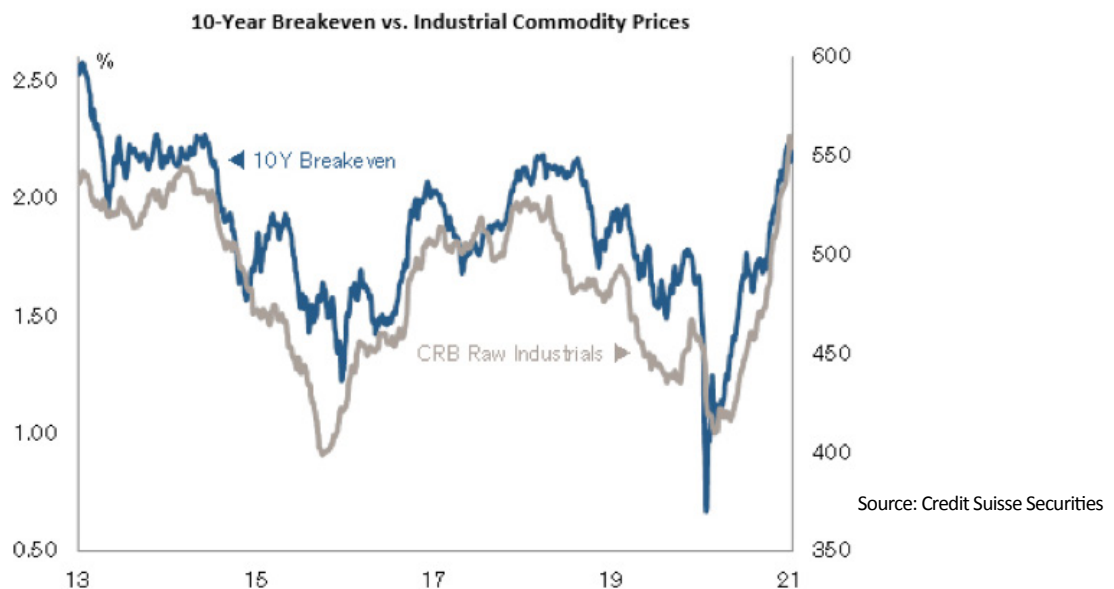


The NorthStream Credit Strategies Fund returned +4.70% for the month of February. This brings the annualized compound return since inception to 11.67%, exceeding our target return of 8-10% per annum. Our excess return in February was 465 basis points.

February was a difficult month for fixed income assets in general as the yield on US 10-year Treasuries increased from just over 1% to 1.4%. From April 2020 to January 2021, assets with very long duration performed well. Although it took a while, investors finally realized that the current environment is positive for cyclical assets but bearish for bonds. In early March, the sector rotation away from long duration assets (including technology) to cyclicals was confirmed by a headline of record daily outflows from the ARKK Innovation Fund just as WTI increased 23% from pre-pandemic levels. Other commodities have outperformed oil, with copper up 56% and lumber up 116%, respectively. Rising commodity prices line up almost perfectly with inflation expectations (breakevens) as shown in the chart below.



As we look at current inflation breakevens in the table below, we see that the US breakeven rates are above the current nominal rates, resulting in a negative real interest rate except for the 30-year treasury bond. We expect the US 10-year Treasury to drift to 2% or more based on rising inflation expectations and continued confirmation from rising commodity prices.

US Inflation Breakeven Rates

Breakevens		Inflation Monitor		Inflation Indices	
Term	All	Country/Region	US	Type	Nominal Bond v Inflation Bond
Period	Now	Pricing Status	Actives		
Largest Breakevens					
	1) US Breakeven 2 Year				2.61
	2) US Breakeven 3 Year				2.53
	3) US Breakeven 5 Year				2.50
	4) US Breakeven 4 Year				2.44
	5) US Breakeven 6 Year				2.39
	6) US Breakeven 7 Year				2.39
	7) US Breakeven 8 Year				2.36
	8) US Breakeven 9 Year				2.29
	9) US Breakeven 10 Year				2.26
	10) US Breakeven 20 Year				2.22
	11) US Breakeven 30 Year				2.20

Source: Bloomberg

In January and early February, we reduced our positions in bonds with longer duration, comparatively lower coupons and bonds that were trading above par. Essentially, we sold bonds that performed very well in the second half of 2020.

The cyclical names in the portfolio continued to perform well in February, particularly the long duration energy exposure we added in the fourth quarter of 2020. Over the last few years, most of the portfolio's cyclical & energy exposure has been in yield-to-call and event driven opportunities. The cyclical names in the portfolio have attractive upside potential in an environment where we have a steepening yield curve and the probability of a strong rebound in US GDP in the second half of 2021. Although the credit valuation gap has narrowed in these cyclical company bonds, we believe there is still attractive upside potential in the year ahead.

NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	10.84%	4.70%	-	-	-	-	-	-	-	-	-	-	16.04%
2020	0.32%	-0.43%	-14.44%	0.43%	1.03%	3.67%	1.01%	2.99%	1.88%	2.36%	2.18%	9.47%	9.09%
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 February 28, 2021. 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: 70.52%

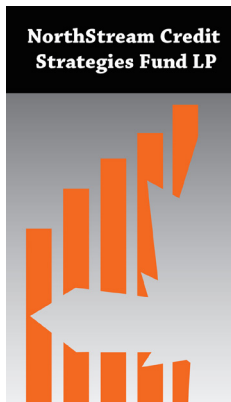
Performance & Risk Metrics	
Return Since Inception	70.52%
YTD	16.04%
1-YR Return	26.74%
Annualized Since Inception	11.67%
% of Positive Months	81.03%
Maximum Drawdown	-14.81%
Annualized Standard Deviation	10.24%
Sharpe Ratio ¹	1.12

Correlation			
Index	XGB ²	TSX	S&P500
Correlation	-11.70%	53.09%	39.67%
Upside Capture	93.70%	57.30%	35.91%
Downside Capture ³	-98.07%	6.54%	-1.75%

¹ Using 1-year T-bills.

² iShares Canadian Government Bond Index ETF (XGB).

³ 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.



WINNER OF THE
2019 CANADIAN
HF AWARDS

Credit Focused

Best 3 Year Return

2nd Place



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Credit Focused

Best 3 Year Sharpe Ratio

3rd Place



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