

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$17.914	\$14.296
AlphaNorth Partners Fund LP (AAM102/202)	\$0.437	\$0.349
<b>Consolidated NAV*</b>	<b>\$18.352</b>	<b>\$14.644</b>

**Fund Review** The Fund returned (12.5%) in September. In comparison, the TSX Venture index and TSX Total Return index returned (11.2%) and (4.0%) respectively during the month.

Declining positions had the upper hand during the month as several of our larger holdings were negatively impacted by the poor market conditions despite there being no material change to company specific fundamentals.

Over the course of the month, we participated in 3 private placements which generally performed well despite the recent aggressive market declines. In fact, two of these deals were upsized due to strong demand. We have held one of these investments, Blackbird Energy (TSXV:BBE), for a long time and increased our position during the month. The company is now well financed to drill their Alberta property targeting the Montney formation before yearend. We believe the company has very strong odds for success. Mission Ready Services (TSXV:MRS) was a new position that we initiated in the recent private placement. This company has recently been awarded contracts with the U.S. Marine Corps for cleaning contaminated equipment and research and development work. We exercised 5 million warrants in Canada Carbon (TSXV:CCB) over the course of the past couple of months. These additional funds will allow the company to advance their ultra high purity graphite project near Montreal. This has been a strong performer for the Fund over the past several months.

It is frustrating to watch positions decline in large percentage terms on minimal volume. Once the market sentiment reverses, there will be similar large percentage moves to the upside.

Current sector allocations are as follows: 51% technology, 17% life sciences, 8% consumer, 10% energy, 12% metals and 2% precious metals.

**Outlook** Strong U.S. economic data in September relative to the G7 resulted in a dramatic spike higher in the U.S. dollar. The repercussions of this were far-reaching as they negatively impacted commodity prices which generally declined during the month. This was a significant catalyst for prompting a decline in Canadian equities. At the time of writing, this correction has continued into October resulting in a more than 10% decline. Many investors have been on the sidelines waiting for such a correction for some time. Junior equities, as reflected by the TSX Venture index (TSXV), have been more severely impacted. We believe the US dollar strength is very overextended and will decline versus other major currencies. This should coincide with a significant low for the TSX Venture index which historically has been highly inversely correlated to the USD.

We view the recent equity market decline as a healthy correction within a secular bull market for large cap equities. The lack of participation in this bull market to date by the TSXV has proven to be very frustrating. Identifying the bottom for the TSXV has been elusive. However, we believe the evidence is building in support of our view that the current period of capitulation will mark a major low for the TSXV. The broad correction in equity markets sets the stage for a potential strong rebound over what is seasonally a strong period from December to May. **The severe magnitude and prolonged period of decline (3.5 years and 68% decline) for the TSX Venture will inevitably provide the basis for a powerful bull cycle.**



Regards,



Steven Palmer, CFA

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

	September	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(12.5%)	(6.1%)	(21.4%)	(14.1%)	8.9%	9.2%	83.5%
S&P/TSX Venture	(11.2%)	(2.4%)	(3.4%)	(14.7%)	(6.6%)	(14.7%)	(66.8%)
S&P/TSX Composite TRI	(4.0%)	12.2%	20.4%	12.1%	8.7%	4.3%	33.8%

