

**Fund Review** The Fund returned (12.1%) in June. In comparison, the TSX Venture index and TSX Total Return index returned (3.0%) and (2.8%) respectively during the month.

The summer malaise in Canadian small cap equities negatively impacted the portfolio in June with the majority of our positions down materially. There were only a couple of isolated holdings where this was warranted. It appears that macro issues such as the Greece situation and Chinese equity sell-off have taken over investor sentiment in the short term. The summer months also result in poorer liquidity which can magnify stock price moves. We cannot control or easily predict the outcome of these macro events. However, we are confident that they will have little impact on our holdings over the longer term as company specific fundamentals will prevail. Share price declines during the month provided us with the opportunity to add to several of our high conviction positions.

When we look at our core positions, we have been frustrated with the length of time it has taken for some of our holdings to announce significant milestones. Some of these companies are dealing with major players in their field, who can be slow to act. We continue to see significant progress on the development side for these names, and are quite confident that they will be able to announce major contracts and partnership agreements in the future. We stay patient due to the level of confidence that we have in these companies and management teams.

Current sector allocations are as follows: 48% technology, 19% life sciences, 9% consumer products, 3% energy, 2% precious metals and 19% base metals.

**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, CFA  
President and CEO

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

	June	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(12.1%)	(20.7%)	(43.7%)	(20.6%)	(3.2%)	2.4%	20.0%
S&P/TSX Venture	(3.0%)	(3.5%)	(34.7%)	(17.4%)	(13.9%)	(16.9%)	(75.5%)
S&P/TSX Composite TRI	(2.8%)	0.9%	(1.2%)	11.1%	8.3%	3.8%	33.0%

### 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)\*\*

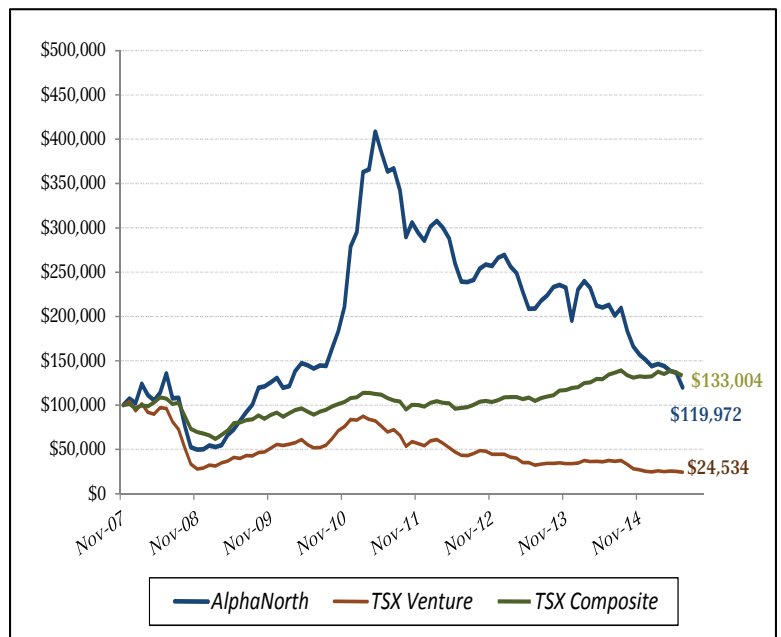
#### DIVERSIFICATION THROUGH SMALL CAP:

- 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

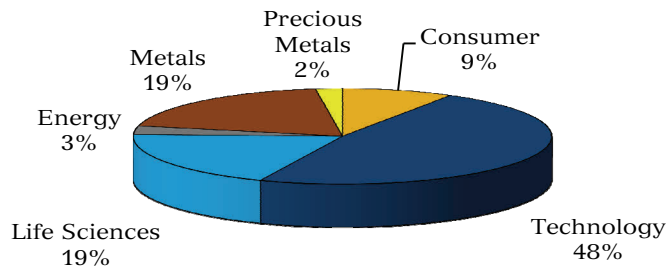
#### UNIQUE ASPECTS:

- 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%)	(1.6%)	(12.1%)							(20.7%)

## 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.