

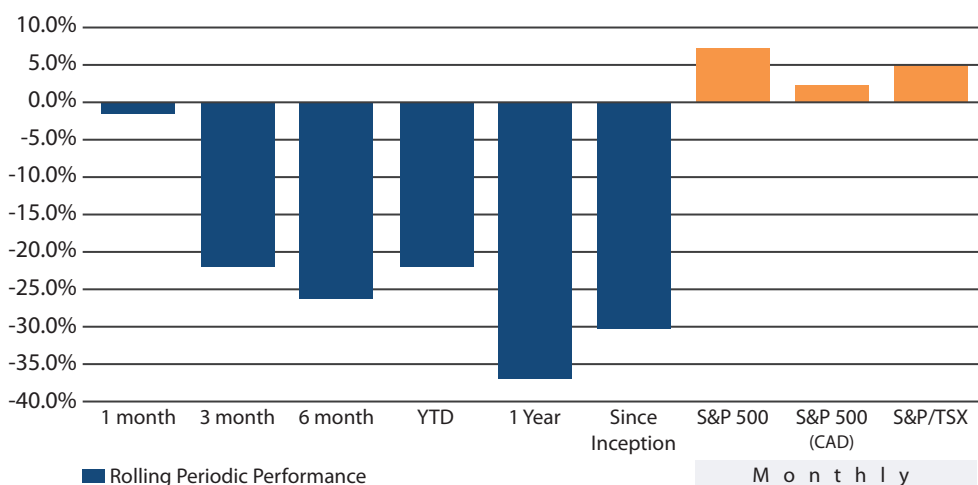


As at March 31, 2016

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.

Net Fund Performance



Fund Details

Fund manager **John Stephenson**

Launch date **01 October 2014**

Liquidity **Monthly**

Opening NAV **\$100**

Performance Statistics*

1 month	-0.80%
3 months	-21.14%
Year to Date	-21.14%
Last calendar year	-13.00%
1 Year	-36.14%
2 Years	N/A
3 Years	N/A
5 Years	N/A
Since Launch Date	-30.01%
Annualized volatility	14.9%
Sharpe Ratio (since inception)	(1.46)
Sharpe Ratio S&P 500 (since inception)	0.18

GICS Sectors¹

Sector	Weight
Energy	11.0%
Materials	2.5%
Industrials	0.0%
Consumer Discretionary	18.1%
Consumer Staples	2.8%
Health Care	9.7%
Financials ²	31.1%
Information Technology	11.8%
Telecommunication Services	2.3%
Utilities	10.6%
Other ETFs	0.1%

¹ Absolute Value of Gross Exposure by GICS Sector.

² Financials include REITs at 11.8%

*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

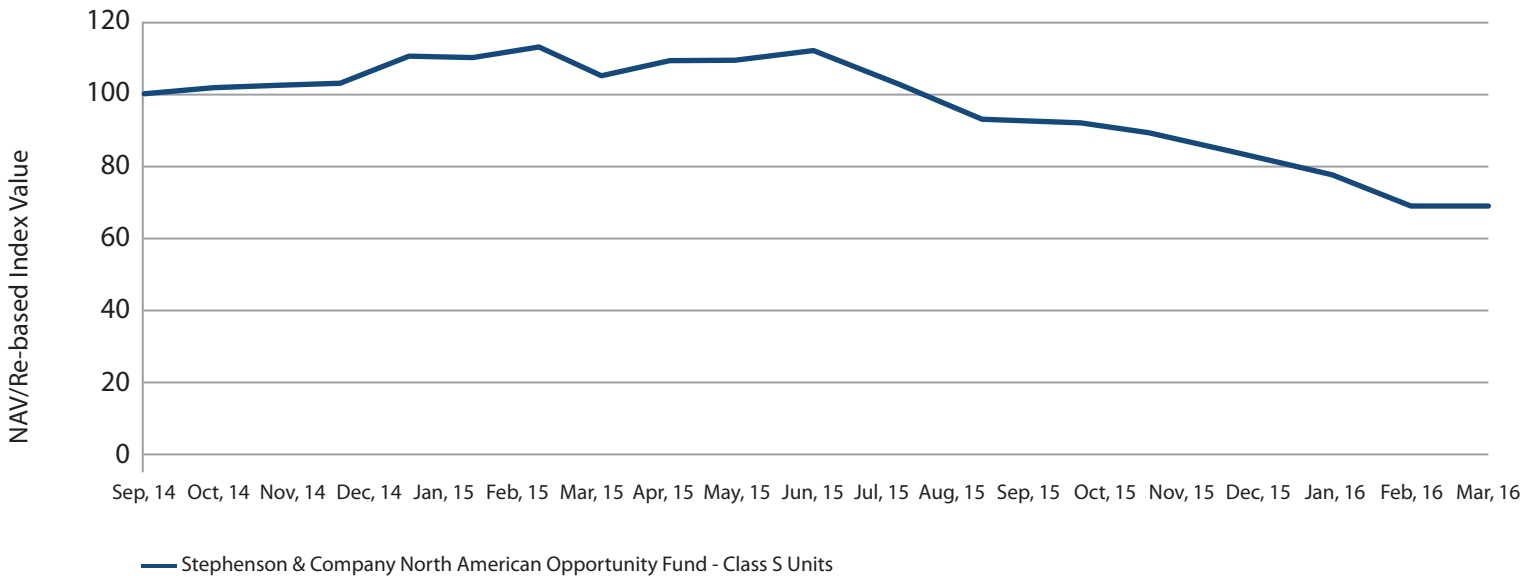
A. Region	Weight*	B. Currency	Weight*
Canada	48.4%	CAD	40.3%
US	40.6%	USD	39.4%
Europe (ex-UK)	7.3%	CHF	1.6%
UK	3.8%	GBP	6.4%
Japan	0.0%	EUR	11.1%
Other	0.0%	JPY	1.1%

