STEPHENSON & COMPANY
Capital Management

NORTH AMERICAN OPPORTUNITY FUND LP

As at April 30, 2016

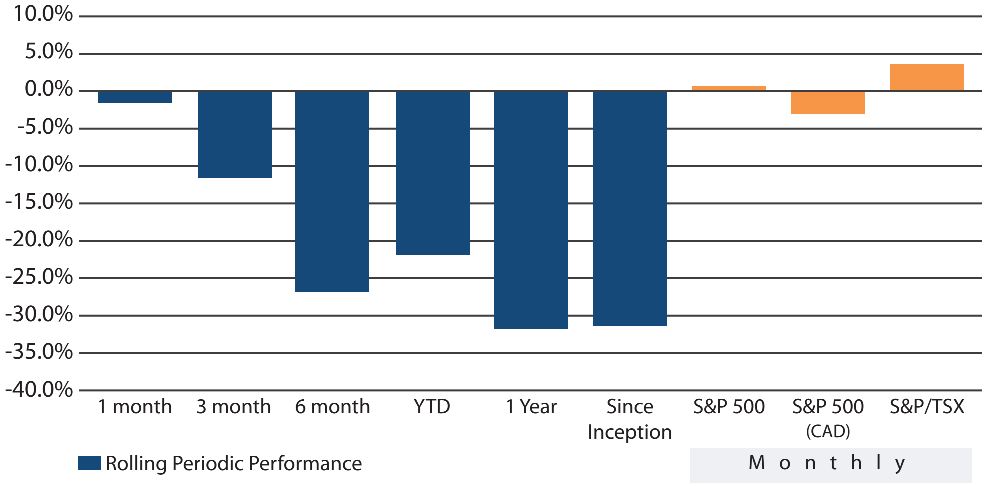
Fund Objective

The investment objective of the Fund is to provide consistent long-term capital appreciation with attractive risk-adjusted rates of return through market cycles, with a focus on risk management and capital preservation. The Fund aims to provide investors with higher returns, lower volatility and lower correlations to North American and global equity markets than a traditional long only portfolio. The Fund's portfolio investments will consist primarily of equity securities of North American issuers, but may also include global securities of all types.

Fund Details

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

Net Fund Performance



Performance Statistics*

1 month	**-1.24%**
3 months	**-11.74%**
Year to Date	**-22.11%**
Last calendar year	**-13.00%**
1 Year	**-33.32%**
2 Years	**N/A**
3 Years	**N/A**
5 Years	**N/A**
Since Launch Date	**-30.87%**
Annualized volatility	**9.3%**
Sharpe Ratio (since inception)	**(1.45)**
Sharpe Ratio S&P 500 (since inception)	**0.10**

GICS Sectors[1]

Sector	**Weight**
Energy	**13.0%**
Materials	**2.9%**
Industrials	**0.0%**
Consumer Discretionary	**12.8%**
Consumer Staples	**3.4%**
Health Care	**10.1%**
Financials[2]	**16.2%**
Information Technology	**5.5%**
Telecommunication Services	**0.8%**
Utilities	**5.8%**
Other ETFs	**29.5%**

[1] Absolute Value of Gross Exposure by GICS Sector.
[2] Financials include REITs at 6.1%

*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.

