



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

July 2014

NAV
Series A (ANF010) \$4.121
Series F (ANF011) \$4.231

Fund Review The Fund returned (7.7%) in July. This compared to (2.6%) for the TSX Venture and 1.4% for the TSX Total Return index.

Declines in the technology sector positions contributed the most to the negative return in July. This weakness is frustrating given that there was no material change in the outlook for any of these companies during the month.

As noted in last month's commentary, Dualex Energy (TSX:DXE) which had been waiting for permission from the Tunisian government to test a high impact exploration well, received approval to proceed. This announcement occurred after monthend and has resulted in gains of 55% to date in August. We look forward to the test results for this well in the coming weeks. We anticipate that positive test results would translate to significant gains for the shares. We remain optimistic and believe the odds are favourable for a positive outcome. This is one of three energy positions which are drilling/testing high impact wells over the next few months. Success on any one of these positions would likely have a major positive impact on the Fund returns.

The Fund has a small cash position. We continue to have no major sector biases. The current sector mix is comprised of 30% in technology, 17% in health care, 2% in financials, 13% in consumer discretionary, 20% in energy and 18% in materials.

Outlook Unsurprisingly, Janet Yellen recently announced that bond buying would be cut back from \$35B to \$25B per month, and it is expected that it will be halted completely in October. This news came after the news of higher than expected U.S. GDP growth and improving labour market statistics. We view this as a positive sign and if the stock market is a forward economic indicator, markets should improve as we approach the potential end of easing. We believe that the recent market pullback is temporary in nature and that markets will continue to move upwards rather than correct further. Investors waiting for the much talked about 10% will be denied yet again.

The major large cap equity indices have been routinely setting new all time highs as we predicted back in 2011. Canadian equities, as measured by the TSX Composite, have lagged U.S. markets until 2014. However, in July the TSX Composite also climbed to a new all time high. The TSX Venture index (TSXV), which best reflects the nature of our portfolios, has dramatically underperformed in the current bull market and pulled back slightly this month, moving back below the 1,000 mark. It is notable that the TSXV remains far from its 2007 highs. We have seen a strong lag in the TSXV due to the large resource weighting, but recent outperformance from this sector has contributed to positive returns which we expect to continue over the coming quarters. The high beta nature of this index often results in spectacular returns at momentum inflection points.

Regards,



Steven Palmer
Steven Palmer, CFA
President and CEO

Performance (as of July 31, 2014)

	July	YTD	1 Year	2 Year	3 Year	Inception	Cumulative
AlphaNorth Growth	(7.7%)	(13.9%)	(14.8%)	(21.7%)	(25.5%)	(25.0%)	(58.8%)
S&P/TSX Venture	(2.6%)	7.5%	9.2%	(8.0%)	(20.3%)	(20.6%)	(50.8%)
S&P/TSX Composite TRI	1.4%	14.5%	26.5%	18.2%	9.0%	7.5%	24.9%

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)**

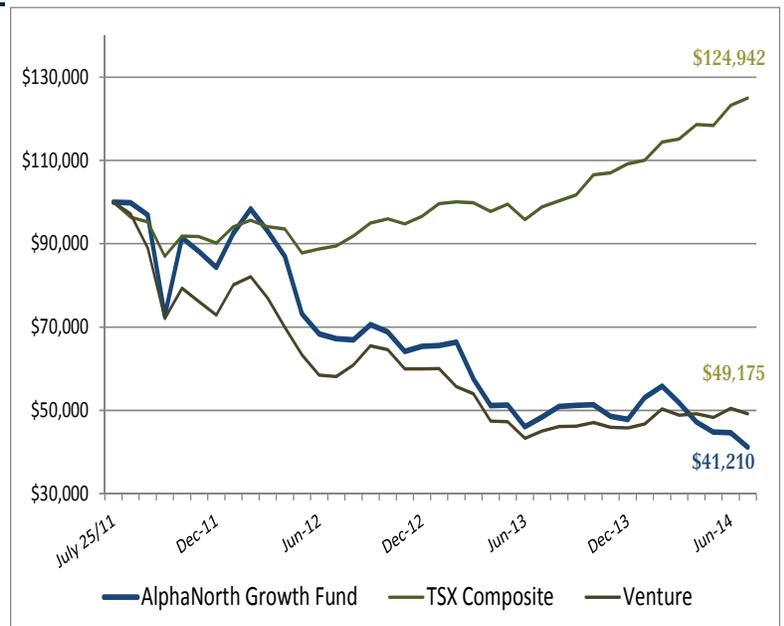
DIVERSIFICATION THROUGH SMALL/MID CAP:

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

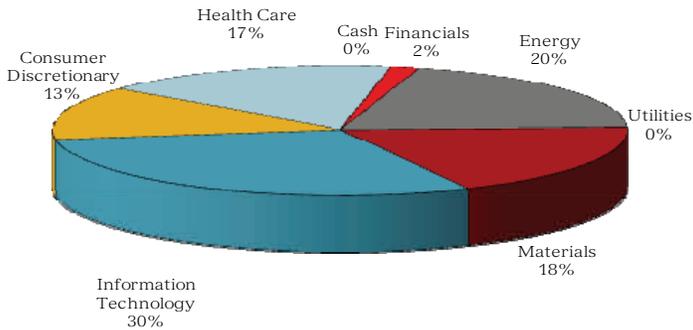
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- ◆ 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 & IFDS
Legal:	Stikeman Elliott LLP
Fund Assets:	\$6 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%	5.2%	(7.2%)	(8.9%)	(5.2%)	(0.3%)	(7.7%)						(13.9%)

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.