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These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any securities laws of any state, territory or possession of the United States ("state securities laws"), and may only be offered or sold, directly or indirectly, within the United States pursuant to the registration requirements of the 1933 Act and applicable state securities laws or an exemption therefrom. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America, its territories or possessions. See "Plan of Distribution".

Information has been incorporated by reference into this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from OCP Credit Strategy Fund at 161 Bay St., 49<sup>th</sup> Floor, Toronto, Ontario M5J 2S1, (647) 260-4055, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

June 14, 2011



## OCP CREDIT STRATEGY FUND

**Maximum \$87,032,000  
(Maximum 8,600,000 Units)**

This short form prospectus qualifies the distribution (the "**Offering**") of a maximum of 8,600,000 units (the "**Units**") of OCP Credit Strategy Fund (the "**Fund**"), an investment fund established under the laws of the Province of Ontario.

The outstanding Units of the Fund are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "OCS.UN". The closing price for the outstanding Units on the TSX on June 13, 2011 was \$9.91 per Unit, and the net asset value ("**NAV**") per Unit was \$9.64. The manager of the Fund, Onex Credit Partners, LLC (the "**Manager**" or "**OCP**"), has, on behalf of the Fund, applied to list the Units being distributed under this short form prospectus on the TSX. Listing of such Units will be subject to the Fund fulfilling all of the listing requirements of the TSX.

**Price: \$10.12 per Unit**

	<b>Price to the Public<sup>(1)</sup></b>	<b>Agents' Fee</b>	<b>Net Proceeds to the Fund<sup>(2)</sup></b>
Per Unit .....	\$10.12	\$0.4048	\$9.7152
Maximum Total Offering <sup>(3)</sup> .....	\$87,032,000	\$3,481,280	\$83,550,720

**Notes:**

- (1) The terms of the Offering were established through negotiation between the Agents (as defined herein) and the Manager on behalf of the Fund. The price per Unit is equal to or exceeds the NAV per Unit as at June 13, 2011 plus the expected expenses of the Offering allocable to the Units offered. See "Fees and Expenses - Fees and Expenses of the Fund - Ongoing Fees and Expenses", "Fees and Expenses - Fees and Expenses of OCP Investment Trust - Performance Fee" and "Plan of Distribution".
- (2) Before deducting the expenses of the Offering, estimated to be \$300,000, which, subject to a maximum of 1.5% of the gross proceeds of the Offering, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering.
- (3) There is no minimum amount for the Offering. The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the date of Closing, to offer additional Units in an amount up to 15% of the Units sold on the date of Closing on the same terms as set forth above solely to cover over-allotments, if any (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be \$100,086,800, \$4,003,472 and \$96,083,328. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agent's over-allocation position acquires such Units under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

	<b>Maximum Size</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
<b>Over-Allotment Option</b>	1,290,000 Units	30 days from the date of Closing	\$10.12

- To ensure that the Offering is non-dilutive to existing Unitholders, the price per Unit will be equal to or exceed the NAV per Unit as at June 13, 2011 plus the expected expenses of the Offering. See "Fees and Expenses - Fees and Expenses of the Fund - Ongoing Fees and Expenses", "Fees and Expenses - Fees and Expenses of OCP Investment Trust - Performance Fee" and "Plan of Distribution".
- The Fund's performance as at the date hereof exceeds the Threshold Amount (as defined herein) for the 2010 Determination Date (as defined herein) such that the performance fee accrued to the Manager as at June 13, 2011 was approximately \$1,700,000. The offering price was increased by \$0.03 to take into account this performance fee accrual. The performance fee in respect of Units issued pursuant to the Offering will only accrue and be payable in respect of distributions and NAV growth occurring after the Closing. See "Fees and Expenses - Fees and Expenses of OCP Investment Trust - Performance Fee".

RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., GMP Securities L.P., Canaccord Genuity Corp., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., Raymond James Ltd., Mackie Research Capital Corporation, Wellington West Capital Markets Inc. and Rothenberg Capital Management (collectively, the "Agents") as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions

contained in the agency agreement between the Fund, the Manager and the Agents dated June 14, 2011 (the “**Agency Agreement**”) referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Fund by McCarthy Tétrault LLP and on behalf of the Agents by Stikeman Elliott LLP.

