



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Partners Fund

September 2023

NAV
Class A \$21.589
Class D \$16.518

Fund Review In September, the Fund returned (3.6%), as compared to the TSX Venture index and TSX Total Return index, which returned (4.7%) and (3.3%) respectively during the month.

We are pleased that the Fund had another positive month of relative performance vs our benchmark. However, the Fund did generate a negative return, which is always disappointing. The current poor investor sentiment in the small cap space has resulted in a muted market impact for companies which have reported positive news. We expect multiple positive announcements for our top holdings over the balance of 2023 which should translate to meaningful share price gains.

We believe that the sharp sell-off in gold during the month of September presented an opportunity to add to holdings in the precious metal sector. We added to our position in **Collective Mining (TSX:CNL)** at discounted prices. CNL is a gold exploration company which been reporting exceptional drill reports from its ongoing drill program in Colombia. We believe that the company is on track to build a world class gold resource. The strong U.S. dollar has been a major headwind for commodity prices, particularly gold over the past three months. It is our view that it is unlikely that this strength will continue. Historically, gold has had a high correlation with the U.S. dollar. We expect the gold price to rebound with future U.S. weakness. Also, the new conflict in the middle east will provide a further catalyst for gold as a safe haven trade.

Current sector allocations are as follows: 35% technology, 18% life sciences, 7% consumer, 7% precious metals, 24% metals, 7% energy, 2% warrants and 0% shorts.

Outlook Many of the same investor sentiment indicators which reached extreme levels in October 2022 and coincided with a major equity market low have recently approached similar levels. The aggressive sell-off in equities in recent weeks has taken the TSX Venture index to fresh lows for this cycle. The TSXV has now declined by 52% over the past 32 months. Bear market cycles for the TSXV have historically averaged 36 months and declined by 75%. These are averages based on the five major bear markets since 1980, while each situation has had unique circumstances. We believe that other factors such as investor sentiment should be evaluated to ascertain the general timeframe in which a major low is likely to occur. It is difficult to precisely time these key inflection points and note that even if one could actually do that, it would be impossible to initiate positions in quality micro/small cap companies in a timely manner without significantly impacting the market price.

We concede that we have been early in our forecast for a major low for Canadian small cap equities. Bear markets are a function of time and price. The current bear market is now within the range of the historical norm for both time and magnitude of decline. We therefore expect that the bottom is near. The Fund is positioned well for the inevitable time when the market turns. During past TSXV bull markets, the Fund has generated extraordinary gains.



Regards,

Steve Palmer, CFA
President and CIO

Performance* (Class A)

	Sept	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
AlphaNorth Partners	(3.6%)	(3.9%)	(14.6%)	(6.9%)	5.3%	(0.8%)	5.0%	115.9%
S&P/TSX Venture	(4.7%)	(2.0%)	(5.9%)	(7.5%)	(4.7%)	(5.1%)	(9.5%)	(79.6%)
S&P/TSX Composite TRI	(3.3%)	3.4%	9.5%	9.9%	7.3%	7.5%	5.4%	129.8%

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 25 year track record of generating industry leading returns of 15% annualized compared to -2% for the BMO Small Cap/TSXV**

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

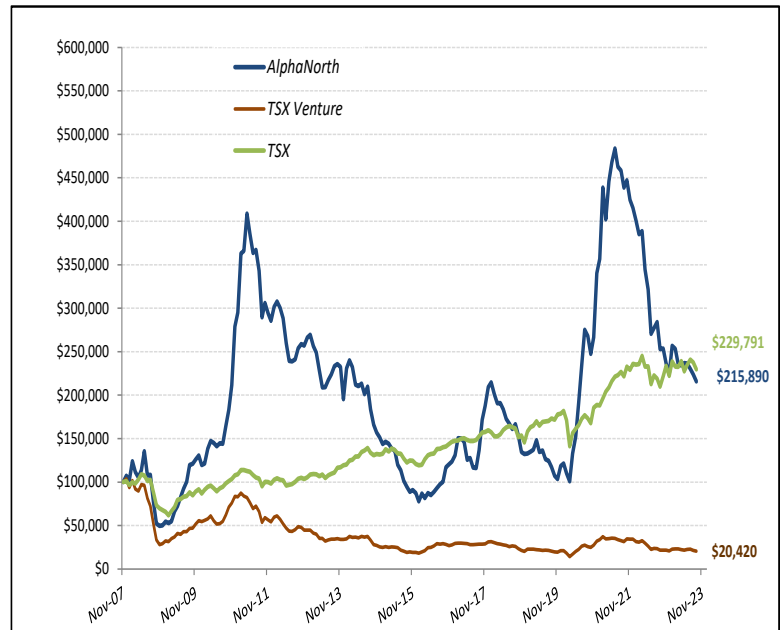
UNIQUE ASPECTS:

- Management owns a significant portion of fund assets
- All performance fees are reinvested into the fund

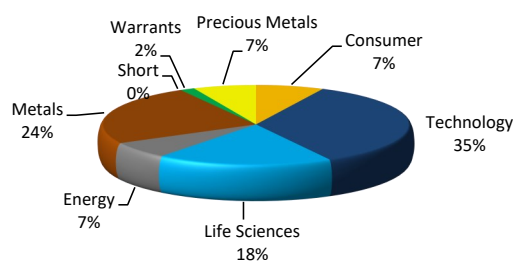
LEVERAGE WITH WARRANTS:

- Participate in numerous private placements to accumulate warrants for upside leverage

Growth of \$100,000 Initial Investment



Current Sector Allocation



Fund Information

Fund Type	Alternative Strategies (Long biased small cap)
Fund Codes	Class A: AAM100/101, Class D: AAM200/201
Eligibility	Accredited Investors only; RRSP eligible
Fund Details	Management Fee Class A- 2%, Class D- 2.5%
Sub/Redemption	Monthly, 90 day notice
Lock-up	None
Redemption Fee	Class A: none; Class D: 3% yr 1, 1.5% yr 2
Beta vs. TSXV	0.93

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%	4.9%	4.6%	3.0%	16.6%	2.8%	2.8%	41.6%
2017	5.8%	15%	(0.3%)	(2.3%)	(14.2%)	1.5%	(8.4%)	(0.6%)	17.6%	25.8%	9.3%	11.4%	69.0%
2018	2.7%	(6.3%)	(5.1%)	0.0%	(3.9%)	(5.9%)	(3.2%)	(3.7%)	3.5%	(7.7%)	(12.5%)	(1.6%)	(36.7%)
2019	0.4%	1.5%	1.7%	7.9%	(9.1%)	1.4%	(7.5%)	(1.4%)	(5.8%)	(8.7%)	(3.3%)	14.3%	(10.5%)
2020	2.5%	(9.2%)	(8.5%)	31.8%	14.7%	25.3%	23.1%	17.1%	(2.7%)	(7.7%)	7.7%	27.7%	187.3%
2021	4.8%	23.1%	(8.4%)	10.9%	5.0%	3.4%	(4.4%)	(0.9%)	(4.3%)	1.9%	(5.0%)	(2.2%)	22.0%
2022	(3.5%)	(3.8%)	0.9%	(11.4%)	(6.7%)	(16.8%)	2.4%	2.5%	(11.0%)	0.2%	(6.6%)	(5.1%)	(45.9%)
2023	14.3%	(1.4%)	(6.9%)	(0.7%)	1.1%	(0.2%)	(2.6%)	(2.7%)	(3.6%)				(3.9%)

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 managing small cap portfolios. AlphaNorth manages the AlphaNorth Partners Fund, a long biased small cap focused hedge fund.

Prior to founding AlphaNorth, Steve and Joey managed an award winning small cap equity fund at one of the largest investment firms in North America for 9 years that had an annualized return of 35.8% over their term significantly beating all relevant benchmarks. Founding AlphaNorth Asset Management in 2007, Steve and Joey launched the AlphaNorth Partner Fund which is a two-time winner for best 3 year return at the Canadian Hedge Fund Awards. The Fund recently won 2nd place for best one year return at the 2020 Canadian Hedge Fund Awards. Steve Palmer is President and CIO and a Chartered Financial Analyst (CFA). Joey is the trader and is a Chartered Investment Manager (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. 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 2022 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.