSX Venture	TSX Composite
Returns			
1 Month	19.2%	(0.8%)	(1.4%)
3 Month	21.6%	4.7%	9.1%
6 Month	26.3%	(7.2%)	6.0%
YTD	26.3%	(7.2%)	6.0%
Since Inception	35.6%	(3.7%)	7.4%
Avg. Monthly Return (Since Inception)	5.1%	(0.3%)	1.0%
Best Month	21.6 %	8.5%	5.23%
Worst Month	(10.1%)	(9.7%)	(4.7%)
Advancing Months	57.1%	43.0%	57.1%
Current NNAV	13.5609		

Outlook

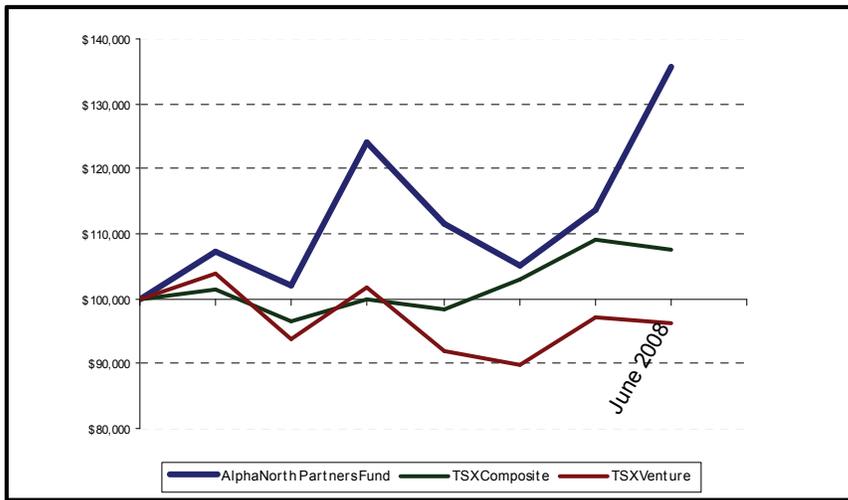
As anticipated in our previous monthly commentaries, small cap stocks have now started to outperform the broader market. Given that Canadian small caps only participated to a very modest extent in the bull run from the lows in March, we believe there is little speculative premium built into many share prices. Recent transactions in the Fund have taken advantage of many cheaply priced situations from the long side. We will add some short positions as opportunities arise. It is important to understand that the majority of performance is expected to be generated through our long positions. The risk/reward greatly favours long investments for several reasons. Markets tend to go up over time and the leverage for positive returns is many times greater for long investments as investors can often earn many multiples on such investments. We have already had several investments in the portfolio that have appreciated by over 100%. The maximum an investor can make on a short investment is 100%, yet potential losses are unlimited. Thus, we have been very cautious on our short investments to date. Notwithstanding this, they have added incremental return for the Fund while reducing market risk.

Regards,



Steven Palmer, CFA
President and CEO

Growth of Initial Investment (\$100,000)



Terms

Lead Manager:	Steven Palmer
Inception:	December 1, 2007
Minimum Investment:	\$150,000
Subsequent Investments:	\$25,000
Sub/Redemption:	Monthly, 90 day notice
Valuation:	Monthly
Lock-up:	None
Redemption Fee:	None
High Water Mark:	Yes (no reset)
Management Fee:	2%
Performance fee:	20%
Auditor:	Deloitte
Administration:	Harmonic Fund Services
Prime Broker:	Scotia Capital
Legal:	Stikeman/Maples & Calder

Investment Strategy

The AlphaNorth Partners Fund (the "Fund") is a long biased small cap hedge fund focusing primarily on Canadian companies. The Fund's investment objective is to achieve industry leading long term capital growth through superior selection of principally Canadian securities. AlphaNorth believes that superior long term investment returns are achievable by exploiting inefficiencies in the Canadian small cap universe through careful security selection on both a long and short basis. The firm combines both a bottom-up and top-down strategy in the selection of investments offering the best risk/reward characteristics. AlphaNorth employs various technical analysis techniques, which have proven to be successful, to assist in the timing of buy/sell decisions.

Company Profile

Founded in 2007, AlphaNorth Asset Management's goal is to achieve superior long term returns for investors. Our value added approach combines the successful track record and investment experience of Steven Palmer and Joey Javier who have worked together as a team since 1998. Steve and Joey together have over 25 years experience in the investment industry. Presently, AlphaNorth manages the AlphaNorth Partners Fund, a long biased small cap focused hedge fund.

Key Personnel:

Steven Palmer is the President, CEO and Director of AlphaNorth Asset Management. Mr. Palmer started his career in the investment industry in 1995 on the sell side of the business before transitioning to the buy side in 1997. Most recently, from July 1998 to August 2007 he was employed as Vice President - Canadian Equities at AIG Global Investment Corp. (Canada) where he managed the Canadian equity assets of approximately \$350 million. A small companies fund managed by Mr. Palmer was awarded by API Asset Performance Inc in 2007 and 2006: (a) API Asset Performance (2007): Best Fund Over 1, 3, and 5 Years, *Canadian Small Cap Universe*; and (b) API Asset Performance (2006): Best Fund Over 1, 3 Years, *Canadian Small Cap Universe*. The fund had a nine year compound annual return of 35.8% during Mr. Palmer's tenure. Mr. Palmer earned a BA in Economics from the University of Western Ontario and is a CFA.

Joey Javier is Vice President, Secretary and a Director of AlphaNorth Asset Management. Mr. Javier started his career in the investment industry in 1997 as an Equity Trader for AIG Global Investment Corp. (Canada). Mr. Javier was responsible for all equity and money market trading as well as back-up for the fixed income portfolio manager. Mr. Javier has a BA in Economics from York University.

Disclaimer

**The information contained in this document is not a solicitation to sell any investment products offered by AlphaNorth Asset Management. The information contained herein is for discussion purposes only. Please refer to the Offering Memorandum for complete details of any investment products offered by AlphaNorth Asset Management. There is no guarantee of performance and past performance is not indicative of future results. Returns are presented on a compound annual basis, unaudited and stated net of all fees. The inception date is December 1, 2007.*