STEPHENSON & COMPANY
Capital Management

NORTH AMERICAN OPPORTUNITY FUND LP

As at April 30, 2017

Fund Objective

The Fund is a global fundamental long/short fund whose portfolio investments will consist primarily of equity securities of North American and global issuers, but may also include global securities of all types. The investment objective is to provide consistent long-term capital appreciation with attractive risk-adjusted returns throughout market cycles. The Fund aims to provide investors with higher returns, lower volatility and lower correlation to North American and global equity markets than a traditional long only portfolio.

Fund Details

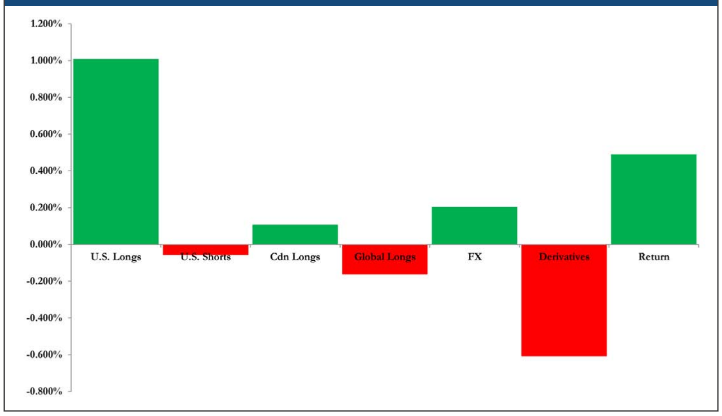
Fund manager	**John Stephenson**
Launch date	**01 October 2014**
Liquidity	**Monthly**
Opening NAV	**$100**

Monthly Commentary

Market Developments:

The Fund was up +0.49% (net of expenses) for the month of April, with most of the gains coming from the Fund's U.S. longs, while the FX exposure also contributed to the Fund's performance, over the month. The derivative positions used to hedge the Fund and the global longs were the biggest contributors to the negative variance, over the month. The S&P 500 went nowhere for most of the month and then spiked +1.70% in the first two days of the last week of the month. The Canadian dollar fell -2.52% in April as the U.S. moved to introduce punitive tariffs on Canadian softwood lumber, which negatively impacted the currency.

Figure 1: Contributors to Fund Performance in April

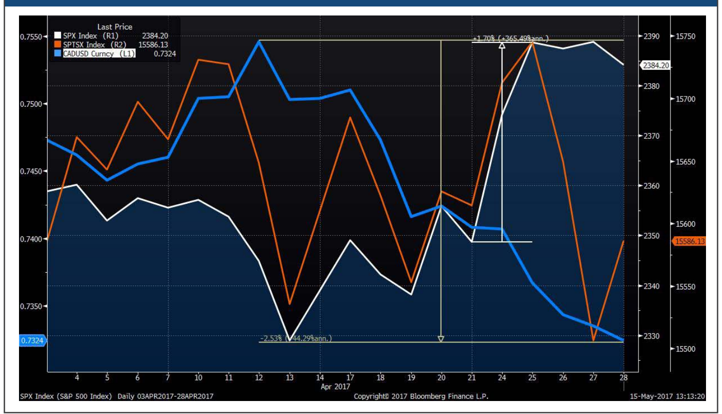


Source: SGGG FSI, SCCM

Markets were biased to the downside for much of April as geopolitical concerns were at the forefront of investor thinking. War risks on the Korean peninsula were high on investors' list of worries in the first half of the month as a U.S. naval strike force steamed toward the Korean peninsula and North Korea continued to agitate with planned missile tests.

Investors also began to focus on the April 23 first round of the French election. Weighing heavily on investor sentiment was a surge in the far-left's Jean-Luc Mélenchon, a seasoned politician with a contempt for the EU and its currency coupled with a policy to impose a 90 per cent tax on top earners. This set up the possible dynamic of a Le Pen/Mélenchon run-off vote that markets would judge as a lose-lose contest. In response, one-month options contracts on the euro-dollar pair rose to their highest level since just before the Brexit vote.

Figure 2: The Canadian Dollar Was Weak in April



Source: Bloomberg Finance L.P.

Japanese shares sold off and the U.S. dollar slumped in the middle of the month as Donald Trump commented that the greenback was getting too strong and that he wouldn't brand China a currency manipulator in an interview with the Wall Street Journal.

The S&P 500 fell 0.68% on the 13th of April as the U.S. launched a heavy bombing campaign against the Islamic State positions in Afghanistan. This action which followed on the heels of Mr. Trump's remarks to the Wall Street Journal left investors scratching their heads as they tried to get a handle on the U.S. administration's fiscal and economic policies.

Goldman Sachs sent markets scurrying lower on April 18th, dropping nearly 5 per cent, the most in nine months, after stunning Wall Street with a decline in bond trading revenue. The announcement by Goldman Sachs followed the surprise announcement by British Prime Minister Theresa May who had just called a snap election in an attempt to strengthen her hand in Brexit negotiations.

