

The Fund received several awards in November at the 2024 Canadian Hedge Fund Awards.

The Fund received three first place awards and one third place award for credit focused funds, winning the award for:

**“Best 3-Year Return” – 1st Place, “Best 5-Year Return” – 1st Place,**

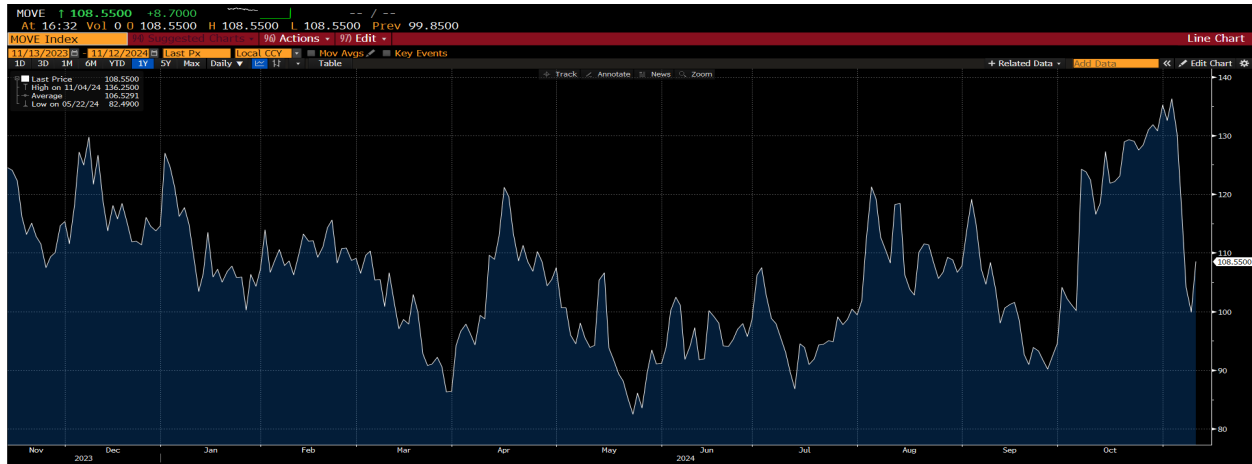
**“Best 3-Year Sharpe Ratio” – 3<sup>rd</sup> Place, and “Best 5-Year Sharpe Ratio” – 1<sup>st</sup> Place.**

This brings the Fund’s cumulative Canadian Hedge Fund Awards to nineteen in the first eight years since inception.

The NorthStream Credit Strategies Fund returned +0.49% for the month of October. The US high yield index had a negative return of -0.55%, while the US investment grade bond index was down -2.25% mostly due to the increase in interest rates.

The US 10-year increased 50 basis points in October to yield 4.28% after the Fed began cutting rates 50 basis points in September and another 25 basis points in early November. Overall bond market volatility has been elevated for the past year as shown on the chart below.

**MOVE Index - 1 Year Chart**



Source: Bloomberg

Bond market volatility has fallen somewhat since the US election, however US 10-year treasuries continue to drift towards 4.5%. There are a few important drivers for the increased bond market volatility and the recent increase in interest rates. The Republican red wave is perceived to be potentially more inflationary. Nominal growth is expected to go up strongly. A mix of Trump policies, like keeping corporate tax rates low, will boost nominal growth and his presidency will obviously come with more volatility against which investors will demand a higher term premium on longer dated treasuries.

These policies will also result in elevated US deficits which will require increasing issuance of treasuries. The supply of US bills, treasury notes and bonds will certainly grow. According to the Treasury Borrowing Advisory Committee's most recently released Quarterly Refunding documents, approximately 33% of U.S. publicly held marketable debt will be maturing in the next 12 months. The average maturity of US debt is 71 months.

If we look at the demand side for US government debt, we see traditional creditors like Japan and China are selling US Treasuries, while hedge funds and investors from the UK, Luxembourg, and the Cayman Islands are buying short-term T-bills, leading to increased volatility and inflationary pressures.

Japan is still the number one holder of US debt and China's is number two. Both central banks have been reducing holdings. The UK is the third largest creditor to the US which is a twin deficit nation. They may have to redirect available capital to purchase their own debt. The demand in the UK is from investors and hedge funds rather than central banks. Hedge funds are very different creditors than central banks, which are much more short term focused. Central banks tend to buy to manage to a political outcome over longer period of time.

The fourth and fifth largest creditor of the United States are Luxembourg and the Cayman Islands. The most powerful country in the world is not financing its debt with patient creditors or with foreign central banks, but with counterparties that want to buy bills because they want to make money now and don't want to take duration risk. The United States is increasingly seeing its foreign financing shift to more fickle creditors at shorter durations, that is driving secular volatility in the treasury market.

NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0.55%	0.14%	0.21%	0.51%	0.38%	-0.36%	0.07%	0.63%	0.64%	0.49%	-	-	3.30%
2023	0.69%	2.65%	0.50%	0.49%	0.75%	1.10%	0.46%	0.81%	0.68%	0.43%	0.03%	-0.02%	8.89%
2022	1.35%	0.24%	5.67%	3.81%	3.74%	2.09%	-0.95%	-1.33%	-0.62%	1.39%	3.25%	3.09%	23.70%
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 October 31, 2024. 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: 171.83%

Performance & Risk Metrics			
Return Since Inception	171.83%		
YTD	3.30%		
1-YR Return	3.31%		
Annualized Since Inception	12.48%		
% of Positive Months	80.39%		
Maximum Drawdown	-14.81%		
Annualized Standard Deviation	8.52%		
Sharpe Ratio <sup>1</sup>	1.20		
Correlation			
Index	XGB <sup>2</sup>	TSX	S&P 500
Correlation	-19.20%	35.52%	21.54%
Upside Capture	60.26%	43.68%	29.37%
Downside Capture <sup>3</sup>	-105.50%	-16.60%	-18.48%

<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.

2024 CANADIAN HF AWARDS

### NorthStream Credit Strategies Fund LP

## WINNER OF THE 2024 CANADIAN HF AWARDS

### Credit Focused

Best 3 Year Return

**1st Place**

Best 5 Year Return

**1st Place**

Best 3 Year Sharpe Ratio

**3rd Place**

Best 5 Year Sharpe Ratio

**1st Place**

- 3 Year Return 12.29%
- 5 Year Return 14.72%
- 3 Year Sharpe Ratio 1.60
- 5 Year Sharpe Ratio 1.15

Awards are based solely on quantitative performance data to June 30 2024.