Stephenson & Company
Capital Management

North American Opportunity Fund LP

As at January 31, 2014

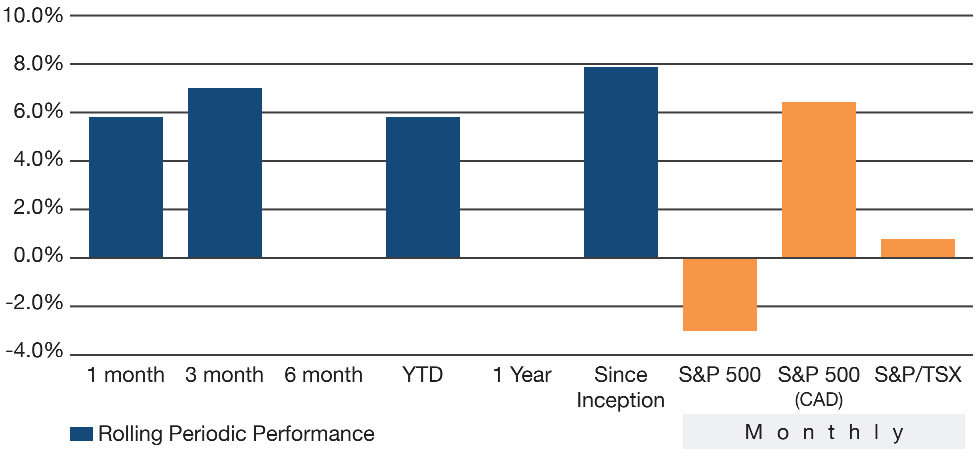
Fund Objective

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	**5.83%**
3 months	**6.86%**
6 months	**N/A**
Year to Date	**5.83%**
Last calendar year	**2.01%**
1 Year	**N/A**
2 Years	**N/A**
3 Years	**N/A**
5 Years	**N/A**
Since Launch Date	**7.96%**
Annualized volatility	**14.4%**
Sharpe Ratio (since inception)	**1.51**
Sharpe Ratio S&P 500 (since inception)	**0.21**

GICS Sectors[1]

Sector	Weight
Energy	**9.0%**
Materials	**2.4%**
Industrials	**7.7%**
Consumer Discretionary	**18.8%**
Consumer Staples	**0.0%**
Health Care	**7.1%**
Financials	**44.5%**
Information Technology	**13.1%**
Telecommunication Services	**0.3%**
Utilities	**0.0%**

[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.

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NORTH AMERICAN OPPORTUNITY FUND LP

Geographic Distribution

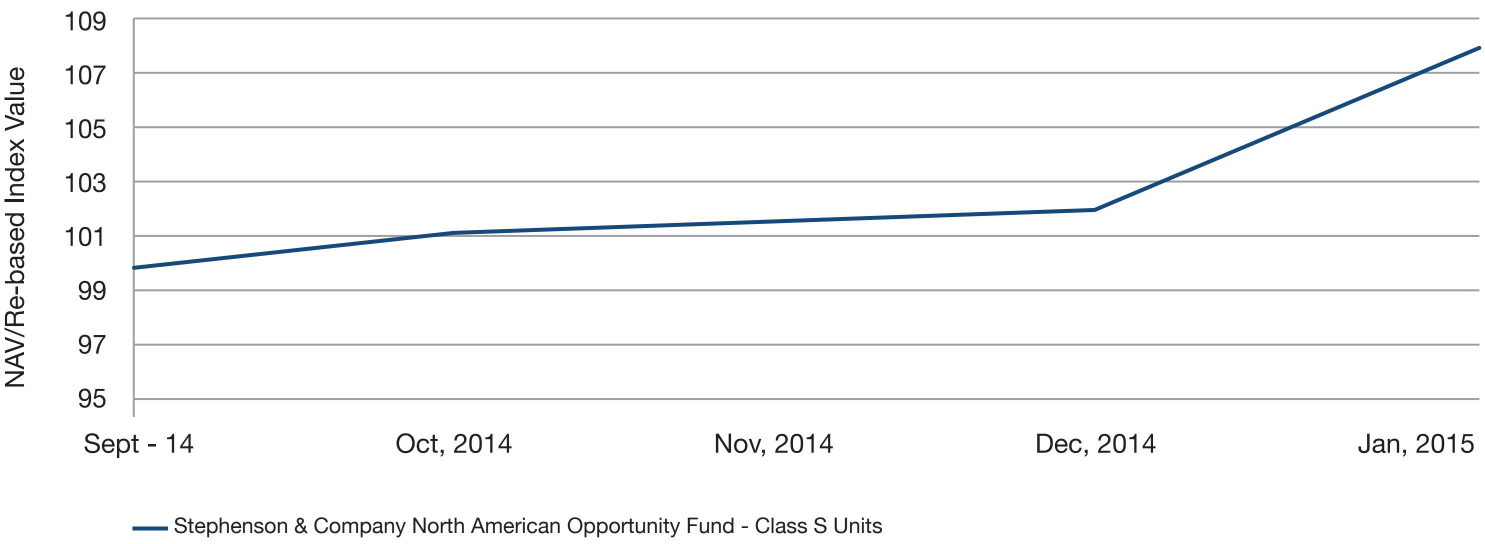
Region	Weight*	CCY
Asia & Australasia	**0%**	
Eastern Europe & MENA	**0%**	
Latin America	**0%**	
Canada	**31.3%**	**27.9%**
United states	**68.7%**	**72.1%**
Western Europe	**0%**	

