Stephenson & Company
Capital Management

North American Opportunity Fund LP

As at February 29, 2016

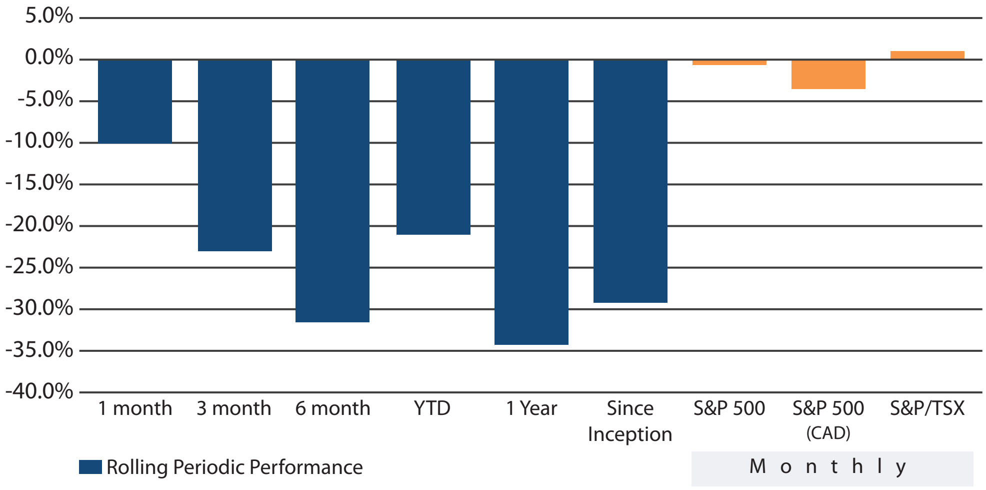
Fund Objective

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	**-9.91%**
3 months	**-23.57%**
Year to Date	**-20.50%**
Last calendar year	**-13.00%**
1 Year	**-34.47%**
2 Years	**N/A**
3 Years	**N/A**
5 Years	**N/A**
Since Launch Date	**-29.44%**
Annualized volatility	**13.7%**
Sharpe Ratio (since inception)	**(1.65)**
Sharpe Ratio S&P 500 (since inception)	**(0.13)**

GICS Sectors[1]

Sector	Weight
Energy	**11.5%**
Materials	**7.9%**
Industrials	**0.0%**
Consumer Discretionary	**5.6%**
Consumer Staples	**0.9%**
Health Care	**10.7%**
Financials[2]	**34.7%**
Information Technology	**14.3%**
Telecommunication Services	**0.0%**
Utilities	**11.5%**
Other ETFs	**2.8%**

[1] Absolute Value of Gross Exposure by GICS Sector.
[2] Financials include REITs at 17.0%

