



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Growth Fund

February 2015

NAV
Series A (ANF010) \$3.037
Series F (ANF011) \$3.121

Fund Review The Fund returned 0.5% in February. This compared to 4.4% for the TSX Venture and 4.0% for the TSX Total Return index.

The growth fund performed well over the month as a result of several of our equity holdings. Prometic Life Sciences Inc. (TSX:PLI), a company that is focused on research and development of drugs that treat rare diseases, had some success when it announced it received Orphan Drug Status from the FDA for one of its drugs. This status has economic benefits and helps to mitigate competitive pressures once the product is launched. It also announced that it received a further \$11.4m purchase order from an existing client. The company expects to release further positive news on its drug candidates over the coming quarters, and could announce partnership agreements on its earlier stage drug products in the next few months.

Blackbird Energy (TSXV:BBI) also performed strongly in February. The company had been drilling two wells in Grand Prairie, Alberta. Results were released the first week of March and were very positive. It also increased its land holdings in an area that we believe to be quite prolific. Companies that have been drilling near Blackbird's acreage have also had strong results. We expect that additional drilling will be optimized based on the initial results leading to even stronger results.

We continue to have no major sector biases. The current sector mix is comprised of 36% in technology, 0% in health care, 3% in financials, 20% in consumer discretionary, 24% in energy and 15% in materials.

Outlook In our view, early December presented an opportune time to buy into the junior market as the index hit all-time lows and preceded the usual yearend rally which has always occurred for this index. Those investors who prefer to have confirmation of a new trend should take note that the TSX Venture has held in above the December low for a period of three months. From a technical perspective, a key metric often watched by investors to identify new trends are the moving averages. The TSX Venture index recently broke above the 50 day moving average in February but has more recently fallen back below it. We expect that many investors will wait for the 50 day moving average to break above the 200 day moving average before awakening to the reality of the new bull trend. We take a more proactive approach and are positioned now to capitalize on strength in the Canadian junior market which we believe is in the process of emerging.

We have been seeing more interest in the small cap space lately, with global small caps rallying across the board in recent weeks. TSX Small Caps have performed well so far this year, despite the negative headwinds from soft energy prices and a pullback in gold from its January rally. We are starting to see decreased volatility and selling pressure in our holdings which we believe will give way for a potential rally in these names.



Regards,

Steven Palmer, CFA

Performance (as of February 28, 2015)

	February	YTD	1 Year	2 Year	3 Year	Inception	Cumulative
AlphaNorth Growth	0.5%	(8.8%)	(45.6%)	(32.4%)	(32.4%)	(27.7%)	(69.6%)
S&P/TSX Venture	4.4%	1.6%	(31.1%)	(21.0%)	(24.9%)	(24.5%)	(65.3%)
S&P/TSX Composite TRI	4.0%	4.6%	10.3%	12.3%	9.7%	7.6%	26.2 %

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)**

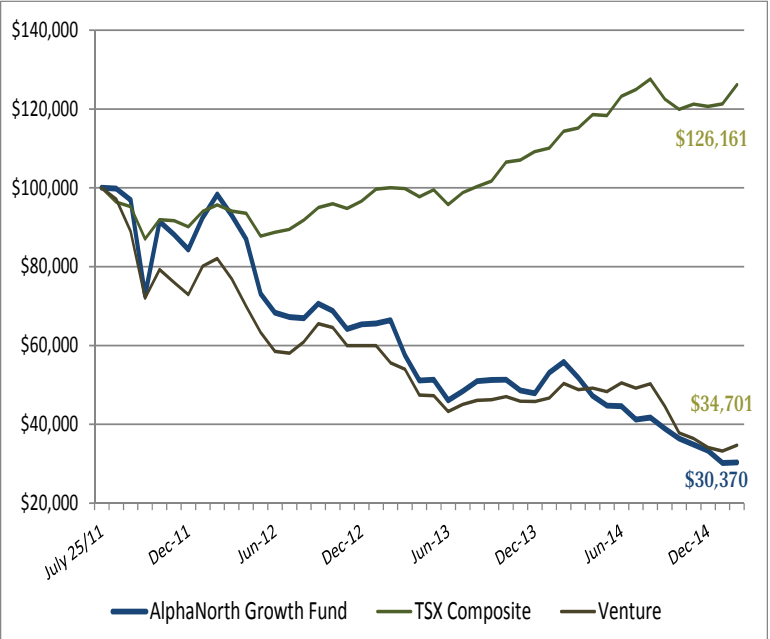
DIVERSIFICATION THROUGH SMALL/MID CAP:

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

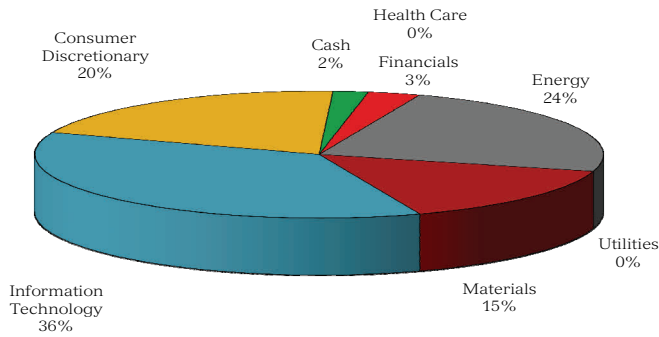
ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- 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:	\$3 million
Account Enquiries:	1-877-506-8122
Sales Contact:	Steve Palmer 416-483-4448 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%)
2015	(9.3%)	0.5%											(8.8%)

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.