



AlphaNorth
Asset Management

FUND COMMENTARY

AlphaNorth Partners Fund

May 2025

NAV
Class A \$24.915
Class D \$18.884

Fund Review In May, the Fund returned 6.7%, as compared to the TSX Venture index and TSX Total Return index, which returned 6.2% and 5.6% respectively during the month.

The TSX Venture index has performed strongly YTD, gaining 16.2%. This has exceeded the returns of the major North American equity indices and the Fund. We recently conducted an analysis of the TSX Venture index performance which revealed some interesting data. There are two major components contributing to the strong TSXV performance in 2025. The precious metal companies which comprise half of the TSXV index members contributed the vast majority (91%) of YTD gains. The other large contributor to performance was from two obscure large cap technology companies, Topicus.com and Lumine Group, with market valuations of \$14.3 billion and \$12.1 billion respectively. These two companies are capped at 10% weighting in the index and contributed approximately 24% of the TSXV YTD gain. This implies that collectively, the remaining half of companies in the index contributed a negative return of 15%. With this context, the Fund has performed well given the diversified nature of the portfolio. These numbers are approximations as it is not possible for us to calculate precise returns from the incomplete data we have available. The impact of new additions and deletions to the index are also omitted from our calculations. Investors in the junior market would be hard pressed to beat the TSXV returns without a substantial weighting in precious metals and exposure to these two large cap tech companies.

Outlook The recent strength in large cap equities has been surprising given the high level of uncertainty with the economy and economic policy. The recent escalation of the conflict in the Middle East has added to this uncertainty. Commodity prices have generally been strong. This has disproportionately benefited Canadian equities, leading to outperformance in 2025. We believe that resource stocks will continue to outperform. Canadian small cap equities are dominated by the precious metal sector which been the strongest performing small cap sector. In our view, the precious metals sector will continue to outperform and have a positive impact on investor sentiment for small caps. This performance will likely spread to other areas of the junior market. After underperforming large cap equities for the past several years, we remain confident that the recent small cap outperformance will continue. We believe that we are in the early stages of bull market for Canadian small cap equities. Many small cap stocks are trading at historically low valuations relative to large caps, offering a potential value opportunity for long term investors. Value traded on the TSXV has increased by 156% compared to last year. This is a powerful signal that investor interest is returning to small caps. The past four bull markets for the TSXV have returned 237% on average, while the Fund has returned 665% on average during the comparable periods.



Regards,

Steve Palmer, CFA
President and CIO

Performance* (Class A)

	May	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
AlphaNorth Partners	6.7%	(0.5%)	(6.2%)	(8.1%)	10.3%	6.2%	5.4%	149.2%
S&P/TSX Venture	6.2%	16.2%	13.7%	(1.2%)	4.6%	0.0%	(7.5%)	(74.6%)
S&P/TSX Composite TRI	5.6%	7.1%	21.0%	11.5%	14.9%	9.0%	6.9%	223.5%

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

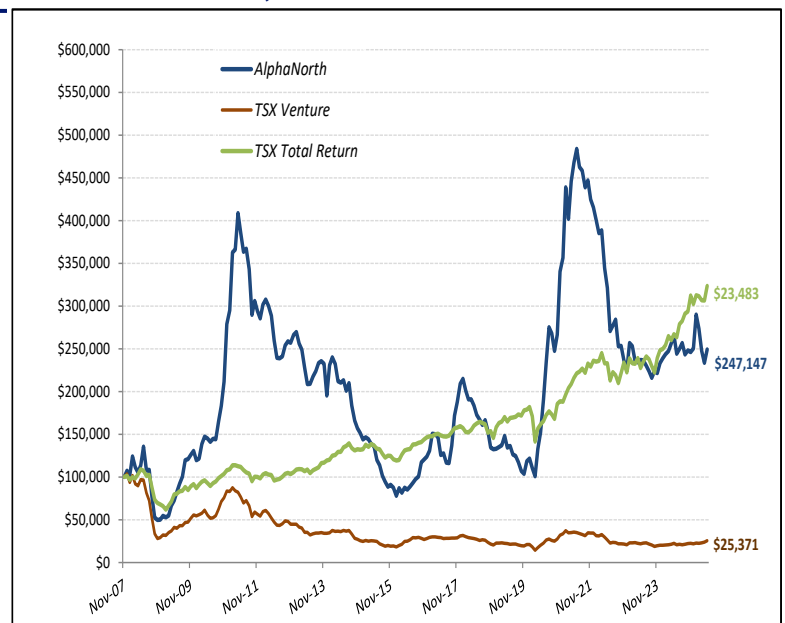
UNIQUE ASPECTS:

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

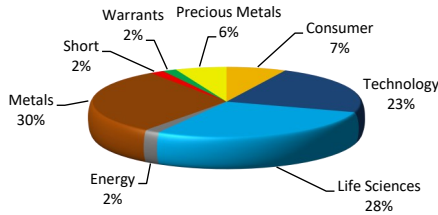
LEVERAGE WITH WARRANTS:

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

Growth of \$100,000 Initial Investment



Current Sector Allocation



Fund Information

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	0.91/1.37

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%	(5.7%)	(9.5%)	(5.7%)	6.7%								(0.5%)

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 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.