The investment objectives of the Fund are to: (i) maximize total returns for holders of Units (“**Unitholders**”) on a tax-advantaged basis; (ii) provide Unitholders with attractive, quarterly, tax-advantaged distributions; currently targeted to be \$0.70 per annum, representing an annual yield of 7% based on the original issue price of \$10.00 per Unit; and (iii) to preserve capital.

The Fund was established to provide Unitholders with exposure to an actively-managed, diversified portfolio comprised primarily of senior debt obligations of non-investment grade North American issuers (the “**Portfolio**”). The Portfolio is actively managed by OCP. OCP is the exclusive credit investing arm of Onex Corporation (“**Onex**”), a leading Canadian investment firm founded in 1984 by Gerald W. Schwartz. Onex shares have been publicly listed on the Toronto Stock Exchange since 1987. As of April 30, 2011, Onex and related parties had approximately US\$87 million invested in a strategy managed by the Manager, which is substantially the same as that of the Fund. **There is no assurance that the Fund will be able to achieve its investment objectives.**

**The Fund is a party to a forward purchase and sale agreement (the “Forward Agreement”) with the Bank of Nova Scotia (the “Counterparty”), a Canadian chartered bank and an affiliate of one of the Agents. Accordingly, the Fund may be considered to be a “connected issuer” of such Agent. Please refer to “Plan of Distribution” for more information.**

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on June 21, 2011 (the “**Closing**”) or such later date as the Fund and the Agents may agree to in writing, but in any event not later than 90 days after a receipt for the final short form prospectus is issued. Registrations of interests in and transfer of Units will be made only through the book-entry only system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Book-entry only certificates representing the Units will be issued in registered form only to CDS or its nominee and will be deposited with CDS on the date of Closing. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Units.

The head and registered office of the Fund is located at 161 Bay St., 49<sup>th</sup> Floor, Toronto, Ontario M5J 2S1.

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## FORWARD-LOOKING STATEMENTS

Certain statements contained in this short form prospectus may constitute “forward-looking” statements which involve risks (including those which may arise in the future), uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The use of such words as “may”, “will”, “expect”, “believe”, “plan”, “intend” and other similar terminology reflect current expectations regarding future events and operating performance and speak only as of the date of this short form prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this short form prospectus are based upon what the Manager believes are reasonable assumptions, the Manager cannot assure investors that actual results will be consistent with these forward looking statements. These forward-looking statements are made as of the date of this short form prospectus and, except as may be required by law, the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

In particular, this short form prospectus may contain forward-looking statements pertaining to distributions on the Units. The actual results could differ materially from those anticipated in these forward-looking statements.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces of Canada and the Yukon are specifically incorporated by reference and form an integral part of this short form prospectus:

- (a) the annual information form of the Fund dated March 30, 2011, for the year ended December 31, 2010 (the “AIF”);
- (b) the annual financial statements of the Fund for the fiscal periods ending December 31, 2010 and 2009, together with the accompanying report of the auditors dated March 22, 2011; and
- (c) the management report of fund performance of the Fund for the fiscal year ended December 31, 2010 and filed on [www.sedar.com](http://www.sedar.com) on March 31, 2011.

Any of the documents of the type referred to above including any material change reports (excluding confidential material change reports), annual information forms, interim and annual financial statements and related management reports of fund performance and information circulars filed by the Fund with a securities commission or similar authority in Canada after the date of this short form prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or

superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. Information on any of the websites maintained by the Manager does not constitute a part of this short form prospectus.

## THE FUND

The Fund is an investment fund established under the laws of the Province of Ontario and governed by a declaration of trust dated as of October 27, 2009 (the “**Declaration of Trust**”). The Fund’s principal office is 161 Bay St., 49<sup>th</sup> Floor, Toronto, Ontario M5J 2S1. The fiscal year-end of the Fund is December 31.

The Fund is authorized to issue an unlimited number of Units.

The Fund seeks to achieve its investment objectives by obtaining exposure to the Portfolio which is comprised primarily of senior debt obligations of non-investment grade North American issuers. The Portfolio is held by an underlying fund, OCP Investment Trust (the “**Trust**”). The Fund was established on October 27, 2009 and raised gross proceeds of \$207,800,000 in its initial public offering, which closed on November 20, 2009. The Fund used the net proceeds of the initial public offering for the payment of its purchase obligations under the Forward Agreement. The net proceeds of the Offering will be used to fund the purchase of additional exposure to the Portfolio through an amendment to the Forward Agreement. Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about November 20, 2014 (the “**Forward Termination Date**”), a portfolio of common shares of Canadian public issuers that are both “Canadian Securities” as defined in the *Income Tax Act* (Canada) (the “**Tax Act**”) and listed on the TSX (the “**Canadian Securities Portfolio**”) with an aggregate value equal to the redemption proceeds of the relevant number of units of the Trust, net of any amount owing by the Fund to the Counterparty. Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that the Counterparty’s settlement obligations under the Forward Agreement will be discharged by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund. As a result of the Forward Agreement, the distributions paid by the Fund and the value of the Units are based on the distributions received by the Trust and the value of the Portfolio.

