



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

November 2012

NAV
Series A (ANF010) \$6.417
Series F (ANF011) \$6.500

Fund Review The Fund returned (6.7%) in November as compared to (1.3%) for the TSX Total Return index and (7.1%) for the TSX Venture index.

The Fund's overweight position in the resource sectors continues to be a drag on performance over the short term. However, we believe these investments will begin to outperform in the near term. Recent data suggests that Chinese GDP will accelerate to over 8% growth in 2013. This will be supportive for higher resource prices and we expect this to be reflected in junior resource shares in the coming months.

Tekmira Pharmaceuticals (TSX:TKM) has been a recent strong performer in the portfolio. The Fund initiated a position recently. The shares have performed well as a result of a settlement agreement with Alnylum Pharmaceuticals which consequently resulted in significant cash payments to Tekmira.

The Fund is currently fully invested. The current sector mix is comprised of 11% in technology, 1% in health care, 5% in consumer discretionary, 2% in financials, 25% in energy, 54% in materials and 2% in utilities.

Outlook The European crisis has been contained as we have previously forecasted. Investors have now moved on to the next worry, the 'fiscal cliff'. However, throughout this period, the economy has continued to improve and company fundamentals have remained at extremely attractive levels.

Although we believe Canadian small cap equities bottomed in June, they have yet to outperform. We note that it is still early days in what we believe will be a significant rally in small caps. In terms of seasonality, we are entering what has historically been the best months of the year for Canadian small cap equities. Data since 1988 shows that December, January and February are by far the best months of the year for Canadian small cap equities. It is interesting to note that over the past 11 years since the TSX Venture index was created, the period from December through February has always been positive with an average return of 12.1%. As the tax loss selling and fear over the fiscal cliff dissipates over the next few days, we expect to see the typical rally into yearend for small caps. It is our view that once these issues are dealt with, the media and investors will be hard pressed to find further major issues to dramatize, setting the stage for a powerful rally in equities.

Regards,



Steven Palmer
Steven Palmer, CFA
President and CEO

Monthly Performance*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011							(0.2%)	(2.9%)	(24.9%)	25.7%	(3.7%)	(4.3%)	(15.7%)
2012	9.7%	6.3%	(5.4%)	(6.5%)	(15.9%)	(6.6%)	(1.6%)	(0.5%)	5.6%	(2.6%)	(6.7%)		(23.9%)

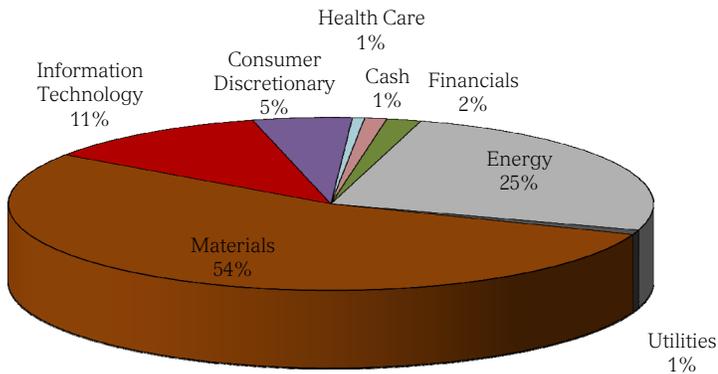
Performance Analysis

	AlphaNorth Growth Fund	S&P/ TSX Composite TRI
Returns *		
1 Month	(6.7%)	(1.3%)
YTD	(23.9%)	5.1%
1 Year	(27.2%)	3.4%
2 Year	-	-
3 Year	-	-
Since Inception (annualized)	(25.6%)	(3.5%)
Since Inception (cumulative)	(35.8%)	(5.2%)
Best Month	25.7%	5.4%
Worst Month	(24.9%)	(13.9%)
Advancing Months	26.7%	46.7%
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:	\$12.5 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

** 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. The indicated rates of return for the Series A shares of AlphaNorth Growth Fund are the historical, annual compounded total returns including changes in share value and the reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The inception date is July 25, 2011.*