*By country of domicile.

Monthly Risk Metrics

	Metric
Net market exposure (longs-shorts)	**57.2%**
Beta of the Fund	**0.62**
Volatility of the Fund (Annualized)	**20.2%**
Volatility of the S&P 500 (Annualized)	**21.1%**
Maximum Monthly Drawdown	**4.69%**
Sharpe Ratio (Monthly)	**3.36**
Sharpe Ratio S$P 500 (Monthly)	**2.25**

Net Track Record



Monthly Commentary

Market Developments:

The Fund was up +5.83% (net of expenses) for the month of January, with US long positions down -3.65%, while Canadian dollar long positions were down -0.88%. US short positions were up +0.73%, while Canadian dollar short positions were up +2.79% and the foreign exchange exposure of the Fund contributed +7.61% to performance, over the period.

In January, oil was a focus of the market with plenty of volatility in the crude complex. West Texas Intermediate (WTI) started the month at $53.27 per barrel and by the end of December it had fallen to $48.24 a barrel, a decline of 10.43 per cent. The slide in crude oil negatively impacted the Canadian dollar, with CAD falling from a 86.05 cent dollar to a 78.54 cent dollar. On January 21st the Bank of Canada surprised the market by cutting the Bank's overnight lending target rate by 25 basis points to 0.75 per cent. The one-two punch of falling energy prices and the Bank of Canada's rate cut conspired to send the Canadian dollar sharply lower.

The move by the Bank of Canada followed on the heels of another surprise move by a central bank. The Swiss National Bank on January 15th discontinued its minimum exchange rate with the euro, which spooked markets, turning them on their head. This was followed by European Central Bank (ECB), which ushered in a new era by launching an aggressive bond-buying program on January 22nd, shifting pressure to Europe's political leaders to restore prosperity in one of the global economy's biggest trouble spots. Investors cheered the ECB's commitment to flood the Eurozone with more than €1 trillion in new money, more than double the consensus forecast, which sparked a rally in stock and bond markets and sent the euro plunging. The euro sunk on the news, hitting 1.15 to the US dollar, a level not experienced since 2003.

The ECB will buy a total of €60 billion a month in assets including government bonds, debt securities issued by European institutions and private-sector bonds. The purchases of government bonds and those issued by European institutions will start in March and are intended to run thorough to September 2016.

In Japan the story is much the same. The Bank of Japan is pumping money into the economy at an unprecedented rate, causing the bank's balance sheet to swell to the equivalent of more than 50 per cent of the economy. The yen has fallen by 25 per cent against the US dollar over the past two years, inflating exporters' profits and propelling the Topix index of stocks to its highest level since 2007.

January was notable for the acceleration in central bank intervention in the markets which ushered in a new era of currency debasement. The upshot of the unprecedented action by central banks concentrated in a single month was turmoil in the capital markets as shell-shocked traders reacted to a bizarre series of surprise announcements that roiled markets.

Volatility increased slightly over the month with the VIX Index hitting a high of 22.39 on January 15th. The VIX closed on January 30, at 20.97, an increase of 9.22 per cent on the month. On January 26th the VIX hit an intra-month low of 15.52.