## DESCRIPTION OF THE BUSINESS

### Investment Objectives

The Fund seeks to achieve the following investment objectives:

- (a) to maximize total returns for Unitholders, on a tax-advantaged basis;
- (b) to provide Unitholders with attractive, quarterly, tax-advantaged distributions, currently targeted to be \$0.70 per annum, representing an annual yield of 7% based on the original issue price of \$10.00 per Unit; and
- (c) to preserve capital.

It is expected that quarterly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Distributions in excess of such returns of capital are expected to be capital gains. At least each July, the Fund will determine and announce the expected distribution amount

for the following twelve months based upon the Manager's estimate of distributable cash flow. The Fund may make additional distributions in any given year ("**Additional Distributions**").

### **Specialist Credit Manager - Onex Credit Partners, LLC**

Onex Credit Partners, LLC is the exclusive credit investing arm of Onex Corporation ("**Onex**"). Onex is a leading Canadian investment firm with a long established successful track record and a disciplined, value oriented, approach to investing. Onex was founded by Gerald W. Schwartz in 1984 and operates from offices in Toronto and New York. Onex shares have been publicly listed on the Toronto Stock Exchange since 1987. Onex Credit Partners, LLC currently manages approximately US\$1.3 billion in several opportunistic credit strategies, including approximately US\$524 million in the Debt Opportunity Strategy. As of April 30, 2011, Onex, its affiliates and their principals and employees, have invested approximately US\$87 million in the Debt Opportunity Strategy.

### **Investment Strategy**

The Fund seeks to generate attractive risk adjusted returns through a long/short investment strategy focused on actively traded, event-driven, senior debt securities and bonds in the non-investment grade debt markets. The Fund provides Unitholders with exposure to the performance of an actively managed, diversified Portfolio comprised primarily of senior loans and senior debt obligations of non-investment grade North American issuers. OCP believes that attractive opportunities continue to exist in the North American non-investment grade credit markets for the pursuit of this strategy, which it has employed actively and successfully since 2001. The strategy targets senior debt obligations trading below par that the Manager believes offer compelling value and are likely to appreciate based on an anticipated event. In order to manage risk and volatility, the strategy is based on a diversified Portfolio, with limited exposure to equity investments and no financial leverage. OCP's short exposure may help provide protection to the Portfolio in turbulent markets.

As set forth below, the strategy of the Fund is substantially the same as the Debt Opportunity Strategy that has been employed by OCP (including its predecessors) to manage other vehicles since 2001. Over the course of its history which began on July 1, 2001 through April 30, 2011, other vehicles following the Debt Opportunity Strategy have in aggregate generated a compound annual return, net of all expenses and fees, of 9.6%, outperforming broad market indexes, with generally less volatility and no financial leverage.

Senior debt may include (i) syndicated bank loans that typically pay a floating rate of interest; (ii) senior bonds; and (iii) other senior debt obligations. The Portfolio is diversified with its largest exposure being to senior secured bank loans, then senior bonds and a limited exposure to other unsecured claims and equity investments. OCP prefers to invest in the more senior part of the capital structure, in particular, senior secured bank loans, for a number of reasons: (i) these senior obligations are generally secured or benefit from another form of structural seniority relative to other obligations of the issuer; (ii) they are generally protected by covenants that limit the ability of the issuer to take actions adverse to the interests of investors; (iii) the default rate on these obligations is historically lower than unsecured, or junior, debt; and (iv) they have generally received greater recoveries than unsecured or junior debt in the case of default. When OCP purchases unsecured or junior debt obligations, it seeks opportunities that it believes are priced at discounts to par and have the proper risk/reward ratio to compensate for the additional risk of these securities. Moreover, many times an investment by OCP in unsecured or junior debt obligations of an issuer is preceded by or made in conjunction with an investment in the senior term loan of that same issuer.