Global markets stabilized in late April after France's first round presidential election left centrist Emmanuel Macron on track for the French presidency.

During April, the S&P 500 benefited by gains in the consumer discretionary sector with Whole Foods Market Inc. rallying 22.38% while the best performance in March came from CR Bard Inc., which rallied 23.71%, over the month. The index was dragged down by a tumble of -18.95% in Synchrony Financial and a fall of -17.21% for WW Grainger Inc.

The TSX benefited from a strong bounce in telecom services stocks but the biggest gainer in April was Blackberry Ltd., which was up +23.79% while Interfor Corp was up +17.35%. The index was negatively impacted by Home Capital Group Inc. which fell -69.11% and Semafo Inc. which fell -21.70%, over the month.

Volatility as measured by the VIX Index drifted lower in April. The VIX Index closed the month at 10.82 for a decrease of -12.53%, over the month.

The S&P 500 closed the month at 2384.20 an increase of +1.03% on a total return basis for the month. The S&P 500 returned +3.69% on a total return basis when expressed in Canadian dollars, over the month. Performance across the various GICS sectors varied widely in April. The information technology and consumer discretionary sectors had the best performance in April, up +2.4%. The telecom services sector had the weakest performance over the month, falling -4.4% while the energy sector fell -2.9%, over the month.

The S&P/TSX was up +0.39% on a total return basis over the month, with very wide variances in the performance amongst the GICS sectors. The telecom services sector had the best performance over the month, up +5.7% followed by the consumer staples sector, which was up +5.3%. The healthcare sector had the weakest performance, down -7.3% followed by the financial sector, which was down -1.8%, over the month.

Fund Performance:

The Fund was up +0.49% in April as the S&P 500 essentially treaded water over most of the month. The S&P 500 fell -0.59% through to the end of trading on April 21 and then rallied +1.70% in the next two trading days before drifting slightly lower in the last three days of the month. The TSX was very volatile during the month swinging widely from positive to negative returns over the month. The TSX fell -1.52% on the 26 and 27th of April before finishing up fractionally on the month.

The Canadian dollar was very weak in April falling -2.53% from April 13th to the end of the month as concerns over Canada's unfettered access to the U.S. market under NAFTA became the focus for currency traders.

The Fund underperformed the S&P 500, which was up +1.03% in US dollar terms. The Fund outperformed the S&P/TSX which was up +0.39% on a total return basis. The Sharpe Ratio for the Fund was 0.42, over the month. The fund's Sharpe Ratio was worse than that of the S&P 500 Index which had a monthly Ratio of 1.35.

The top four performers for the Fund during the month was a long position in Alphabet Inc. (GOOGL—NASDAQ), which contributed a positive variance of +0.55%, a long position in Facebook, Inc. (FB—NASDAQ), which contributed a positive variance of +0.37%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in CaixaBank (CABK—SPAIN), which contributed a positive variance of +0.24% and a long position in Amazon.com, Inc. (AMZN—NASDAQ), which contributed a positive variance of +0.23% to the Fund.

The bottom four performers for the Fund include a long position in Honda Motor Co., Ltd. (7267 JT—Tokyo), which contributed a negative variance of -0.23%, over the month. Additionally a long position in Barclays PLC (BARC—London), which contributed a negative variance of -0.18%, over the period, while a long position in Discover Financial Services (DFS—NYSE) contributed a negative variance of -0.17%, over the month. A long position in Thyssenkrupp AG (TKA—Germany) contributed a negative variance of -0.15%, over the period.

Outlook:

The global capital markets over the last ten months have witnessed the Brexit vote, the surprising electoral win of Donald Trump in the U.S. and more than 100 days of the Trump administration. While many market commentators have attributed the strong market returns of late on a "Trump Bump" the evidence would suggest that improving global conditions are the true catalyst.

The Chinese economy is stronger and purchasing managers indices (PMIs) are up across developed markets, making fundamentals, not the shift in the political backdrop, the reason for stronger global markets. Developed markets are experiencing a synchronized reflation which is helping to propel markets higher. Higher inflation and interest rate expectations should be a boon to equity prices in the months ahead.

The Fund has begun to build short positions in a handful of retail names as the Manager believes that the traditional bricks and mortar retailer is facing secular headwinds which are unlikely to abate in the future. Retailers have been struggling as they scramble to find a way to keep customers in their sites and in stores. Confronted with easily accessible online pricing and inventory, consumers are increasingly becoming brand and retailer agnostic.