### 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)\*\*

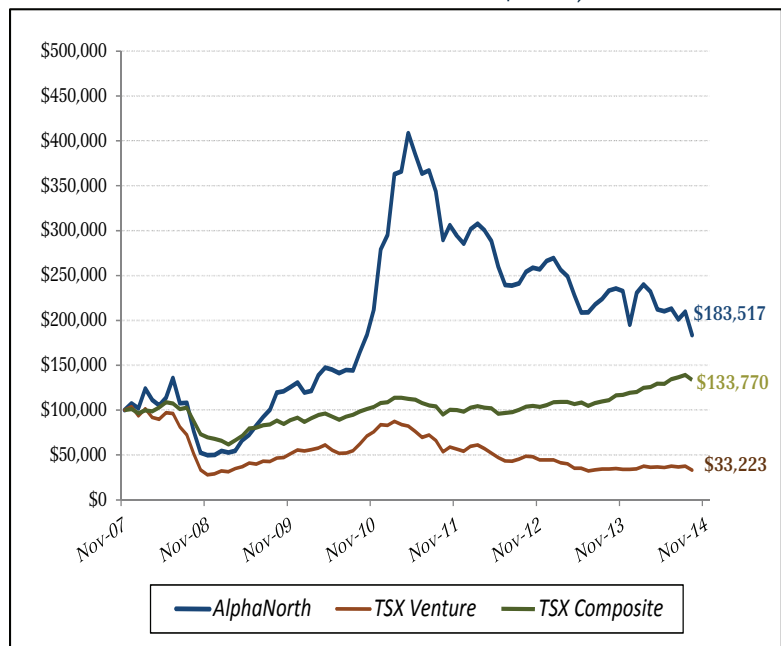
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

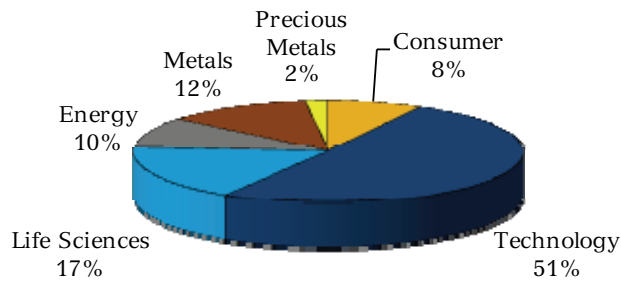
#### UNIQUE STRUCTURE:

- 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%)	(8.6%)	(0.9%)	1.4%	(5.7%)	4.3%	(12.5%)				(6.1%)

## 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 (14.4%) in September. In comparison, the TSX Venture index and TSX Total Return index returned (11.2%) and (4.0%) respectively during the month.

Declining positions had the upper hand during the month as several of our larger holdings were negatively impacted by the poor market conditions despite there being no material change to company specific fundamentals.

Over the course of the month we participated in 3 private placements which generally performed well despite the recent aggressive market declines. In fact, two of these deals were upsized due to strong demand. We have held one of these investments, Blackbird Energy (TSXV:BB1), for a long time and increased our position during the month. The company is now well financed to drill their Alberta property targeting the Montney formation before yearend. We believe the company has very strong odds for success. Mission Ready Services (TSXV:MRS) was a new position that we initiated in the recent private placement. This company has recently been awarded several contracts with U.S. Marine Corps for cleaning contaminated equipment and research and development work. We exercised 5 million warrants in Canada Carbon (TSXV:CCB) over the course of the past couple of months. These additional funds will allow the company to advance their ultra high purity graphite project near Montreal. This has been a strong performer for the Fund over the past several months.

It is frustrating to watch positions decline in large percentage terms on minimal volume. Once the market sentiment reverses there will be similar large percentage moves to the upside.

Current sector allocations are as follows: 47% technology, 12% life sciences, 4% consumer products, 8% energy and 29% metals.

**Outlook** Strong U.S. economic data in September relative to the G7 resulted in a dramatic spike higher in the U.S. dollar. The repercussions of this were far-reaching as they negatively impacted commodity prices which generally declined during the month. This was a significant catalyst for prompting a decline in Canadian equities. At the time of writing, this correction has continued into October resulting in a more than 10% decline. Many investors have been on the sidelines waiting for such a correction for some time. Junior equities, as reflected by the TSX Venture index (TSXV), have been more severely impacted. We believe the US dollar strength is very overextended and will decline versus other major currencies. This should coincide with a significant low for the TSX Venture index which historically has been highly inversely correlated to the USD.

