STEPHENSON & COMPANY
Capital Management

NORTH AMERICAN OPPORTUNITY FUND LP

As at May 31, 2015

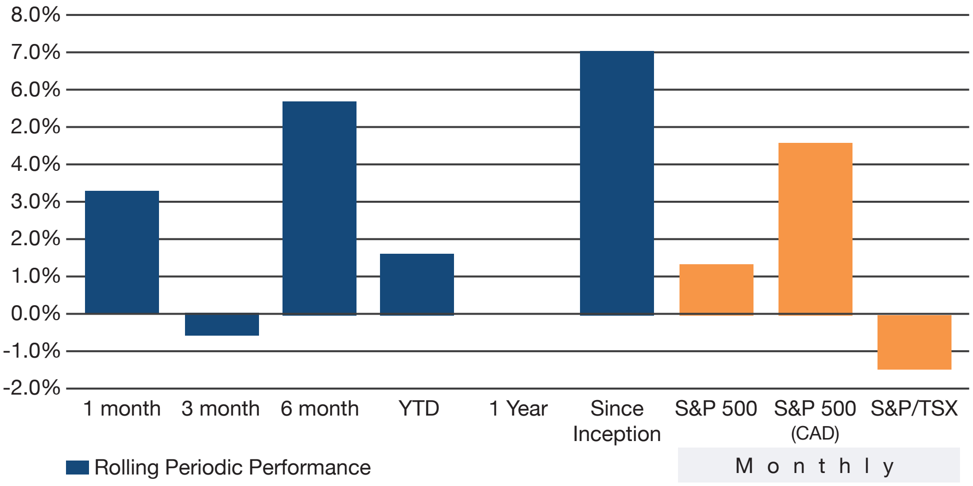
Fund Objective

The investment objective of the Partnership 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 Partnership aims to provide investors with higher returns, lower volatility and lower correlations to North American equity markets than a traditional long only portfolio. The Partnership'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	**3.23%**
3 months	**-0.62%**
6 months	**5.54%**
Year to Date	**4.90%**
Last calendar year	**2.01%**
1 Year	**N/A**
2 Years	**N/A**
3 Years	**N/A**
5 Years	**N/A**
Since Launch Date	**7.01%**
Annualized volatility	**13.5%**
Sharpe Ratio (since inception)	**0.63**
Sharpe Ratio S&P 500 (since inception)	**0.80**

GICS Sectors[1]

Sector	Weight
Energy	**7.5%**
Materials	**0.3%**
Industrials	**8.2%**
Consumer Discretionary	**9.6%**
Consumer Staples	**9.9%**
Health Care	**19.7%**
Financials	**28.8%**
Information Technology	**12.9%**
Telecommunication Services	**0.0%**
Utilities	**0.0%**
Other ETFs	**3.1%**

