

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$16.339	\$13.135
AlphaNorth Partners Fund LP (AAM102/202)	\$4.573	\$3.677
Consolidated NAV*	\$20.912	\$16.811

Fund Review The Fund outperformed both the TSX Venture index and TSX Total Return index in June returning 0.2%. We are pleased to have seen a stabilization of the NAV in June despite continued weak performance for Canadian small cap equities generally.

The best performers in recent months have been our technology investments. A recent winner which we purchased as a private company in 2011, Urthecast Corp (TSX:UR), went public in June. The share price has appreciated by over 300% since our initial investment. The Fund has always maintained a diversified investment approach with investments in technology and life science sectors in addition to a broad selection of resource based investments. Our resource weighting peaked in 2011 at approximately 75% of the portfolio. At that time, we made a strategic decision to reduce this exposure and re-allocate more of the portfolio to technology and life sciences. It is these investments which have helped us outperform both the TSX Venture index and many of our peers over the last couple of years. In fact, many of our peers have only recently begun to pay attention to non-resource investments.

The Fund maintained a small cash position at the end of June. Current sector allocations are comprised of 54% in technology, 15% in life sciences, 12% in energy, 16% in metals and 3% in precious metals.

The Fund completed its reorganization as of May 31, 2013, splitting an illiquid private asset into its own LP structure. Investors in the Class A and D shares now hold both the AlphaNorth Partners Fund and the AlphaNorth Partners Fund LP. Performance will be reported on a consolidated basis in the future.

Outlook It continues to be a challenging and frustrating environment for Canadian small cap equities, largely due to continued weakness in the resource sector. The current economic outlook is nowhere near as dire as it was in 2008, yet many share prices are back to 2008 levels. The Canadian economy remains strong as unemployment continues to trend lower and auto sales are on track for their best year since 2002. In the U.S., home sales continue to rise. Moreover, commodity prices are generally much higher than what they were at during the 2008 market lows. We believe that investors will soon take notice of the dichotomy between Canadian market performance and economic data, and fear will subside as they realize that companies are in a much better position than they were five years ago.

Another potential catalyst for an improvement in this sector, which we have previously noted, is for a change in fund flows out of bonds as yields begin to rise. This is beginning to occur as yields have risen materially in a period of only a few weeks. This has prompted fund flows out of bonds for the first time in years. We believe that this change in fund flows will continue. As funds flow out of debt, we are confident that a large portion will be placed into equities, resulting in higher equity returns.

Recent management updates have been very positive and the management teams share their frustration with the lagging share prices which are currently not reflecting the value they are building in their companies. We remain confident that positive fundamentals will ultimately be rewarded in the coming months.



Regards,

Steven Palmer, CFA

Performance* (as of June 30, 2013)

	June	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	0.2%	(21.4%)	(12.6%)	14.0%	9.1%	13.9%	109.2%
S&P/TSX Venture	(8.4%)	(27.8%)	(26.0%)	(14.6%)	(19.7%)	(18.1%)	(67.8%)
S&P/TSX Composite TRI	(3.8%)	(0.9%)	7.9%	5.4%	(0.5%)	0.8%	4.6%

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 15 year track record of generating industry leading returns (25%+ annualized)**

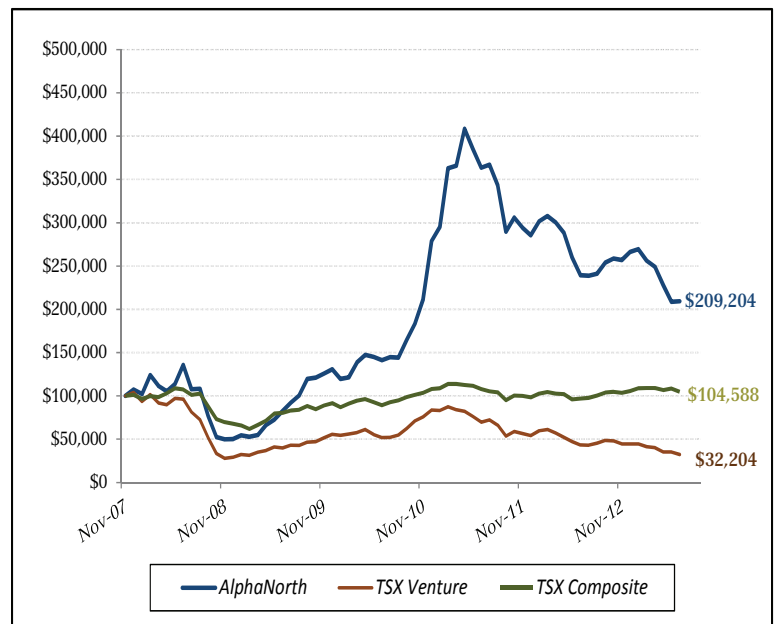
DIVERSIFICATION THROUGH SMALL CAP:

