



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Partners Fund

January 2025

NAV
Class A \$29.016
Class D \$22.029

Fund Review In January, the Fund returned 15.9%, as compared to the TSX Venture index and TSX Total Return index, which returned 4.3% and 3.5% respectively during the month. We are pleased to have started the year on such a positive note by more than tripling our benchmark's return.

Several positions performed strongly during the month of January, notably **Light AI (CBOE:ALGO)**. This is a new position and the Fund participated in the 'go public' financing at \$0.55 in December. The shares began trading in early January and have performed well gaining 111% during the month. Light AI is a healthcare company focused on developing AI health diagnostic solutions. The company's first product identifies Strep A using a mobile phone with a 97% accuracy rate and a negative predictive value of 100%. The company was recently featured in a philanthropic video by MrBeast, the largest social media influencer in the world with 363 million YouTube subscribers. Light AI and MrBeast have plans to use the company's technology to identify Strep A in Africa where there is a significant unmet medical need for Strep A detection. If left untreated, Strep A can lead to rheumatic heart disease and death in children. This is a significant problem in Africa resulting in many deaths.

The Fund holds a couple of additional investments which are expected to begin trading in the coming weeks. These investments were made at attractive valuations representing discounts to comparable publicly traded companies. We anticipate that these will also perform well.

Our warrant coverage ratio currently represents 53% coverage. The warrants will provide substantial leverage to returns as share prices rise.

Outlook Tariff policies have become a concern for Canadian investors in recent weeks. There is much uncertainty for the Canadian economy and how potential tariffs will impact equities. Although there are many Canadian companies which will be materially impacted by changing U.S. tariff policies, we do not expect that our small cap investments will be directly impacted. In our view, the biggest impact of tariffs for Canadian small cap equities will be from a macro perspective on the economy and the broader equity market.

We have been anticipating that investors would rotate out of the top performing areas such as the Mag7 and reallocate to areas that have underperformed such as small cap equities. In 2025, this has begun to occur as the Mag7 stocks have lagged the major indices including the S&P, NASDAQ, TSX, Russell 2000 and TSXV. **The best performing index amongst this group YTD has been our benchmark, the TSXV, which is now trading near two year highs.** Strength in commodity prices have been supportive of this stronger performance. We believe that it is still early, as the TSXV is only 26% from its bear market low. We note that the average return for the TSXV in its past four bull markets has been 237%. **The AlphaNorth Partners Fund has outperformed in each bull market returning 665% on average.**



Regards,

Steve Palmer
Steve Palmer, CFA
President and CIO

Performance* (Class A)

	Jan	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
AlphaNorth Partners	15.9%	15.9%	21.4%	(10.2%)	19.0%	6.7%	6.4%	190.2%
S&P/TSX Venture	4.3%	4.3%	13.3%	(12.8%)	1.6%	(1.1%)	(8.3%)	(77.2%)
S&P/TSX Composite TRI	3.5%	3.5%	25.2%	9.8%	11.8%	9.0%	6.9%	212.7%

Key Reasons to Own This Fund

PROVEN LONG TERM PERFORMANCE:

- Management team has a 26 year track record of generating industry leading returns of 15.7% annualized compared to -1.4% 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

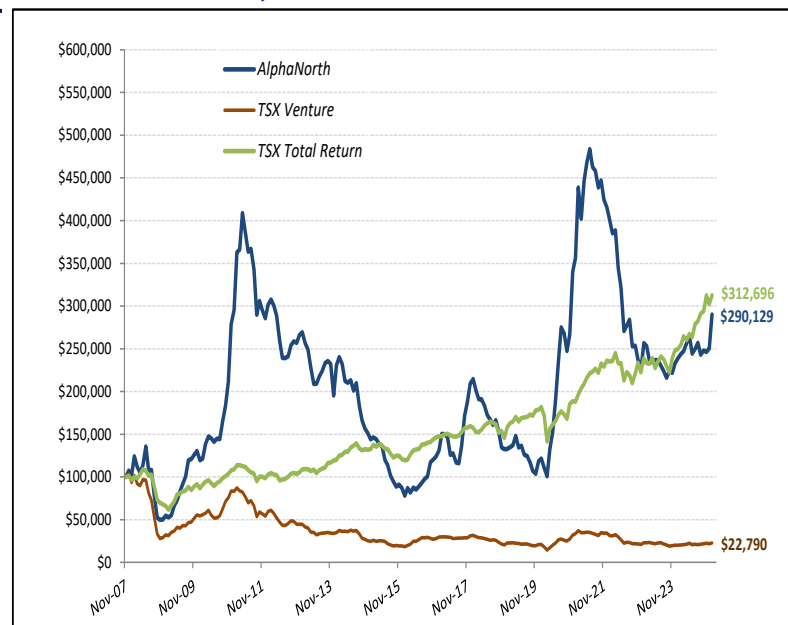
UNIQUE ASPECTS:

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

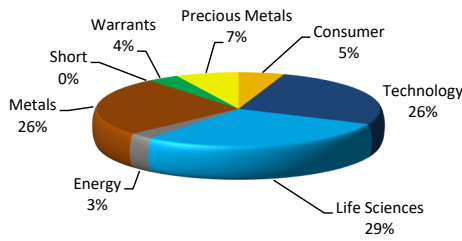
LEVERAGE WITH WARRANTS:

- 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%)	2.3%	2.8%	(5.3%)	2.0%	(0.8%)	1.7%	7.4%
2025	15.9%												15.9%

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.