

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$18.801	\$15.093
AlphaNorth Partners Fund LP (AAM102/202)	\$4.535	\$3.635
Consolidated NAV*	\$23.336	\$18.728

Fund Review The Fund generated a positive return for the fourth consecutive month returning 4.2% in September. In comparison, the TSX Venture index and TSX Total Return index returned 0.2% and 1.4% respectively during the month.

Small cap equity performance has been encouraging over the past few months. Specifically, we have experienced quite a rally in biotech and technology stocks which contributed to the success of the funds last month. In the U.S., these sectors have done extremely well in 2013 and we believe that the Canadian companies will follow.

We have recently participated in several private placements which we are very excited about. Our focus has been on investing in companies that trade at steep discounts to peers and have minimal downside as well. The distress in the markets has caused valuations to be irrationally discounted, creating opportune investment opportunities for the Fund. Moreover, we have been able to get extremely good terms on these placements due to the state of the markets. Some of these new investments have already done exceptionally well in the short time we have owned them and we expect them to continue to do so over the long term.

Current sector allocations are comprised of 56% in technology, 15% in life sciences, 11% in energy, 15% in metals and 3% in precious metals.

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	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	4.2%	(12.3%)	(8.1%)	12.3%	24.9%	15.4%	133.4%
S&P/TSX Venture	0.2%	(22.9%)	(29.5%)	(18.0%)	(7.8%)	(16.5%)	(65.6%)
S&P/TSX Composite TRI	1.4%	5.3%	7.1%	4.1%	4.8%	1.8%	11.1%

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)**

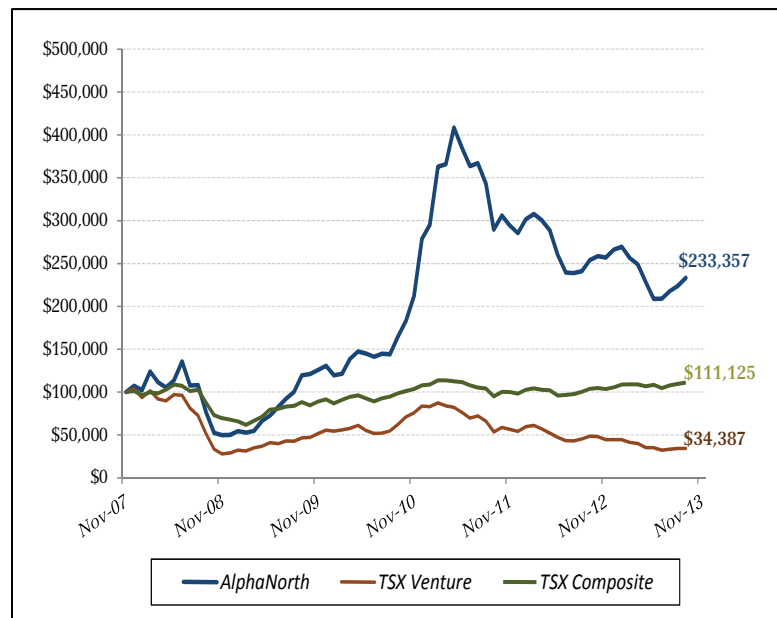
DIVERSIFICATION THROUGH SMALL CAP:

- 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

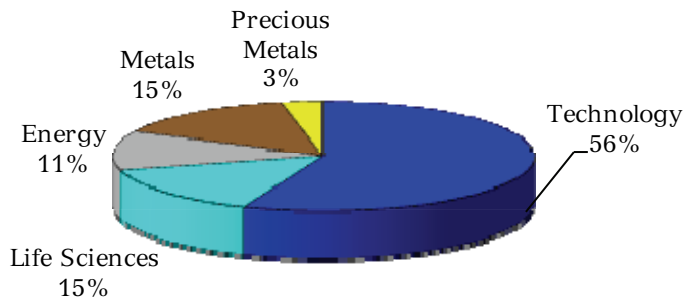
UNIQUE STRUCTURE:

- 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: 0.93 S&P/TSX Composite TRI: 1.69
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%	4.1%	2.9%	4.2%				(12.3%)

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 generated a positive return for the fourth consecutive month returning 8.0% in September. In comparison, the TSX Venture index and TSX Total Return index returned 0.2% and 1.4% respectively during the month.

