Stephenson & Company
Capital Management

North American Opportunity Fund LP

As at January 31, 2016

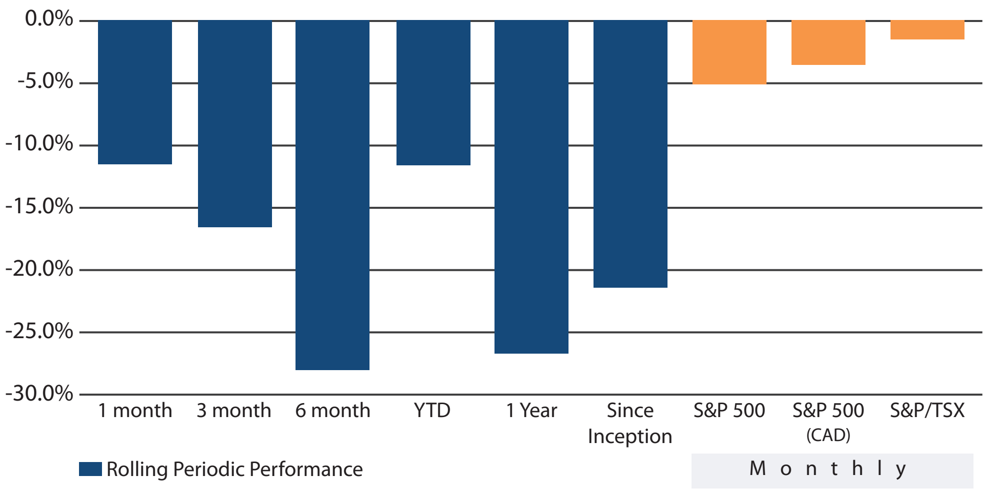
Fund Objective

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	**-11.75%**
3 months	**-16.45%**
6 months	**-28.22%**
Year to Date	**-11.75%**
Last calendar year	**-13%**
1 Year	**-27.45%**
2 Years	**N/A**
3 Years	**N/A**
5 Years	**N/A**
Since Launch Date	**-21.68%**
Annualized volatility	**13.6%**
Sharpe Ratio (since inception)	**(1.36)**
Sharpe Ratio S&P 500 (since inception)	**(0.38)**

GICS Sectors[1]

Sector	Weight
Energy	**0.1%**
Materials	**7.8%**
Industrials	**3.6%**
Consumer Discretionary	**5.0%**
Consumer Staples	**22.7%**
Health Care	**26.8%**
Financials[2]	**14.0%**
Information Technology	**13.2%**
Telecommunication Services	**0.9%**
Utilities	**2.5%**
Other ETFs	**3.4%**

[1] Absolute Value of Gross Exposure by GICS Sector.
[2] Financials include REITs at 12.1%

*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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NORTH AMERICAN OPPORTUNITY FUND LP

Geographic Distribution

A. Region	Weight*	B. Currency	Weight*
Canada	**16.4%**	CAD	**47.1%**
US	**51.0%**	USD	**26.6%**
Europe (ex-UK)	**5.9%**	CHF	**0.9%**
UK	**2.4%**	GBP	**4.3%**
Japan	**24.3%**	EUR	**5.6%**
Other	**0.0%**	JPY	**15.5%**

