

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$20.561	\$16.430
AlphaNorth Partners Fund LP (AAM102/202)	\$0.749	\$0.598
<b>Consolidated NAV*</b>	<b>\$21.310</b>	<b>\$17.027</b>

**Fund Review** The Fund returned 1.4% in June. In comparison, the TSX Venture index and TSX Total Return index returned 4.5% and 4.1% respectively during the month.

During the month of June, performance was generally strong across the portfolio. This was offset by a decline of 50% in one of our larger positions as a result of an urgent cash requirement of a major shareholder. Although these situations are frustrating in the short term, they have little long term impact and fundamentals remain highly favourable in this particular situation.

During the month we closed on three new private placements, all of which contributed positively to returns. These companies are in the technology and consumer product sectors. We have been avoiding the precious metals sector for some time but have recently been evaluating several opportunities in this sector which offer attractive risk/reward and expect to be adding exposure to this sector in the near term.

There are two private technology companies in the portfolio which are expected to go public in the July/August timeframe. It is likely that both will begin trading well above our cost.

We continue to have no sector biases, particularly now that the resource sectors have reversed their downtrends. Current sector allocations are as follows: 55% technology, 16% life sciences, 6% consumer, 10% energy, 11% metals and 2% precious metals.

**Outlook** We believe the Chinese economy has stabilized and is beginning to re-accelerate. A recent research piece by BCA Research notes that the latest purchasing managers surveys have shown a broad-based improvement. The readings on new orders have recovered to near multi-year highs while export orders have also returned to expansionary territory. This data supports our view that the resource component of the TSX will continue to perform well allowing Canadian equity markets to continue to outperform the major U.S. indices.

With respect to small cap equities, a year ago there was much talk about the number of TSX Venture listed companies that were going to disappear due to the perceived inability for them to raise money. Not only has this not happened but many companies have reinvented themselves and are raising capital. Financings of TSX Venture listed companies has increased to \$2.6 billion year to date compared to \$1.8 billion at this time last year.

**It is very clear to us that the junior markets have bottomed and are primed for a substantial move higher over the coming months. Our portfolios are well positioned to capitalize on this move. Many of our holdings have upcoming catalysts which could result in triple digit returns. The significant warrant portfolio across our portfolios which we have accumulated over the past year will provide further leverage to positive returns.**



Regards,

Steven Palmer, CFA  
President and CEO

### Performance\* (as of June 30, 2014)

	June	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	1.4%	9.1%	1.9%	(16.3%)	20.8%	12.0%	113.1%
S&P/TSX Venture	4.5%	10.4%	16.7%	(18.6%)	(1.2%)	(13.7%)	(62.4%)
S&P/TSX Composite TRI	4.1%	12.9%	28.7%	7.6%	10.8%	4.6%	34.6%

### 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)\*\*

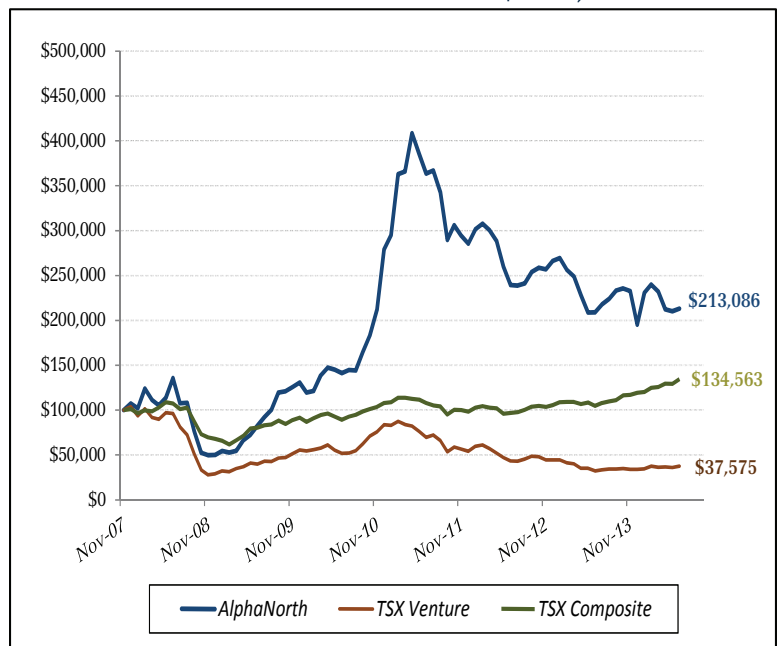
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