*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

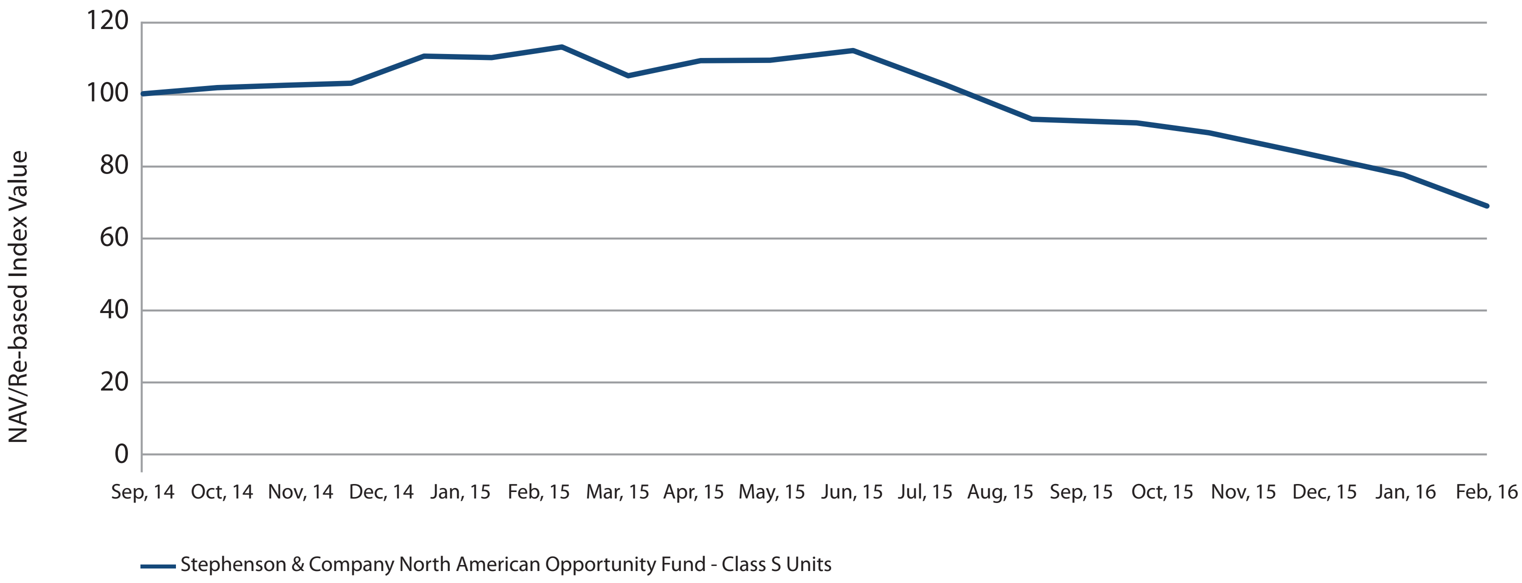
A. Region	Weight*	B. Currency	Weight*
Canada	**49.3%**	CAD	**63.5%**
US	**32.9%**	USD	**16.1%**
Europe (ex-UK)	**14.4%**	CHF	**1.6%**
UK	**3.5%**	GBP	**4.3%**
Japan	**0.0%**	EUR	**13.3%**
Other	**0.0%**	JPY	**1.1%**

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**32.94%**
Beta of the Fund	**0.43**
Volatility of the Fund (Annualized)	**13.3%**
Volatility of the S&P 500 (Annualized)	**18.8%**
Maximum Monthly Drawdown (Intra Month)	**11.45%**
Sharpe Ratio (Monthly)	**(9.11)**
Sharpe Ratio S&P 500 (Monthly)	**(0.19)**

Net Track Record



Monthly Commentary

Market Developments:

The Fund was down -9.91% (net of expenses) for the month of February, with US long positions down -1.65% and non-North American long positions down -1.97% while Canadian dollar long positions were down -0.51%. US short positions were down -0.92%, while Canadian dollar short positions were down -3.01% and the foreign exchange exposure of the Fund contributed a negative variance of -1.99% to performance, over the period.

The S&P 500 fell steadily in the first nine trading days of the month hitting an intra-month low of 1,829.08 on February 11—an intra-month decrease of -5.73%. On February 11 the S&P500 touched an intraday low 1810.10 (for an intra-month drawdown of -6.71%). The market snapped back +5.34% in the next three trading days closing at 1926.82 on February 17 and then rallied an additional +.57% in the last five trading days of the month to close at 1932.23.

The Canadian dollar also strengthened materially against the U.S. dollar over the course of the month. For the month the Canadian dollar rallied 3.12% to a USD/CAD rate of 1.3540 versus 1.3976 at the start of the month. The move was even stronger when measured from the second last trading day of the month with the Canadian dollar surging 3.31% to a USD/CAD close of 1.3513.

Investors took the January jobs report as well as the weak services ISM services index as an excuse to hit the sell button in the first few weeks of the month. The S&P 500 fell 3.2% in the first week of the month while the NASDAQ fell 5.4%, over the same period. Weak earnings and guidance from LinkedIn Corp. and Tableau Software helped drag the NASDAQ down by 5.4% in the first week of the month. On February 5, LinkedIn shares were down more than forty per cent on the day while Tableau shares fell close to fifty per cent. Some bears have been warning that valuations in the "cloud" computing sector have been sky-high with investors focused on fast revenue growth rather than profitability.