- AlphaNorth Partners Fund is well diversified across the resource, technology and life sciences sectors
- One of the best performing asset classes over the long term which compliments any investment portfolio and greatly enhances wealth accumulation

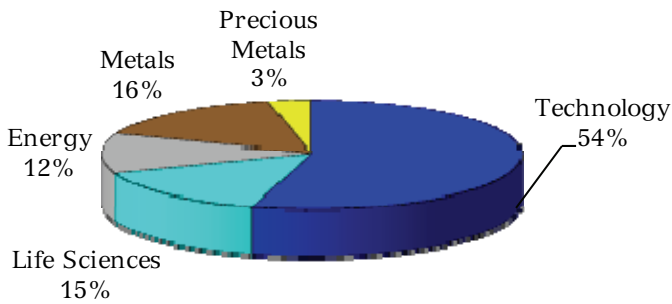
UNIQUE STRUCTURE:

- Efficient tax structure dramatically increases after-tax returns over the long term
- All performance fees are reinvested into the fund. Management and employees own a significant portion of fund assets

Growth of Initial Investment \$100,000



Current Sector Allocation



Fund Information

Lead Manager	Steven Palmer
Inception	December 1, 2007
Fund Type	Alternative Strategies (Long biased small cap)
Fund Codes	Class A: AAM100, Class D: AAM200
Eligibility	Accredited Investors only
Fund Details	Management Fee Class A- 2%, Class D- 2.5% 20% Performance Fee High water mark (no reset) Monthly valuation \$150k minimum investment
Sub/Redemption	Monthly, 90 day notice
Lock-up	LP portion redeemable upon liquidity event
Redemption Fee	Class A: none; Class D: 3% yr 1, 1.5% yr 2
Beta Compared to	S&P/TSX Venture: 0.94 S&P/TSX Composite TRI: 1.71
Sales Contact	Skye Collyer 416.506.0776 ext.227 skye@alphanorthasset.com

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%	31.9%	113.6%
2011	5.8%	23.0%	0.9%	11.7%	(5.7%)	(5.7%)	1.0%	(6.5%)	(15.6%)	5.6%	(3.8%)	(2.9%)	2.4%
2012	5.6%	2.0%	(2.4%)	(3.9%)	(9.9%)	(7.9%)	(0.1%)	0.9%	5.3%	1.8%	(0.7%)	3.6%	(6.8%)
2013	1.3%	(4.9%)	(2.9%)	(8.4%)	(8.4%)	0.2%							(21.4%)

Investment Strategy

The AlphaNorth Partners Fund Inc. (the "Fund") is a long biased small cap hedge fund focusing primarily on Canadian companies. 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 cap universe through careful security selection on both a long and short basis. 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.

Disclaimer

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Fund Review The Fund outperformed both the TSX Venture index and TSX Total Return index in June returning 0.6%. We are pleased that the new share classes started on a positive month in June despite continued weak performance for Canadian small cap equities generally.

The new share classes F and G were created as a result of a reorganization which occurred on May 31, 2013. At that time, a new portfolio was created comprising of an indicative basket of the original portfolio held by shareholders of the class A and D shares. The portfolio will maintain an identical investment strategy to the original portfolio but since the respective portfolios will not have identical investments, the performance of the two portfolios will be different on a going forward basis.

The current sector allocation is comprised of 48% in technology, 7% in life sciences, 2% in energy, 9% in metals and 1% in precious metals. The Fund held a 33% cash position at month end.