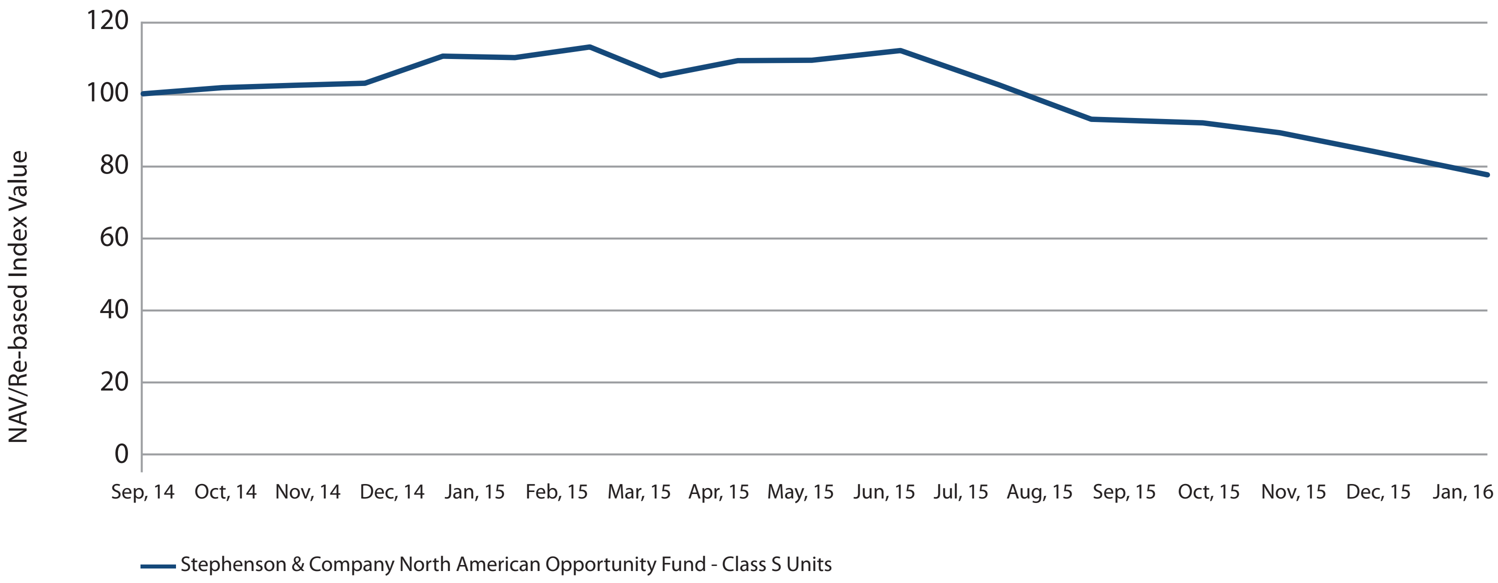
*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**70.83%**
Beta of the Fund	**0.44**
Volatility of the Fund (Annualized)	**12.1%**
Volatility of the S&P 500 (Annualized)	**24.2%**
Maximum Monthly Drawdown (Intra Month)	**11.46%**
Sharpe Ratio (Monthly)	**(11.80)**
Sharpe Ratio S&P 500 (Monthly)	**(2.56)**

Batting Average: 43.8% Percentage of up months since inception

Net Track Record



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North American Opportunity Fund LP

Monthly Commentary

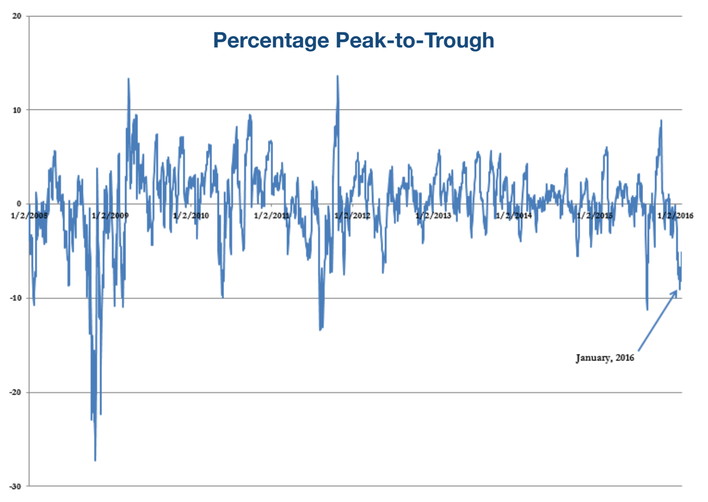
Market Developments:
The Fund was down -11.75% (net of expenses) for the month of January, with US long positions down -4.1210% and non-North American long positions down -4.0462% while Canadian dollar long positions were down -1.8357%. US short positions were down -0.2923%, while Canadian dollar short positions were down -1.5456% and the foreign exchange exposure of the Fund contributed a positive variance of 0.0505% to performance, over the period.

This was an exceptionally difficult month for many managers globally as the market traded on fear with the fundamentals becoming irrelevant. For a global fundamental long/short manager this is problematic and our disappointing performance in January was mirrored in other similar mandates worldwide.

The selling began on day one of the month with the S&P 500 falling -9.03% to an intra-month low on January 20th. The S&P 500 then rallied 2.56% over the next two trading days, then fell, rallied and fell again another -1.26% over the following three days and then finished up 3.04% in the last two days of the month. Most of the gains in the month occurred on the last day of trading for the month (up 2.48%) as the Bank of Japan initiated a negative-interest-rate policy on that day, which at least initially, sent global stock markets higher. The benchmark index closed down -5.07% on the month. The peak to trough change in the S&P was a dizzying -9.03% which occurred the first three weeks of the month.

There were just eight monthly peak-to-trough drawdowns of -9% (see figure 1) or more between the first of January 2008 and January 31, 2016 (8 in 97 months). These drawdowns reflect the growing uncertainty over asset pricing and highlight the difficulty in managing equity portfolios in these turbulent times.