[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

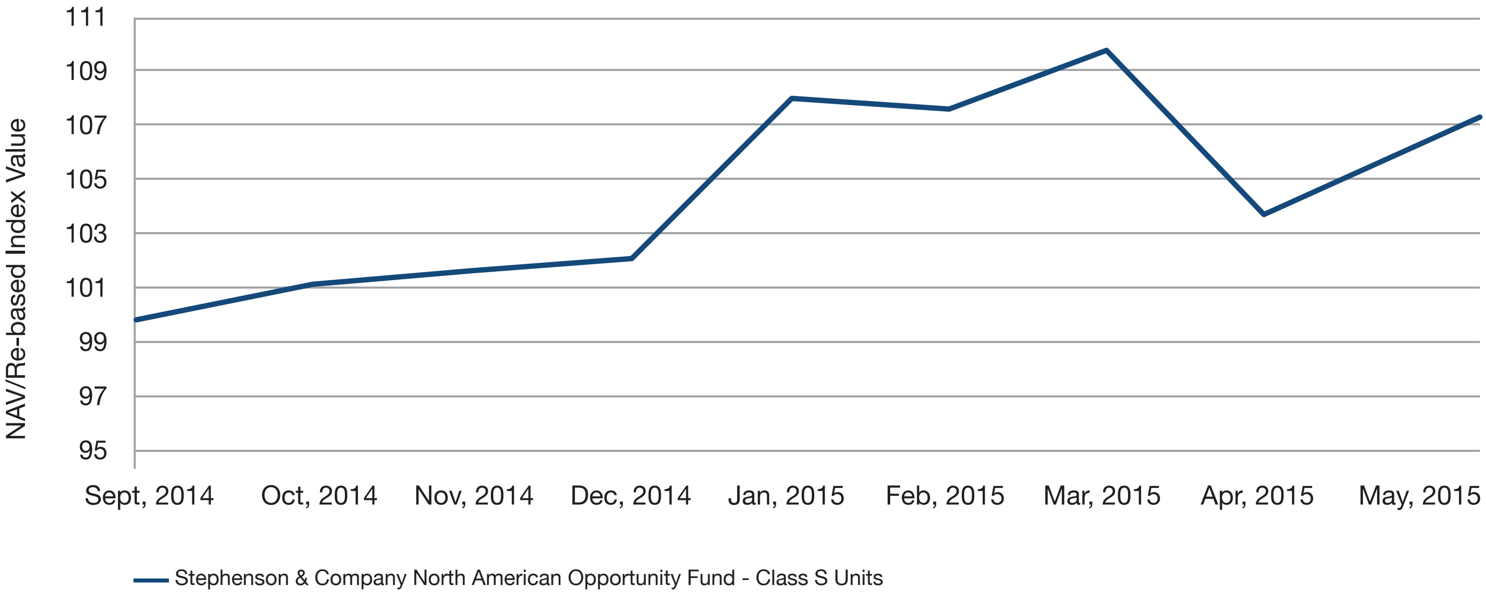
A. Region	Weight*	B. Currency	Weight*
Canada	13.2%	CAD	22.9%
US	70.3%	USD	66.6%
Europe (ex-UK)	9.1%	CHF	3.4%
UK	3.3%	GBP	4.7%
Japan	0.0%	EUR	2.3%
Other	4.0%	JPY	0.0%

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	83.38%
Beta of the Fund	0.84
Volatility of the Fund (Annualized)	8.5%
Volatility of the S&P 500 (Annualized)	10.8%
Maximum Monthly Drawdown	1.29%
Sharpe Ratio (Monthly)	4.33
Sharpe Ratio S&P 500 (Monthly)	1.24

Net Track Record



Monthly Commentary

Market Developments:

The Fund was up 3.23% (net of expenses) for the month of May, with US long positions up +1.68% and European long positions up 0.52% while Canadian dollar long positions were up 0.63%. US short positions were up 0.44%, while Canadian dollar short positions were up 0.02% and the foreign exchange exposure of the Fund contributed a positive variance of 0.42% to performance, over the period.

While the stock market has generally been in an uptrend of late, it has been a very reluctant bull market with the market struggling to move appreciably higher, instead staying in a fairly tight range. And when records have been set, it has often been followed soon after by a retreat in the broad market.

But the bond market is where the real action has been lately. In early May former Federal Reserve chairman Alan Greenspan predicted that a re-run of the 2013 “taper tantrum” was inevitable. While bond markets have been anything but boring lately, with a European rout spreading to the US this month, expectations for when lift-off happens continue to be pushed out. German Bund yields have enjoyed a spectacular reverse, giving up five months of gains in a matter of days.

Yields on German Bunds moved in lockstep with US Treasuries until late in 2012, when Bund yields started to dip lower, pulling US yields down with them. With the European economy slowing and fears of deflation running rampant investors forced the yields on Bunds negative earlier this year as they surmised that the European Central Bank (ECB) would not act aggressively enough to stave off deflation. But with the ECB unveiling full-blown quantitative easing (QE) investors decided the deflation scare was over and yields shot back up.

A turn in the dollar, a sharp reversal in German bonds and expectations that the Fed will begin raising interest rates later this year have challenged the Treasury market over the past month. The yield on the 10-year note has risen to 2.29% (May 13, 2015) from 1.89% in that time. If the job market continues to improve and inflation readings start to firm up later this year; in line with what economists are forecasting—yields could go higher still. By early June the yield on the 10-year note hit 2.35% a move of 24.34% in the past six weeks.

Federal Reserve chair Janet Yellen on May 6, 2015 said that well she thought that valuations in the equity market generally are quite high, however they are “not so high when you compare the returns on equities to the returns on safe assets like bonds, which are also very low, but there are potential dangers there.” To many these comments are warnings of an impending bond bubble that has the potential of bursting in a dramatic fashion.

