



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

April 2013

NAV
Series A (ANF010) \$5.111
Series F (ANF011) \$5.188

Fund Review The Fund had disappointing results in April, returning (12.1%). TSX Total Return index returned (2.1%) and the TSX Venture index returned (3.0%) during the month of April.

During the month, we participated in the Trimer Pharmaceuticals (TSX:TRL) \$0.80 financing. It was unfortunate that the company was forced to dilute at such a low share price. However, the financing was oversubscribed and the shares have rallied strong since the deal. The company is now fully financed to FDA approval of their first product. The company is also in a strong position now to negotiate an attractive partnership deal with a major pharma company. We believe that a partnership deal will be a major catalyst for the share price later this year. The resource holdings which comprise 58% of the portfolio detracted from performance in April.

We have recently identified and added several mid cap technology companies to the portfolio which we believe have strong growth potential and attractive valuations. To date, these investments have been solid performers.

The Fund currently has a 7% cash position. The current sector mix is comprised of 15% in technology, 8% in health care, 8% in consumer discretionary, 3% in financials, 11% in energy and 47% in materials.

Outlook Recent equity market performance has been very kind to investors in large cap equities. This positive sentiment has not yet filtered down to the mid and smaller cap names. However, we are confident it is only a matter of time before it does filter down. The dramatic mid April sell-off in commodities prompted selling of small cap equities which are largely comprised of resource companies in Canada. In our view, much of the selling in recent weeks has been driven by retail redemptions. We believe that fund managers generally do not want to sell at what they realize are very depressed prices but they are being forced to sell. For example, we have noted many cases where stocks are trading below cash value per share. Over the past few months, we have noted a large amount of insider buying while insider selling has been virtually non-existent. We observe this from our weekly monitoring of insider trades reported for our portfolio holdings. We note that it is generally not a good idea to be selling stock when the buyer is the CEO!

As the S&P racks up another strong double digit year in 2013 and the TSX follows, we believe that investors will look to other areas which have lagged and which therefore, trade at more attractive valuations. One of these areas is Canadian small cap equities. Once the selling subsides and the TSX Venture index turns, the returns are typically dramatic to the upside. In our view, we are close to that occurrence.



Regards,
Steven Palmer, CFA
President and CEO

Performance (as of April 30, 2013)

	Apr	YTD	3 Month	6 Month	1 Year	Inception	Cumulative
AlphaNorth Growth	(11.2%)	(21.8%)	(22.1%)	(25.7%)	(41.2%)	(29.5%)	(48.9%)
S&P/TSX Venture	(12.1%)	(20.9%)	(20.9%)	(26.5%)	(32.2%)	(32.2%)	(52.6%)
S&P/TSX Composite TRI	(2.1%)	1.2%	(1.9%)	1.8%	4.5%	(1.2%)	(2.2%)

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 15 year track record of generating industry leading returns (30%+ annualized)*

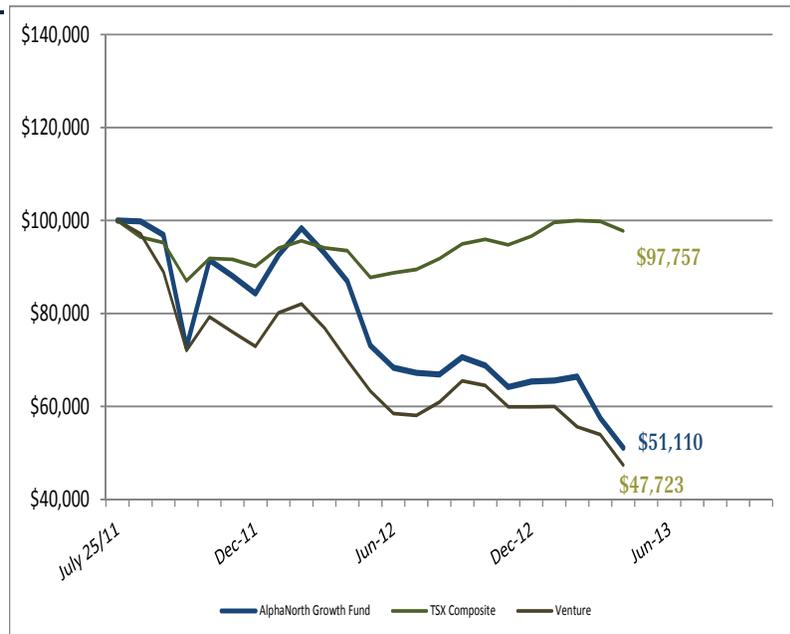
DIVERSIFICATION THROUGH SMALL/MID CAP:

- AlphaNorth Growth Fund is well diversified across the resource, technology and life sciences sectors

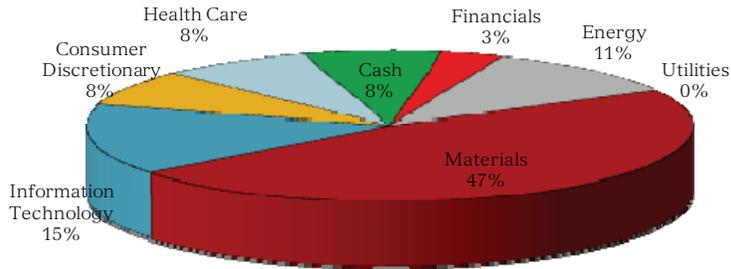
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- Complements any investment portfolio and greatly enhances wealth accumulation

Growth of Initial Investment \$100,000



Current Sector Allocation



Fund Information

Lead Manager:	Steven Palmer
Inception:	July 25, 2011
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:	\$9 million
Account Enquiries:	1-877-506-8122
Sales and Marketing:	Skye Collyer

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%)	1.8%	(22.5%)
2013	0.4%	1.3%	(13.3%)	(11.2%)									(21.8%)

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 2012 Flow-Through LP, the AlphaNorth Resource Fund 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 and is a CIM.

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. For Series F returns, refer to the website at www.alphanorthasset.com. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The inception date is July 25, 2011. **Based on growth of investment in institutional small cap pooled fund from inception August 1, 1998, to August 1, 2007, and growth of investment in AlphaNorth Partners Fund from inception December 1, 2007 to the current NAV.