The S&P 500 was under pressure for much of the month as investors weighed the implications of this central bank stimulus. The S&P 500 closed the month at 1994.99, a fall of -3.0 per cent on a total return basis for the month. The utility sector was up +2.3 per cent, followed by the health care sector, which was up +1.2 per cent, while the financial sector was the biggest contributor to negative variance, down -7.0 per cent followed by the energy sector, which was down -4.9 per cent over the period.

The S&P/TSX was up +0.48 per cent over the month, with the financial sector falling -5.9 per cent followed by the energy sector, which was down -2.2 per cent. The health care sector of the index was up +18.8 per cent over the month, while the materials sector was up +15.4 per cent.

Fund Performance:

The Fund performed extremely well in uncertain and difficult markets, with the fund outperforming the S&P 500, which was down -3.00% in US dollar terms, but up +6.26% in Canadian dollar terms on a total return basis. The fund also outperformed the S&P/TSX which was up +0.48% on a total return basis. The Sharpe Ratio for the Fund was up for the month to 3.36, which further demonstrated the strong returns of the Fund. The volatility of the fund was lower than that of the S&P 500 in January, which was positive.

The top four performers for the Fund during the month were a short position in Lightstream Resources Ltd (LTS-S&P/TSX), which contributed a positive variance of +1.27%, a short position in Pacific Rubiales Energy Corp. (PRE-S&P/TSX), which contributed a positive variance of +0.98%, over the period on an unrealized basis. The other top contributors to Fund performance was a long position in The Blackstone Group L.P. (BX-NYSE), which contributed a positive variance of +0.63% and a short position in Savanna Energy Services Corp (SVY-S&P/TSX), which contributed a positive variance of +0.53% to the Fund on an unrealized basis.

The bottom four performers for the Fund include a long position in Citigroup Inc. (C-NYSE), which contributed a negative variance of -0.91%, over the month. A long position in Bank of America Corporation (BAC-NYSE) contributed a negative variance of -0.90%, over the period, while a long position in Metlife Inc. (MET-NYSE) contributed a negative variance of -0.75%, on an unrealized basis to the Fund. A long position in Lazard Ltd. CL A (LAZ-NYSE) contributed a negative variance of -0.48% on an unrealized basis, over the period.

During the month we exited our short weighting toward gold and utilities and reduced our short weighting toward Energy companies modestly. In the view of the manager, oil prices have not put in their bottom yet, with oil prices likely to hit their low in the second quarter of this year.

Outlook:

Crude oil prices began to recover toward the end of the month as companies such as BP, Royal Dutch Shell, Statoil ASA and China's CNOOC reduced their capital expenditures in response to the markets' collapse. Also adding support the bull thesis was the Baker Hughes rig report, which showed that the number of rigs drilling for oil in the U.S. fell almost 29 per cent from its October peak.

Many oil market observers are hoping that Non-OPEC oil production may fall significantly this year and help balance a market, which analysts say could be oversupplied by as much as two million barrels a day throughout the first half of 2015 and give support to oil prices.

But while oil market observers have been keeping a sharp eye out for production cuts, crude oil inventories have been building and now stand at 80-year highs for this time of the year. According to the U.S. Energy Department, the week to January 30, 2015 showed inventories had jumped some 6.33 million barrels to 413 million barrels of crude oil stocks.

After months of volatile trading sessions, with no end in sight for the wild price swings that have plagued the market, the 50-day historic implied volatility in Brent has soared from 10 per cent in October to more than 40 per cent today.

Despite the decline in the rigs working in the U.S. lower 48, production remains stronger than many would suspect. For the most part, it is the older, less efficient rigs that are being abandoned. The number of the state-of-the-art rigs that are used for horizontal drilling and are at the core of the shale oil revolution are only down 10 per cent since the beginning of September, while the older vertical rigs have plummeted by more than 35 per cent over that same time period.

But despite the cutbacks in capital expenditures by the super majors and a lower rig count, oil supply is still forecast to continue to climb with the U.S. oil production expected to grow by at least 100,000 barrels per day through February, according to the U.S. Department of Energy, a pace roughly in line with that of last year.

The Manager has a bearish outlook for crude oil prices in the short-term and is looking to add to the Fund's short positions in energy producers over the next few months. The likely weakness in energy markets also underscores the Manager's longer-term view that the U.S. offers Canadian and global investors superior opportunities.

NAVs - Unrestricted Classes [2]

Class	CCY	NAV
A	CAD	106.7373
F	CAD	NA
I	CAD	NA
S	CAD	**107.9576**

Historical Performance [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%												5.83%

[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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