Stephenson & Company
Capital Management

North American Opportunity Fund LP

As at March 31, 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

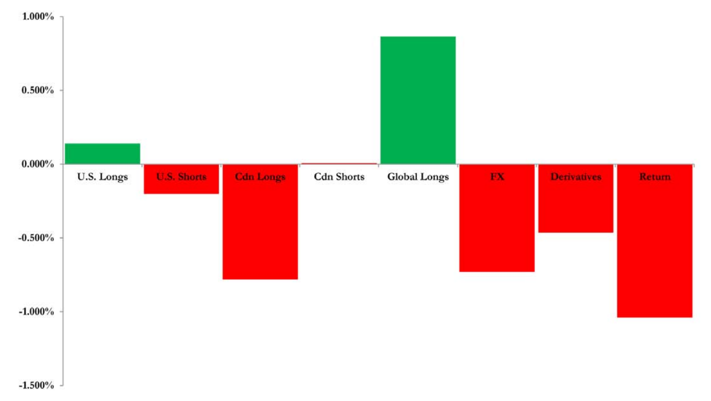
Fund manager	**John Stephenson**
Launch date	**01 October 2014**
Liquidity	**Monthly**
Opening NAV	**$100**

Monthly Commentary

Market Developments:

The Fund was down -1.17% (net of expenses) for the month of March, with most of the gains coming from the Fund's global longs, while the U.S. longs also contributed to the Fund's performance, over the month. The Canadian longs and FX translations were the biggest contributors to the negative variance, over the month. The S&P 500 rallied 1.37% in the first day of the month and then proceeded to move lower in the month closing in negative territory. The Canadian dollar was largely unchanged in March but had a peak-to-trough move of 2.30% intra-month while the TSX moved higher over the month.

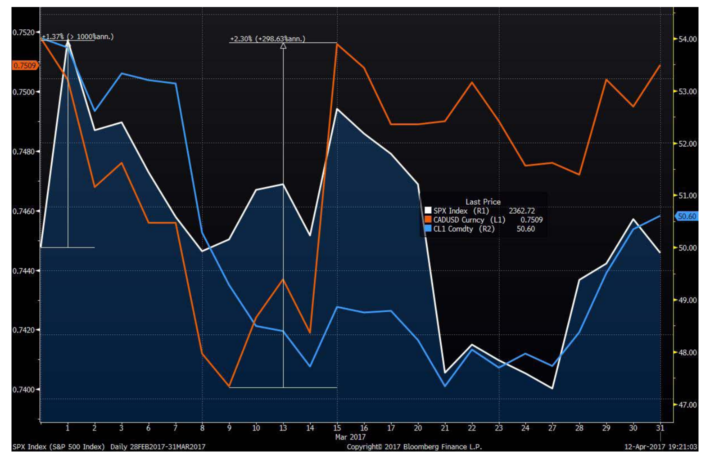
Figure 1: Contributors to Fund Performance in March



Source: SGGG FSI, SCCM

The S&P 500 struggled after the first day of the month to stay in positive territory in March slipping slightly to end the month down fractionally. The most significant change was a switching of leadership on the S&P 500 as the market focused not on the companies expected to benefit from changing U.S. policy following the presidential election but to companies that tend to gain in times of economic growth.

Figure 2: The S&P 500 Was Under Pressure in March



Source: Bloomberg Finance L.P.

Uncertainty grew in March over whether or not the Trump administration can enact a pro-business economic agenda hurt sections of what had been known as the Trump trade, financial stocks and industrial companies. In March, financial company stocks in the S&P 500 declined 2.9%, and industrial companies declined 0.8%. Investors turned instead to companies that grow with the economy, such as large technology and internet companies.

On March 21, the S&P 500 sank more than one per cent, the first time since October 11, as the reflation trade that bolstered the U.S. dollar and Treasury yields faltered amid growing concern pro-growth policies won't sail through Congress. The uncertainty was exacerbated in March during the struggle by the

Trump administration and congressional Republicans to pass a healthcare bill to replace the Affordable Care Act.