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	92.96%
Beta of the Fund	1.23
Volatility of the Fund (Annualized)	10.4%
Volatility of the S&P 500 (Annualized)	11.6%
Maximum Monthly Drawdown (Intra Month)	4.05%
Sharpe Ratio (Monthly)	(1.09)
Sharpe Ratio S&P 500 (Monthly)	6.89

Net Track Record





STEPHENSON & COMPANY
Capital Management

NORTH AMERICAN OPPORTUNITY FUND LP

Monthly Commentary

Market Developments:

The Fund was down -0.80% (net of expenses) for the month of March, with US long positions up +0.95% and non-North American long positions up +0.46% while Canadian dollar long positions were down -0.23%. US short positions were down -0.18%, while Canadian dollar short positions were down -0.47% and the foreign exchange exposure of the Fund contributed a negative variance of -1.22% to performance, over the period.

The Canadian dollar also strengthened materially against the U.S. dollar during the month. In March the Canadian dollar rallied 3.96% to a USD/CAD rate of 1.3004 versus 1.3540 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 4.24% to a USD/CAD close of 1.2966.

After a horrendous start to the year markets stabilized in March as commodities, particularly oil seemingly put in their bottom. Up until recently the stock market has been hammered by bad news from commodities and emerging markets—the two areas that in the prior cycle were where the market leadership came from. Despite decades of data to the contrary, many investors had convinced themselves that oil prices are a proxy for global growth and that ongoing weakness in emerging markets would pull North America into a recession or at least a bear market in stocks.

One emerging market that was on fire in March was Brazil's. The country's currency, the Brazilian real, gained 10.6 per cent against the U.S. dollar while the country's benchmark stock index, the Ibovespa returned 16.97 per cent gain in the month. In March alone, on a trough-to-peak basis, Brazilian stocks have soared 20 per cent—their biggest one-month gain in 16 years. These gains have come as the probability of impeachment of the country's left-leaning president Dilma Rouseff looks increasingly likely.

The Ibovespa's rise comes against a backdrop where Brazil's economy is suffering from what is expected to be the worst recession in more than a century as well as a vast political corruption scandal at the state-owned oil company Petrobras. The push to impeach Ms. Rouseff gained new momentum in March after millions of protestors flooded Brazil's streets in support of the measure. A police investigation into allegations of corruption by her predecessor and mentor, Luiz Inacio Lula da Silva, the founder and political force behind her Workers' Party, or OT, has also left her looking more vulnerable.

In North America, the recent rally has been driven by high-beta stocks many of which are in the materials and energy sector that were amongst the most heavily shorted names at the start of the year. In fact these high-beta stocks have been responsible for delivering more than half of the markets gains of late. Historically, low-multiple or value stocks have outperformed growth stocks by on average two to three percent annually and post their strongest gains during economic recoveries and when the stock market turns upward.

