

The NorthStream Credit Strategies Fund LP returned 0.66% for the month of February. Expectations that the US Fed would raise its key interest rate at the March 15<sup>th</sup> FOMC meeting increased considerably toward the end of February. Comments from several Fed officials including New York Fed President William Dudley, suggested a greater likelihood of a March increase. The probability of a rate hike, as implied by the Fed funds futures market, rose to 52% on February 28<sup>th</sup> and shot up to 100% on March 8<sup>th</sup>. The Fed indicated that given the recent pick-up in inflation, it need not wait for more clarity on tax reform. The unexpected shift in policy direction has caused the previous high on the US 10-year of 2.60% in December 2016 to be retested recently. The Federal Reserve's interest rate hikes in 2015 and 2016 each marked a peak in treasury yields. We expect that if the US 10-year yield continues to appreciate, market volatility will increase.

The Bank of Canada kept its policy interest rate unchanged on March 1<sup>st</sup>. The press release accompanying the decision noted that the BoC's Governing Council continues to monitor "significant uncertainties" facing the Canadian economy. The futures market is indicating a 29% probability of a rate hike through October 2017. Although the possibility of a rate hike in Canada is low, bond yields have drifted higher in sympathy with the US treasury market in the first two weeks of March.

Corporations are taking advantage of favourable market conditions to refinance front end maturities in the US and Canadian markets. Three positions in our portfolio have been called in March which are beneficial in managing our market exposure and weightings. We will closely monitor the direction of US interest rates and changes in the Fed funds futures market as important factors in our portfolio risk management process.

Our bond holdings by rating for February were 25% BB, 62% B and 13% CCC. Canadian dollar denominated positions comprised 78% of the portfolio. The NorthStream Credit Strategies Fund LP generated a cumulative return of 20.73% for the ten months since inception.

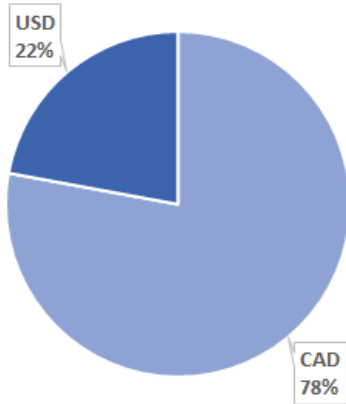
NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.69%	0.66%	-	-	-	-	-	-	-	-	-	-	3.37%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

### Return Since Inception: 20.73%

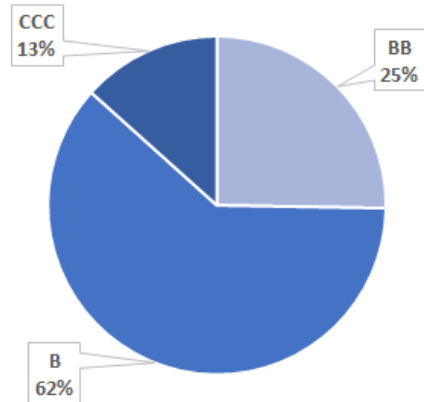
The NorthStream Credit Strategies Fund LP ("the Fund:") launched on May 2<sup>nd</sup>, 2016. The monthly returns above are shown net of all fees and expenses and are based on the Fund's Class X Lead Series NAV. Monthly NAV and returns are calculated by SGGG Fund Services.

### Bond Holdings by:

#### Currency Exposure



#### Credit Rating



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