Figure 1: S&P 500 Peak to Trough Drawdowns 1/1/2008 to 1/29/2016

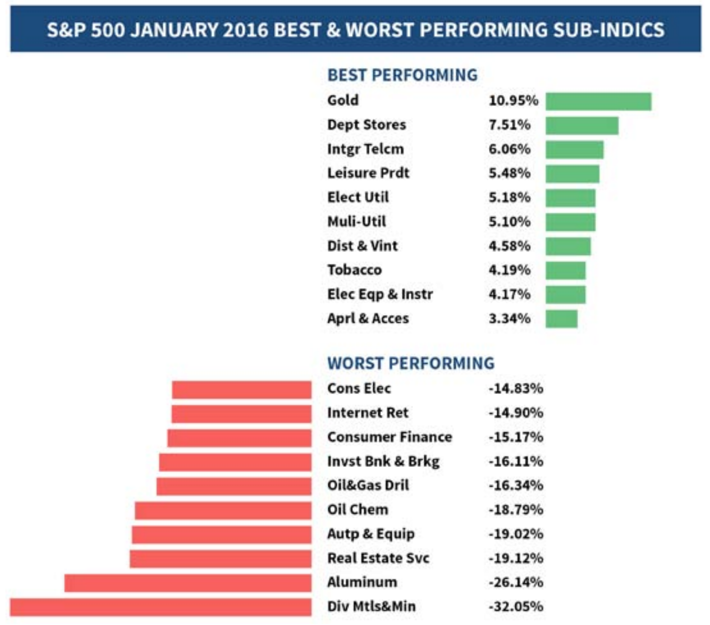


Source: Bloomberg LLP

The first three weeks of the month were the worst start to a year on record for the S&P 500 as investors sold off many of the consumer discretionary and tech names that had been favored in 2015. The selling was relentless for most of the month with $2.3 trillion being wiped off global stocks in the first week of the month alone. China's slowing economy and currency depreciations spooked investors sending stocks sharply lower despite a positive U.S. December jobs report that showed the U.S. economy added a stronger-than-expected 292,000 jobs that month.

These sharp drawdowns while extremely unsettling to investors understate the true volatility faced by funds as the market is a market of stocks rather than a stock market. In other words, the broad index and its moves masks the true volatility associated with individual names and individual sectors (see figure 2). The fund's relatively high weighting in financials at the start of the year was a headwind that negatively impacted performance.

Figure 2: S&P 500 – Winning & Losing Sectors—January 2016



Source: Bloomberg LLP

The sharp drawdown in stock prices globally has been at least partially fueled by sovereign wealth funds (SWF)—particularly those of the seven oil-dependent countries that control nearly $4 trillion (USD) of the assets, or 54% of SWF's total globally. Battered by slumping crude oil prices many governments have felt compelled to draw down these piggy banks to cover their gaping fiscal deficits.

Investors have been grappling with continued wild swings in the price of crude oil and other energy products amid an epic commodity bust and Mideast turmoil, not to mention persistent worries about Chinese and U.S. growth. These market tremors come at a time when global stock indexes have pulled back from highs set last year but remain above historical valuation averages, a combination that makes them vulnerable to any market shock or fresh decline in sentiment.

Natural resources have fallen into an even deeper funk due to concerns over slowing Chinese demand, with the Bloomberg Commodity Index falling to a fresh 17-year low in January.

Some investors are even speculating that the developing world—and China in particular—could be the final stage of a three-part rolling global crisis that began in the U.S. in 2007 and then moved to the Eurozone in 2010. Exchange rates for the emerging markets took another dive after the strong U.S. jobs report lifted the U.S. dollar, sending the JPMorgan Emerging Market Currency Index to a new all-time low.

The S&P 500 took out its August 2015 low hitting its lowest level in the last 52 weeks during the first three weeks of the month. The sharp declines are part of a fundamental reassessment of global growth prospects, reflecting years of disappointing progress and the limits of central bank stimulus. In January investors worldwide renounced risk and retreated to safety, a rotation that obliterated $15 trillion in global equity value in just a dozen days of trading.

Financials also took it on the chin during the month, which along with oil's steep decline, which had many investors thinking these signs are a harbinger of more dire news yet to come. The KBW NASDAQ Bank Index of large U.S. commercial lenders was down 15% at one point during the month.

For many, the selloff in January is a belated recognition of the persistent failure of global growth to lift off. Six months ago, the International Monetary Fund (IMF) projected the global economy would expand 3.8% in 2016. After two downgrades, that projection now stands at 3.4%. For others, the cause of the problem is clear—central bank intervention that has gone on for too long creating growing distortions in nearly all asset prices—from stocks to bonds to real estate.

The financial crisis of 2008/09 still casts a dark shadow over the thinking of many investors with some wondering that we are on the verge of something similar. Valuations still remain high by historical standards. At the end of last year, stocks in the S&P 500 traded at 18 times the past 12 months of earnings, according to FactSet. That figure has fallen to 16.2 by the end of the third week of January, but that is still above the average price/earnings ratio over the past 10 years for the index of 15.7.

