

The NorthStream Credit Strategies Fund returned 0.79% for the month of April, as credit spreads on the high yield index tightened 33 basis points.¹ Recently, the market has shifted its focus from the direction of US interest rates to the resolution of a trade agreement between the US and China. The May 9th deadline to increase tariffs from 10% to 25% on \$200bln of Chinese goods has passed without any resolution. In the week leading up to the deadline, the VIX has increased from the low teens to making repeated attempts to break above 20. Ultimately we believe that a trade agreement will occur, but the path to resolution could take longer than expected and include tweets and headlines that cause further volatility, which we see as an opportunity.

Our portfolio positioning has the flexibility to take advantage of market volatility. Currently, we have 32% of the portfolio in "yield-to-call" positions that will be redeemed, called, or be eligible for a change of control put in the next 12 months. We have another 27% of the portfolio that will mature or will likely be called / retired before 2021. Our strategy is to keep our portfolio duration low and find more event-driven opportunities that will cause the portfolio to be less correlated with the broader market. Our ladder of maturities will provide us with the necessary liquidity to take advantage of market opportunities as they arise in the coming year.

Our bond holdings by rating were 2% BBB, 22% BB, 43% B, 11% CCC, and 22% unrated. Canadian dollar positions comprised 64% of the portfolio. The performance, risk, and correlation metrics are detailed in the tables below.

NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	1.08%	1.34%	0.41%	0.79%	-	-	-	-	-	-	-	-	3.67%
2018	1.32%	0.01%	0.72%	0.72%	0.52%	-0.17%	0.30%	0.30%	-0.11%	-0.61%	-1.44%	-0.67%	0.85%
2017	2.69%	0.66%	-0.89%	0.64%	0.63%	0.02%	0.31%	1.30%	1.03%	1.40%	0.66%	1.58%	10.46%
2016	-	-	-	-	0.49%	0.81%	3.40%	2.98%	2.29%	2.12%	0.75%	2.88%	16.80%

Return Since Inception: 34.87%

The NorthStream Credit Strategies Fund LP ("the Fund") launched on May 2, 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 Inc. Past performance is not indicative of future results. Performance, risk metrics, and correlations are as of April 30, 2019.

Performance & Risk Metrics	
Return Since Inception	34.87%
YTD	3.67%
1-YR Return	1.70%
Annualized Since Inception	10.49%
% of Positive Months	83.33%
Maximum Drawdown	-2.81%
Annualized Standard Deviation	3.77%
Sharpe Ratio ²	2.33

Correlation			
Index	XGB ³	TSX	S&P500
Correlation	-10.86%	37.12%	29.26%
Upside Capture	61.82%	57.44%	33.90%
Downside Capture ⁴	-116.49%	-10.52%	-8.37%

¹ ICE BofAML US High Yield Index (H0A0).

² Using 1-year T-bills.

³ iShares Canadian Government Bond Index ETF (XGB).

⁴ 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.

