

January 2015

NAV
Class A (AAM101) \$14.386
Class D (AAM201) \$11.458

Fund Review The Fund returned (4.9%) in January. In comparison, the TSX Venture index and TSX Total Return index returned (2.7%) and 0.6% respectively during the month.

Surprisingly, one of our strongest performing holdings during the month was an energy company. Blackbird Energy (TSXV:BBI) increased 50% in the month of January bucking the negative trend for the energy sector in general. Blackbird is awaiting results for two high impact Montney wells which we believe have high odds of success.

We have recently added to several positions in which we have high conviction, through private placements and which included warrants. Our warrant portfolio currently consists of nearly 100 positions totaling over 120 million warrants. We have been trying to add to the warrant portfolio as much as possible in this depressed environment for small cap Canadian stocks as these warrants will provide significant leverage to returns once the cycle turns as they did in 2009 and 2010.

Current sector allocations are as follows: 43% technology, 22% life sciences, 8% consumer products, 8% energy, 2% precious metals and 17% metals.

Outlook January was a volatile month for North American equity markets. This was largely driven by the uncertainty in the resource space centered around weaker oil and natural gas prices. Excluding energy, Q4/14 earnings have been robust for both the S&P 500 and TSX. The 2015 earnings estimates for the TSX have been greatly impacted by the nearly 50% reduction in earnings forecast for the energy sector. We expect this to have some offsetting benefits to other sectors. In our view, it is unlikely that oil and natural gas prices will remain at current depressed prices for the long term. Investors always overreact and we believe that it will be no different this time. Looking forward, it is likely that earnings revisions will be positive for the energy sector. We continue to have a positive outlook for the broader equity markets. This is largely predicated on the favourable interest rate environment which should persist for the foreseeable future due to subdued inflationary pressures and the increasing growth rate of the global economy. These are supportive of continued strength in equities.

In previous commentaries, we have predicted that Canadian equities would start to outperform after a long period of underperformance versus the major U.S. indices. In 2015, this has been the experience to date. Although this performance has been over a short period of time, we are optimistic that this will continue and that the Canadian small cap stocks will also perform well.



Regards,



Steven Palmer, CFA
President and CEO

Performance* (as of January 31, 2015)

	January	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(4.9%)	(4.9%)	(37.6%)	(21.9%)	3.8%	5.2%	43.9%
S&P/TSX Venture	(2.7%)	(2.7%)	(28.9%)	(25.4%)	(14.6%)	(17.7%)	(75.3%)
S&P/TSX Composite TRI	0.6%	0.6%	10.3%	8.9%	8.8%	4.0%	32.5%

Key Reasons to Own This Fund:

PROVEN LONG TERM PERFORMANCE:

- Management team has a 16 year track record of generating industry leading returns (21%+ annualized)**

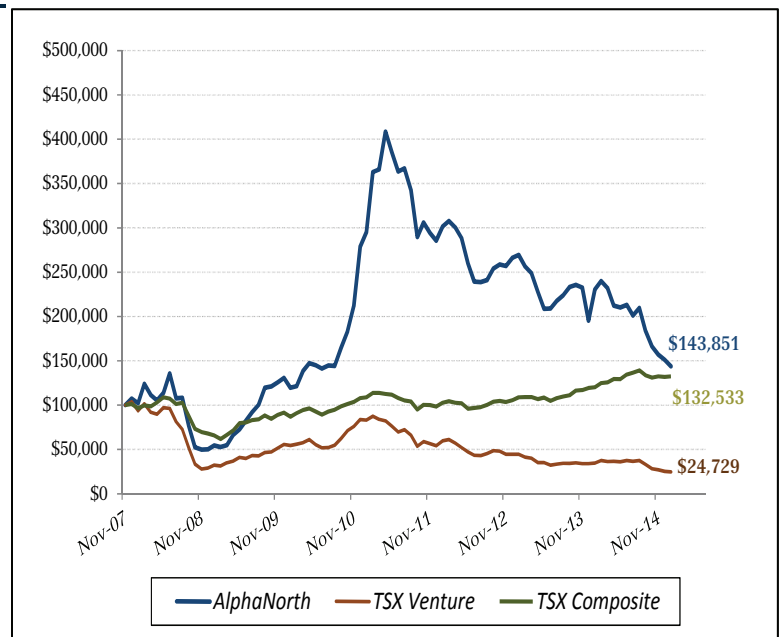
DIVERSIFICATION THROUGH SMALL CAP:

- 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

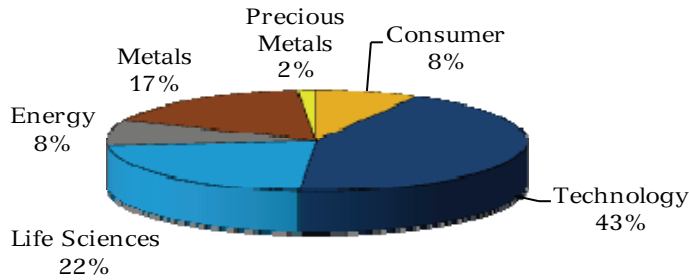
UNIQUE ASPECTS:

- 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
Fund Type	Alternative Strategies (Long biased small cap)
Fund Codes	Class A: AAM100, Class D: AAM200
Eligibility	Accredited Investors only
Fund Details	Management Fee Class A- 2%, Class D- 2.5% 20% Performance Fee RRSP eligible High water mark (no reset)
Sub/Redemption	Monthly, 90 day notice
Lock-up	None
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	Steve Palmer 416-483-4448

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%)	(26.6%)
2014	18.1%	4.1%	(3.3%)	(8.6%)	(0.9%)	1.4%	(5.7%)	4.3%	(12.5%)	(9.5%)	(5.5%)	(3.6%)	(22.6%)
2015	(4.9%)												(4.9%)

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 A shares on an annualized basis except where noted and stated net of all fees. The inception date is December 1, 2007 for the fund. 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.