March saw the selloff in riskier assets and a creeping concern over political and economic uncertainty. Geopolitical uncertainty was also on the rise in March as North Korea said they would pursue accelerating their nuclear program.

During March, the S&P 500 benefited by strong gains in the information technology companies with Micron Technology Inc. rallying 17.72% while the standout performance in March came from Vertex Pharmaceuticals Inc., which rallied 21.08%, over the month. The index was dragged down by a tumble of -13.53% in Mallinckrodt PLC and a fall of -13.10% for Mylan NV.

The TSX benefited from a strong bounce in information technology stocks but the index was led higher by Dominion Diamond Corp, which was up +50.31% in March and Empire Co. Ltd., which was up +22.93%, over the month. The index was negatively impacted by the healthcare sector yet it was led lower Klondex Mines Ltd. falling -27.92% and Hudbay Minerals Inc. which fell -22.93%, over the month.

Volatility as measured by the VIX Index continued to bounce around the flat-line all month. The VIX Index closed the month at 12.37 for a decrease of -4.26%, over the month.

The S&P 500 closed the month at 2362.72 an increase of +0.12% on a total return basis for the month. The S&P 500 returned +0.30% on a total return basis when expressed in Canadian dollars, over the month. Most GICS sectors were under pressure in March. Bucking the trend was the information technology sector, which was up 2.5%, followed by the consumer discretionary sector which was up 1.9%, over the period. The financial sector had the weakest performance over the month, falling -2.9% while the telecom services sector fell -1.2%, over the month.

The S&P/TSX was up +1.24% on a total return basis over the month, with very wide variances in the performance amongst the GICS sectors. The information technology sector had the best performance over the month, up +5.2% followed by the utility sector, which was up +4.8%. The healthcare sector had the weakest performance, down -11.3% followed by the financial sector, which was down -0.4%, over the month.

Fund Performance:

The Fund was down -1.17% in March as the S&P 500 was weak with most GICS sectors falling during the month. The S&P 500 hit a high of 2395.96 on March 1 and then sold off throughout the month closing at 2362.72 for a decline of -0.0039%.

The market sold off riskier assets as the so-called Trump trade faded from investors' conscious as concern mounted that the new administration would struggle to implement their policies in the wake of the Republicans' healthcare bill failure. Investors also began to focus on the pending elections in Europe, the possibility of an armed clash with North Korea and fiscal policy in the United States.

The Fund underperformed the S&P 500, which was up +0.12% in US dollar terms and underperformed the S&P500 which returned +0.30% when measured in Canadian dollar terms on a total return basis. The Fund also underperformed the S&P/TSX which was up +1.24% on a total return basis. The Sharpe Ratio for the Fund was -2.43, over the month. The fund's Sharpe Ratio was worse than that of the S&P 500 Index which had a monthly Ratio of -0.11.

The top four performers for the Fund during the month was a long position in Intesa Sanpaolo S.p.A. (ISP—Milan), which contributed a positive variance of +0.52%, a long position in Vivendi SA (VIV—Paris), which contributed a positive variance of +0.32%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in Facebook Inc. (FB—NASDAQ), which contributed a positive variance of +0.26% and a long position in Veresen Inc. (VSN—TSX), which contributed a positive variance of +0.25% to the Fund.

The bottom four performers for the Fund include a long position in Amgen Inc. (AMGN—NASDAQ), which contributed a negative variance of -0.30%, over the month. Additionally a long position in KeyCorp (KEY—NYSE), which contributed a negative variance of

-0.22%, over the period, while a short position in The Habit Restaurants, Inc. (HABT—NASDAQ) contributed a negative variance of -0.21%, over the month. A long position in Discover Financial Services (DFS—NYSE) contributed a negative variance of -0.206%, over the period.

