



NorthStream Credit Strategies Fund LP

Monthly Commentary: April 2017

The NorthStream Credit Strategies Fund LP generated a return of 0.64% for the month of April and 20.42% for the one year since inception. Over the past twelve months, we have successfully implemented our investment strategy and identified numerous alpha generating investment opportunities, causing the fund to outperform the high yield index by 955 basis points.¹ The fund's investment objective is to generate a return of 8%-10% per annum after fees by investing in event driven credit opportunities where it is possible to generate a capital gain. Our investment strategy is differentiated from most fixed income portfolios due to the emphasis on near term catalysts that will generate frequent capital gains, which are taxed more favourably than interest income. The benefit to our unitholders is an after tax equivalent return that is higher than our 8%-10% target return from interest income.

Over the past year, our monthly commentaries have included examples of the types of investment opportunities the fund targets, such as our realized positions in Atlantic Power, Paramount Resources, Canexus, Trinidad Drilling and Gateway Casinos. These five examples are among the sixteen positions in our portfolio that were realized during our first year of operation. Of the sixteen realized positions, ten were Canadian dollar denominated and six were US dollar positions. We have set a target to generate approximately a third of the annual investment return from capital gains and two thirds from interest income. For fiscal 2016, the fund exceeded this capital gain target due to the high number of realized positions. We manage the portfolio with a view to maximize the tax efficiency in keeping with our goal of tax efficient capital growth.

We executed our strategy and exceeded our performance target in a year characterized by numerous macro risk factors including Brexit, the US Presidential election and a rising interest rate environment. We accomplished this through a shorter portfolio duration, identifying numerous event driven opportunities, overweighting single B credits and a higher weighting in Canadian dollar denominated positions, which had a lower risk of rising rates.

Looking ahead, we will continue to monitor the pace of interest rate increases. In the US, the Fed funds futures market is indicating a 93.8% probability of a rate increase at the June FOMC meeting. In Canada, it is widely expected that the BoC will keep its policy rate unchanged through the end of 2017.

Our bond holdings by rating for April were 33% BB, 52% B and 15% CCC. Canadian dollar positions comprised 77% of our portfolio. The NorthStream Credit Strategies Fund LP generated a return of 20.42% in the one year since inception. We are encouraged by our first-year results and welcome the opportunity to continue to grow capital for our investors.

¹ iShares iBoxx \$ High Yield Corporate Bond ETF - HYG (1-year Total Return for period ending April 30: 10.87%)

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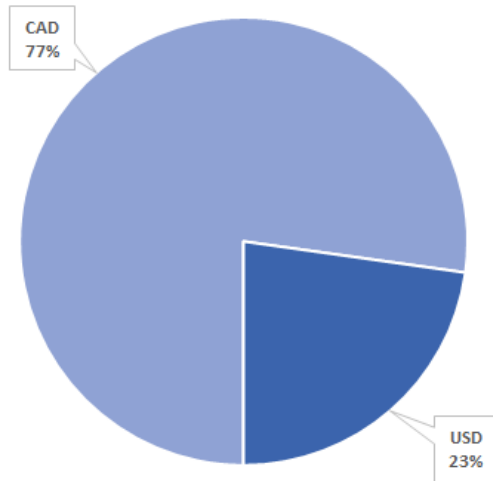
NorthStream Credit Strategies Fund LP - Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.69%	0.66%	-0.89%	0.64%	-	-	-	-	-	-	-	-	3.10%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

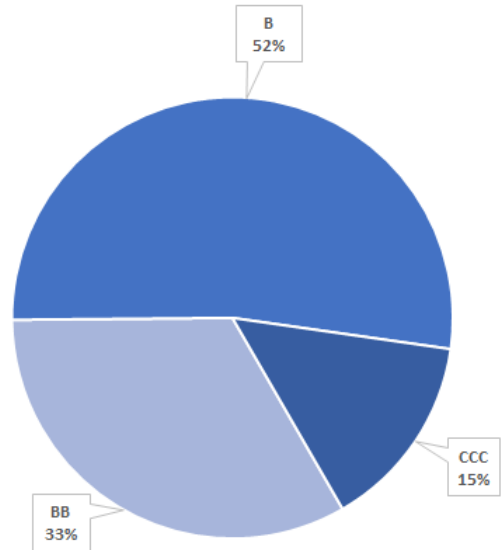
Return Since Inception: 20.42%

The NorthStream Credit Strategies Fund LP ("the Fund") launched on May 2nd, 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. Past performance is not indicative of future results.

Currency Exposure



Credit Rating



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