Volatility as measured by the VIX index was modest throughout the month, peaking at a high of 14.31 on May 5th. The VIX closed on May 29, at 13.84, a modest loss of 4.88 per cent on the month.

The S&P 500 closed the month at 2,107.39, a gain of 1.29% on a total return basis for the month. The health care sector was up 4.43%, followed by the financial sector, which was up 1.9%, while the energy sector was the biggest contributor to negative variance, down 5.2% followed by the telecom sector, which was down 1.9% over the period.

The S&P/TSX was down 1.25% over the month, with the health care sector leading the pack, up 11.4% followed by the telecom sector, which was up 1.7%. The energy sector of the index was down 6.3% over the month, while the consumer industrial sector was down 3.5%.

Fund Performance:

The Fund’s performance was very strong given the returns of the market. The S&P 500 was up 1.29% in US dollar terms and up 4.41% in Canadian dollar terms on a total return basis. The fund also outperformed the S&P/TSX which was down 1.25% on a total return basis. The performance over the period helped drive an impressive Sharpe Ratio for the Fund which was 4.33-a significant turnaround from the prior month. The fund’s Sharpe Ratio was much better than that of the S&P 500 Index which had a monthly Ratio of 1.24.

The top four performers for the Fund during the month were a long position in Horizon Pharma PLC (HZNP- NASDAQ), which contributed a positive variance of +0.45%, a long position in Magna International (MG-S&P/TSX), which contributed a positive variance of +0.39%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in WhiteWave Foods Company (WWAV-NYSE), which contributed a positive variance of +0.34% and a long position in The Blackstone Group LP (BX-NYSE), which contributed a positive variance of +0.34% to the Fund on an unrealized basis.

The bottom four performers for the Fund include a long position in LinkedIn Corporation (LNKD-NYSE), which contributed a negative variance of -0.74%, over the month. Additionally a long position in TransCanada Corporation (TRP-NYSE) which contributed a negative variance of -0.19%, over the period, while a long position in Kinder Morgan Inc. (KMI-NYSE) contributed a negative variance of -0.13%, on an unrealized basis to the Fund. A long position in Spirit Airlines Inc. (SAVE-NASDAQ) contributed a negative variance of -0.10% on an unrealized basis, over the period.

Outlook:

Investors should steel themselves. The Fed is going to raise rates, and it won't be pretty. Regardless of when it occurs, many investors and analysts are convinced that a Fed rate increase has been so widely discussed and thoroughly dissected that any market impact will be muted or non-existent, passing quickly like a rainy day. Yet markets are currently pricing in a far gentler interest rate path than the Fed itself forecasts, though the first increase is likely to snap investors out of their complacency.

Many economists are convinced that the US central bank has the ability to keep the Fed funds rate under control. But this will be the most experimental rate rise in modern history, and the side effects are unknowable. One primary area of concern is retail investors who are likely unprepared for losses on supposedly safe fixed income, and will yank money out of funds that will be forced to dump holdings in already illiquid bond markets creating a negative feedback loop.

The US Treasury market has gyrated wildly on modest volumes in the last few weeks and some doomsayers fear a wave of selling could overwhelm the much more illiquid corporate bond market. The challenge for policymakers is to manage a "Goldilocks" rate rise tantrum: just enough turbulence to wipe froth out of financial markets and restore some sobriety to asset prices, but not a full-blown crash that could derail the economic recovery.

With the economy's weakness in the first quarter seen as transitory, not many people expect an economic downturn soon. Indeed, the reason the Fed is looking to start raising interest rates later this year is that it believes the economy has reached the point in which rates can rise without damaging it.

The Manger remains convinced that while the eventual transition to higher interest rates in the United States may indeed be rocky, high quality US stocks should be bought on any pullback. Investing remains a relative game with money flowing between competing asset classes. With bond yields backing up, the Manager believes the beneficiary will be global equities.

NAVs - LP - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	105.5770
F	CAD	99.3106
I	CAD	NA
S	CAD	**107.0098**

NAVs - TRUST - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	9.8104
F	CAD	9.9040
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								4.90

[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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