

March 2014

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$22.501	\$18.006
AlphaNorth Partners Fund LP (AAM102/202)	\$0.714	\$0.571
Consolidated NAV*	\$23.215	\$18.577

Fund Review The Fund returned (3.3%) in March. In comparison, the TSX Venture index and TSX Total Return index returned (3.0%) and 0.7% respectively during the month. We are pleased that the Fund has delivered a 33.5% annualized return over the past five years and as a result is among the top performing funds on the Globefund database. This highlights the strength of returns which are possible subsequent to periods of significant market weakness.

We are encouraged that several of the Fund's private company investments are planning to raise capital at a premium to previous valuations. This is encouraging and supports our view that small cap equities have bottomed and investor sentiment has improved.

At present we have no major sector biases. We have noted in previous commentaries that the resource sectors were likely to begin performing well. It is encouraging to note that this has started to materialize. In 2014, the top performing sectors for Canadian small cap equities have been health care, energy and materials. We expect that the positive contribution from resource sectors will continue.

Current sector allocations are as follows: 55% technology, 15% life sciences, 6% consumer, 8% energy, 14% metals and 2% precious metals.

Outlook The excess that caused the Global Financial Crisis continues to dissipate. Tighter banking regulations and corporate conservatism are reflected on corporate balance sheets with record cash levels. In the U.S., the threat from budget deficits has been rapidly declining while in Canada, a budget surplus is on the near term horizon. Investor concern seems to have shifted to equity market valuations in light of the strong bull run of the major indices over the past five years. Despite these improvements, investors are fearful of a major correction in the equity markets. Recent market weakness has prompted much debate in the media on this. Investors often cite equity valuations which have risen close to historical averages as well as high levels of government debt. We believe that valuations should be assessed in the context of the current interest rate environment. This results in an earnings yield of 6.6% for the S&P compared to 2.6% for the U.S. 10 year bond. This spread remains unjustifiably wide in our view, particularly with the backdrop of strong corporate balance sheets and improving economic conditions. Certainly there are areas of the equity market which are overheated as there typically is at any given time. This is likely the case for two of the best performing sectors over the past year, the U.S. Biotech and Social Media stocks. The two indices which track these sectors have both already corrected 22% from their recent highs. As we have stated repeatedly in recent commentaries, we expect Canadian equities to begin to outperform and this has proven to hold true to date in 2014.



We believe that corrections in equity markets in the near term will be modest in magnitude and will resume to the upside, likely catching the majority of investors off guard.

Regards,

Steven Palmer, CFA

Performance* (as of March 31, 2014)

	March	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(3.3%)	18.8%	(6.8%)	(14.1%)	33.5%	14.0%	132.1%
S&P/TSX Venture	(3.0%)	6.7%	(9.5%)	(24.3%)	0.8%	(15.1%)	(63.7%)
S&P/TSX Composite TRI	0.7%	5.5%	15.4%	3.4%	13.6%	3.4%	25.8%

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)**

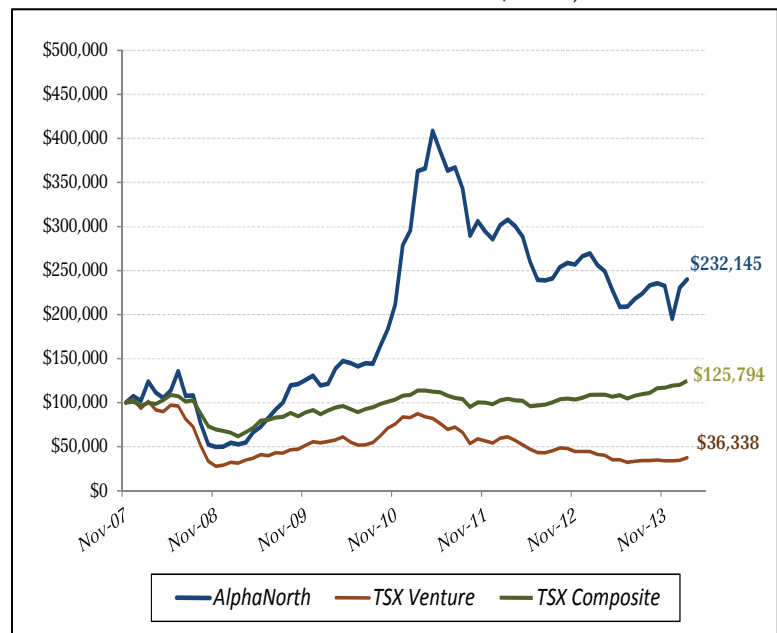
DIVERSIFICATION THROUGH SMALL CAP:

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

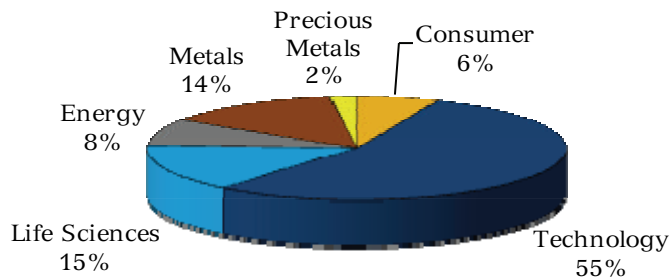
UNIQUE STRUCTURE:

- The 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 (closed to new investments)	Management Fee Class A- 2%, Class D- 2.5% 20% Performance Fee High water mark (no reset) Monthly valuation
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: 0.92
Sales Contact	Tanya Ali 416-506-0776 x227

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%	(1.3%)	(16.0%)	(24.8%)
2014	18.1%	4.1%	(3.3%)										18.8%

Investment Strategy

The AlphaNorth Partners Fund Inc. (the "Fund") is a long-biased, small cap hedge fund that focuses 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 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.

