



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

April 2012

NAV
Series A (ANF010) \$8.698
Series F (ANF011) \$8.772

Fund Review The consolidation which we predicted in our January commentary continued in April resulting in a decline of 0.8% for the TSX Composite during the month. The Fund NAV decreased from \$9.30 in March to \$8.70 at the end of April. We are pleased that as of April 30th, the NAV remains above its yearend value. 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. The junior resource sectors continued to underperform leading small and mid cap Canadians equities lower as concerns over global growth increased.

Sector exposure is currently overweighted towards the resource sectors as we believe they will have the strongest initial gains when the market resumes its uptrend. Valuations are currently unusually cheap especially when taken in the context of the current robust commodity prices. This significant divergence is unlikely to continue for much longer. We are hopeful that the relationship resolves itself with materially higher equity prices. The Fund remains fully invested. The sector mix is comprised of 2% in technology, 7% in health care, 17% in consumer discretionary, 4% in financials, 31% in energy and 39% in materials.

Outlook It is our view that the consolidation which began in March is nearing completion. Equities have retraced much of the strong gains achieved from the lows of 2011. We believe it is likely that in the coming weeks, equities will resume their strong uptrend which began last Fall. Canadian equities, and particularly, Canadian small cap equities, have lagged the broader rally in equities which has been experienced in the U.S. and Europe. In our view, this is largely a result of the high resource weighting of the Canadian indices. Concerns for commodity demand have prompted this underperformance. Resource equities have recently underperformed commodity prices by a wide margin. We believe that equities already reflect a very pessimistic outlook which does not correlate with current commodity prices. We expect this to reverse as investors gain confidence that commodity demand is healthy. Our technical work indicates that it is likely the TSX Venture index made a significant low in mid April. Since bottoming on April 24th, the TSX Venture has shown encouraging early signs that this theory may hold true as it has begun to outperform the broader market. This has positive implications for small cap equities. This is reflected by a review of the performance since April 24th where the TSX Venture has returned 2.9% while the TSX Composite and S&P 500 index have returned (0.9%) and (0.2%) respectively. We note that changes in trend for the TSX Venture, particularly after prolonged downtrends, typically result in dramatic gains.

Regards,



Steven Palmer
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	\$8.434	\$8.434
2012	\$9.249	\$9.833	\$9.300	\$8.698									

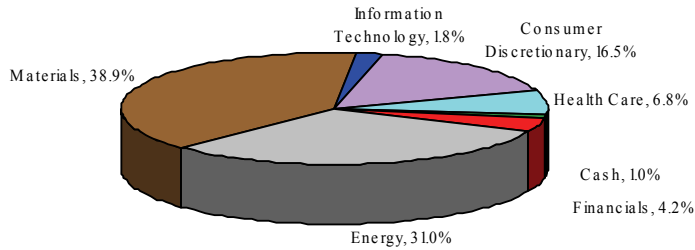
Performance Analysis

	AlphaNorth Growth Fund	S&P/ TSX Composite
Returns *		
1 Month	-	(0.8%)
YTD	-	-
1 Year	-	-
2 Year	-	-
3 Year	-	-
Since Inception (annualized)	-	-
Since Inception (cumulative)	-	(8.9%)
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 \$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 High water mark (no reset)
Trailer:	1% (Series A only)
Auditor:	Deloitte & Touche LLP
Administration:	State Street Trust Company & IFDS
Legal:	Stikeman Elliott LLP
Fund Assets:	\$11.8 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 and 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 2011 Flow-Through LP, the AlphaNorth 2012 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. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The inception date is July 25, 2011.*