

Fund Review The Fund returned (10.7%) in August. In comparison, the TSX Venture index and TSX Total Return index returned (5.9%) and (4.0%) respectively during the month.

Several of our portfolio holdings performed poorly during the month of August. This was not due to any specific events but rather the general market sell-off and liquidity driven selling by investors.

We continue to actively monitor our core positions and remain confident in their future prospects. Our financial models on each company reflect significant upside for these positions. The nature of our investments generally results in a return potential of at least 2x to justify inclusion in the portfolio. Our models result in return expectations ranging from 2x to 50x for our core positions. Achieving these targets assumes not only modest valuation assumptions but that management is able to execute on the business plan. However, there are always unforeseen events that occur and there is no guarantee that market conditions will be conducive to share prices. In most cases, our core holdings have made significant progress which has not been rewarded by higher share prices. Management teams are also frustrated that investors have yet to recognize their company's potential.

Two positions that we have highlighted previously, Sprylogics (TSXV:SPY) and Vogogo (TSXV:VGO), both have near term catalysts that we expect will result in strong share price performance.

Current sector allocations are as follows: 50% technology, 16% life sciences, 7% consumer products, 2% energy, 1% precious metals and 24% base metals.

Outlook The volatile market action in August strongly suggests capitulation. Many investors have been waiting for a 10% correction in the broader markets and/or some sort of capitulation selloff before committing new capital to equities. Now that this has occurred, it gives us increased confidence that we are near a major low for the TSX Venture index (TSXV). Another indicator that we follow is the VIX (volatility index). This is a measure of the expected future volatility of the S&P 500 index which is calculated using the implied volatility of real time option prices on the index. Higher expected volatility is a measure of investor fear. Historically, spikes in volatility as measured by the VIX have been associated with major turning points for the broader equity market. In August, the VIX rose above 40, signaling investors were fearful. The last occurrence where the VIX was at similar levels was at the lows in 2011 and coincidentally, it was the time of the last 10%+ correction in equities and in fact marked a major low for the broader market.

The recent equity market capitulation after a 4 year downturn (that has taken the TSXV down 79% from the 2011 peak) fits the major criteria in terms of time and magnitude of previous bear market cycles for the TSXV (refer to chart on page 3). Clearly, the venture market is not going to zero and once the bull cycle commences, it is typically quick and powerful. We have positioned our portfolios with a diverse group of companies which have the potential for significant gains. We remain very excited about the prospects for the Canadian equity market over the next 2-3 years as the bull cycle unfolds and we hope to achieve similar outperformance to what we have achieved in previous bull market cycles.



Regards,
Steven Palmer, CFA

Performance* (as of August 31, 2015)

	August	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	(10.7%)	(32.9%)	(51.6%)	(25.0%)	(6.8%)	0.2%	1.5%
S&P/TSX Venture	(5.9%)	(19.6%)	(45.4%)	(23.3%)	(17.9%)	(18.5%)	(79.6%)
S&P/TSX Composite TRI	(4.0%)	(3.5%)	(8.7%)	8.3%	6.1%	3.2%	27.2%

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)**

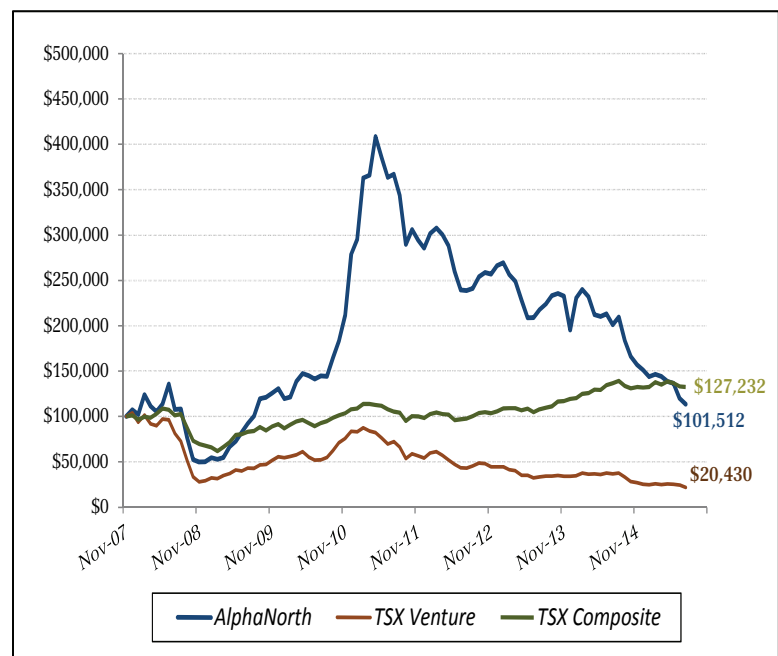
DIVERSIFICATION THROUGH SMALL CAP:

- 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

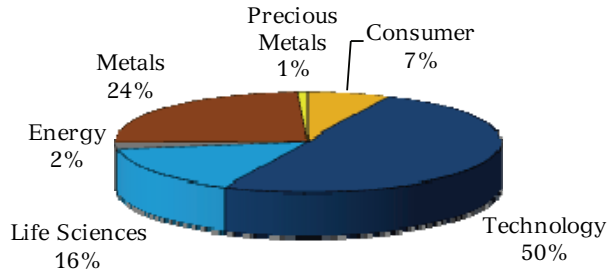
UNIQUE ASPECTS:

- 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%)	(5.3%)	(10.7%)					(32.9%)

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:

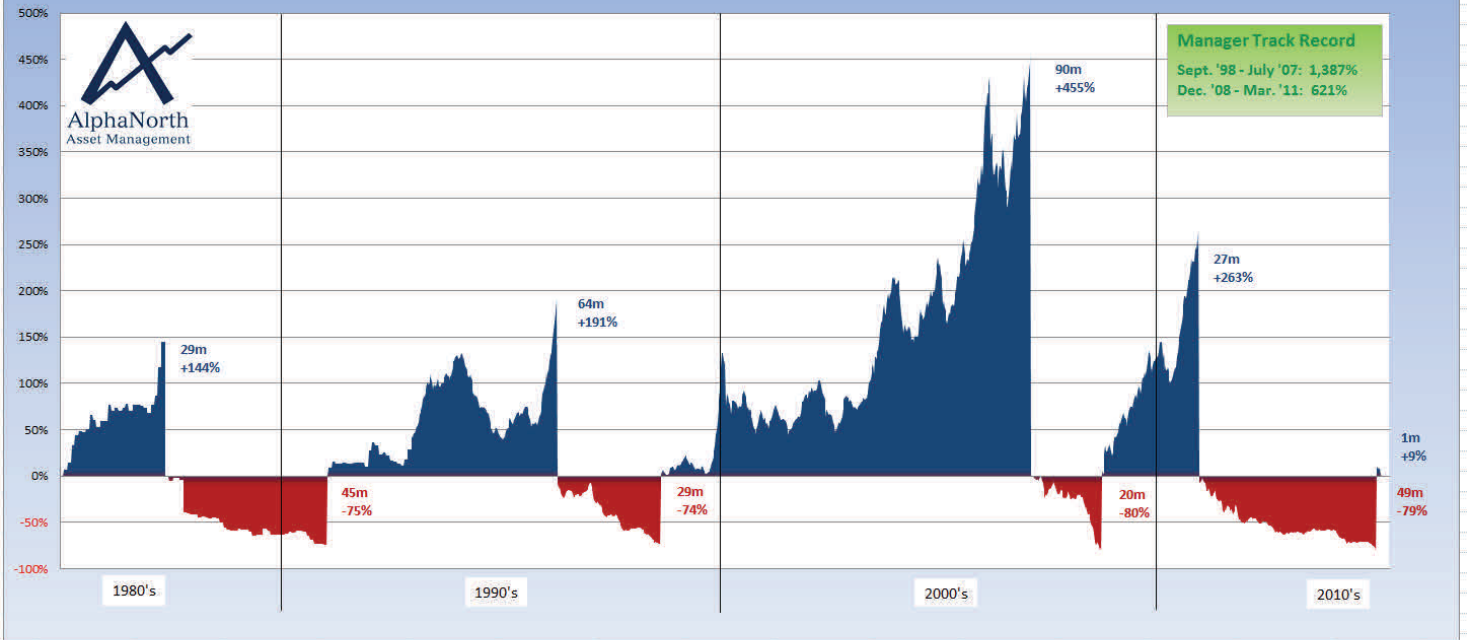
Steven Palmer is the President and CEO of AlphaNorth Asset Management. Mr. Palmer started his career in the investment industry in 1995 on the sell side of the business before transitioning to the buy side in 1997. Most recently, from July 1998 to August 2007 he was employed as Vice President - Canadian 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.

Bull and Bear Markets in Canadian Venture Stocks



Return information and months is shown for the TSX Venture Exchange and predecessor exchanges (Vancouver Stock Exchange from Dec 28/84 to Nov 28/99 and Canadian Venture Exchange from Nov 29/99 until renamed on Dec 1/01). Manager Track Record is shown for AlphaNorth Partners Fund Class A net of fees from Dec 2008 to Mar 2011 and for an institutional small cap pooled fund from Sep 1998 to July 2007 gross of fees.