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 returned (4.0%) in March. In comparison, the TSX Venture index and TSX Total Return index returned (3.0%) and 0.7% respectively during the month. We are pleased that the Fund has delivered a 41.1% annualized return over the past five years and as a result, it is the #1 ranked fund by performance over this period on the Globefund database (excluding ETFs). This highlights the strength of returns which are possible subsequent to periods of significant market weakness.

We are encouraged that several of the Fund's private company investments are planning to raise capital at a premium to previous valuations. This is encouraging and supports our view that small cap equities have bottomed and investor sentiment has improved.

At present, we have no major sector biases. We have noted in previous commentaries that the resource sectors were likely to begin performing well. It is encouraging to note that this has started to materialize. In 2014, the top performing sectors for Canadian small cap equities have been health care, energy and materials. We expect that the positive contribution from resource sectors will continue.

Current sector allocations are as follows: 54% technology, 9% life sciences, 8% consumer products, 3% energy, 25% metals and 1% precious metals. The Fund currently has a small cash position.

Outlook The excess that caused the Global Financial Crisis continues to dissipate. Tighter banking regulations and corporate conservatism are reflected on corporate balance sheets with record cash levels. In the U.S., the threat from budget deficits has been rapidly declining while in Canada, a budget surplus is on the near term horizon. Investor concern seems to have shifted to equity market valuations in light of the strong bull run of the major indices over the past five years. Despite these improvements, investors are fearful of a major correction in the equity markets. Recent market weakness has prompted much debate in the media on this. Investors often cite equity valuations which have risen close to historical averages as well as high levels of government debt. We believe that valuations should be assessed in the context of the current interest rate environment. This results in an earnings yield of 6.6% for the S&P compared to 2.6% for the U.S. 10 year bond. This spread remains unjustifiably wide in our view, particularly with the backdrop of strong corporate balance sheets and improving economic conditions. Certainly there are areas of the equity market which are overheated as there typically is at any given time. This is likely the case for two of the best performing sectors over the past year, the U.S. Biotech and Social Media stocks. The two indices which track these sectors have both already corrected 22% from their recent highs. As we have stated repeatedly in recent commentaries, we expect Canadian equities to begin to outperform and this has proven to hold true to date in 2014.

We believe that corrections in equity markets in the near term will be modest in magnitude and will resume to the upside, likely catching the majority of investors off guard.



Regards,

Steven Palmer, CFA

Performance* (as of March 31, 2014)

	March	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(4.0%)	1.9%	23.2%	(5.7%)	41.1%	19.1%	206.7%
S&P/TSX Venture	(3.0%)	6.7%	(9.5%)	(24.3%)	0.8%	(15.1%)	(63.7%)
S&P/TSX Composite TRI	0.7%	5.5%	15.4%	3.4%	13.6%	3.4%	25.8%

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)**

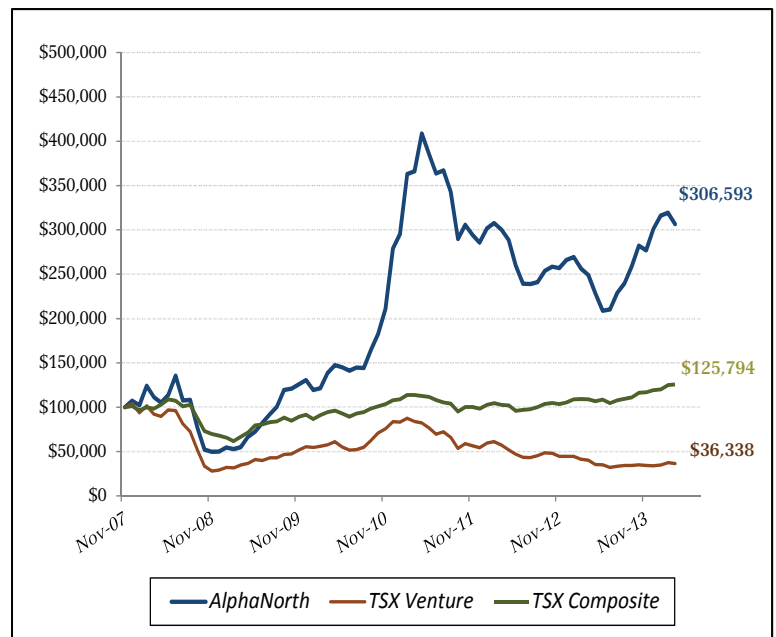
DIVERSIFICATION THROUGH SMALL CAP:

- 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

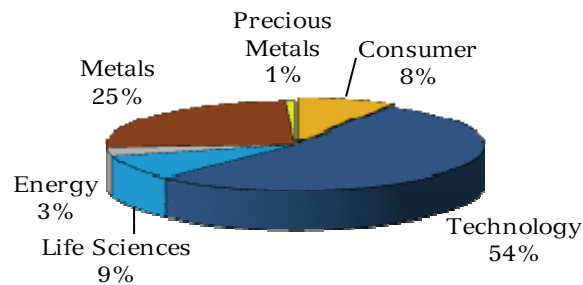
UNIQUE ASPECTS:

- 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)
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
Sales Contact	Tanya Ali 416-506-0776 x227

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%	(1.8%)	8.7%	13.1%
2014	5.0%	1.1%	(4.0%)										1.9%

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