

The NorthStream Credit Strategies Fund returned +0.31% for the month of February. The portfolio continued to have appreciation on our preferred shares as the yield on the 5-year government of Canada bond tightened 12 basis points. Our position in the Fairfax Financial Series G rate reset preferred shares appreciated on the announcement that the company would redeem its Series E, F and M preferred shares on March 31st. The Series G preferred shares are redeemable in September of 2025 and is now the nearest maturity in the capital structure. NorthWest Healthcare Properties issued \$500 million of unsecured debentures in February split between a 3- and 5-year term with an average coupon of 5.3%. The proceeds will be used to retire the \$125 million of 10% convertible notes maturing March 31, 2025 that are held in the portfolio. Our portfolio duration has increased slightly to 2.8 years as the Bank of Canada continued lower rates again in March in an attempt to cushion the blow from the ongoing trade war.

The trade war is creating uncertainty on both side of the border and has generated some notable quotes including one from Treasury Secretary Scott Bessent, "There's no Trump put, but there's Trump Call Upside". Trumps recent message of "No Pain, No Gain" crystalizes the realization that creating a protectionist barrier around the US with the biggest tariff increases in almost a century is a necessary short-term pain to bring manufacturing back the US. The first Trump presidency involved tax cuts and the subsequent introduction of select tariffs on China for items including solar panels, washing machines, steel and aluminum.

Trump's second term involves a tariff conflict with several countries all at the same time, creating significant economic uncertainty. Concurrently there is significant effort to reduce Federal government spending from DOGE by identifying and cutting wasteful spending. Elon Musk has set goal of reducing government spending by \$1 trillion dollars which is equal to approximately 3% of GDP or less than 50% of the budget deficit. DOGE claims to have saved \$105 billion so far from items such as contract/lease cancellations and renegotiations, grant cancellations, and workforce reductions. Savings from items like the USAID contract, valued at \$150 million over five years will be eliminated relatively soon, leaving larger items like defense, healthcare and interest expense to be reduced if one trillion of savings will be reached.

Healthcare is a politically unpleasant item to reduce leaving defense and interest expense as the more tolerable items. The Mar-A-Lago accord is an initiative to share defense costs with other countries that benefit from US military spending. Interest expense on the \$36.2 trillion of US federal debt is over \$1 trillion per year at an average rate of 3.4%. Over \$7 trillion of the debt will be refinanced in 2025. Reducing the cost of debt is a solution that does not impact a particular group and if the deficit is funded with a longer term than T-bills, those savings will continue in future periods. Every 100 basis points in reduced funding costs will produce \$70 billion in savings from the 2025 maturities and increase if interest rates remain low in 2026. The combination of the tariffs and DOGE expense cuts will likely slow the economy, ease inflationary pressures and lower interest rates. We believe these policy decisions will result in bonds being an attractive asset class in 2025, particularly relative to US equities.

NorthStream Credit Strategies Fund LP - Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	0.13%	0.31%											0.44%
2024	0.55%	0.14%	0.21%	0.51%	0.38%	-0.36%	0.07%	0.63%	0.64%	0.49%	0.61%	0.53%	4.48%
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 February 28, 2025. 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: 176.14%

Performance & Risk Metrics			
Return Since Inception	176.14%		
YTD	0.44%		
1-YR Return	4.22%		
Annualized Since Inception	12.19%		
% of Positive Months	81.13%		
Maximum Drawdown	-14.81%		
Annualized Standard Deviation	8.37%		
Sharpe Ratio ¹	1.19		
Correlation			
Index	XGB ²	TSX	S&P 500
Correlation	-19.43%	34.65%	21.31%
Upside Capture	58.17%	41.63%	28.57%
Downside Capture ³	-104.82%	-16.89%	-18.60%

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.



NorthStream Credit Strategies Fund LP

WINNER OF THE 2024 CANADIAN HF AWARDS

Credit Focused

Best 3 Year Return	Best 5 Year Return
1st Place	1st Place
Best 3 Year Sharpe Ratio	Best 5 Year Sharpe Ratio
3rd Place	1st Place

2024 CANADIAN HF AWARDS

- 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.