



AlphaNorth  
Asset Management

# FUND COMMENTARY

## AlphaNorth Growth Fund

June 2015

NAV  
Series A (ANF010) \$2.902  
Series F (ANF011) \$2.994

**Fund Review** The Fund returned (4.9%) in June. This compared to (3.0%) for the TSX Venture and (2.8%) for the TSX Total Return index.

Several of our larger holdings experienced some downward selling pressure this month, unrelated to any specific company event. For example, Vogogo (TSXV:VGO) took a large hit over the past several weeks without any negative event driving the selloff. The company has done a good job at building a risk mitigation and compliance platform for cryptocurrencies and has signed on some major partners since the beginning of the year. In May, the company raised \$11m at higher prices and is well funded to execute its business plan. Our view is that the company will ramp up revenues significantly towards the start of next year and we are confident that it will secure several more partners over the coming months.

Urthecast (TSX:UR) is one of our holdings that performed very well this month. It recently launched a live video feed from its high resolution camera in space. Further to that, it announced a satellite deal that is potentially worth more than \$1b over the next few years. Subsequently, it raised funds to make a strategic acquisition that will increase its database as well as its geographic reach.

The current sector mix is comprised of 48% in technology, 0% in health care, 0% in financials, 26% in consumer discretionary, 11% in energy and 15% in materials.

**Outlook** The market sentiment has been tested in the past few weeks largely due to the uncertainty around Greece and its role in the European Union. Greece is only a minor contributor to the economic health of the EU, and we believe that any adverse consequences from a default or so called "Grexit" will have less of a real impact than what the markets appear to be pricing in. We also believe that the fear of contagion to other EU countries is overdone, and that we will see markets rebound once there is less uncertainty surrounding this issue. Although several questions about Greece's indebtedness linger, we are already seeing indications of a recovery in North American equities on the back of the most recent announcement regarding a third bailout. The U.S. datapoints are still coming in strong overall and in our opinion, equities continue to offer the best risk/reward of the major asset classes. Equity investors continue to receive an attractive equity risk premium vs. bond yields, and we think this will continue for some time. Indicators such as inflation trends, housing starts and manufacturing data continue to point towards expansion territory.

Regards,



*Steven Palmer*  
Steven Palmer, CFA  
President and CEO

### Performance (as of June 30, 2015)

	June	YTD	1 Year	2 Year	3 Year	Inception	Cumulative
AlphaNorth Growth	(4.9%)	(12.9%)	(35.0%)	(20.6%)	(24.8%)	(26.6%)	(71.0%)
S&P/TSX Venture	(3.0%)	(3.5%)	(34.7%)	(12.7%)	(17.4%)	(23.7%)	(67.0%)
S&P/TSX Composite TRI	(2.8%)	0.9%	(1.2%)	12.8%	11.1%	6.0%	21.8%

### Key Reasons to Own This Fund

#### PROVEN LONG TERM PERFORMANCE:

- Management team has a 16.6 year track record of generating industry leading returns (20%+ annualized)\*\*

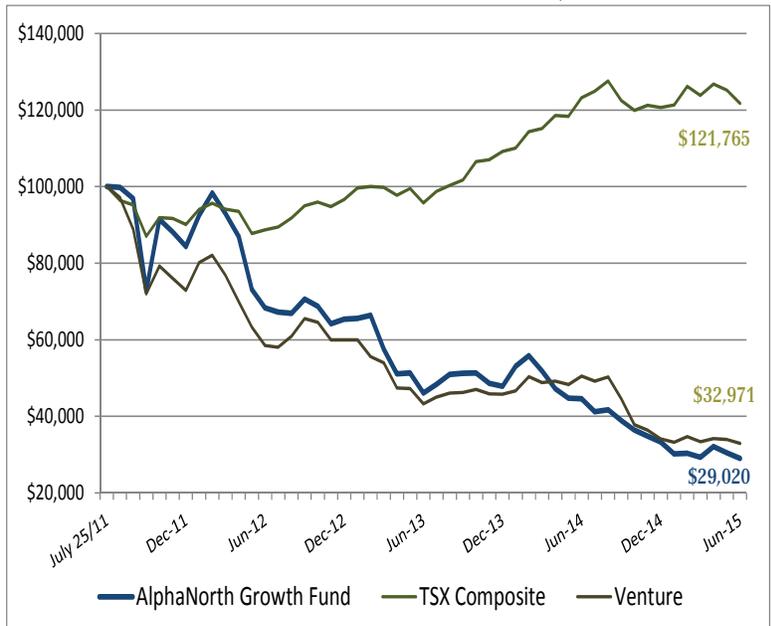
#### DIVERSIFICATION THROUGH SMALL/MID CAP:

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

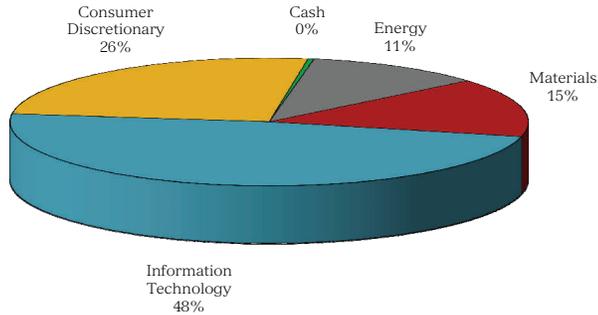
#### ONE OF THE BEST PERFORMING ASSET CLASSES OVER THE LONG TERM:

- Complements any investment portfolio and greatly enhances wealth accumulation over the long term

### Growth of Initial Investment \$100,000



## Current Sector Allocation



## Fund Information

<b>Lead Manager:</b>	Steven Palmer
<b>Inception:</b>	July 25, 2011
<b>Fund Codes:</b>	Series A - ANF010 / Series F - ANF011
<b>Fund Details:</b>	RSP/RESP eligible \$1,000 minimum investment
<b>Sub/Redemption:</b>	Daily
<b>Lock-up:</b>	None
<b>Early Redemption Fee:</b>	2% in first 90 days
<b>Management Fee:</b>	2%
<b>Performance Fee:</b>	20% above TSX return High water mark (no reset)
<b>Trailer:</b>	1% (Series A only)
<b>Auditor:</b>	Deloitte & Touche LLP
<b>Administration:</b>	State Street & IFDS
<b>Legal:</b>	Stikeman Elliott LLP
<b>Fund Assets:</b>	\$3 million
<b>Account Enquiries:</b>	1-877-506-8122
<b>Sales Contact:</b>	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%	(3.5%)	9.7%	(5.1%)	(4.9%)							(12.9%)

## 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](http://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.