



NorthStream Credit Strategies Fund LP

Monthly Commentary: November 2017

The NorthStream Credit Strategies Fund LP generated a return of 0.66% for the month of November, despite a sell off in US government and corporate bonds.^{1,2} The Fund outperformed the broader high yield market by 106 basis points for the month.³

Our investment strategy is focused on event-driven credit opportunities that result in the Fund having a low correlation with rates and equities (as demonstrated in the table below) and reduced monthly volatility. Consequently, the portfolio has only experienced one negative month, compared to five for the index since inception.³

An area that we have been monitoring closely is the impact of disruptive technologies on the energy, utilities, and transportation industries. The portfolio has recently benefited from identifying opportunities in sectors that are experiencing technological disruption or can benefit from the migration to clean energy.

We hope to tell you more about these investment themes and opportunities in 2018. In the interim, we encourage you to view a presentation by Stanford University lecturer Tony Seba on "Clean Disruption of Energy and Transportation." (Link: <https://www.youtube.com/watch?v=2b3ttqYDwF0>)

Our bond holdings by rating for November were 32% BB, 58% B, and 10% CCC. Canadian dollar positions comprised 82% of the portfolio. Please refer to our performance and risk metrics below.

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%	1.30%	1.03%	1.40%	0.66%	-	8.74%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

Return Since Inception: 27.00%

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. Performance, risk metrics, and correlations are as of November 30, 2017.

Performance & Risk Metrics	
Return Since Inception	27.00%
YTD	8.74%
1-YR Return	11.87%
Annualized Since Inception	16.29%
% of Positive Months	94.74%
Maximum Drawdown	-0.89%
Annualized Standard Deviation	3.97%
Sharpe Ratio ⁴	3.77

Correlation			
Index	XGB ⁵	TSX	S&P500
Correlation	-1.0%	38%	-0.3%
Upside Capture	98%	111%	71%
Downside Capture ⁶	-155%	-47%	-145%

¹ iShares U.S. Treasury Bond ETF (GOVT)

² iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD)

³ iShares iBoxx \$ High Yield Corporate Bond ETF (HYG)

⁴ Using 1-year T-bills.

⁵ iShares Canadian Government Bond Index ETF (XGB)

⁶ Negative downside capture vs. XGB, TSX, and S&P 500 is a result of NorthStream generating positive returns in months when these indices generated negative returns.

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