

**Fund Review** The Fund returned (3.8%) in April. In comparison, the TSX Venture index and TSX Total Return index returned 2.3% and 2.4% respectively during the month.

It was disappointing last month that one of our legacy positions, Keek Inc. (TSXV:KEK) was unable to raise money, apparently at any price. This was despite a positive announcement in late March which caused the share price to appreciate by well over 150% in two days. Facebook had worked closely with the company and selected their social video app to be among the first outside apps for their Facebook Messenger platform. Keek shares ended April with a monthly decline of 70%. We have reduced our exposure to this holding.

On a more positive note, Sintana Energy (TSXV:SNN) announced that Exxon has finally spudded a high impact oil well in Colombia in which Sintana holds a significant interest. We believe that the well has good odds of success which, if successful, could have a material impact to Sintana's share price. Exxon is fronting the costs for two wells to earn a 70% interest in the unconventional component of the play. Clearly, Exxon does not drill structures unless they are very material. The impact of a discovery for a small company like Sintana is substantial. This well will take several months to drill. However, we eagerly await partial results for the conventional zone over the next couple of weeks.

Current sector allocations are as follows: 46% technology, 20% life sciences, 11% consumer products, 5% energy, 1% precious metals and 17% metals.

**Outlook** Earnings for North American equities continue to fuel the bull market in large caps. It is not surprising to us that the major indices have continued to perform well in the current environment of extremely low fixed income yields while earnings are growing at 10%+ in the U.S. (excluding the energy sector which has recently seen earnings collapse). The majority of companies in the S&P 500 have reported Q1/15 earnings which were ahead of expectations by 7.1%. Canadian equities outside of the energy and financial sectors are also forecast to experience double digit earnings growth in 2015. Going forward, we would expect that large cap equity returns will dissipate as valuations increase. We expect the normal progression will result in investors seeking out areas with more attractive return potential as valuations normalize. We believe both larger companies and investors will look to smaller companies with more attractive growth profiles and cheaper valuations to bolster returns.

We continue to be encouraged by the stabilization in the TSX Venture index performance since the all-time low reached in December 2014. In addition, there have been several recent occasions where the TSX Composite has experienced a significant decline while the TSX Venture index was up on the day. The recent pockets of strong performance should broaden as investor interest is attracted.



Regards,



Steven Palmer, CFA

### Performance\* (as of April 30, 2015)

	April	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(3.8%)	(8.4%)	(34.7%)	(21.7%)	(1.2%)	4.5%	38.7%
S&P/TSX Venture	2.3%	0.1%	(30.5%)	(21.2%)	(16.1%)	(16.9%)	(74.6%)
S&P/TSX Composite TRI	2.4%	5.1%	6.9%	10.7%	7.6%	4.5%	38.5%

### 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)\*\*

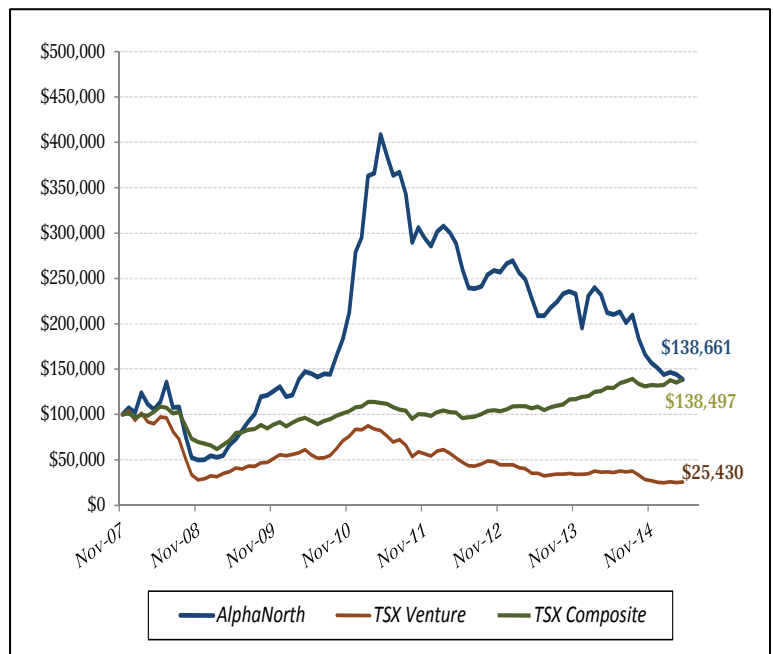
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

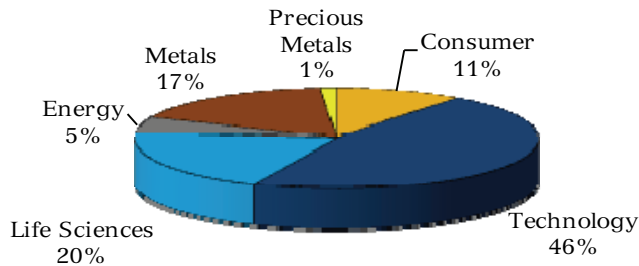
#### UNIQUE ASPECTS:

- 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%)	1.8%	(1.6%)	(3.8%)									(8.4%)

## 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.