Outlook:

Despite a range of uncertainties across the globe including the upcoming elections in Europe and worries over the Republicans' ability to implement their fiscal policies, the first quarter has been one of the least volatile, with the CBOE Volatility Index, known as Wall Street's "fear gauge," clocking in at its second lowest quarterly average on record.

Despite the recent market weakness, high valuations and geopolitical worries, this might well turn out to be the longest bull market in history, simply because it has also been the most joyless. Investors have been predicting this bull market's demise for years and investor optimism despite the bull market's length has just barely picked up, suggesting that investor euphoria is not a cause for concern.

The lesson of March was that the markets fast and ongoing reversals will likely continue for the foreseeable future as the market evaluates the ability of the Trump administration to enact their tax reform and regulation slashing agenda. As well, the consensus trade is most likely to be the worst performing trade a few months later.

Healthcare is a sector desperately out of favor in this market, which may be a signal that now is a good time to be buying the sector on weakness. As well, Europe remains out of favor despite significantly better valuations and improving fundamentals.

The Manager has reduced the Fund's exposure to the financial sector and been boosting the exposure of the Fund to Europe, as well as the healthcare and technology sectors. Despite a low reading on the VIX Index, volatility is not absent from the market. As such, the Fund has adopted a barbell strategy with one end comprised of dividend growers and on other end cyclical stocks that should benefit if the U.S. and global economy continue to grow.

The Fund is short traditional bricks-and-mortar retailers as the Manager believes they are in structural decline. E-commerce is a potent disruptive force for traditional retailers and although it accounts for just 10% of U.S. sales it could easily increase to 45% of sales as was the case with the travel industry. Most traditional retailers are playing catch-up in technology, especially in ecommerce, mobile and supply-chain management.

As well, the Fund has been utilizing a variety of option strategies to the mitigate risk around the earnings season, as well as to create additional upside opportunities and to express a more nuanced investment view.

It is the Manager's expectation that volatility will likely increase as the year goes on, however, equities, particularly European equities, will still likely offer the best risk-adjusted performance than other potential asset classes. A market pullback should be expected but the timing will most likely catch the vast majority of market participants off-guard. A stable of dividend growers in the Fund should help buffet the Fund from that eventuality.

Performance Statistics*

1 month	**-1.17%**
3 months	**-3.66%**
3 Years	**N/A**
5 Years	**N/A**
Annualized volatility	**13.4%**
Sharpe Ratio (since inception)	**(1.72)**
Sharpe Ratio S&P 500 (since inception)	**(1.17)**

GICS Sectors[1]

Sector	Weight
Energy	**9.0%**
Materials	**4.4%**
Industrials	**3.6%**
Consumer Discretionary	**21.1%**
Consumer Staples	**0.1%**
Health Care	**12.1%**
Financials	**26.0%**
Information Technology	**13.0%**
Real Estate	**9.3%**
Telecommunication Services	**0.0%**
Utilities	**1.4%**
Other (ETFs & derivatives)	**9.3%**

[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	**32.3%**	CAD	**35.9%**
US	**45.5%**	USD	**46.0%**
Europe (ex-UK)	**14.7%**	CHF	**0.0%**
UK	**4.6%**	GBP	**7.1%**
Japan	**2.8%**	EUR	**8.2%**
Other	**0.0%**	JPY	**2.8%**

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**75.11%**
Beta of the Fund	**0.39**
Volatility of the Fund (Annualized)	**6.7%**
Volatility of the S&P 500 (Annualized)	**8.7%**
Maximum Monthly Drawdown (Intra Month)	**3.76%**
Sharpe Ratio (Monthly)	**(2.43)**
Sharpe Ratio S&P 500 (Monthly)	**(0.11)**

NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	54.4741
F	CAD	51.6939
I	CAD	NA
S	CAD	55.99

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	5.3705
F	CAD	5.1003
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.

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