Retailers in response have been turning to Silicon Valley for everything from artificial intelligence to data to draw customers in. The effort to reshape the retailing experience comes as traditional retailers face a watershed moment. Technology disruptions likely will accelerate in the next three to five years compounding the challenges posed by online and mobile shopping that have already sapped retailer margins. Further hemming in the bricks-and-mortar retailers is deep-pocketed Amazon.com who has been investing in technologies such as virtual reality and artificial intelligence for years, aiming to make it easy for consumers to find items and click buy.

For the traditional retailers it's an uphill battle with time starting to run out. E-commerce is the biggest disruptor in retail shopping, though after almost two decades it still accounts for less than 10% of total sales. But that may be starting to change as improved connectivity speeds and large-screen smartphones help accelerate the trend. Digital sales may reach 45% of the total, emulating the travel industry, as next-generation retailers focus on personalization, dynamic pricing and direct sales to differentiate themselves.

Not only does this shift in consumer behavior pose a major headwind for retailers but it also presents a substantial headwind for mall owners (REITs) who must deal with a declining store base, particularly in the B and C malls. The Manager intends to be active on the short side of major retailers whose managements have signaled declining sales and earnings as well as with the shares of retail REITs who are the most impacted by retail's shrinking store footprint.

Performance Statistics*

1 month	**0.49%**
3 months	**-1.72%**
3 Years	**N/A**
5 Years	**N/A**
Annualized volatility	**8.1%**
Sharpe Ratio (since inception)	**(1.68)**
Sharpe Ratio S&P 500 (since inception)	**(0.15)**

GICS Sectors[1]

Sector	Weight
Energy	**11.4%**
Materials	**0.0%**
Industrials	**4.8%**
Consumer Discretionary	**19.7%**
Consumer Staples	**0.2%**
Health Care	**3.8%**
Financials	**24.4%**
Information Technology	**19.4%**
Real Estate	**13.8%**
Telecommunication Services	**0.0%**
Utilities	**2.5%**
Other (ETFs & derivatives)	**13.8%**

[1] Absolute Value of Gross Exposure by GICS Sector.

*The performance data is based on the reporting share class of the Fund (shown in blue in the NAV table) and may be calculated using a different management fee to that shown in the Fund details. Share classes may be closed to new subscriptions. Annual returns presented are based on an investor being invested from the beginning of the fiscal year of the Fund. Returns will vary for investors who invested at other times. Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations.

Please refer to important information at the end of the document.

Geographic Distribution

A. Region	Weight*	B. Currency	Weight*
Canada	**45.0%**	CAD	**43.8%**
US	**42.9%**	USD	**45.3%**
Europe (ex-UK)	**9.1%**	CHF	**0.0%**
UK	**2.9%**	GBP	**3.2%**
Japan	**0.0%**	EUR	**7.4%**
Other	**0.0%**	JPY	**0.2%**

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**86.75%**
Beta of the Fund	**0.52**
Volatility of the Fund (Annualized)	**8.1%**
Volatility of the S&P 500 (Annualized)	**7.4%**
Maximum Monthly Drawdown (Intra Month)	**2.33%**
Sharpe Ratio (Monthly)	**0.42**
Sharpe Ratio S&P 500 (Monthly)	**1.35**

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NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	54.6878
F	CAD	51.9457
I	CAD	NA
S	CAD	56.2628

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	5.3148
F	CAD	5.0542
I	CAD	NA
S	CAD	NA

[2] The share class in blue in the table above is the reporting share class for the Fund and may be closed to new subscriptions. Performance of other share classes shown may vary.

Important Notes

Source: Stephenson & Company Capital Management and Bloomberg

There are inherent limitations in any comparison between a managed portfolio and a passive index. Indices are unmanaged and do not incur management fees, transaction costs or other expenses associated with a private fund. There are risks inherent in hedge fund investing programs.

Note to Investment Professionals: The information in the Monthly Report is being provided to current investors in the Fund and is being provided to their registered dealers for informational purposes only.

This is not sales literature and cannot be used as such.

The Fund is not a trust company and does not carry on business as a trust company and, accordingly, the Fund is not registered under the trust company legislation of any jurisdiction. Units of the Fund are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under provisions of that Act or any other legislation.

No securities regulatory authority has expressed an opinion about this Fund and it is an offence to claim otherwise. This Fund has not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from the registration requirements of those laws.

Indicated rates of return are the historical annual compounded total returns, including changes in unit value and do not take into account sales, redemption, distribution or optional charges or income taxes payable by an investor that would have reduced returns. Performance is calculated net of all fees.

This document may contain forward looking statements which are based on expectations, estimates, and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Other events which were not taken into account may occur and may significantly affect the returns or performance of the Fund. Neither Stephenson & Company Capital Management nor the Fund undertakes any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

The information provided herein is for informational purposes only and does not constitute a solicitation, public offering, advice or recommendation to buy or sell interests in the Fund, or any other Stephenson & Company Capital Management product. Please refer to the Fund's offering memorandum for more information on the Fund as any information in the report is qualified in its entirety by the disclosure therein.