Volatility as measured by the VIX index increased through the first three weeks of the month, peaking at a high of 27.59 on December 11 (an increase of 51.5%). The VIX closed on December 31, at 20.20, an increase of 10.93 on the month.

The S&P 500 closed the month at 1940.24, a decrease of -4.96% on a total return basis for the month. The S&P 500 returned -3.55% on a total return basis when expressed in Canadian dollars over the month. Returns across the various GICS sectors varied widely for December with the telecom services sector up 5.5%, followed by the utilities sector, which was up 4.9%, while the materials sector was the biggest contributor to negative variance, down -10.6% followed by the financials sector, which was down -9.0%, over the period.

The S&P/TSX was down -1.24% on a total return basis over the month, with many of the GICS sectors negative for the month. The utilities sector had the best performance over the month, up 5.8% followed by the telecom services sector, which was up 3.5%. The healthcare sector of the index was the biggest contributor to negative variance, down -9.3% over the month, followed by the consumer discretionary sector which was down -6.5%.

Fund Performance:

The Fund's performance was extremely disappointing in January, closing down -11.75% reflecting a sharp global selloff, sudden reversals of leadership and heightened anxiety with few, if any, places to hide. When viewed through the lense of the fund's benchmark, the S&P 500 which saw a peak to trough drawdown of -9.03% the performance of the fund is more understandable. A price slump of over 13% in the price of crude oil to start the month continued to weigh on the market.

The Fund underperformed the S&P 500, which was down -4.96% in US dollar terms and down -3.55% in Canadian dollar terms on a total return basis. The fund also underperformed the S&P/TSX which was down -1.24% on a total return basis. The Sharpe Ratio for the Fund was -11.80 over the month. The fund's Sharpe Ratio was worse than that of the S&P 500 Index which had a monthly Ratio of -2.56.

The top four performers for the Fund during the month was a long position Kao Corporation (4452—Tokyo), which contributed a positive variance of +0.287%, a long position in Kose Corporation (4922—Tokyo), which contributed a positive variance of +0.226%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in Consol Energy Inc. (CNX—NYSE), which contributed a positive variance of +0.195% and a long position on Constellation Brands, Inc. (STZ—NYSE) which contributed a positive variance of +0.189% to the Fund on an unrealized basis.

The bottom four performers for the Fund include a long position in Evolva Holding SA (EVE—Swiss), which contributed a negative variance of -1.040%, over the month. Additionally a short position in Penn West Petroleum Ltd. (PWT—S&P/TSX) which contributed a negative variance of -0.969%, over the period, while a long position in First Quantum Minerals Ltd. (FM—S&P/TSX), contributed a negative variance of -0.894%, on an unrealized basis to the Fund. A long position in WPT Industrial Real Estate Investment Trust (WIR.U—S&P/TSX) contributed a negative variance of -0.739% on an unrealized basis, over the period.

Outlook:

During January a number of benchmark stock indices globally slid into bear market territory with correlations becoming very high, meaning different markets and sectors are moving in tandem, even those that might benefit from the precipitous fall in the price of crude oil. The crash in energy prices as a cause for the decline in investor sentiment is puzzling. Cheap oil has historically been positive for global growth, as it benefits oil-importing countries, energy-intensive industries and households.

Ultra-loose monetary policy, including the adoption of a negative rate policy in Japan and expectations of further easing in Europe, has heightened fears for global economic growth. In the U.S. some economic forecasters are even predicting a recession while gold has gained some 10 per cent in the last two months, showing fear that central banks no longer have control.

There is no doubt that years of unprecedented central bank stimulus have created broad distortions in asset prices of all types. And these distortions will take many years to unwind—likely resulting in increased volatility and uncertainty in markets for years to come.

The Manager believes that the market will remain volatile and uncertain for many months to come. Central banks appear to be grasping at straws in a desperate attempt to manufacture growth and they have reached the limits of their ability to support developed market economies. This declining credibility amongst investors implies that asset markets, driven higher by central bank monetary policy explicitly designed to do so, will succumb to gravity and head sharply lower.

While the next few months will likely to be characterized by sharp rallies, particularly when oil prices are rising, there has been nothing fundamental to suggest that the coast is clear for oil or the global economy. The fact that central banks have gone to negative interest rates only heightens the likelihood the volatility and sharp selloffs will be here for some time.

The Manager has raised cash levels, initiated low risk option strategies to capitalize on increased stock market volatility and reduced exposure to the sectors that are experiencing the most volatility. The Manager believes that a defensive posture for the fund is best for the foreseeable future.

NORTH AMERICAN OPPORTUNITY FUND LP

NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	77.0228
F	CAD	72.3123
I	CAD	NA
S	CAD	

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	7.3773
F	CAD	7.1464
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												-11.75

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.

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.