

NorthStream Credit Strategies Fund LP

A Tax-Efficient Fixed Income Solution with Low Correlation to Rates and Equities



NorthStream Capital ("NorthStream") is an independent, alternative investment management firm that focuses on North American event-driven credit opportunities. NorthStream offers Canadian investors a proven investment opportunity previously only available to Canadian banks.

Investment Objective

The Fund's investment objective is to generate a tax-efficient return of 8% - 10% per annum, after fees, by investing in event-driven credit opportunities where it is possible to generate a capital gain.

Investment Strategy

NorthStream invests in credit securities with a near-term catalyst or attractive relative value in the Canadian and U.S. High Yield markets. NorthStream has a thorough research process focused on company valuation, margin of safety and estimating the probability of investment outcomes.

Demonstrated Product Benefits

- Income and tax-efficient capital growth: 36.39% cumulative return since inception (+1184 bps excess return vs. benchmark¹), >33% of the investment return has been from capital gains.
- Capital preservation: 80.49% positive months.
- Low sensitivity to interest rates: no correlation to XGB² and positive returns in rising rate environments.
- Low correlation with equities: 41.66% correlation vs. TSX, 38.44% correlation vs. S&P 500.
- NorthStream generates investment performance from our research process, not from the use of leverage.
- True alignment with investors: collectively, the founders are the largest investors in the Fund.

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%	-1.41%	1.00%	0.99%	-0.31%	0.86%	-	-	-	4.83%
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: 36.39%

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 September 30, 2019.

Note that the use of the XGB, TSX, and S&P 500 in the performance tables below is for informational purposes only. The XGB (iShares Canadian Government Bond index ETF), TSX, and S&P 500 have a different composition than the Fund and are not comparable benchmarks. The XGB, TSX, and S&P 500 were chosen to compare the Fund's performance returns against other asset classes.

Performance & Risk Metrics

Return Since Inception	36.39%
YTD	4.83%
1-YR Return	1.99%
Annualized Since Inception	9.51%
% of Positive Months	80.49%
Maximum Drawdown	-2.81%
Annualized Standard Deviation	3.78%
Sharpe Ratio ³	2.06

Correlation

Index	XGB ³	TSX	S&P500
Correlation	-20.31%	41.66%	38.44%
Upside Capture	51.02%	56.68%	37.62%
Downside Capture ⁴	-122.44%	-2.29%	0.76%

¹ iShares iBoxx \$ High Yield Corporate Bond ETF (HYG).

² iShares Canadian Government Bond Index ETF (XGB).

³ Using 1-year T-bills.

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.

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Jeffrey has over twenty years of investment management and research experience, managing proprietary portfolios for three Canadian banks and a European bank. Jeffrey has an M.B.A. from the Schulich School of Business at York University (1997) and a Bachelor of Economics from York University (1989).

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WINNER OF THE
2018 CANADIAN
HF AWARDS

Credit Focused
Best 1 Year Return
2nd Place