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Geographic Distribution

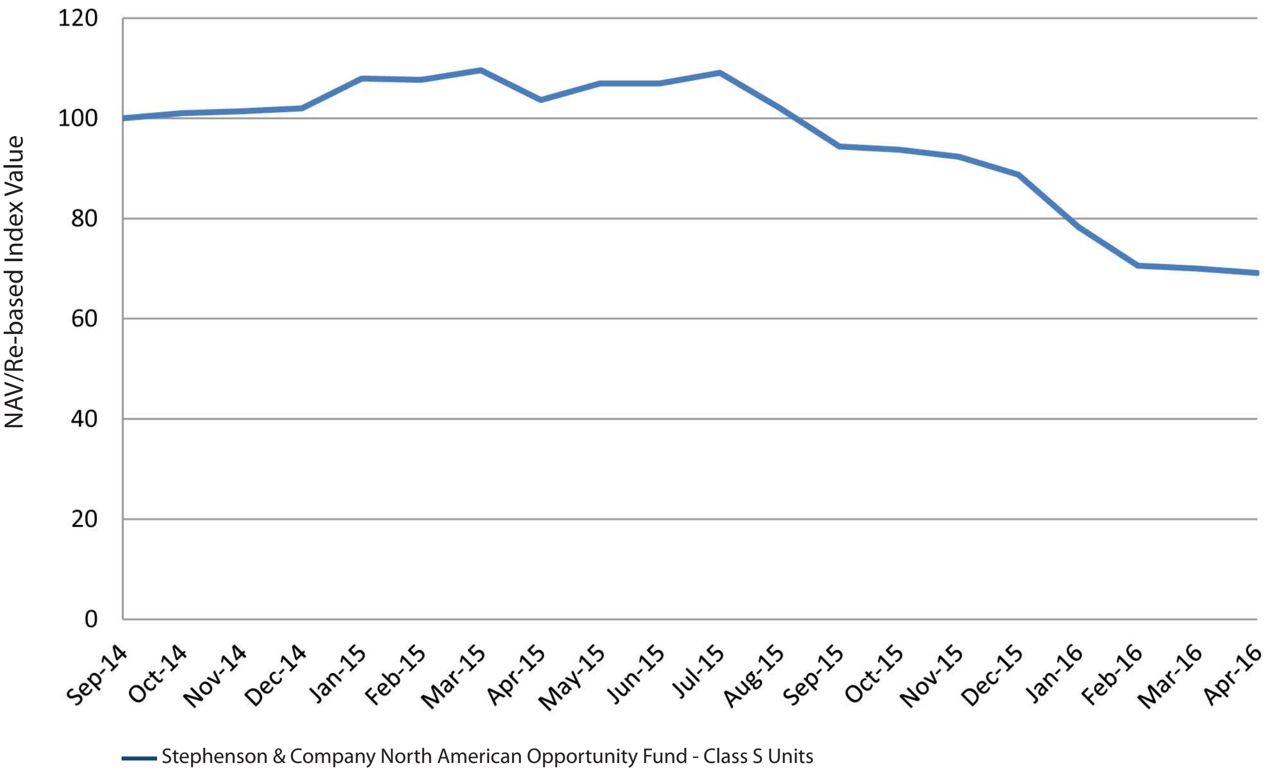
A. Region	Weight*	B. Currency	Weight*
Canada	**35.2%**	CAD	**35.0%**
US	**61.1%**	USD	**53.8%**
Europe (ex-UK)	**2.8%**	CHF	**1.4%**
UK	**1.0%**	GBP	**2.9%**
Japan	**0.0%**	EUR	**5.9%**
Other	**0.0%**	JPY	**1.0%**

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**117.60%**
Beta of the Fund	**0.77**
Volatility of the Fund (Annualized)	**9.3%**
Volatility of the S&P 500 (Annualized)	**10.3%**
Maximum Monthly Drawdown (Intra Month)	**2.38%**
Sharpe Ratio (Monthly)	**(1.78)**
Sharpe Ratio S&P 500 (Monthly)	**0.28**

Net Track Record



Monthly Commentary

Market Developments:
The Fund was down -1.24% (net of expenses) for the month of April, with U.S. long positions up +1.05% and non-North American long positions down -0.46%, while Canadian dollar long positions were up +.65%. U.S. short positions were down -0.31%, while Canadian dollar short positions were down -1.33% and convertible bonds were up +0.22%. The foreign exchange exposure of the Fund contributed a negative variance of -1.23% to performance, over the period.

The Canadian dollar continued to strengthen against the U.S. dollar in April rising by 3.63%, over the month. In the last five trading days of the month the Canadian dollar rallied 1.44% to end the month at a 0.7965 cent dollar. Since the beginning of the year the Canadian dollar has risen by 16.12% through to the end of April when measured from the currency's interim low on January 19th.

Investors have once again begun pouring money back into emerging markets an abrupt change from a few months ago. With economic conditions in the developing markets deteriorating coupled with corruption scandals in Brazil and South Africa investors had been siphoning off billions of dollars from emerging market assets. In January alone, foreign investors yanked more cash out of emerging market securities than during the darkest days of the global financial crisis—$3.6 billion worth.

Recently the tide has reversed with investors pouring money back into emerging market exchange traded funds. In February inflows just about matched fleeing capital and now more money is once-again flowing back into these battered markets. That includes Brazil, where investors had been betting that beleaguered President Dilma Rouseff would be tossed out and her crumbling left-of-center coalition will be replaced by a more market-friendly government.

Emerging markets diverged from developed markets in the first quarter of this year, rising while developed markets stalled or sank. Global risk assets found support from a reversal in battered commodities and a weaker dollar on expectations that Federal Reserve policy would remain accommodative. That helped spark a new round of investment in emerging markets.

