



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

January 2014

NAV
Series A (ANF010) \$5.308
Series F (ANF011) \$5.424

Fund Review The Fund returned 11.0% in January. This compared to 2.1% for the TSX Venture and 0.8% for the TSX Total Return index.

In January, the energy and materials sectors contributed strongly to the positive returns as our holdings in technology and financials generally gave back some gains. We expect that the resource component of the portfolio will begin to contribute positively to performance in 2014.

Within the resource sector, Delphi Energy (TSX:DEE) and Enterprise Group (TSX:E) were the strongest performers, returning 16% and 32% respectively. Pinecrest Energy (TSXV:PRY) was the outlier in January as it had a negative return of 60% due to poor production data as a result of waterflood issues. Our investments in the life sciences sector also performed well during the month, particularly Trimel Pharmaceuticals (TSXV:TRL) which increased 93% in January.

The current sector mix is comprised of 24% in technology, 14% in health care, 2% in financials, 3% in consumer discretionary, 25% in energy and 31% in materials. We intend to maintain a balanced portfolio between resource and non-resource companies in 2014 as we expect performance for both sectors will be strong this year. When possible, we intend to purchase private placements which include warrants in order to gain additional upside exposure at zero cost.

Outlook The recovery in Canadian small cap equities is continuing. Small cap equities, as measured by the TSX Venture index, have generated positive returns in 5 of the past 7 months. It is becoming increasingly evident that the low for the TSX Venture index in this cycle was indeed experienced in June 2013. We expect that as the year progresses, investors will come to accept this and performance will accelerate as positive fund flows return to the space. We believe that the resource sectors, which have been a drag on performance in recent years, will begin to contribute positively to the TSX Venture index performance in 2014. Key commodity prices that are particularly relevant to the Canadian market such as oil, natural gas, gold, lumber and copper have been stable but, in many cases, are trending higher. Canadian equities can be expected to outperform in periods of accelerating global growth and in an environment of increasing commodity prices.

Declines in the broader market continue to be brief and modest with each representing a good buying opportunity. We believe that this pattern will continue in 2014 as risk/reward remains favourable to equities as compared to alternative asset classes such as fixed income.

Regards,



Steven Palmer
Steven Palmer, CFA
President and CEO

Performance (as of January 31, 2014)

	January	YTD	6 Month	1 Year	2 Year	Inception	Cumulative
AlphaNorth Growth	11.0%	11.0%	9.7%	(19.0%)	(24.2%)	(21.7%)	(46.9%)
S&P/TSX Venture	2.1%	2.1%	3.7%	(22.1%)	(23.6%)	(26.9%)	(54.2%)
S&P/TSX Composite TRI	0.8%	0.8%	11.4%	10.5%	8.2%	3.6%	9.2%

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)**

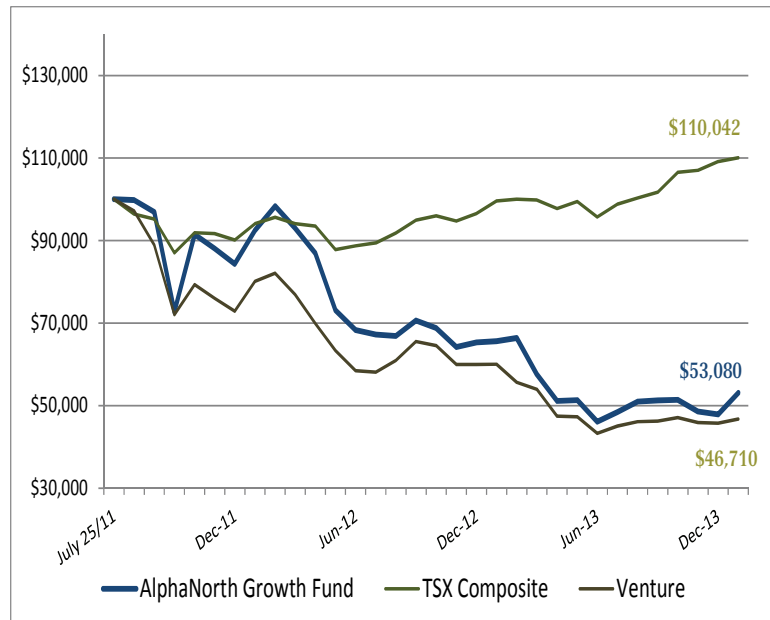
DIVERSIFICATION THROUGH SMALL/MID CAP:

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

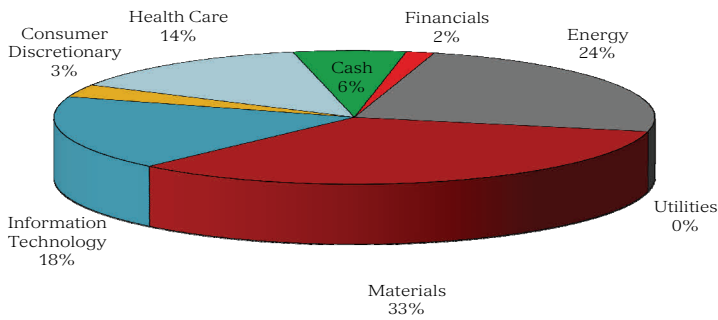
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- ◆ Complements any investment portfolio and greatly enhances wealth accumulation over the long term

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:	\$7 million
Account Enquiries:	1-877-506-8122
Sales and Marketing:	Tanya Ali 416-506-0776 x227 info@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%	0.2%	(5.4%)	(1.5%)	(26.8%)
2014	11.0%												11.0%

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, have 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 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.