



**AlphaNorth**  
Asset Management

# FUND COMMENTARY

## AlphaNorth Partners Fund

August 2025

NAV  
Class A \$24.261  
Class D \$18.362

**Fund Review** In August, the Fund returned (2.2%), as compared to the TSX Venture index and TSX Total Return index, which returned 7.6% and 5.0% respectively during the month.

Performance during the month of August was negatively impacted by a write-down of one of our private holdings, **Sio Silica**. The company has a large high purity silica deposit in Manitoba. Industrial high purity silica is used in many critical green economy applications such as lithium ion batteries, solar cells, electronics and specialty glass. Although the fundamentals of the company's high grade silica project have not changed, government delays in granting the permit have necessitated a requirement to complete a bridge financing, which unfortunately was completed at a discounted valuation. Once the Manitoba government grants the permit, the company can restart the go public process which is expected to take several months. The original funding commitments remain in place which imply a higher valuation once completed.

Private placement activity has continued to increase in the precious metals sector as the commodity has performed well. We have made several commitments for new positions in this sector.

Current sector allocations are as follows: 21% technology, 23% life sciences, 8% consumer, 9% precious metals, 32% metals, 3% energy, 1% short and 3% warrants.

**Outlook** Precious metal companies continue to be the primary driver of positive returns for the TSX Venture index. The TSX Venture index leads the major equity market indices in 2025. Despite these strong gains in 2025, the TSXV remains more than 70% below its all-time high while the large cap equity indices are setting all-time highs on a regular basis in recent months.

**There is no question that activity in the Canadian small cap market has picked up and is accelerating.** There have been numerous financings in recent weeks which have been oversubscribed and/or upsized. Performance has been strong over the summer period (July/August) with the TSXV gaining 13%. This strength has continued into September which historically has been one of the worst performing months of the year. Trading volumes and financing activity also reflect this strength increasing by 66% and 72% respectively compared to the summer of 2024. We believe a more important metric is value traded which has increased by 184% this summer despite a 4% lower number of listings on the TSXV. These are indicators of speculative interest and risk appetite returning to small cap equities and usually lead to higher prices. There is a dynamic feedback loop as a result of this increased trading activity which leads to stronger prices which in turn allow companies to more easily raise capital. The increased funding allows for more exploration activity and an acceleration of business plans which in turn results in more news which then leads to more trading as the feedback loop continues.

Regards,

Steve Palmer, CFA  
President and CIO

### Performance\* (Class A)

	August	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Cumulative
<b>AlphaNorth Partners</b>	<b>(2.2%)</b>	<b>(3.1%)</b>	<b>(5.6%)</b>	<b>(5.1%)</b>	<b>(2.5%)</b>	<b>9.1%</b>	<b>5.1%</b>	<b>142.6%</b>
S&P/TSX Venture	7.6%	38.8%	46.1%	9.1%	2.0%	4.0%	(6.5%)	(69.7%)
S&P/TSX Composite TRI	5.0%	17.6%	25.9%	17.5%	15.0%	10.8%	7.4%	255.3%

### 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

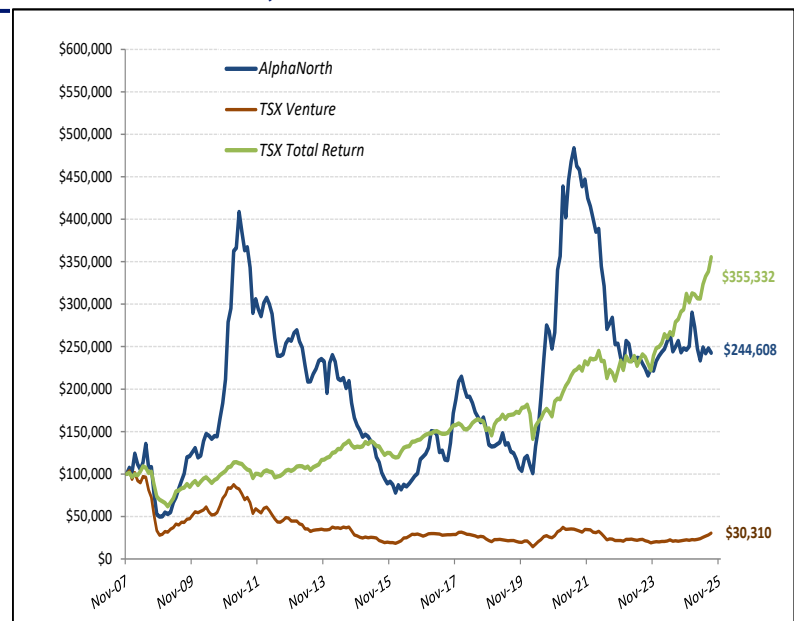
#### UNIQUE ASPECTS:

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

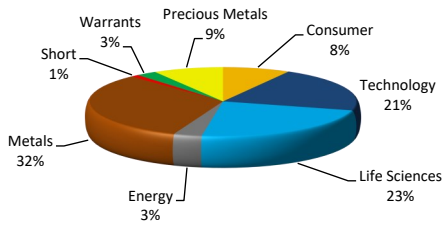
#### LEVERAGE WITH WARRANTS:

- 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>	0.91/1.37

## 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%)	(5.7%)	6.7%	(2.9%)	2.5%	(2.2%)					<b>(3.1%)</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.