The most heavily shorted names at the start of the year were flying high in April as the U.S. dollar weakened, helping to spark a massive rally in gold miners and other commodity producers. Since the beginning of the year the U.S. dollar has been under pressure which has helped make the TSX Materials Sub-Index the best performing sector of the market as gold prices surged by more than 20 per cent. In April gold prices moved up by 4.93% sending the TSX Materials Sub-Index up a staggering 20 per cent during the month.

Figure 1: Gold and the TSX Materials Sub-Index Moved in Lockstep in April

Source: Bloomberg Finance LLP

Volatility as measured by the VIX index increased over the month, peaking at an intra-month high of 16.26 on April 11. The VIX closed at 15.70 on April 29, an increase of 12.54% on the month.

The S&P 500 closed the month at 2065.30, an increase of +0.39% on a total return basis for the month. The S&P 500 returned -2.85% on a total return basis when expressed in Canadian dollars over the month. Returns across the various GICS sectors varied widely for the month of April with the energy sector up 8.7%, followed by the materials sector, which was up 4.9%, while the information technology sector had the weakest performance, down -5.5% followed by the telecommunications sector, which was down -3.1%, over the period.

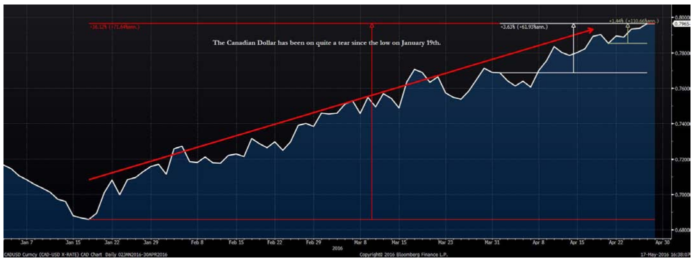
The S&P/TSX was up 3.60% on a total return basis over the month, with very strong performance from a handful of GICS sectors. The materials sector had the best performance over the month, up 20.0% followed by the healthcare sector, which was up 15.1%. The information technology sector of the index was the biggest contributor to negative variance, down -6.7% over the month, followed by the consumer staples sector which was down -5.6%.

Fund Performance:
The Fund was down -1.24% reflecting the impact of the strong Canadian dollar which surprised most analysts and forecasters with its continuing strength. In addition, gold companies surged as the U.S. dollar slumped, which also weighed on the Fund's U.S. holdings.

The Canadian economy posted some surprising strength in the first quarter of the year which when coupled with a weaker U.S. dollar as the Federal Reserve appeared to be on hold for an indefinite period of time, which helped propel the Canadian dollar ever higher. The strength of the move left most economists and forecasters scratching their heads given that the fundamentals of the Canadian economy appear so much weaker than those of the United States. Whether it is job creation, resource dependency or wide regional disparities, the Canadian economy appears to be challenged.

The Fund held a 61.1% weight toward American equities reflecting the stronger U.S. fundamentals and the view that the Canadian dollar would soon reverse an incredible rise that had seen the dollar march 16.12% higher since its interim low on January 19. In April alone, the Canadian dollar continued its upward ascent closing just under 80 cents U.S.—a 3.63% move for the month. Currency moves, primarily USD/CAD movement negatively impacted the Fund's performance by 1.23% in April.

Figure 2: The Loonie Takes Flight!



Source: Bloomberg Finance LLP

The Fund underperformed the S&P 500, which was up 0.39% in U.S. dollar terms but managed to handily outperform the S&P 500 which returned -2.85% when measured in Canadian dollar terms on a total return basis. The fund also underperformed the S&P/TSX which was up 3.60% on a total return basis. The Sharpe ratio for the Fund was -1.78, over the month. The fund's Sharpe ratio was worse than that of the S&P 500 Index which had a monthly ratio of 0.28.

The top four performers for the Fund during the month was a long position in Concordia Healthcare Corp. (CXR—S&P/TSX), which contributed a positive variance of +0.989%, a short position in Twitter, Inc. (TWTR—NYSE), which contributed a positive variance of +0.529%, over the period. The other top contributors to Fund performance was a long position in Pfizer Inc. (PFE—NYSE), which contributed a positive variance of +0.266% and a long position in KeyCorp (KEY—NYSE) which contributed a positive variance of +0.189% to the Fund.

