

October 2014

	Class A	Class D
AlphaNorth Partners Fund Inc. (AAM101/201)	\$16.221	\$12.938
AlphaNorth Partners Fund LP (AAM102/202)	\$0.387	\$0.308
Consolidated NAV*	\$16.607	\$13.246

Fund Review The Fund returned (9.5%) in October. In comparison, the TSX Venture index and TSX Total Return index returned (15.4%) and (2.1%) respectively during the month.

Continued strength in the US dollar has resulted in distressed selling in many resource shares. This has created opportunities for us. We have been selectively adding resource positions to the portfolio. For example, during October we added to our existing position in U3O8 Corp (TSX: UWE), a uranium and frac sand company. The shares declined by 47% in October as a result of liquidation by a major holder. We took advantage of the price decline and the liquidity to add significantly to our position. The shares have since rebounded by 100% from our purchase price. This will impact the Fund return in November. We believe this purchase is very timely as the spot uranium price has recently rebounded strongly following increased buying activity by utilities and news that local officials in Japan voted in favour of restarting two reactors. These restarts are expected in Q1/15 and provide clarity on the restart pathway for the remaining reactors which will likely start coming back online in a more expedited manner.

Despite continued oil price weakness which has caught many investment professionals off guard, our energy names have held in reasonable well. Blackbird Energy (TSXV: BBI), one of our top picks, gained in October despite the commodity price weakness. We continue to believe the risk/reward for this company is highly favourable.

Current sector allocations are as follows: 50% technology, 18% life sciences, 8% consumer, 10% energy, 12% metals and 2% precious metals.

Outlook We believe that tax loss selling contributed to the recent market weakness for Canadian small cap stocks. Although this is painful in the short term, it is encouraging to get this out of the way as we enter the seasonally strong period of December through February for small caps. Returns over this period have been positive 80% of the time since 1982 and averaged 9.3%. We believe that the odds of positive returns are particularly likely given the strong negative returns leading up to this period which has reset valuations to extremely low levels.

The broader economic backdrop of strong corporate earnings continues as we have predicted with the majority of the strength due to higher margins. Q3 earnings have largely been driven by margin expansion and have surprised to the upside resulting in 11% earnings gains year over year for the S&P 500 companies. This is a normal event for this stage of an economic cycle. The later half of an economic cycle is typically driven by capital expenditures which increase capacity and allow for revenue growth and continued earnings gains. This usually does not occur until after efficiencies are maximized through cost cutting as we are seeing now. We believe that the equity market cycle has lots of time left and it is inevitable that valuations for small caps will begin to catch up as investors look to reallocate funds into undervalued assets.



Regards,



Steven Palmer, CFA
President and CEO

Performance* (as of October 31, 2014)

	October	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(9.5%)	(15.0%)	(29.5%)	(18.4%)	6.5%	7.6%	66.1%
S&P/TSX Venture	(15.4%)	(17.4%)	(19.7%)	(21.9%)	(9.8%)	(16.8%)	(71.9%)
S&P/TSX Composite TRI	(2.1%)	(9.9%)	12.6%	9.3%	9.1%	4.0%	31.0%

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)**

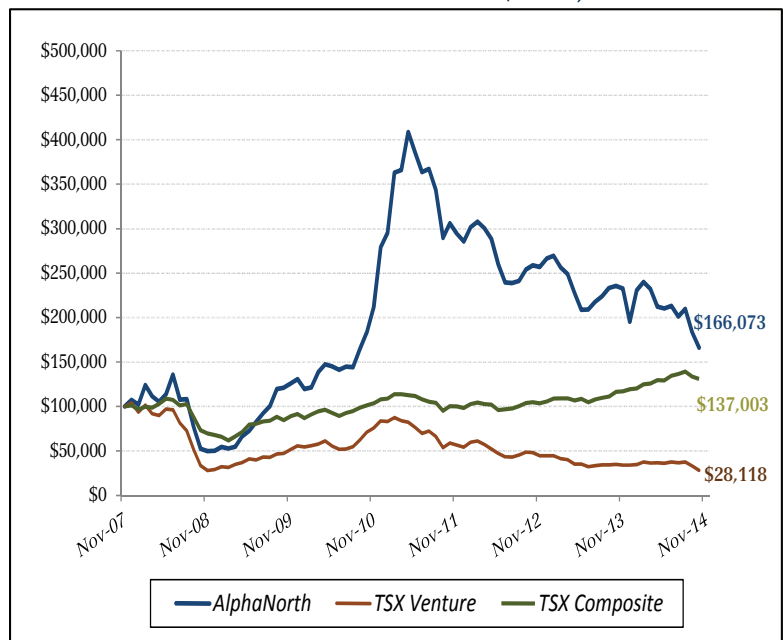
DIVERSIFICATION THROUGH SMALL CAP:

- 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

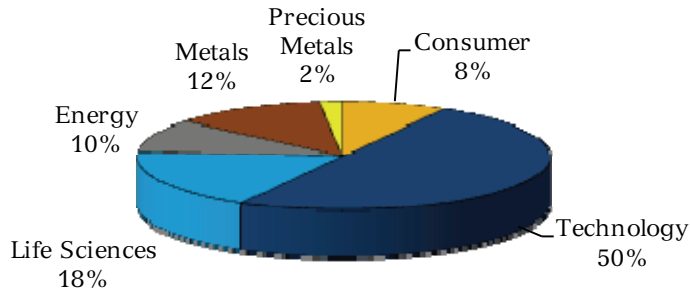
UNIQUE STRUCTURE:

- 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%)	(9.5%)			(15.0%)

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 (9.2%) in October. In comparison, the TSX Venture index and TSX Total Return index returned (15.4%) and (2.1%) respectively during the month.

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Current sector allocations are as follows: 51% technology, 14% life sciences, 6% consumer products, 3% energy and 26% metals.

Outlook We believe that tax loss selling contributed to the recent market weakness for Canadian small cap stocks. Although this is painful in the short term, it is encouraging to get this out of the way as we enter the seasonally strong period of December through February for small caps. Returns over this period have been positive 80% of the time since 1982 and averaged 9.3%. We believe that the odds of positive returns are particularly likely given the strong negative returns leading up to this period which has reset valuations to extremely low levels.

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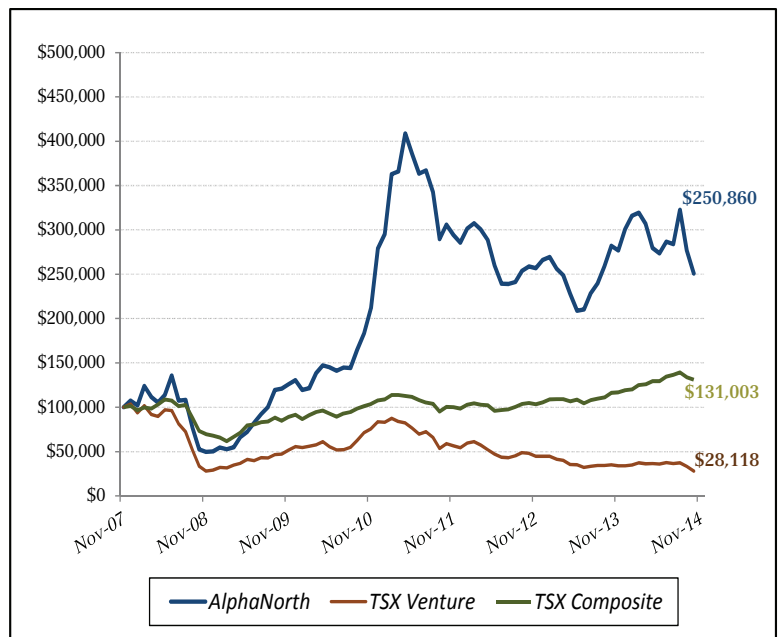
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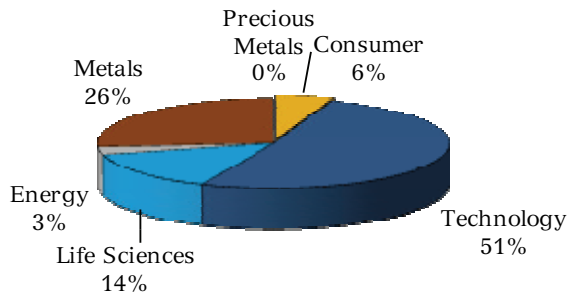
UNIQUE ASPECTS:

- 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

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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%)	(9.2%)			(16.7%)

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