

The NorthStream Credit Strategies Fund returned -0.43% for the month of February as the market began to recognize the global economic impact of the Coronavirus. The high yield bond market declined -1.68% in February and continued to reprice in early March causing the incremental yield over government bonds to rise to 688 bps relative to the previous high of 548 bps in December of 2018.

In February, five positions equal to 18% of the portfolio were called by the company providing a source of liquidity. The portfolio currently has a cash weighting of 9% plus another 36% of the portfolio that will be retired in the coming year. Consequently, we have plenty of liquidity to take advantage of the current market dislocation.

On February 26th Sherritt International announced a proposed transaction to exchange its existing unsecured debt into new second lien notes representing 50% of the original principal value. On February 28th NorthStream Capital issued a press release to invite Noteholders to participate in a call for the purpose of organizing a group to unify both institutional and retail noteholders in order to engage in constructive discussions with Sherritt. Our objective is to pursue a transaction that improves the company's capital structure and provides fair consideration to existing Noteholders. A link to the press release is provided below.

Our bond holdings by rating were 3% BBB, 33% BB, 34% B, 14% CCC, and 16% unrated. Canadian dollar positions comprised 74% of the portfolio. The performance, risk, and correlation metrics are detailed below.

<https://www.businesswire.com/news/home/20200228005298/en/NorthStream-Capital-Host-Conference-Call-Sherritt-Noteholders>

NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.32%	-0.43%											-0.12%
2019	1.08%	1.34%	0.41%	0.79%	-1.41%	1.00%	0.99%	-0.31%	0.86%	-1.99%	0.01%	0.75%	3.53%
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%

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.

### Return Since Inception: 34.54%

Performance & Risk Metrics	
Return Since Inception	34.54%
YTD	-0.12%
1-YR Return	0.96%
Annualized Since Inception	8.05%
% of Positive Months	78.26%
Maximum Drawdown	-2.81%
Annualized Standard Deviation	3.89%
Sharpe Ratio <sup>1</sup>	1.72

Correlation			
Index	XGB <sup>2</sup>	TSX	S&P500
Correlation	-17.58%	41.51%	35.50%
Upside Capture	47.81%	54.77%	30.26%
Downside Capture <sup>3</sup>	-109.05%	7.15%	-6.00%

<sup>1</sup> Using 1-year T-bills.

<sup>2</sup> iShares Canadian Government Bond Index ETF (XGB).

<sup>3</sup> 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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