



NorthStream Credit Strategies Fund LP

Monthly Commentary: August 2016

The NorthStream Credit Strategies Fund LP generated a return of 2.98% for the month of August, driven by capital appreciation in several names including our position in the Paramount Resources 7.625% Senior Unsecured Notes of 2019, which were redeemed at \$103.81.

The US high yield market experienced spread tightening in all sectors with the greatest appreciation in the energy sector and CCC-rated credits, despite the small change in oil prices. Canadian dollar high yield issuance has picked up recently with transactions from Parkland Fuel of \$300 million, Iron Mountain of \$250 million and Canexus Corp. of \$75 million.

We continue to maintain our defensive positioning with exposure to higher-rated names and shorter maturities, with 51% of our positions maturing on or before 2020 and 64% of our positions maturing before December 2021. We have chosen to shorten the portfolio duration in anticipation of a US rate hike in 2016 and to mitigate the effect of a brief "taper tantrum" if it arises.

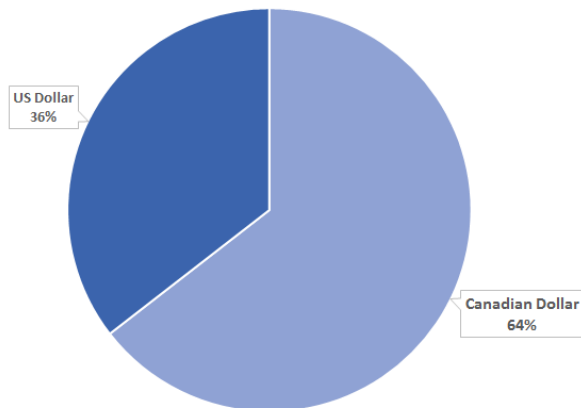
Our bond holdings by rating for August were 40% BB, 58% B and 2% CCC. Our Canadian dollar denominated positions comprised 64% of the portfolio. The NorthStream Credit Strategies Fund LP generated a cumulative return of 7.87% for the four months since inception.

NorthStream Credit Strategies Fund LP									
Year	January	February	March	April	May ¹	June	July	August	YTD
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	7.87%

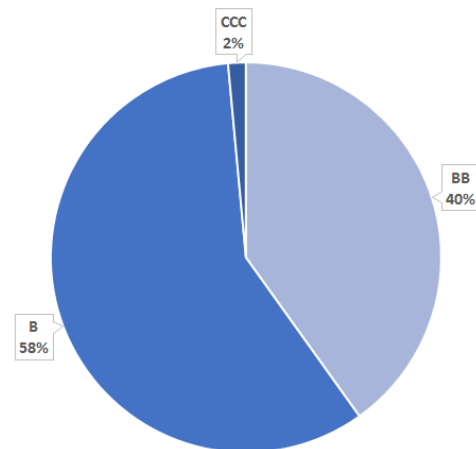
¹ Date of Inception: May 2, 2016

Bond Holdings by:

Currency Exposure



Credit Rating



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