

October 2013

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$19.035	\$15.425
AlphaNorth Partners Fund LP (AAM102/202)	\$4.523	\$3.624
Consolidated NAV*	\$23.558	\$19.050

Fund Review The Fund generated a positive return for the fifth consecutive month returning 1.0% in October. In comparison, the TSX Venture index and TSX Total Return index returned 1.9% and 4.7% respectively during the month.

The assets which comprise of the class A/D shares have a higher component of private holdings which do not change on a month to month basis. It should be noted that during strong markets, this has the effect of holding back returns. Also, the portfolio has not had the flexibility of a high cash position (as did the class F/G portfolio) in which to invest in new private placements. Because of this, the Fund participated with lower initial weightings in these private placements in recent months. New investments since June have been focused on non-resource companies which have all generated positive returns to date. Several have had significant positive returns. Although the focus has been on non-resource investments in recent months, we have also participated in several junior resource private placements which have also performed extremely well. We have received warrants with the majority of these investments, which will provide additional upside as share prices appreciate further. In our view, the risk/reward continues to highly favour long investments at the present time. We are actively evaluating additional private placements which we believe have the potential to return many times our investment.

Current sector allocations are comprised of 56% in technology and special situations, 16% in life sciences, 13% in energy, 12% in metals and 3% in precious metals.

Outlook Since the recent low in June near 11,800, the TSX Composite has performed well. As we have predicted in earlier commentaries this year, the TSX Composite has outperformed the S&P 500 index over this period. We expect this to continue over the coming year. The technically significant level of 12,900, which marked the top of a two year trading range for the TSX Composite, was surpassed in October. In our view, the definitive breaking of this resistance level is very significant and supportive of substantially higher prices over the next year. The TSX Venture index has also performed well as October marked the fourth consecutive month of gains. This is the first time since 2010 that the TSX Venture index has returned four positive months in a row. Although the gains have been modest to date, we expect performance will accelerate over the next year.

In October, we saw increased deal flow for small cap equities and many of these deals were oversubscribed. This is an encouraging sign and points to an increased interest in Canadian small cap equities from investors. Recent fund flow data reported by the Investment Funds Institute of Canada (IFIC) supports this change in sentiment as September data showed the first month of positive net sales of Canadian equity mutual funds since February 2007. Sixty six consecutive months of negative sales have provided a significant headwind for Canadian equity prices in recent years. Fixed income has been the beneficiary of investor capital. This is now changing. We believe the bull market in fixed income has ended. The baton has been passed to equities!



Regards,

Steven Palmer, CFA
President and CEO

Performance* (as of October 31, 2013)

	October	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	1.0%	(11.5%)	(8.9%)	8.7%	35.1%	15.4%	135.6%
S&P/TSX Venture	1.9%	(21.5%)	(27.1%)	(21.1%)	0.9%	(16.6%)	(65.0%)
S&P/TSX Composite TRI	4.7%	10.3%	11.0%	4.8%	9.7%	2.3%	16.4%

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)**

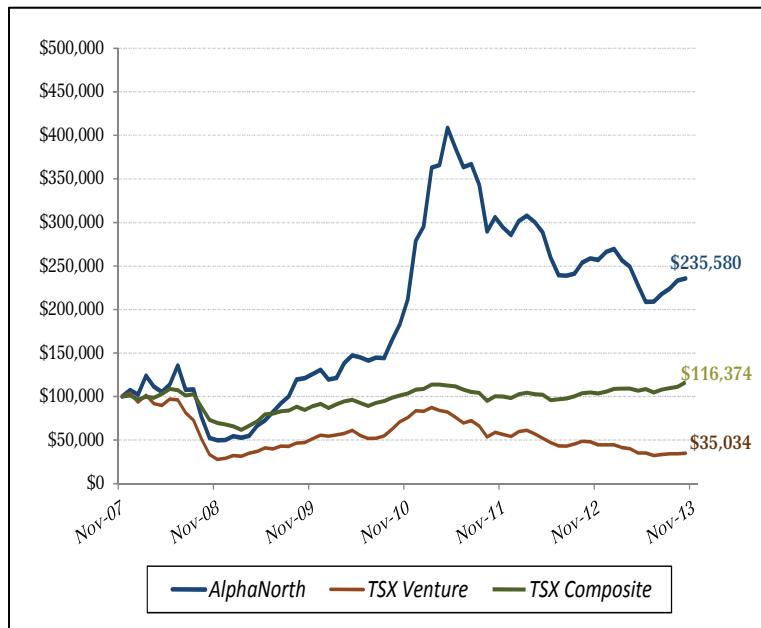
DIVERSIFICATION THROUGH SMALL CAP:

- 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

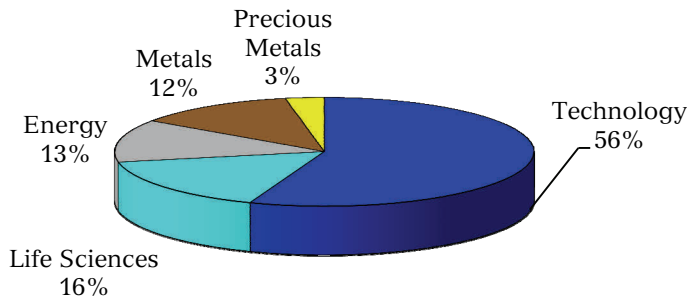
UNIQUE STRUCTURE:

- 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%	1.0%			(11.5%)

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

*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. Please refer to the Offering Memorandum for complete details of any investment products offered by AlphaNorth Asset Management. There is no guarantee of performance and past performance is not indicative of future results. Returns are presented on an annualized basis except where noted and stated net of all fees. Returns are shown for AlphaNorth Partners Fund Inc. Class A on or prior to Reorganization May 31, 2013, and on a consolidated basis (the "Consolidated NAV") subsequent to Reorganization. The Consolidated NAV represents the Class A NAV per share of AlphaNorth Partners Fund Inc., plus the Class A NAV per share of AlphaNorth Partners Fund LP at the same date. Returns subsequent to 2012 are unaudited. The inception date is December 1, 2007. **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.

