

The NorthStream Credit Strategies Fund LP generated a return of 0.31% in July, despite continued increases in Canadian interest rates and further appreciation of the Canadian dollar relative to the US.

The interest rate environment started to shift in mid-June when the Bank of Canada (“BoC”) began to signal the possibility of a rate hike. The yield on 5-year Canada bonds increased 45 basis points (“bps”) in June in advance of the BoC’s July 12<sup>th</sup> quarter point rate increase. The yield on 5-year government bonds continued to climb in July, increasing by a further 26 bps. The impact of the change in tone from the BoC and the subsequent rate hike in July was also felt in the Canadian dollar, which strengthened 4.8 points during the month. This rapid rise in the Canadian dollar is different from past cycles in that it has not been accompanied by an increase in oil, rather an unexpected shift in interest rate policy.

In response to the rising rate environment, we shortened the portfolio duration to 2.80 in July, compared to 3.99 for the high yield index<sup>1</sup>. Our currency hedging has mitigated the impact of a strengthening Canadian dollar for our US dollar denominated positions. As part of our portfolio risk management process, we continue to monitor the pace of interest rate increases in Canada and the US. The futures market is currently indicating a 60% probability of a rate increase at the BoC’s October announcement.

Our bond holdings by rating were 29% BB, 54% B, and 17% CCC. Canadian dollar positions comprised 77% of the portfolio. The NorthStream Credit Strategies Fund LP generated a return of 21.58% since inception.

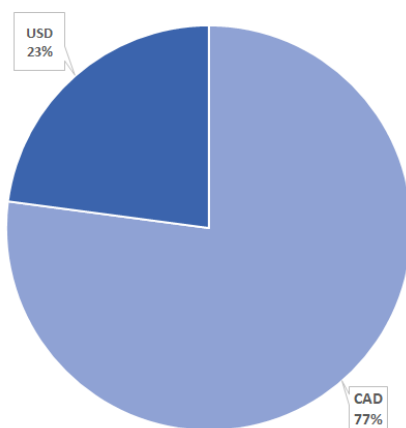
NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.69%	0.66%	-0.89%	0.64%	0.63%	0.02%	0.31%	-	-	-	-	-	4.10%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

### Return Since Inception: 21.58%

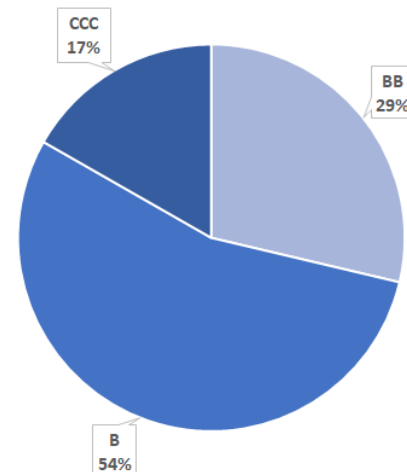
The NorthStream Credit Strategies Fund LP (“the Fund”) launched on May 2<sup>nd</sup>, 2016. The monthly returns above are shown net of all fees and expenses and are based on the Fund’s Class X Lead Series NAV. Monthly NAV and returns are calculated by SGGG Fund Services. Past performance is not indicative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

### Bond Holdings by:

#### Currency Exposure



#### Credit Rating



<sup>1</sup> Bank of America Merrill Lynch High Yield Master II Index (H0A0)

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