The bottom four performers for the Fund include a short position in IAMGOLD Corporation (IMG—S&P/TSX), which contributed a negative variance of -.519%, over the month. Additionally a short position in Petroleo Brasileiro-Spon ADR (PDR—NYSE), which contributed a negative variance of -0.476%, over the period, while a short position in Canadian Western Bank (CWB—S&P/TSX), contributed a negative variance of -0.206%, over the month. A long position in Intesa Sanpaolo (ISP—Milan) contributed a negative variance of -0.189%, over the period.

Outlook:

It's hard to make the case that the recent rally in emerging market equities based on a dovish Fed, weak U.S. dollar and commodity price rebound really translates into a fundamental improvement in the growth story for emerging markets. Most of the emerging market developments, both good and bad, the source of the welcome stability invariably turns out to be China, which has recently resorted to the an effective but temporary elixir for its faltering economy—a massive infusion of cash and credit.

With more and more credit being pumped into emerging markets to achieve less and less growth, the Manager believes that the recent rally in emerging markets is about to lose steam—particularly if commodity prices, led by oil, turn lower once again.

While oil has settled into a more comfortable trading range, there are plenty of storm clouds on the horizon, namely an upcoming OPEC meeting in June that could send oil prices spiraling downward as worries over Nigerian insurgency and wildfires in Western Canada recedes.

The Canadian dollar faces severe headwinds in the coming months and the Manager has increased the Fund's short CAD exposure. It's hard to believe that a more than 16% move higher on scant economic or fundamental data can be maintained for much longer and the Manager expects a 75 cent or lower Canadian dollar by year end as both technical and the fundamentals show the Canadian dollar as overvalued. A slate of upcoming economic data should underscore that both the Canadian economy and our manufacturing sector are likely to struggle going forward while energy remains extremely challenged. The U.S. dollar should strengthen as the unusually weak first quarter GDP print gets replaced by a stronger second quarter print and talk resumes over when the Fed might make their next move.

A resurgent U.S. dollar would help unwind some of the heady gains experienced by gold and gold miners and the Manager believes that a short position in gold miners could at some future point in time be an attractive investment opportunity.

In Japan, after more than three years of Abenomics and its emphasis on massive monetary and fiscal stimulus that revival seems as elusive as ever.

An overvalued yen is again taking a heavy toll on corporate profits. The economy is flirting with recession, consumer price inflation is falling again and the Bank of Japan seems to be running out of magic tricks after shocking markets by introducing negative rates earlier this year. The Fund has exited its Japanese equities and is waiting for a weaker yen and stronger economic fundamentals before re-initiating its positions.

Valuations in Europe appear attractive, but this partially reflects the fact that the European markets are more heavily weighted toward financials than North American bourses and event risk. Chief among these risks is the possibility of a UK exit from the European Union, dubbed a Brexit. If Britain votes to leave the EU on June 23, the EU will lose its second most powerful member, and all the economic, political and military might that goes with it—can you imagine the U.S. without California?

While the view of the Manager is that a Brexit is unlikely to happen it does highlight that the concept of "all for one and one for all" that the European Union has been based upon is dying. Polls already show that more than half of the French and Italians want their own in-out referendums. The domino effect has started and it's impossible to say where or how it will end. The institution devoted to the common interests and peace since the Treaty of Rome in 1957 is potentially set to unravel quickly or slowly after the Brexit vote. The "ever-closer union," the notion that lies at the heart of the EU treaties, seem gone forever.

While European valuations remain compelling and the U.S. recovery is in its later stages, it is still too early to overweight European equities until the euro weakens and the uncertainty surrounding a Brexit dissipates.

The Manager has focused the Fund on value stocks with large defensible moats and views cyclical stocks as potential trading opportunities on market pullbacks but not core positions. As the year unfolds the Canadian dollar should weaken and the Fund is well positioned to benefit.

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North American Opportunity Fund LP

NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	67.7865
F	CAD	63.8210
I	CAD	NA
S	CAD	69.1255

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	6.5687
F	CAD	6.2917
I	CAD	NA
S	CAD	NA

Historical Performance (in percentage terms) [3]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD [4]
2014										1.03	0.36	0.61	2.01
2015	5.83	-0.26	1.78	-5.42	3.23	-0.05	2.03	-6.50	-7.47	-0.70	-1.52	-3.86	-13.0
2016	-11.75	-9.91	-0.80	-1.24									-22.11

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.

3 Source: SGGG Fund Services Inc. Past performance is not a reliable indicator of future results.

4 When 12 months of performance data is unavailable for a calendar year, partial year to date is shown.

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.

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