Fund Review The Fund generated a positive return for the fifth consecutive month returning 8.9% in October. In comparison, the TSX Venture index and TSX Total Return index returned 1.9% and 4.7% respectively during the month.

The assets which comprise the class F/G shares remain quite small at the present time, allowing the portfolio to be very nimble. With the higher cash weighting in the Fund during the summer, we were able to invest a higher percentage of the Fund in new private placements. These investments have been focused on non-resource companies which have all generated positive returns to date. Several have had a significant positive impact on performance. Although the focus has been on non-resource investments in recent months, we have also participated in several junior resource private placements which have also performed extremely well. The majority of these investments include warrants, some of which will provide additional upside as share prices appreciate further. In our view, the risk/reward continues to highly favour long investments at the present time. We are actively evaluating additional private placements which we believe have the potential to return many times our investment.

The current sector allocation is comprised of 59% in technology, 6% in life sciences, 9% in energy, 25% in metals and 1% in precious metals. The Fund was fully invested at month end.

Outlook Since the recent low in June near 11,800, the TSX Composite has performed well. As we have predicted in earlier commentaries this year, the TSX Composite has outperformed the S&P 500 index over this period. We expect this to continue over the coming year. The technically significant level of 12,900, which marked the top of a two year trading range for the TSX Composite, was surpassed in October. In our view, the definitive breaking of this resistance level is very significant and supportive of substantially higher prices over the next year. The TSX Venture index has also performed well as October marked the fourth consecutive month of gains. This is the first time since 2010 that the TSX Venture index has returned four positive months in a row. Although the gains have been modest to date, we expect performance will accelerate over the next year.

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President and CEO

Performance* (as of October 31, 2013)

	October	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	8.9%	6.0%	9.0%	15.4%	40.1%	18.9%	182.0%
S&P/TSX Venture	1.9%	(21.5%)	(27.1%)	(21.1%)	0.9%	(16.6%)	(65.0%)
S&P/TSX Composite TRI	4.7%	10.3%	11.0%	4.8%	9.7%	2.3%	16.4%

Key Reasons to Own This Fund

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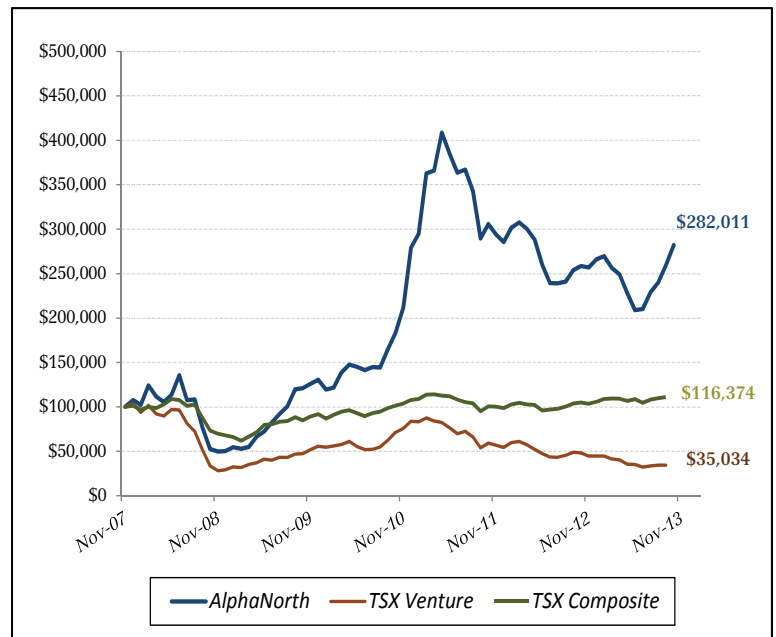
DIVERSIFICATION THROUGH SMALL CAP:

- 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

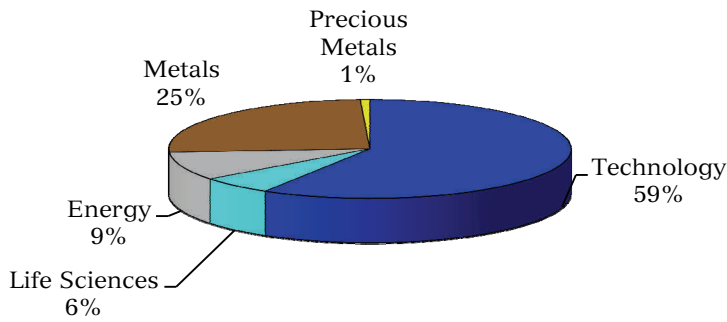
UNIQUE ASPECTS:

- 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
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%)	0.6%	8.9%	4.7%	8.0%	8.9%			6.0%

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