Momentum stock trading was all the rage in 2015 but this year the strategy has fallen on hard times. The approach was to profit from the divergent paths of high- and low-momentum stocks over time, a strategy that had one of its biggest gains on record in 2015 but in the past three months it has completely seized up. This has negatively impacted the performance of a number of quantitative

market neutral funds this year. A Dow Jones index that tracks the 200 highest momentum stocks while simultaneously betting against the 200 lowest dropped 8.1 per cent in the first three months of 2016, the most since 2009.

Investors have been shunning high-multiple stocks such as the so called FANG stocks (Facebook, Amazon, Netflix and Google) after the selloff earlier this year, causing momentum stocks to miss out on the S&P 500's 6.6 per cent March rally, falling instead by 4.3 per cent in the month.

Volatility as measured by the VIX index was largely muted in the month, peaking at an intra-month high of 18.67 on March 8. The VIX then declined as the month went on, closing at 13.95 on March 31, a decrease of -32.12% on the month.

The S&P 500 closed the month at 2059.74, an increase of +6.78% on a total return basis for the month. The S&P 500 returned +2.39% on a total return basis when expressed in Canadian dollars over the month. Returns across the various GICS sectors were positive for the month of March with the energy sector up 9.2%, followed by the information technology sector, which was up 9.1%, while the healthcare sector had the weakest performance, up 2.6% followed by the consumer staples sector, which was up 4.3%, over the period.

The S&P/TSX was up 5.20% on a total return basis over the month, with one GICS sector dramatically negative for the month. The energy sector had the best performance over the month, up 9.0% followed by the utility sector, which was up 8.0%. The healthcare sector of the index was the biggest contributor to negative variance, down -53.1% over the month, followed by the consumer staples sector which was up 1.0%.

Fund Performance:

The Fund was down -0.80% reflecting primarily the narrowness of the market breadth, which was at extremely low levels relative to history as well as the deterioration in the USD/CAD foreign exchange rate that negatively impacted performance. While the rebound in the markets was a welcome development, the stocks that rallied the most were generally the ones that had been the most beaten-up and heavily shorted names in the index.

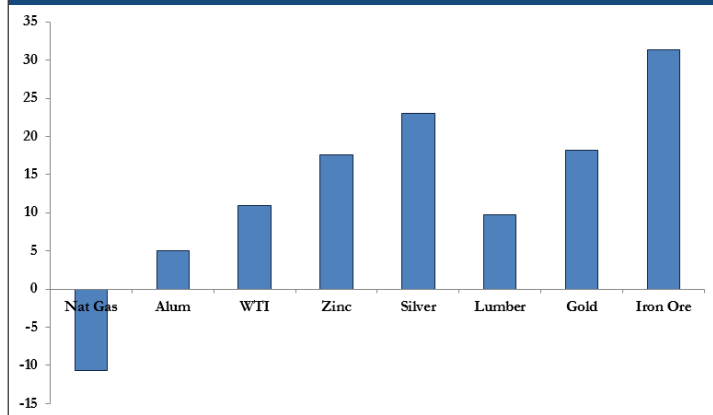
In the aftermath of the February 11 U.S equity market bottom, the market has been moving higher with high-beta stocks showing very strong gains over the month. Similarly, heavily shorted firms have shown strong gains in March as market participants covered their positions in past shorts or underweighted securities. In both the U.S. and Canadian equity markets, breadth (a measure of how many firms show positive versus negative trends) had reached extremely low levels earlier this year. By the end of March, only two per cent of U.S. equities were trading near their 52-week lows (down from 40% in January), while only 30 per cent of firms were trading at or near their 52-weeks highs, which is well below the typical peak of 50 to 70 per cent.

The Toronto stock exchange has managed to outperform the S&P 500 in large part because of the rebound in resource prices. Many of the best performing commodities (Figure 1) are those which have previously been the hardest hit. The improvement in base metals has been tied to some signs that import volumes have picked up in China. But in most commodities, supply remains an overhang



for much of the commodity space, which should keep the lid on further price gains going forward. In March, many of these deeply oversold resource producers were amongst the biggest winners on bourses on both side of the border. The Manager decided not to chase returns in this group believing that nothing fundamental had changed for many of these firms.

Figure 1: A Game of Catch-Up in Commodities – Per Cent Change (Jan 1, 2015 to April 8, 2016)



Source: Bloomberg Finance L.P.

