



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

September 2013

NAV
Series A (ANF010) \$5.124
Series F (ANF011) \$5.150

Fund Review The Fund returned 0.6% in September. This compared to 0.2% for the TSX Venture and 1.4% for the TSX Total Return index. The non-resource investments contributed a large portion of the positive returns in September. We have recently invested in several new listings in the tech and discretionary sectors. Our purchase prices represent a significant discount to the peer group.

Air Canada (TSX:AC.B) continued to be one of the best performing names in the fund in September. The company recently announced higher load factors as well as lower costs than what the market was expecting, which helped boost the share price significantly. The company is now trending towards a 5 year high and momentum continues to build leading up to its next quarterly results.

Energy Fuels (TSX:EFR) did not perform as well during the month of September, due to an equity raise that was announced during the month. We believe that this company is one of the most levered names to uranium in the small cap space and we are confident that the stock will perform quite well in the event of a rebound in uranium prices.

Blackberry (TSX:BB) was sold during the month prior to the negative earnings warning locking in a nearly 100% return. The steady stream of negative media press has contributed to the negative sentiment which has resulted in poorer sales traction of the new BB10 devices.

The current sector mix is comprised of 21% in technology, 8% in health care, 5% in financials, 16% in energy and 47% in materials.

Outlook We believe that these governmental issues are temporary in nature and will be resolved in the near term. Despite the temporary political uncertainty in the U.S., the global economic situation continues to improve. European and US PMI data continues to trend higher while sentiment is improving. Foreign investment in Canadian markets is trending upwards, and there remains room for momentum to build. We are seeing evidence that investors are looking more closely at the Canadian markets and are confident that Canadian equities will outperform as they have done historically in the second half of economic cycles.

The strong trend of underperformance for Canadian small cap equities prevalent since February 2011 ended in June. During this time period the TSX Venture index declined by 64% while the TSX Total Return index declined by 8%. Since June, both indices have generated positive returns while the TSX Venture index has modestly outperformed. We believe the momentum has shifted to positive outperformance for small cap equities.

While the world grows at 2-5%, large cap companies grow at 10-15% and small cap companies grow at 5-20%. We target investing in companies growing at 25% or better and use 25% discount rates in our company models. This strategy has resulted in returns in excess of 25% on average over the past 15 years. The majority of these returns have occurred in periods subsequent to periods of significant market weakness, similar to what we have experienced over the past couple of years.



Regards,
Steven Palmer, CFA

Performance (as of September 30, 2013)

	September	YTD	3 Month	1 Year	2 Year	Inception	Cumulative
AlphaNorth Growth	0.6%	(21.6%)	11.2%	(27.4%)	(16.1%)	(25.7%)	(48.8%)
S&P/TSX Venture	0.2%	(22.9%)	(6.8%)	(29.5%)	(19.9%)	(29.0%)	(53.8%)
S&P/TSX Composite TRI	1.4%	5.3%	6.2%	7.1%	8.1%	0.8%	1.7%

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)**

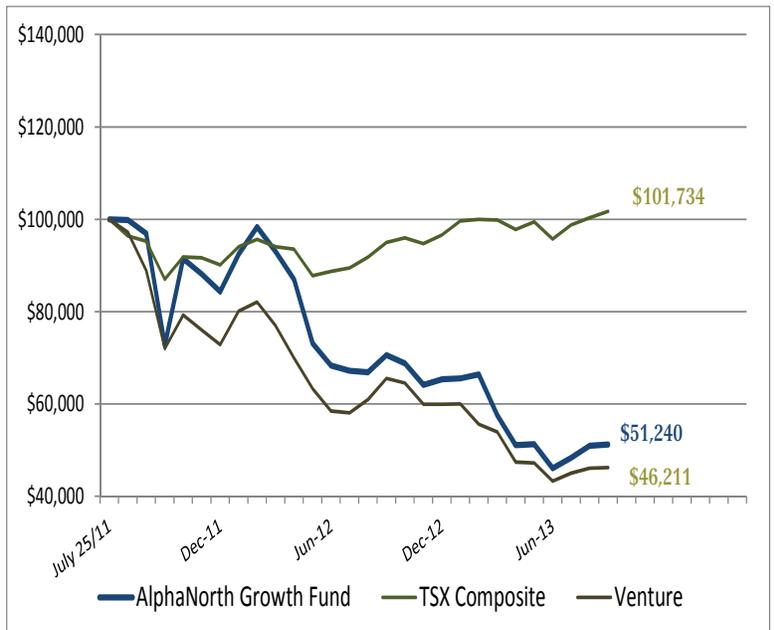
DIVERSIFICATION THROUGH SMALL/MID CAP:

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

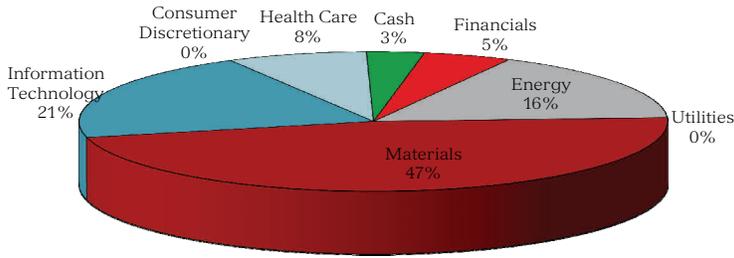
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- ◆ 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:	\$8 million
Account Enquiries:	1-877-506-8122
Sales and Marketing:	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
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%)	0.4%	(10.2%)	5.0%	5.3%	0.6%				(21.6%)

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.