Global financial stocks were under pressure in the first few weeks of February, with Credit Suisse hitting a 24-year low and Deutsche Bank falling to 2009 prices. Santander, BBVA and UniCredit also traded at levels last seen during the 2008/09 economic crisis. In the U.S. the S&P financials tumbled more than 12 per cent in the first few months of the year. Investors have been running out of patience with European financials. After years of lackluster results, financial scandals, painful share sales, disruptive management changes, onerous regulations and strategic U-turns, many investors threw in the towel on European banks.

The chronic problems faced by European banks could be very painful to overcome. European banks have moved slowly to thicken their capital cushions, especially when compared with their U.S. counterparts. The Swiss banks are retreating from big parts of investment banking while Deutsche bank is pulling back on retail banking and Barclays PLC is exiting large swaths of what had been a global empire.

Ultra-loose monetary policy, including the adoption of a negative rate policy in Japan and expectations of further easing in Europe, heightened fears for global economic growth. In the U.S. some economic forecasters were predicting a recession while gold was a big gainer over the first two months of the year, showing fear that central banks no longer have control.

The recovery in the markets in the second half of the month was driven by oil prices which began to rebound after hitting a more than 10-year low of $26.21 on February 11. Over the remaining balance of the month crude oil prices increased by 28.77% to close the month at $33.75 per barrel. Crude oil prices started to surge when word leaked out that of an agreement between Russia and Saudi Arabia to freeze output was in the works. The deal was widely viewed as broadly positive in that it at least showed that producers were willing to explore ways of curbing the global oil supply glut.

Volatility as measured by the VIX index increased sharply through the first half of the month, peaking at a high of 28.14 on February 11 (an increase of 39.31%). The VIX then declined as the month went on closing on February 29, at 20.55, an increase of just 1.73% on the month.

The S&P 500 closed the month at 1932.23, a decrease of -0.13% 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. Returns across the various GICS sectors varied widely for February with the materials sector up 7.3%, followed by the industrials sector, which was up 3.5%, while the financial sector was the biggest contributor to negative variance, down -3.2% followed by the energy sector, which was down -2.6%, over the period.

The S&P/TSX was up 0.43% on a total return basis over the month, with some GICS sectors dramatically negative for the month. The materials sector had the best performance over the month, up 17.8% followed by the consumer staples sector, which was up 3.8%. The healthcare sector of the index was the biggest contributor to negative variance, down -23.3% over the month, followed by the utility sector which was down -5.2%.

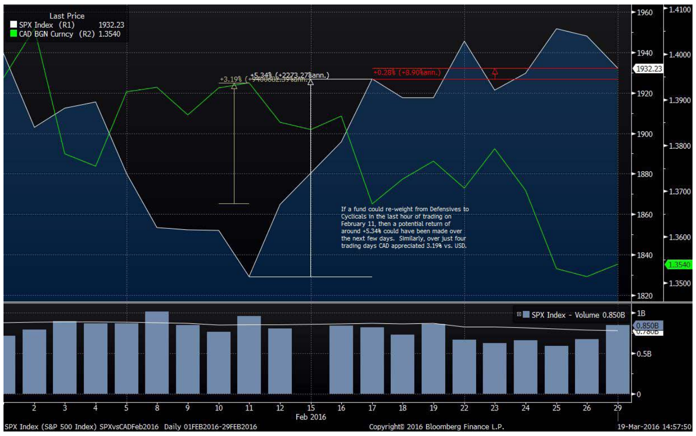
Fund Performance:

The Fund's performance was disappointing in February, closing down -9.91% reflecting the sharp selloff at the beginning of the month and the continued deterioration in the USD/CAD foreign exchange rate that negatively impacted performance. The Fund's high weighting in U.S. equities, particularly financials, at the beginning of the month and the Manager's view that CAD would weaken over the course of the month weighed on fund performance.

What has made this market so tough is that the reversals of trend are sudden. If for example, as shown on Figure 1 below, the Manager had bought the most beaten up names in the index in the last hour of trading on February 11, there would have been a 3-day return of more than +5.34%. But after putting in a two-year low on the S&P 500 it was difficult especially with a high defensive weighting to re-weight the portfolio towards cyclical names especially given that the Manager believed the trend was going to continue to the downside. The Canadian dollar also did a rapid reversal versus the U.S. dollar over a similar period of time negatively impacting fund performance.