We view the recent equity market decline as a healthy correction within a secular bull market for large cap equities. The lack of participation in this bull market to date by the TSXV has proven to be very frustrating. Identifying the bottom for the TSXV has been elusive. However, we believe the evidence is building in support of our view that the current period of capitulation will mark a major low for the TSXV. The broad correction in equity markets sets the stage for a potential strong rebound over what is seasonally a strong period from December to May. **The severe magnitude and prolonged period of decline (3.5 years and 68% decline) for the TSX Venture will inevitably provide the basis for a powerful bull cycle.**



Regards,



Steven Palmer, CFA

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

	September	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(14.4%)	(8.3%)	6.7%	(1.6%)	18.2%	15.8%	176.2%
S&P/TSX Venture	(11.2%)	(2.4%)	(3.4%)	(14.7%)	(6.6%)	(14.7%)	(66.8%)
S&P/TSX Composite TRI	(4.0%)	12.2%	20.4%	12.1%	8.7%	4.3%	33.8%

### 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)\*\*

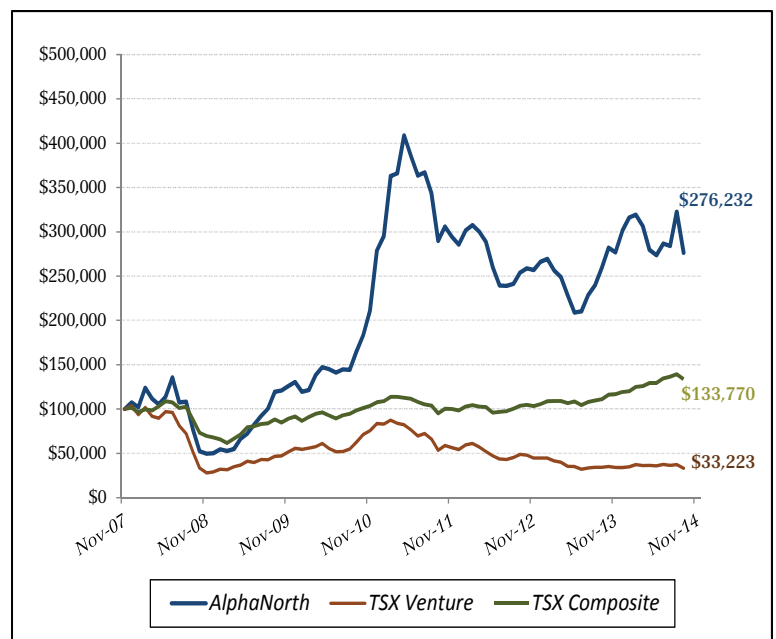
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

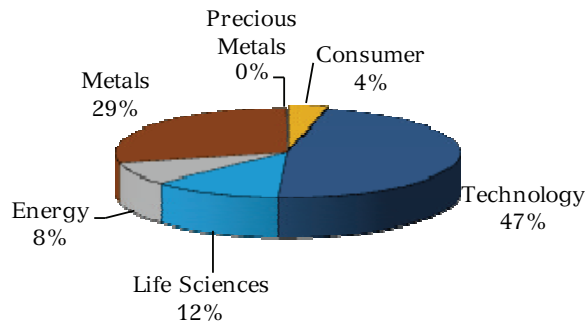
#### UNIQUE ASPECTS:

- 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: 0.92
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%)	0.6%	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%	(0.9%)	13.6%	(14.4%)				(8.3%)

## Investment Strategy

The AlphaNorth Partners Fund Inc. (the "Fund") is a long-biased, small cap hedge fund which 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 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 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 for Class F shares on an annualized basis except where noted and stated net of all fees. Returns shown on or prior to Reorganization May 31, 2013 are for Class A. The inception date is December 1, 2007 for the fund and June 1, 2013 for Classes F & G. Returns subsequent to 2013 are unaudited. \*\*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 Inc. from inception December 1, 2007 to the current NAV.