The Fund underperformed the S&P 500, which was up 6.78% in US dollar terms and up 2.39% in Canadian dollar terms on a total return basis. The fund also underperformed the S&P/TSX which was up 5.20% on a total return basis. The Sharpe Ratio for the Fund was -1.09 over the month. The fund's Sharpe Ratio was worse than that of the S&P 500 Index which had a monthly Ratio of 6.89.

The top four performers for the Fund during the month was a long position in First Quantum Minerals Inc. (FM—S&P/TSX), which contributed a positive variance of +0.519%, a long position in Whirlpool Corporation (WHR—NYSE), which contributed a positive variance of +0.335%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in CGI Group Inc. (GIB/A—S&P/TSX), which contributed a positive variance of +0.308% and a long position in Emera Inc. (EMA—S&P/TSX) which contributed a positive variance of +0.215% to the Fund.

The bottom four performers for the Fund include a long position in Slate Retail REIT (SRT-U—S&P/TSX), which contributed a negative variance of -0.194%, over the month. Additionally a long position in Cliffs Natural Resources Inc. (CLF—NYSE), which contributed a negative variance of -0.165%, over the period, while a long position in Encana Corporation (ECA—S&P/TSX), contributed a negative variance of -0.144%, over the month. A long position in Baytex Energy Corporation (BTE—S&P/TSX) contributed a negative variance of -0.137%, over the period.

Outlook:

The lows for the year have likely been put in by the stock and commodity markets. Volatility, while currently muted, will likely rear its head again and investors that are defensively positioned when that occurs will come out of the downturn in better shape than those who are chasing last year's winning strategies.

Japan is one country that the Fund has dramatically reduced its exposure to over the past few months. Starting in the first days of 2016, foreign traders have been pulling out of Tokyo's stock market for 13 straight weeks, the longest stretch since 1998. Overseas investors dumped \$46 billion of shares as economic reports deteriorated, stimulus from the Bank of Japan backfired and the yen's surge pressured exporters. The benchmark Topix index fell 12.93 per cent over the three months ending in March.

While markets elsewhere are climbing back from a global selloff, investors in Japan see fewer reasons for optimism. Growing concern that Abenomics is falling flat has spurred speculation the country will slip into deflation, setting back efforts to end three decades of malaise. Overseas investors, which account for about 70 per cent of the value traded in Tokyo shares, bought a net ¥18.5 trillion between 2012 and 2015, but lately that trend is reversing.

Negatively impacting the performance of the Topix are large exporters such as, Toyota Motor Corp., Honda Motor Co. and Fuji Heavy Industries Ltd., which had helped propel the Topix to last year's high. Bank shares are also still reeling from the damage caused by the BoJ's decision in January to adopt negative interest rates. They're down the most among the Topix's 33 groups, tumbling around 35 per cent. Adding to the malaise, the Japanese economy contracted last quarter.

Value stocks are likely to lead the market higher in the months to come. The Manager has developed its own proprietary quantitative model that ranks global equities against four style indices (Value, Growth, Momentum & Quality) and 16 factors, which is useful in identifying attractive value and other investment opportunities and compliments our fundamental analysis and other in-house screening models.

The loonie has taken flight recently with the currency snapping back from its diminished state in the winter with a 11-cent upside move, which has corresponded with a revival of sentiment in global markets in general, and commodity markets in particular. But the Manager expects that the Canadian dollar is likely to start reversing in the months ahead as leading economic indicators point to headwinds for Canada's economy in the next few quarters. Additionally, both the technicals and the fundamentals show CAD as currently over-valued.

Oil is likely to be range bound for the foreseeable future, but clearly it appears to have put in its bottom for the year. While it is tempting to jump back in the fundamentals are not supportive of purchasing energy and resource stocks. The source for most of the bullish sentiment in energy and resources stocks invariably turns out to be China, which has recently resorted to 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 commodities and emerging markets is about to lose steam.

The Manager continues to focus the Fund on high-quality value-oriented stocks and looks for market pullbacks as opportunities to buy on the dips. The Manager believes that as the year unfolds the ability to create a variety portfolio tilts and as fundamentals finally become the primary driver of stock performance rather than oil and other exogenous factors the Fund should benefit.



NAVs - LP - Unrestricted Classes ²

Class	CCY	NAV
A	CAD	68.7010
F	CAD	64.6212
I	CAD	NA
S	CAD	69.9921

NAVs - TRUST - Unrestricted Classes ²

Class	CCY	NAV
A	CAD	6.6470
F	CAD	6.3771
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										-21.14

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.