



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Partners Fund

June 2024

NAV
Class A \$24.415
Class D \$18.601

Fund Review In June, the Fund returned (8.1%), as compared to the TSX Venture index and TSX Total Return index, which returned (6.7%) and (1.4%) respectively during the month. We are disappointed that our streak of positive months ended in June. However, performance has bounced back in the first half of July.

Our short exposure to the FANG+ negatively impacted returns in the month of June by approximately 2.2%, while the junior market had its worst performing month since October 2023 when it set the bear market low. We are confident that the FANG stocks offer poor risk/reward at current levels compared to other sectors. Nevertheless, we decided to not 'fight the tape' and sold our short position in the FANG+ index at the end of June. Capital will be re-deployed into new opportunities which we believe will result in short term gains while offering attractive risk/reward over the longer term.

The morning of June 21 saw aggressive 'at the market' selling of dozens of small cap companies by an algorithm which in some cases took share prices down by 50% within several minutes. This had many investors wondering what was going on. In most cases share prices recovered. This event was similar to the 'flash crash' in large cap equities which occurred in 2010 which has been attributed to high frequency traders. This time it was limited to a basket of micro/small cap companies. It remains unclear what caused this event.

Several of the capital raises which we expected to close in June were delayed. We expect these financings to be completed at higher valuations and thus add to performance in the coming months.

Outlook We conducted a detailed look at the TSXV index in recent days which resulted in a couple of notable findings. The TSXV index has declined by 52% from the peak in 2021 to the low in October 2023. However, to get a proper barometer of the Canadian junior market, one must adjust for two significant factors. In recent years, the Canadian Securities Exchange (CSE) has experienced a strong growth in listings, diverting many junior issuers which otherwise would be listed on the TSXV. The CSE index declined by 90% over this same period. This is largely a result of the large number of cannabis companies which listed on the CSE. Furthermore, there are two TSXV index listings which are not representative of small cap. These being two technology companies that are not small cap as each has a nearly \$10 billion market cap. These companies have performed well during this period skewing the TSXV index return higher. In our view, these two companies should be backed out of the TSXV index to better reflect small cap market performance. Adjusting for these two factors results in a decline for the Canadian junior market of approximately 72% from the 2021 peak to October 2023 vs 52% for the TSXV index. This adjusted performance is more in line with prior bear market declines of 75%, 74%, 80% and 81% lasting from 20 to 58 months. This data is one factor supporting our view that the TSXV bottomed last October and is in the initial stage of a bull market. **We believe the significant decline in the junior market over the 32 months fits within the context of previous bear markets for both time and magnitude. The subsequent bull markets for the TSXV returned 218% on average while the comparable return for our Fund was 665%.**

Regards,

Steve Palmer, CFA

Performance* (Class A)

	June	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
AlphaNorth Partners	(8.1%)	4.7%	3.3%	(20.4%)	12.3%	1.4%	5.5%	144.1%
S&P/TSX Venture	(6.7%)	3.1%	(8.3%)	(16.0%)	(0.5%)	(5.7%)	(9.0%)	(79.2%)
S&P/TSX Composite TRI	(1.4%)	6.1%	12.1%	6.0%	9.3%	6.9%	6.0%	163.4%

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/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

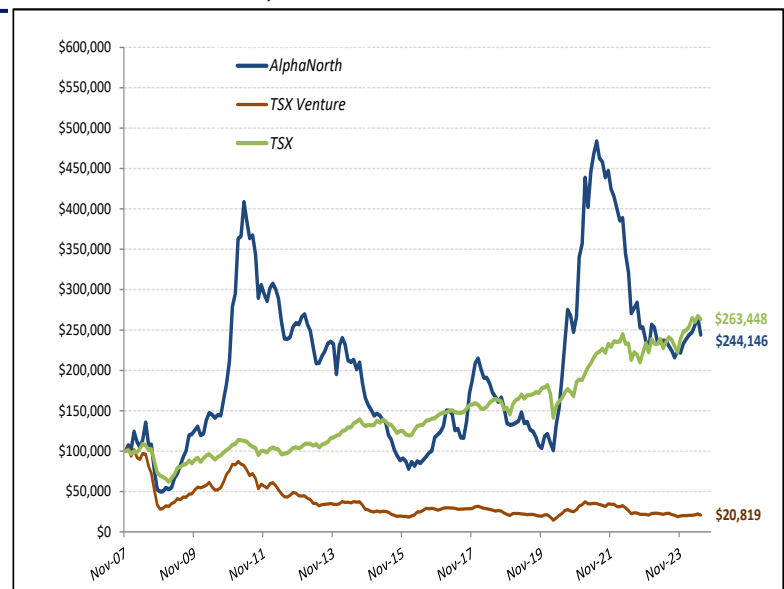
UNIQUE ASPECTS:

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

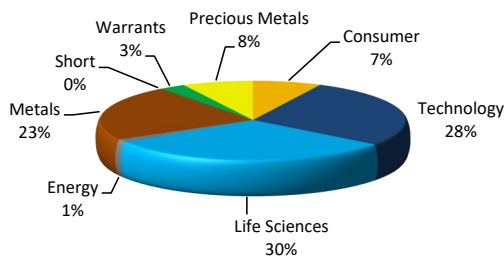
LEVERAGE WITH WARRANTS:

- 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/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%	(8.1%)							4.7%

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 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.