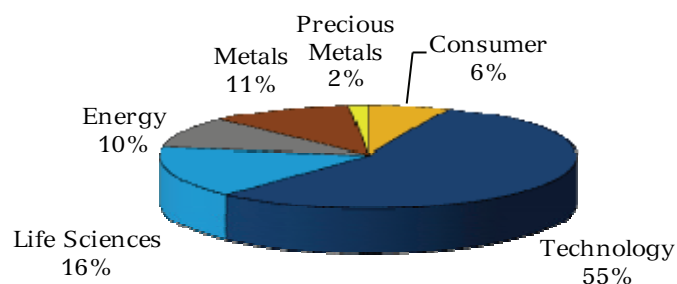
#### UNIQUE STRUCTURE:

- 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%)	(8.6%)	(0.9%)	1.4%							9.1%

## 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 2013 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 4.8% in June. In comparison, the TSX Venture index and TSX Total Return index returned 4.5% and 4.1% respectively during the month.

During the month of June, performance was generally strong across the portfolio. This was offset by a decline of 50% in one of our larger positions as a result of an urgent cash requirement of a major shareholder. Although these situations are frustrating in the short term, they have little long term impact and fundamentals remain highly favourable in this particular situation.

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There are two private technology companies in the portfolio which are expected to go public in the July/August timeframe. It is likely that both will begin trading well above our cost.

We continue to have no sector biases, particularly now that the resource sectors have reversed their downtrends. Current sector allocations are as follows: 58% technology, 12% life sciences, 6% consumer products, 3% energy, 23% metals and 1% precious metals.

**Outlook** We believe the Chinese economy has stabilized and is beginning to re-accelerate. A recent research piece by BCA Research notes that the latest purchasing managers surveys have shown a broad-based improvement. The readings on new orders have recovered to near multi-year highs while export orders have also returned to expansionary territory. This data supports our view that the resource component of the TSX will continue to perform well allowing Canadian equity markets to continue to outperform the major U.S. indices.

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Regards,

Steven Palmer, CFA  
President and CEO

### Performance\* (as of June 30, 2014)

	June	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	4.8%	(4.8%)	36.4%	(7.6%)	28.2%	17.1%	186.6%
S&P/TSX Venture	4.5%	10.4%	16.7%	(18.6%)	(1.2%)	(13.7%)	(62.4%)
S&P/TSX Composite TRI	4.1%	12.9%	28.7%	7.6%	10.8%	4.6%	34.6%

### 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)\*\*

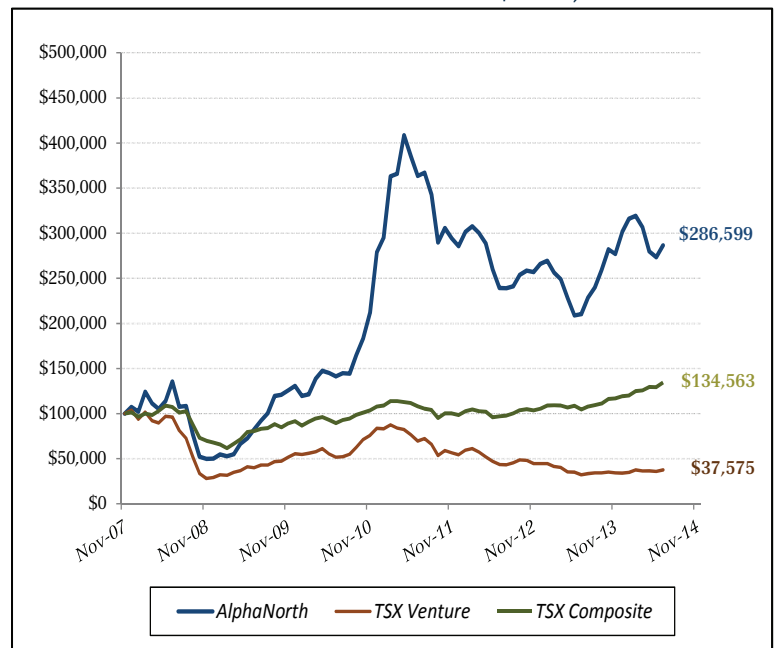
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

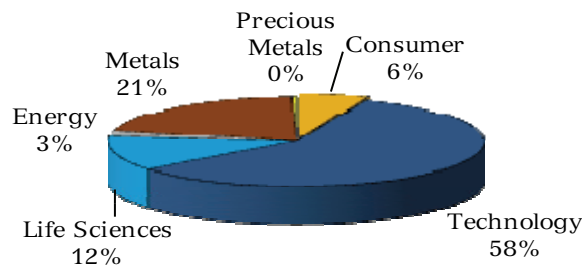
#### UNIQUE ASPECTS:

- 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: 0.92
Sales Contact	Tanya Ali 416-506-0776 x227

## Monthly Performance\*

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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%)	(8.8%)	(2.2%)	4.8%							(4.8%)

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