The available returns for the S&P 500 in the remaining eight trading days of the month was a scant +0.28%.

Figure 1: February Was a Month of Rapid Reversals



Source: Bloomberg Finance L.P.

The Fund underperformed the S&P 500, which was down -0.13% in US dollar terms and down -3.69% in Canadian dollar terms on a total return basis. The fund also underperformed the S&P/TSX which was up 0.43% on a total return basis. The Sharpe Ratio for the Fund was -9.11 over the month. The fund's Sharpe Ratio was worse than that of the S&P 500 Index which had a monthly Ratio of -0.19.

The top four performers for the Fund during the month was a short position in Consol Energy Inc. (CNX—NYSE), which contributed a positive variance of +0.265%, a long position in Veresen Inc. (VSN—S&P/TSX), which contributed a positive variance of +0.128%, over the period on an unrealized basis. The other top contributors to Fund performance was a short position in First Quantum Minerals Inc. (FM—S&P/TSX), which contributed a positive variance of +0.103% and a long position on Baytex Energy Corporation (BTE—S&P/TSX) which contributed a positive variance of +0.093% 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 -1.640%, over the month. Additionally a short position in HudBay Minerals, Inc. (HBM—S&P/TSX) which contributed a negative variance of -0.781%, over the period, while a long position in Kao Corporation (4452—Tokyo), contributed a negative variance of -0.539%, over the month. A short position in GoPro, Inc. (GPRO—NASDAQ) contributed a negative variance of -0.487%, over the period.

Outlook:

The impact of rising oil prices on equity and commodity markets cannot be overstated. It has been overwhelmingly positive. Steadier oil prices have also helped stem broad-based commodity selling due to the linkage that comes through oil-dominated commodity indices and exchange traded funds (ETFs). This coupled with recent announcements from China, the world's largest consumer of commodities, that it will continue to support economic growth have helped support prices.

Iron ore, the steelmaking ingredient, has rebounded 20 percent this year to more than $50 a ton, catching many analysts and even some producers off guard.

Industrial metals such as copper, aluminum and zinc have risen to their highest levels since the autumn, triggering a big rally in beaten-down mining stocks.

Gold bugs have enjoyed a blistering start to the year, the best since 1980, with the price of gold up more than 20 percent and investor inflows reaching a seven-year high. BlackRock Inc. had to temporarily stop issuing shares in its $7.7 billion iShares Gold Trust recently as surging interest in the precious metal caught the world's largest money manager off guard.

After underperforming the U.S. market for five consecutive years, the Manager believes that the S&P/TSX Index will finally outperform the U.S. for the first time since 2010. Pessimism on Canadian equities remains extremely elevated from a historical perspective, likely because of the very weak performance of our benchmark index in 2015. Global managers are grossly underweight Canadian equities. Any positive news stemming from emerging markets, Europe, and commodity prices will likely be a strong positive tailwind for Canadian stocks.

Canadian markets are still very susceptible to sentiment around Emerging Markets, Europe and commodity prices. But as the slow recovery continues to take hold in the U.S. economy, Canadian equities will likely become increasingly correlated with U.S. markets. With oil prices likely at their cycle low, and the energy sector weighting on the TSX now approaching historical trough levels, the majority of the negative impact has likely been felt.

With a turn in commodities, particularly oil and an extremely dovish Fed the Manager believes that the next several months should see reasonable markets and outperformance of Canadian equities. As such the heavy cash balances in the Fund have been reduced and Canadian equity exposure has been increased.

The issues related to relatively-high equity valuations and the limits of central bank intervention have not yet been addressed, which suggests that volatility, while currently modest, will once again become a significant headwind for markets going forward. Accordingly the Manager has focused the Fund on solid dividend paying names with good defensive characteristics and views cyclical names as being appropriate solely for tactical opportunities rather than as a portfolio mainstay.

STEPHENSON & COMPANY
Capital Management

NORTH AMERICAN OPPORTUNITY FUND LP

NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	69.3233
F	CAD	65.1449
I	CAD	NA
S	CAD	70.5595

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	6.6687
F	CAD	6.6419
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											-20.50

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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