We are currently evaluating several investment opportunities in which to deploy some of the existing cash. We believe the timing is optimal given the high quality of the available investment opportunities. For example, we have recently been adding to a position which trades at nearly 50% of its cash value.

Outlook It continues to be a challenging and frustrating environment for Canadian small cap equities, largely due to continued weakness in the resource sector. The current economic outlook is nowhere near as dire as it was in 2008, yet many share prices are back to 2008 levels. The Canadian economy remains strong as unemployment continues to trend lower and auto sales are on track for their best year since 2002. In the U.S., home sales continue to rise. Moreover, commodity prices are generally much higher than what they were at during the 2008 market lows. We believe that investors will soon take notice of the dichotomy between Canadian market performance and economic data, and fear will subside as they realize that companies are in a much better position than they were five years ago.

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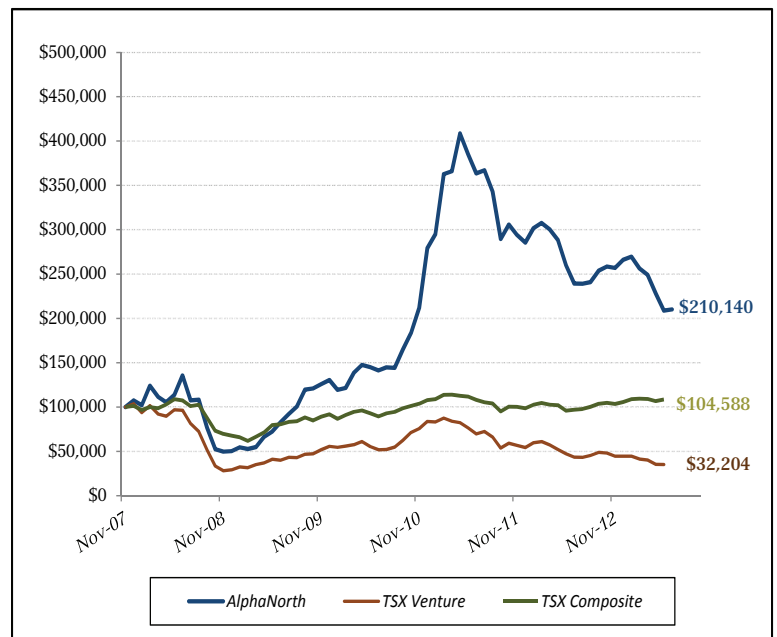
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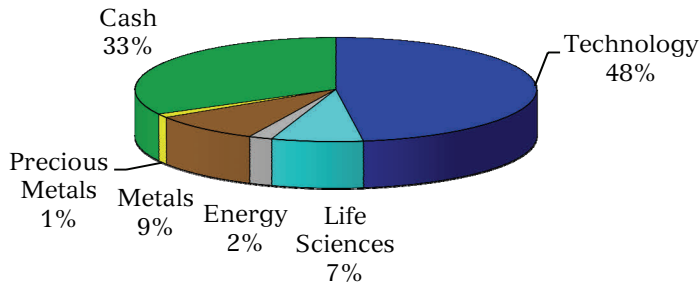
UNIQUE ASPECTS:

- Management and employees own a significant portion of fund assets
- All performance fees are reinvested into the fund

Growth of Initial Investment \$100,000



Current Sector Allocation



Fund Information

Lead Manager	Steven Palmer
Inception	December 1, 2007 (Class F&G - June 1, 2013)
Fund Type	Alternative Strategies (Long biased small cap)
Fund Codes	Class F: AAM300, Class G: AAM400
Eligibility	Accredited Investors only
Fund Details	Management Fee Class F- 2%, Class G- 2.5% 20% Performance Fee RRSP eligible High water mark (no reset) Monthly valuation
Sub/Redemption	Monthly, 90 day notice
Lock-up	None
Redemption Fee	Class F: none; Class G: 3% yr 1, 1.5% yr 2
Beta Compared to	S&P/TSX Venture: 0.94 S&P/TSX Composite TRI: 1.71
Sales Contact	Skye Collyer 416.506.0776 ext.227 skye@alphanorthasset.com

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