Small cap equity performance has been encouraging over the past few months. Specifically, we have experienced quite a rally in biotech and technology stocks which contributed to the success of the funds last month. In the U.S., these sectors have done extremely well in 2013 and we believe that the Canadian companies will follow.

We have recently participated in several private placements which we are very excited about. Our focus has been on investing in companies that trade at steep discounts to peers and have minimal downside as well. The distress in the markets has caused valuations to be irrationally discounted, creating opportune investment opportunities for the Fund. Moreover, we have been able to get extremely good terms on these placements due to the state of the markets. Some of these new investments have already done exceptionally well in the short time we have owned them and we expect them to continue to do so over the long term.

The current sector allocation is comprised of 63% in technology, 5% in life sciences, 8% in energy, 22% in metals and 1% in precious metals. The Fund held a 1% cash position at month end.

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.

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Regards,
Steven Palmer, CFA

Performance* (as of September 30, 2013)

	September	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
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S&P/TSX Venture	0.2%	(22.9%)	(29.5%)	(18.0%)	(7.8%)	(16.5%)	(65.6%)
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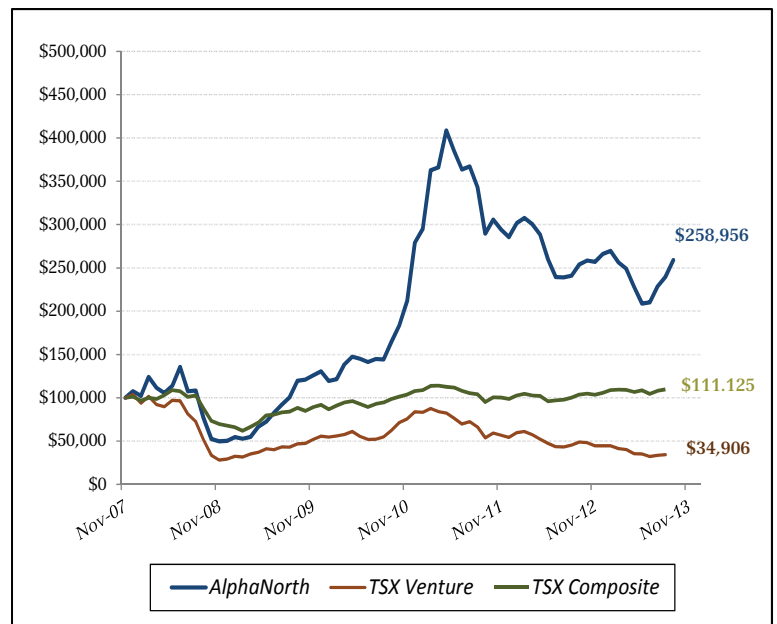
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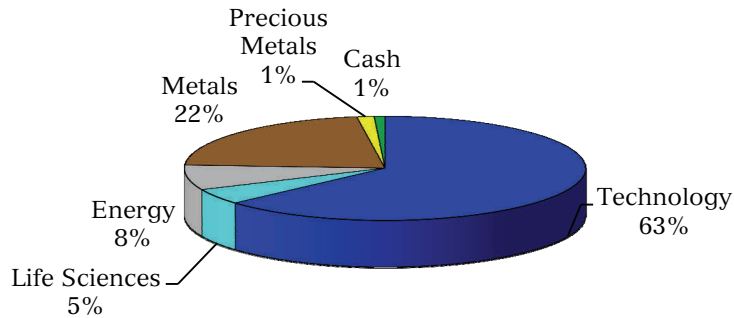
UNIQUE ASPECTS:

- 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

Monthly Performance*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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