

Fund Review The Fund returned 4.4% in June. In comparison, the TSX Venture index and TSX Total Return index returned 7.7% and 0.3% respectively during the month.

The strong gains for the TSX Venture index have been lead primarily by the precious metal sector which has rebounded strongly from very depressed levels.

The Fund participated in four private placements in June, all of which have performed well in the short term since the time of purchase, gaining by an average of 47%. All of these included warrants which will provide additional leverage to share price gains. One of these was a small investment in **Green Swan Capital (TSXV:GSW)**, whose flagship asset is a cobalt property in Ontario. Cobalt is a 'conflict mineral' and a key component of lithium-ion batteries that are used in electric vehicles. The current price for cobalt is under \$12/lb, a far cry from its high of \$55/lb in 2008. Given the increased demand forecasted for electric vehicles over the coming years, we believe that the cobalt price will trend upwards over the coming years. GSW is one of the few pure-play cobalt companies with assets in a safe jurisdiction. Given the strong outperformance in lithium equities this year, we expect investors to reallocate some of those gains to more undervalued resource equities such as cobalt stocks. Cobalt would be a logical transition from lithium equities as they are both inputs in electric batteries.

Current sector allocations are as follows: 40% technology, 24% life sciences, 9% consumer, 1% energy, 1% precious metals and 25% base metals.

Outlook The big news of the month was Brexit which has come with much fanfare. There is a long history of events such as this which have provided great buying opportunities for equities and this time was no different. In our view, this was an immaterial event for the junior companies in which we follow. Those investors who reduced equity exposure in advance of the Brexit vote undoubtedly thought they were acting shrewdly for two days before equity markets rebounded strongly hitting new all-time highs in the U.S. It is highly unlikely that these investors repurchased their equity positions near the lows and it is much more likely that these investors will be buying at higher levels than at which they sold.

Sentiment in the junior space has only started to turn positive, yet much skepticism remains. As sentiment continues to improve so too will returns. At this early stage of the cycle, the gains have been dominated by the precious metal stocks. However, the metal and energy stocks are also starting to attract investor attention. We are confident that the bear market has ended and it is our position that we are still only in the early innings of the current turnaround. Historically, the highest returns have been realized by investors who purchased after periods of significant decline. We believe that this is one of those times.



Regards,



Steven Palmer, CFA

Performance* (as of June 30, 2016)

	June	YTD	1 Year	3 Year	5 Year	Inception	Cumulative
AlphaNorth Partners	4.4%	1.7%	(25.9%)	(24.8%)	(24.6%)	(1.4%)	(11.2%)
S&P/TSX Venture	7.7%	39.0%	8.8%	(6.1%)	(17.4%)	(14.3%)	(73.3%)
S&P/TSX Composite TRI	0.3%	9.8%	(%0.2)	8.3%	4.2%	3.4%	32.7%

Key Reasons to Own This Fund:

PROVEN LONG TERM PERFORMANCE:

- Management team has a 18 year track record of generating industry leading returns (16% annualized)**

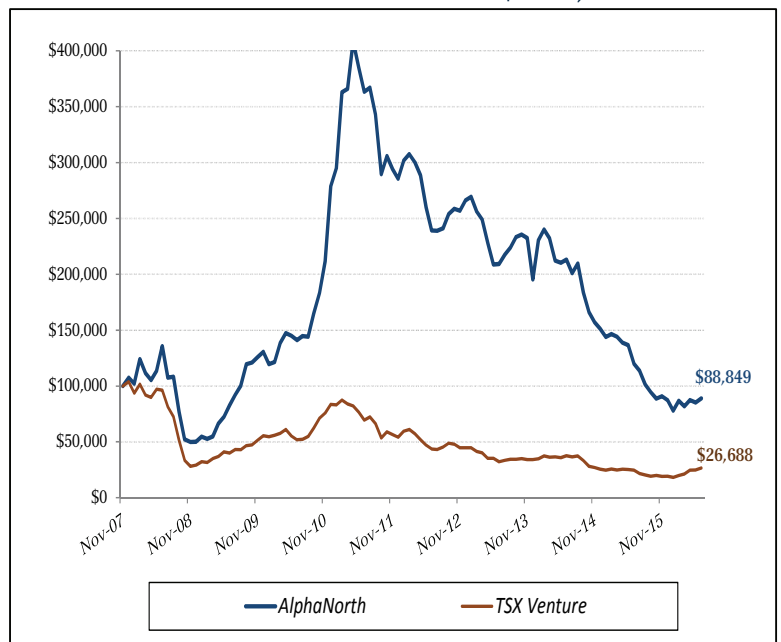
DIVERSIFICATION THROUGH SMALL CAP:

- 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

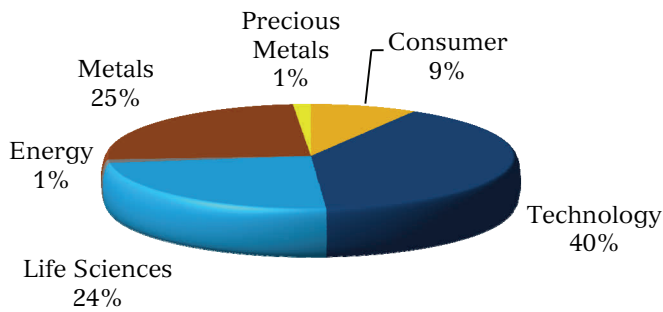
UNIQUE ASPECTS:

- 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 Perpetual High water mark
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: 0.87
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%)	(6.9%)	(6.1%)	2.5%	(3.95)	(42.3%)
2016	(10.8%)	11.4%	(5.8%)	7.0%	(2.6%)	4.4%							1.7%

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 2015 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.