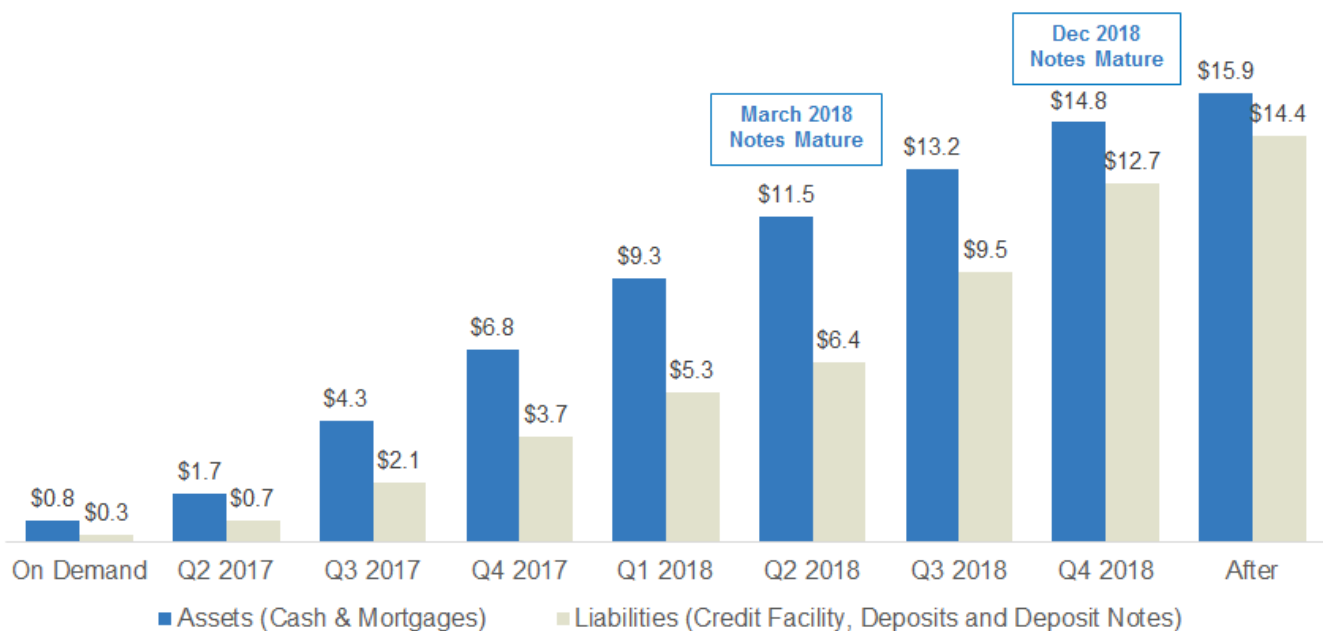


The NorthStream Credit Strategies Fund LP returned .02% for the month of June, driven by capital appreciation in the deposit notes of Home Capital Trust offset by a sudden increase in Canadian interest rates and appreciation of the Canadian dollar relative to the US.

In early June, we purchased Home Capital Trust deposit notes maturing December 2018 at a price of \$93.5. This position was accumulated after the maturity of our original position in the Home Trust deposit notes on May 24th, 2017. Our thesis on Home Capital was that the sell-off and dislocation of the Home Trust notes was not the result of an asset quality issue but rather a crisis of confidence that increased funding costs. We began monitoring Home Trust and subsidiary Oaken Financial's daily change in 1-year GIC rates and the daily updates on GIC balances outstanding and observed that liquidity and funding costs were stable in early June.

Our view was that Home Capital's substantial mortgage assets that were maturing within 2 years were well matched with its liabilities. As a result, the company would have sufficient liquidity and margin of safety to meet all its obligations even under our worst-case stress test. Recovering our investment was not dependent on the direction of the housing market or whether Home Capital could continue as a going concern. Our analysis of the scheduled maturities of assets & liabilities until December 2018 indicated that a run-off of the existing loan portfolio would result in an incremental \$1 billion of liquidity being generated, providing ample liquidity to address the \$300 million maturity of the December 2018 deposit notes. The near term catalysts we anticipated included the hiring of a new CEO, the improvement in one year GIC funding costs and that the emergency HOOP credit facility could be refinanced on more favourable terms.

Home Capital: Cumulative Maturities of Assets & Liabilities (\$B)



Source: Company Filings

On June 21st, Berkshire Hathaway agreed to acquire up to \$400 million of common shares of Home Capital and provide a new C\$2 billion line of credit, improving liquidity and providing the support of a well respected investor. The bonds have appreciated to \$98.5 generating a capital gain of five points on our position.

In the second week of June, the Bank of Canada began to signal the possibility of a rate hike with commentary stating the country had largely recovered from the oil price shock and that there were signs of improved economic growth. The governor said that the BoC's 2015 rate cuts had "largely done their work."

The change in tone from the BoC was unexpected, given that the central bank was still considering further rate cuts earlier this year. As markets reacted, the yield on the 5-year Canada increased by 45 basis points and the Canadian dollar appreciated 5.4 points in the month of June. The material moves in rates and currency were a headwind to the portfolio for the month, however our currency hedging and short duration mitigated the potential impact.

Our bond holdings by rating were 27% BB, 56% B, and 17% CCC. Canadian dollar positions comprised 74% of our portfolio. The Northstream Credit Strategies Fund LP generated a return of 21.20% since inception.

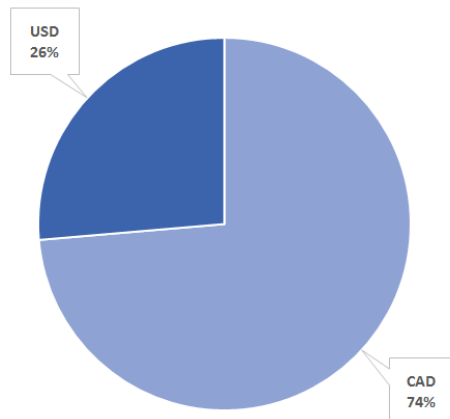
NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.69%	0.66%	-0.89%	0.64%	0.63%	0.02%	-	-	-	-	-	-	3.77%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

Return Since Inception: 21.20%

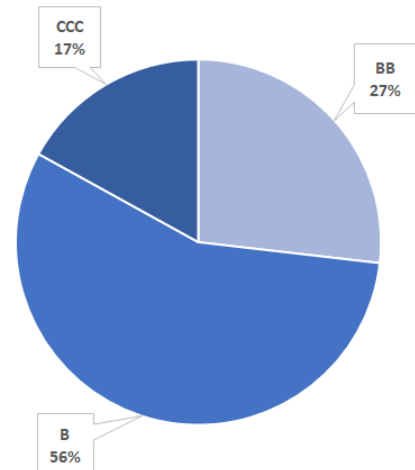
The NorthStream Credit Strategies Fund LP ("the Fund") launched on May 2nd, 2016. The monthly returns above are shown net of all fees and expenses and are based on the Fund's Class X Lead Series NAV. Monthly NAV and returns are calculated by SGGG Fund Services. Past performance is not indicative of future results.

Bond Holdings by:

Currency Exposure



Credit Rating



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