



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Partners Fund

May 2024

NAV
Class A \$26.560
Class D \$20.245

Fund Review In May, the Fund returned 3.6%, as compared to the TSX Venture index and TSX Total Return index, which returned 5.4% and 2.8% respectively during the month. We are pleased to have returned a 6th successive positive monthly return. The TSXV return is now exceeding large cap on a year-to-date basis.

May was an active month for closing new private placements. We sold one of our biotech holdings at a significant profit, raising cash to accommodate these new investments. We added positions in two junior silver companies in addition to a new investment in a consumer product company, **Cult Food Science Corp. (CSE:CULT)**. CULT is aiming to pioneer the commercialization of lab grown meat with an initial product called Noochies, a snack for dogs and cats. The shares have performed extremely well, gaining 440% from our purchase price as of the end of May.

One of our high conviction core positions, **Delcath Systems (NASDAQ:DCTH)**, gained 36% during the month of May. The rollout of the company's treatment kit for a specific form of liver cancer is going well. The company expects to have over 20 active treatment centres by yearend. These centres are expected to generate substantial revenue in 2025 which we believe will justify a much higher valuation.

Current sector allocations are as follows: 28% technology, 27% life sciences, 6% consumer, 6% precious metals, 21% metals, 2% energy, 3% warrants and 7% shorts.

Outlook Canadian equities have underperformed in recent weeks. A possible contributing factor to this may be the Federal tax changes to the capital gains inclusion rate which goes up after June 25th.

The largest U.S. technology stocks are the current market darlings which are driving the outperformance of U.S. equities. This euphoria over these technology stocks in the U.S. is reminiscent of the technology bubble which occurred in the late 90's. At that time, the internet was emerging and there was an overbuild in the early days of the fibre optic network to support it. Today it is artificial intelligence (AI) which has captured investor interest with the industry leader, **Nvidia Corp. (NASDAQ:NVDA)** now commanding a \$3.3 trillion market capitalization. There is nothing new about AI. The launch of ChatGPT seemed to be the catalyst for the AI craze. The current AI frenzy will no doubt have a major impact on the world. However, we believe that it is likely that investor's lofty expectations will fail to materialize as was the case for the fibre optic network buildout two decades ago. We believe that current risk/reward is not favourable for these large technology companies, particularly after such strong recent performance. There is a lot that can go wrong with trillion dollar companies, notwithstanding the fact that it is very difficult to maintain a reasonable growth rate for a trillion dollar company. In contrast, **the near record valuation disparity of small cap equities offers far superior risk/reward in our view.**



Regards,

Steve Palmer
Steve Palmer, CFA
President and CIO

Performance* (Class A)

	May	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
AlphaNorth Partners	3.6%	13.9%	12.1%	(17.2%)	14.6%	2.4%	6.1%	165.6%
S&P/TSX Venture	5.4%	10.5%	2.5%	(14.2%)	0.3%	(4.7%)	(8.7%)	(77.7%)
S&P/TSX Composite TRI	2.8%	7.6%	17.6%	7.4%	10.1%	7.5%	6.1%	167.2%

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 25.5 year track record of generating industry leading returns of 15.6% annualized compared to -1.8% for the BMO Small Cap/TSX**

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

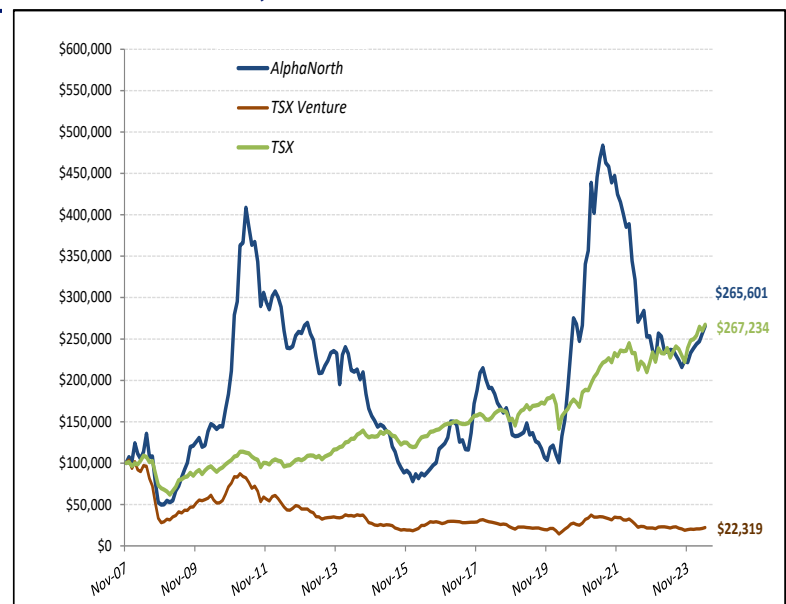
UNIQUE ASPECTS:

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

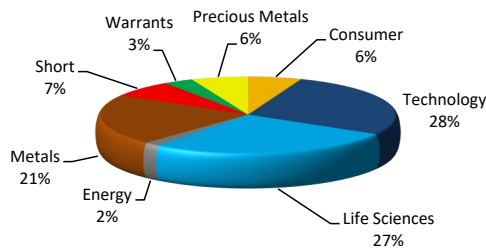
LEVERAGE WITH WARRANTS:

- 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/TSX	0.92/1.39

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%)	3.6%	(0.9%)	5.2%	3.8%
2024	2.5%	2.0%	1.4%	3.7%	3.6%								13.9%

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 2023 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.