



**AlphaNorth**  
Asset Management

# FUND COMMENTARY

## AlphaNorth Partners Fund

March 2025

NAV  
Class A \$24.767  
Class D \$18.789

**Fund Review** In March, the Fund returned (9.5%), as compared to the TSX Venture index and TSX Total Return index, which returned 2.2% and (1.5%) respectively during the month.

During the month of March, we sold all of our U.S. listed holdings with the exception of **Delcath Systems (NASDAQ:DCTH)** which remains a core holding in which we have high confidence. Unfortunately, DCTH shares did not avoid the recent market decline and gave back some recent gains during the month of March. In our view, this is a temporary setback as DCTH's business is strong and has been materially derisked while revenue is ramping aggressively with the addition of new healthcare centres starting to treat patients. The company has a strong cash balance and will shortly begin additional clinical trials for the much larger indications of metastatic liver cancer from colorectal and breast cancers. This provides the prospect for significant future revenue growth.

We have recently added new positions in the precious metals sector with additional new investments in the pipeline. The performance of small cap precious metals companies have materially lagged the strong performance of the gold and silver price. However, this has started to change in recent weeks as the gold sector has performed strongly while the previous market leaders, U.S. mega cap tech stocks, have led equity market declines. We believe that gold is positioned as the best alternative to the U.S. dollar and will continue to attract significant interest as the international community flees U.S. assets.

Current sector allocations are as follows: 24% technology, 26% life sciences, 6% consumer, 6% precious metals, 34% metals, 2% energy and 2% warrants.

**Outlook** Tariffs imposed by the U.S. government, which were higher than expected, precipitated an equity market meltdown that was unforeseen by most investors. The S&P and NASDAQ briefly entered bear market territory defined as declines of over 20%. Equities have since rallied off the lows, however, in our view it is likely that more time is required before we will see a significant low for the major U.S. equity indices. In 2025, Canadian equities have outperformed materially, while the TSXV has been the best performer of the group on a year-to-date basis. The Mag7 have been the performance leaders in recent years but have led to the downside. Bear markets are often a time when new leadership typically emerges in the subsequent bull market. We have been anticipating this shift in favour of Canadian equities and particularly small cap equities which is long overdue.

Recent U.S. government policy actions have impacted international relations such that the U.S. dollar reserve currency status is at risk. We believe that gold is the best alternative and this has been a major factor in its recent strong performance. In our view, gold will continue to benefit as a safe haven asset alternative to the U.S. dollar. Government policies which encourage domestic supply of critical minerals will be a further catalyst for junior resource stocks. These will be strong drivers for the Canadian junior market which is heavily weighted toward metals and mining (46%). We believe that Canadian small caps will remain top performers.

Regards,  
Steve Palmer, CFA

### Performance\* (Class A)

	March	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
<b>AlphaNorth Partners</b>	<b>(9.5%)</b>	<b>(1.1%)</b>	<b>0.2%</b>	<b>(13.9%)</b>	<b>19.7%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>147.7%</b>
S&P/TSX Venture	2.2%	5.1%	11.5%	(11.0%)	10.0%	(1.2%)	(8.1%)	(77.0%)
S&P/TSX Composite TRI	(1.5%)	1.5%	15.8%	7.8%	16.8%	8.3%	6.7%	206.7%

### Key Reasons to Own This Fund

#### PROVEN LONG TERM PERFORMANCE:

- Management team has a 26+ year track record of generating industry leading returns of 14.8% 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

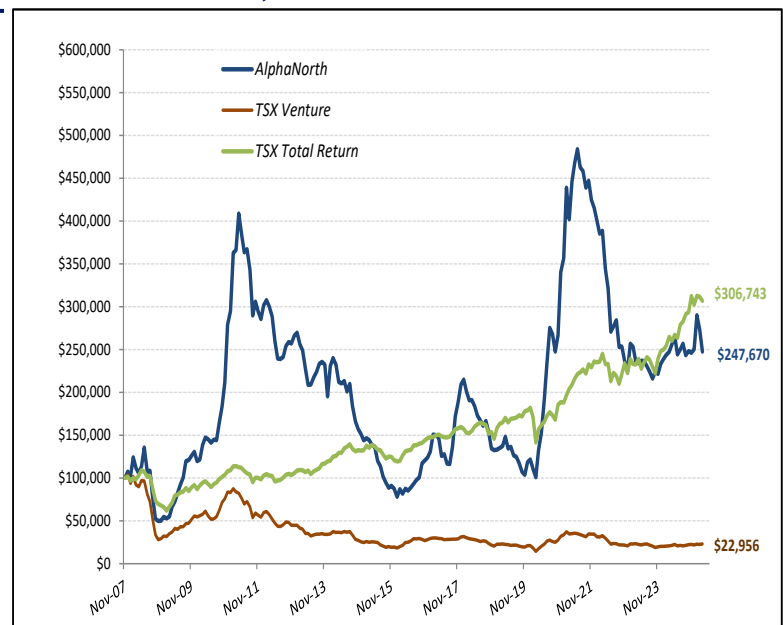
#### UNIQUE ASPECTS:

