



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

November 2011

NAV
Series A (ANF010) \$8.811
Series F (ANF011) \$8.839

Fund Review

The equity rally paused somewhat in November as the TSX Composite was down slightly with a return of (0.2%) for the month of November. This leaves the TSX at approximately 1,186 points above the low reached in early October. Please note that OSC rules do not allow us to report the performance for mutual funds prior to the completion of a one year history. Accordingly, we must leave it to the investor to calculate the percentage change of the NAV from \$9.15 at October 31 to \$8.81 on November 30th.

The cash position at month end amounted to 2.5%. The sector mix is comprised of 6% in technology, 5% in health care, 5% in financials, 3% in consumer discretionary, 19% in energy and 59% in materials. It is our intent to maintain as diversified a portfolio as possible. During the month, trading activity was relatively light. We have intentionally weighted the portfolio toward the materials sector as we believe this sector will perform the best as further evidence of a re-acceleration of the global economy unfolds.

Outlook

Our bullish scenario, which we outlined in previous commentaries continues to unfold within our expectations. The August low which was re-tested in early October continues to hold. Strong economic data in both employment and retail sales are encouraging. As the North American and Chinese economies re-accelerate, it will be particularly good for commodities and Canada will be a prime beneficiary.

Small cap equities have lagged behind large caps from the August low. It is usually the case that during the early stages of a market rebound, small caps underperform large cap stocks. In our view, tax loss selling and liquidity issues have been the dominant drivers of small cap equity returns over the past couple of months. We expect the performance of small cap equities will improve substantially over the balance of December once the tax loss selling has been completed. A review of the historical data is supportive of this prediction. Over the past 10 years, small caps, as measured by the TSX Venture index, have always rallied strongly over the second half of December generating average returns of 7%. The worst performing year in the last 10 years was 4.6%. We predict that this year will be no different and will quite likely rank among the top performing years given how depressed valuations have become.



Regards,

Steven Palmer, CFA
President and CEO

Monthly Performance* (NAV)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011							\$9.983	\$9.691	\$7.277	\$9.146	\$8.811	-	-

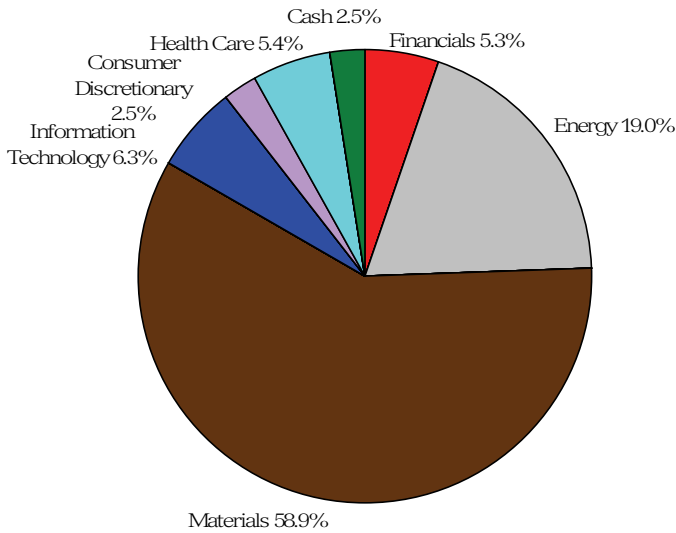
Performance Analysis

	AlphaNorth Growth Fund	S&P/TSX Composite
Returns *		
1 Month	-	(0.4%)
YTD	-	-
1 Year	-	-
2 Year	-	-
3 Year	-	-
Since Inception (annualized)	-	-
Since Inception (cumulative)	-	(9.6%)
Best Month	-	5.4%
Worst Month	-	(13.9%)
Advancing Months	-	-
Standard Deviation	-	-
Sharpe Ratio	-	-
Beta	-	-

Fund Information

Lead Manager:	Steven Palmer
Inception:	July 25, 2011
Fund Status:	Open
Fund Codes:	Series A - ANF010 Series F - ANF011
Fund Details:	RSP/RESP eligible High water mark (no reset) \$1,000 minimum investment
Sub/Redemption:	Daily
Lock-up:	None
Early Redemption Fee:	2% in first 90 days
Management Fee:	2%
Performance Fee:	20% above TSX return
Trailer:	1% (Series A only)
Auditor:	Deloitte & Touche LLP
Administration:	State Street Trust Company & IFDS
Legal:	Stikeman Elliott LLP
Fund Assets:	\$7.9 million
Account Enquiries:	1-877-506-8122
Sales and Marketing:	Skye Collyer 416-506-0776 x227

Sector Allocation



Investment Strategy

The **AlphaNorth Growth Fund** (the "Fund") is an **open-ended mutual fund** focusing primarily on Canadian small to mid-capitalization equities, between \$100 million and \$5 billion market capitalization.

The Fund employs a similar style & investment methodology as the highly successful AlphaNorth Partners Fund. The Fund's investment objective is to maximize returns over the long term through superior selection of principally Canadian securities.

AlphaNorth believes that superior long term investment returns are achievable by exploiting inefficiencies in the Canadian small to medium-cap universe through careful security selection. Fundamental analysis of companies is used in combination with technical analysis techniques, which has proven to be successful, to assist in the timing of buy/sell decisions. The firm combines both a bottom-up and top-down strategy in the selection of investments offering the best risk/reward characteristics.

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, the AlphaNorth 2010 Flow-Through LP, the AlphaNorth 2011 Flow-Through LP and the AlphaNorth Growth Fund.

Key Personnel:

Steven Palmer is the President and CEO 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% annualized 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 and Secretary 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

** In accordance with NI 81-102 returns are not published for the first 12 months. 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 Prospectus or Offering Memorandum for complete details of any investment products offered by AlphaNorth Asset Management. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. There is no guarantee of performance and past performance is not indicative of future results. Returns are the historical annual compounded total returns including changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Returns are presented for Series A shares on an annualized basis except where noted. Returns subsequent to 2010 are unaudited. The inception date is July 25, 2011.*