



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

December 2014

NAV
Series A (ANF010) \$3.331
Series F (ANF011) \$3.418

Fund Review The Fund returned (4.5%) in December. This compared to (6.3%) for the TSX Venture and (0.4%) for the TSX Total Return index.

Our energy names performed poorly in December reflecting the further declines in oil and natural gas prices. We believe that stocks have generally reflected the lower pricing environment and expect share prices will stabilize near current levels. All of our energy names have upcoming company specific catalysts which are expected to be positive. We believe these company specific catalysts will dominate over a lower commodity price environment in the longer term.

We have recently returned from Nassau, Bahamas where we, in partnership with Capital Event Management, hosted the **2nd Annual AlphaNorth Capital Conference** focusing on small cap non-resource companies. The conference showcased 39 companies to buy side investors, investment advisors and high net worth investors. We were encouraged by the very positive feedback in respect of the conference. Attendee comments were unanimously positive and highlighted the fact that there were many attractive investment opportunities among the presenters. We are excited that the AlphaNorth funds hold meaningful positions in many of the "favourites".

We continue to have no major sector biases. The current sector mix is comprised of 44% in technology, 0% in health care, 2% in financials, 18% in consumer discretionary, 25% in energy and 11% in materials.

Outlook The month of December marked the all-time low for the TSX Venture index (TSXV) which has lost 80% of its value since its all-time high in 2007. During 2014, the TSXV decreased 25.4%. This has been very frustrating for us given the worldwide bull market in equities that has prevailed over the past several years. However, we have recently experienced a slight rebound as we enter what has historically been a seasonally strong period for Canadian small cap equities. The latest challenge for junior markets has been precipitated by the dramatic decline in oil prices which have caught investors offguard and has caused another blow to investor confidence. In this instance, it has not only been the small cap energy names which have suffered but the mid and large cap energy companies have also experienced dramatic declines.

Attempts to call the bottom for Canadian junior equities have been elusive. However, in the context of an 80% decline in the TSXV over the past 7 years we believe better times for the TSXV are near. Given the extent of the decline in both magnitude and time, the coming rally will be greatly rewarding to resilient investors who are positioned early.



Regards,

Steven Palmer, CFA
President and CEO

Performance (as of December 31, 2014)

	December	YTD	1 Year	2 Year	3 Year	Inception	Cumulative
AlphaNorth Growth	(4.5%)	(30.4%)	(30.4%)	(28.6%)	(26.6%)	(27.0%)	(66.7%)
S&P/TSX Venture	(6.3%)	(25.4%)	(25.4%)	(24.5%)	(22.3%)	(25.8%)	(65.8%)
S&P/TSX Composite TRI	(0.4%)	10.6%	10.6%	11.8%	10.2%	6.6%	20.7%

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 16 year track record of generating industry leading returns (24%+ annualized)**

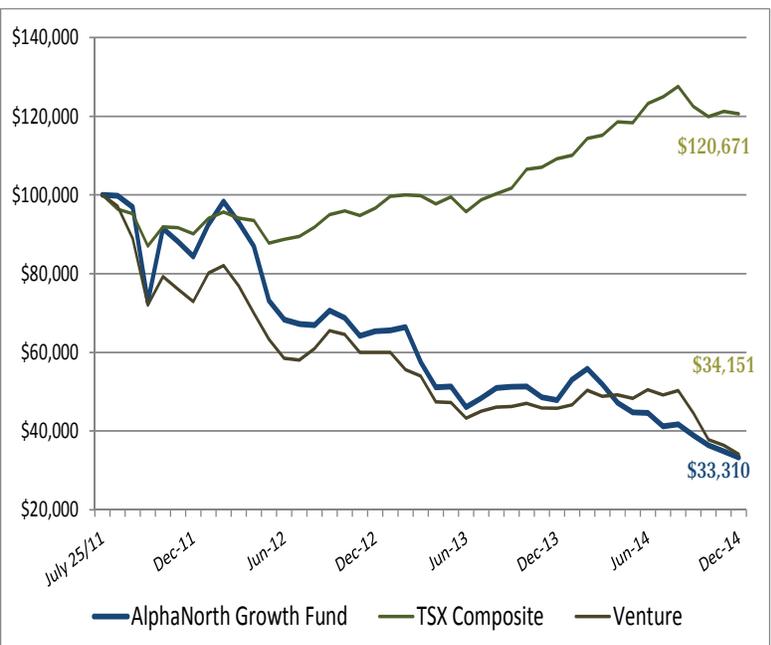
DIVERSIFICATION THROUGH SMALL/MID CAP:

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

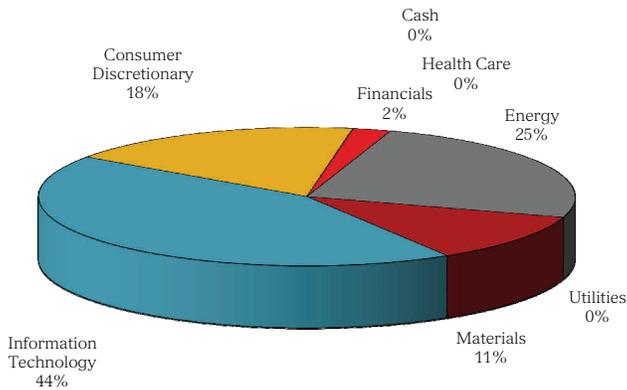
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- 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:	\$4 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%)	1.3%	(6.8%)	(6.5%)	(4.2%)	(4.5%)	(30.4%)

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.