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

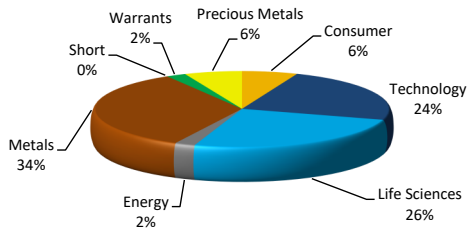
#### LEVERAGE WITH WARRANTS:

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

### Growth of \$100,000 Initial Investment



## Current Sector Allocation



## Fund Information

<b>Fund Type</b>	Alternative Strategies (Long biased small cap)
<b>Fund Codes</b>	Class A: AAM100/101, Class D: AAM200/201
<b>Eligibility</b>	Accredited Investors only; RRSP eligible
<b>Fund Details</b>	Management Fee Class A- 2%, Class D- 2.5%
<b>Sub/Redemption</b>	Monthly, 90 day notice
<b>Lock-up</b>	None
<b>Redemption Fee</b>	Class A: none; Class D: 3% yr 1, 1.5% yr 2
<b>Beta vs. TSXV/TSX</b>	0.92/1.37

## Monthly Performance\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2007</b>												7.4%	<b>7.4%</b>
<b>2008</b>	(5.0%)	21.6%	(10.1%)	(5.6%)	8.1%	19.2%	(20.7%)	0.7%	(29.1%)	(31.9%)	(4.9%)	0.7%	<b>(53.3%)</b>
<b>2009</b>	9.0%	(3.5%)	4.0%	21.2%	9.0%	14.1%	11.5%	9.0%	19.1%	1.2%	4.1%	3.7%	<b>160.6%</b>
<b>2010</b>	(8.5%)	1.7%	14.0%	6.4%	(1.6%)	(2.7%)	2.6%	(0.4%)	14.2%	11.3%	15.4%	31.9%	<b>113.6%</b>
<b>2011</b>	5.8%	23.0%	0.9%	11.7%	(5.7%)	(5.7%)	1.0%	(6.5%)	(15.6%)	5.6%	(3.8%)	(2.9%)	<b>2.4%</b>
<b>2012</b>	5.6%	2.0%	(2.4%)	(3.9%)	(9.9%)	(7.9%)	(0.1%)	0.9%	5.3%	1.8%	(0.7%)	3.6%	<b>(6.8%)</b>
<b>2013</b>	1.3%	(4.9%)	(2.9%)	(8.4%)	(8.4%)	0.2%	4.1%	2.9%	4.2%	1.0%	(1.3%)	(16.0%)	<b>(26.6%)</b>
<b>2014</b>	18.1%	4.1%	(3.3%)	(8.6%)	(0.9%)	1.4%	(5.7%)	4.3%	(12.5%)	(9.5%)	(5.5%)	(3.6%)	<b>(22.6%)</b>
<b>2015</b>	(4.9%)	1.8%	(1.6%)	(3.8%)	(1.6%)	(12.1%)	(5.3%)	(10.7%)	(6.9%)	(6.1%)	2.5%	(3.95)	<b>(42.3%)</b>
<b>2016</b>	(10.8%)	11.4%	(5.8%)	7.0%	(2.6%)	4.4%	4.9%	4.6%	3.0%	16.6%	2.8%	2.8%	<b>41.6%</b>
<b>2017</b>	5.8%	15%	(0.3%)	(2.3%)	(14.2%)	1.5%	(8.4%)	(0.6%)	17.6%	25.8%	9.3%	11.4%	<b>69.0%</b>
<b>2018</b>	2.7%	(6.3%)	(5.1%)	0.0%	(3.9%)	(5.9%)	(3.2%)	(3.7%)	3.5%	(7.7%)	(12.5%)	(1.6%)	<b>(36.7%)</b>
<b>2019</b>	0.4%	1.5%	1.7%	7.9%	(9.1%)	1.4%	(7.5%)	(1.4%)	(5.8%)	(8.7%)	(3.3%)	14.3%	<b>(10.5%)</b>
<b>2020</b>	2.5%	(9.2%)	(8.5%)	31.8%	14.7%	25.3%	23.1%	17.1%	(2.7%)	(7.7%)	7.7%	27.7%	<b>187.3%</b>
<b>2021</b>	4.8%	23.1%	(8.4%)	10.9%	5.0%	3.4%	(4.4%)	(0.9%)	(4.3%)	1.9%	(5.0%)	(2.2%)	<b>22.0%</b>
<b>2022</b>	(3.5%)	(3.8%)	0.9%	(11.4%)	(6.7%)	(16.8%)	2.4%	2.5%	(11.0%)	0.2%	(6.6%)	(5.1%)	<b>(45.9%)</b>
<b>2023</b>	14.3%	(1.4%)	(6.9%)	(0.7%)	1.1%	(0.2%)	(2.6%)	(2.7%)	(3.6%)	3.6%	(0.9%)	5.2%	<b>3.8%</b>
<b>2024</b>	2.5%	2.0%	1.4%	3.7%	3.6%	(8.1%)	2.3%	2.8%	(5.3%)	2.0%	(0.8%)	1.7%	<b>7.4%</b>
<b>2025</b>	15.9%	(5.7%)	(9.5%)										<b>(1.1%)</b>

## 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 2<sup>nd</sup> 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 2024 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.