



AlphaNorth
Asset Management

3rd Anniversary Report

Fund Review

This month celebrates the 3 year anniversary for the AlphaNorth Partners Fund. We are very delighted to report that **over the Fund's first 3 years, initial investors have been rewarded with a cumulative return of 111.5% as compared to -24.3% and 3.6% for the TSX Venture index and TSX Composite respectively.** This is particularly notable in view of the fact that the Fund employs a long biased strategy and this period has been a very difficult one for equity investors.

The Fund's performance for the month of November was driven by several investment positions which span a variety of sectors and which appreciated in excess of 25% during the month. One of our notable recent winners for the Fund was Primary Petroleum (TSXV:PIE) which gained 75% during November. We began buying Primary aggressively at \$0.08 earlier this year. Recently, the shares have traded as high as \$0.84 but ended November at \$0.63. We continue to see further significant upside potential in the shares. The Fund's holdings in several rare earth companies have performed exceptionally well in recent months along with the Fund's holdings in junior uranium and gold investments. We have been locking in a portion of the sizeable gains in the rare earth holdings into the recent strength.

There are several companies owned by the Fund that are expected to have positive catalysts in December such as going public transactions. For this reason and due to overall equity market strength, we expect the Fund's strong performance to continue in December.

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%	(20.7%)	0.7%	(29.1%)	(31.9%)	(4.9%)	0.7%	(53.3%)
2009	9.0%	(3.5%)	4.0%	21.2%	9.0%	14.1%	11.5%	9.0%	19.1%	1.2%	4.1%	3.7%	160.6%
2010	(8.5%)	1.7%	14.0%	6.4%	(1.6%)	(2.7%)	2.6%	(0.4%)	14.2%	11.3%	15.4%		62.0%

Performance Analysis

	AlphaNorth Partners Fund	S&P/TSX Venture	S&P/TSX Composite
Returns **			
1 Month	15.4%	6.3%	2.4%
YTD	62.0%	36.3%	13.0%
1 Year	68.0%	46.5%	16.3%
2 Year	106.2%	64.4%	21.9%
3 Year	28.4%	(8.9%)	1.2%
Since Inception (annualized)	28.4%	(8.9%)	1.2%
Since Inception (cumulative)	111.5%	(24.3%)	3.6%
Avg. Monthly Return (Since Inception)	2.9%	(0.1%)	0.2%
Best Month	21.6%	11.4%	11.5%
Worst Month	(31.9%)	(35.3%)	(16.7%)
Advancing Months	66.7%	58.3%	58.3%
Current NNAV: Class A	21.1548		
Class D	17.2031		

**Returns are presented are for Class A shares on a compound annual return basis stated net of all fees except for since inception returns which are cumulative.

Outlook

Despite constant monthly outflows from many equity mutual funds over the past year, equity markets have continued to rally. Contrasting this, bond funds have experienced record inflows. It is inevitable that this capital allocation will reverse in time.

Sentiment for equities has improved over the past couple of months in conjunction with strong positive performance for equities. The recent dose of negative headlines from Europe relating to Ireland's bailout and the potential for further bailouts have been the recent catalysts for a modest correction in equity markets. Fears of budding inflation issues in China have added to these concerns.

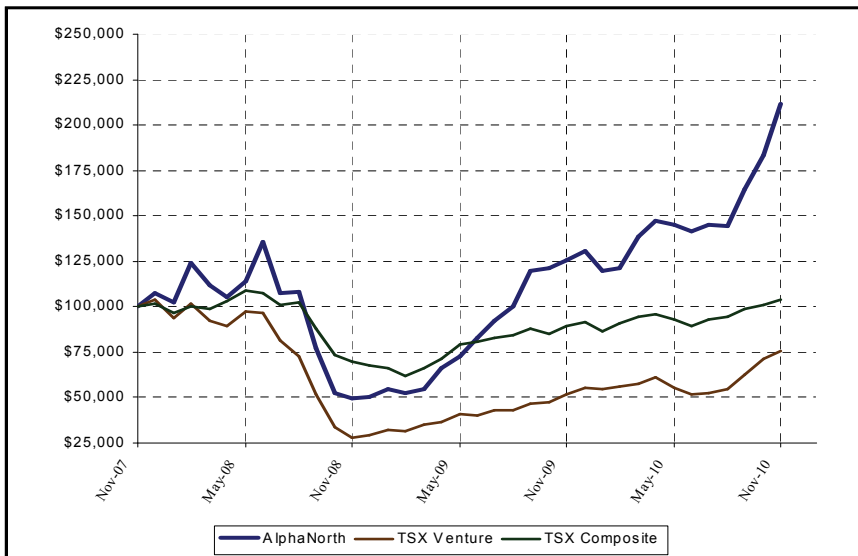
Notwithstanding these concerns, more than 75% of companies in the S&P 500 index have surpassed Q3 earnings estimates with the technology and telecom sectors as positive outliers. In excess of 90% of technology companies beat earnings estimates in Q3. We believe that market leadership will shift from the resource sector to technology over the coming months. We expect the Fund to be well positioned for this as, unlike many Canadian funds, the Fund is not a resource focused fund, but is diversified across several sectors. We intend to reduce resource exposure over the coming months.

We believe that the current equity market weakness sets the stage for a December rally and we continue to encourage investors to add equity exposure.

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:	Class A – none Class D – 3% in yr 1, 1.5% in yr 2
High Water Mark:	Yes (no reset)
Management Fee:	Class A 2%, Class D 2.5%
Performance fee:	20%
Auditor:	Deloitte
Administration:	Harmonic Fund Services
Prime Broker:	Scotia Capital

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 in the investment industry. Presently, AlphaNorth manages the AlphaNorth Partners Fund, a long biased small cap focused hedge fund and the AlphaNorth 2010 Flow-Through LP.

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 one of the world's largest financial institutions where he managed the Canadian equity assets of approximately \$350 million. Mr. Palmer managed a pooled fund focused on small capitalization companies from inception in 1998 to August 2007 achieving returns that were ranked #1 in performance by a major fund ranking service in their small cap pooled fund category (35.8% over 9 years as compared to 10.0 for the S&P/TSX Composite and 13.0% for the BMO Weighted Small Cap Total Return Index) over the same period. Mr. Palmer also managed a large cap fund which was ranked in the first quartile for the following time periods: one year, two year, 3 year, 4 year, 5 year and 10 year. 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 one of the world's largest financial institutions where he worked together with Mr. Palmer as the equity team. 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

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