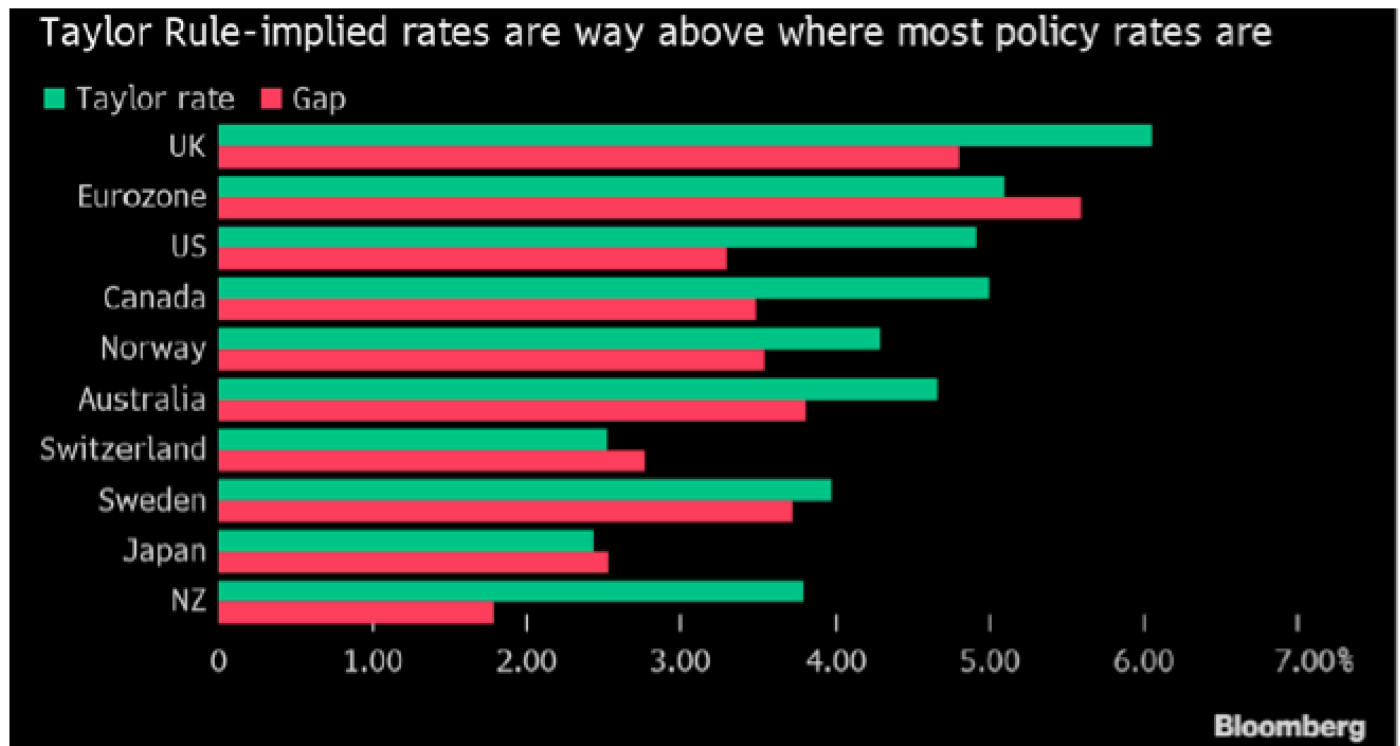


The NorthStream Credit Strategies Fund returned +2.09% for the month of June, bringing the return for the first half of 2022 to 18.03%. It was a difficult month for investment grade and high yield credit which experienced declines of -3.36% and -7.15% respectively as credit spreads widened. The appreciation of the portfolio was generated from our short positions in CCC rated credits, tendering our 2nd Lien bonds of Sherritt into a Dutch auction that occurred on June 6th and significantly reducing our commodity exposure prior to the recent decline. The Bloomberg Commodity Index started June at \$131.34 and peaked at \$136.61 on June 9th. The Commodity Index declined -10.9% in June to close at \$117.05 and has continued to decline into mid July, approaching \$111.00. The energy sector is the only S&P 500 sub sector that is positive for 2022 but is giving up some of the gains as the discount rate on all risk assets continues to drift higher.

On July 13th, the Bank of Canada took action to control inflation by raising the policy rate by 100 basis points to take the overnight rate up to 2.5%, the highest level since 2008. The US Consumer Price Index (CPI) jumped to a four decade high of 9.1% in June, exceeding expectations of 8.8% y-o-y. The month over month headline CPI and core inflation are the highest in 20+ years. Inflationary pressures are quite broad; roughly 75% of the components of the CPI basket have seen prices increase by more than 4% over the last 12 months.

For guidance on where short term US interest rates are headed, it is helpful to review the recent response from Chairman Powell to a question on how the Fed takes rules-based guidance on setting its policy rate: “By the end of the year, we will be pretty close to where some of the Taylor Rule iterations are.” Below is a table showing the Taylor Rule-implied rates and the gap or rate increases required.



While there are several versions of the rule (which determines where central bank policy rates should be in relation to inflation and economic growth), one of the simpler versions also happens to be more conservative, meaning it produces a lower rate than many of the modified iterations.

Current estimates suggest that the Fed's policy rate should be close to 5%, not the 1.50%-1.75% band it is in. If the Fed is going to be close to where the Taylor Rule suggests, then Powell is implying that the Fed expects to raise rates by another ~300+ basis points between now and year-end. If we look at the current Implied Fed Funds Futures Rate for the end of 2022 of 3.62%, the market is only expecting further rate increases of another 200 basis points. Currently the market is betting that inflation will subside materially in the second half of 2022. Given the breadth of inflation, it will require more than just energy prices declining to bring down US inflation to 3.5%. We expect inflation to be stickier and believe the policy rate generated by the Taylor rule is a possibility that should not be dismissed. The risk that inflation expectations drift higher forcing the Fed to raise more than another 200 basis points is significant at this time. We continue to build cash balances to take advantage of the market volatility and the significant price declines in corporate bonds that occurred in Q2 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%	5.67%	3.81%	3.74%	2.09%	-	-	-	-	-	-	18.03%
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%

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 June 30, 2022. 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.


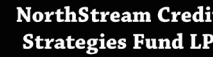




Return Since Inception: 130.57%

Performance & Risk Metrics			
Return Since Inception	130.57%		
YTD	18.03%		
1-YR Return	22.31%		
Annualized Since Inception	14.51%		
% of Positive Months	79.73%		
Maximum Drawdown	-14.81%		
Annualized Standard Deviation	9.73%		
Sharpe Ratio ¹	1.18		
Correlation			
Index	XGB ²	TSX	S&P500
Correlation	-22.38%	44.11%	27.97%
Upside Capture	92.11%	60.89%	39.75%
Downside Capture ³	-129.52%	-11.95%	-16.32%

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.

		
		
<p>WINNER OF THE 2021 CANADIAN HF AWARDS Credit Focused Best 1 Year Return 1st Place</p>	<p>WINNER OF THE 2021 CANADIAN HF AWARDS Credit Focused Best 3 Year Return 1st Place</p>	<p>WINNER OF THE 2021 CANADIAN HF AWARDS Credit Focused Best 5 Year Return 1st Place</p>

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