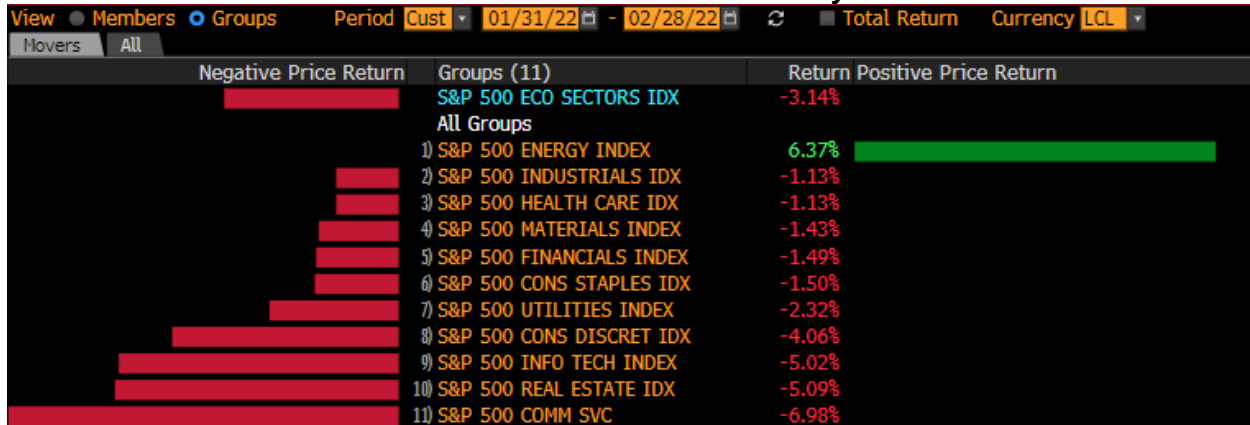




NorthStream Credit Strategies Fund LP Monthly Commentary: February 2022

The NorthStream Credit Strategies Fund returned +0.24% for the month of February in yet another difficult month for all asset classes. The US high yield index was down -0.69% and the US investment grade bond index was down -2.21% for the month. The S&P 500 declined -3.14% in February with only the energy sector experiencing a gain of +6.37%. The S&P energy sector was up 26.54% at the end of February with financials slipping into negative territory as the yield curve flattened as demand for safe haven assets increased.

S&P Sector Performance – February 2022



Source: Bloomberg

The markets are challenging right now as the impact of sanctions creates additional uncertainty, adding to the ambiguity surrounding the direction of inflation and interest rate hikes. The US will ban imports of Russian fossil fuels including oil, liquified natural gas and coal, while the U.K. said it would phase out Russian products by the end of this year. The decision could exacerbate crude supply crunches that have sent oil surging past US\$125 a barrel. The surge in many commodity prices increases the probability that we see the CPI rising to 8-9% in March and April. The Bloomberg survey estimate for February CPI year-over-year is 7.8%.

With inflation running high the Federal Reserve will have to follow through on its rate hiking cycle that could risk tipping the economy into recession. In a good case scenario, rising rates will mean higher funding costs for companies either from rising interest rates or from the widening of credit spreads demanded by investors to compensate them for the risk of a recession. Higher rates or credit spreads will be a headwind to the current healthy equity valuations.

We have positioned the portfolio to take advantage of the potential volatility by shortening the portfolio duration to 2.3 years, increasing cash balances, and remaining overweight positions in cyclical and commodity related companies. So far commodities have been one of the few areas that has provided protection from rising inflation. We welcome the potential volatility in credit markets as it typically presents outstanding investment opportunities.

NorthStream Credit Strategies Fund LP

Monthly Commentary: February 2022

NorthStream Credit Strategies Fund LP – Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	1.35%	0.24%	-	-	-	-	-	-	-	-	-	-	1.60%
2021	10.84%	4.70%	4.87%	-0.06%	1.23%	4.20%	-0.20%	-0.55%	3.78%	1.09%	-0.56%	0.08%	32.94%
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%
Return Since Inception: 98.48%													

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 Inc. Past performance is not indicative of future results. Potential qualified investors should carefully read the Fund's confidential offering memorandum prior to investing. Performance and risk metrics are as of **February 28, 2022**

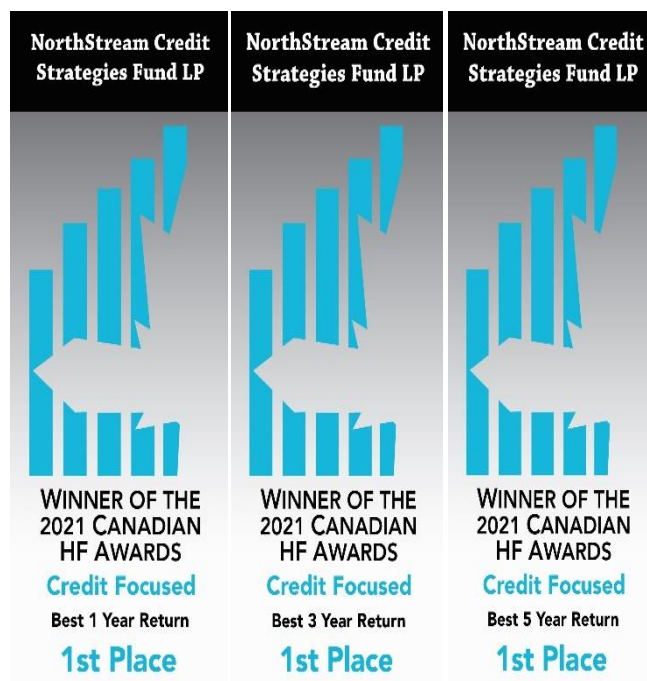
Performance & Risk Metrics	
Return Since Inception	98.48%
YTD	1.60%
1-YR Return	16.40%
Annualized Since Inception	12.47%
% of Positive Months	78.57%
Maximum Drawdown	-14.81%
Annualized Standard Deviation	9.69%
Sharpe Ratio ¹	1.16

Correlation			
Index	XGB ²	TSX	S&P500
Correlation	-14.98%	50.47%	34.37%
Upside Capture	92.11%	54.85%	35.13%
Downside Capture ³	-109.67%	-2.80%	-9.47%

¹ Using 1-year T-bills.

² iShares Canadian Government Bond ETF.

³ Negative downside capture vs. XGB, TSX and the S&P 500 is a result of NorthStream generating positive returns in months when these indices



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