OCP generally targets investments that meet the following criteria:

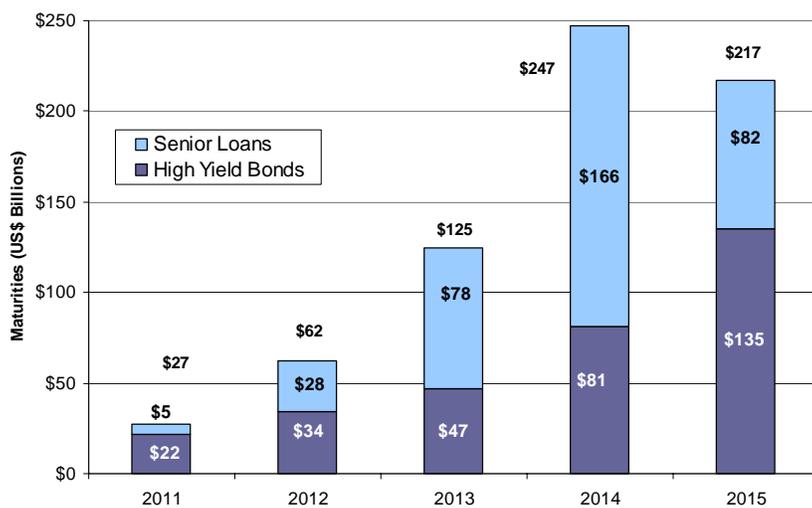
1. High level of asset and/or cash flow coverage;

2. Attractive total return potential through a combination of current income and/or capital appreciation; and
3. An anticipated company-specific event that OCP believes will trigger an increase in the value of the investment.

OCP focuses on the debt obligations of companies experiencing some form of financial or operational stress, leading to opportunities to invest in securities at prices below their par values in the secondary market, offering the potential for capital appreciation, as well as current yield. The OCP team performs extensive research to identify these opportunities and bottom-up credit and structural analysis to evaluate them. Through this research, OCP often identifies specific anticipated events, such as a refinancing or restructuring that OCP anticipates will cause an investment to appreciate in value.

Anticipated sources of attractive investment opportunity for the Portfolio include the US\$678 billion of loans and high yield bonds that are schedule to mature through the end of 2015. This debt will typically need to be refinanced or restructured prior to maturity.

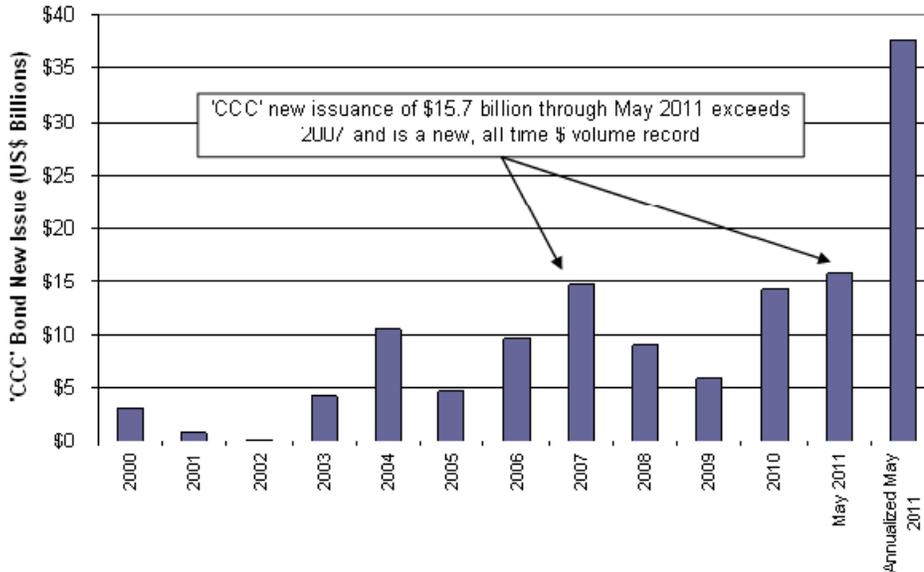
#### **Senior Loan & High Yield Bond Maturities (US\$ Billions)**



Source: Bloomberg, S&P LCD. All amounts in US\$.

In addition, OCP believes that the record amount of new issuance in the high yield market in each of 2009, 2010 and 2011, (including an increased number of riskier 'CCC' rated new issues, Paid-in-Kind bonds, dividend deals, etc.) are a developing source of opportunity for the Portfolio.

### New Issuance of 'CCC' Rated Bonds (US\$ Billions)



Source: Credit Suisse.

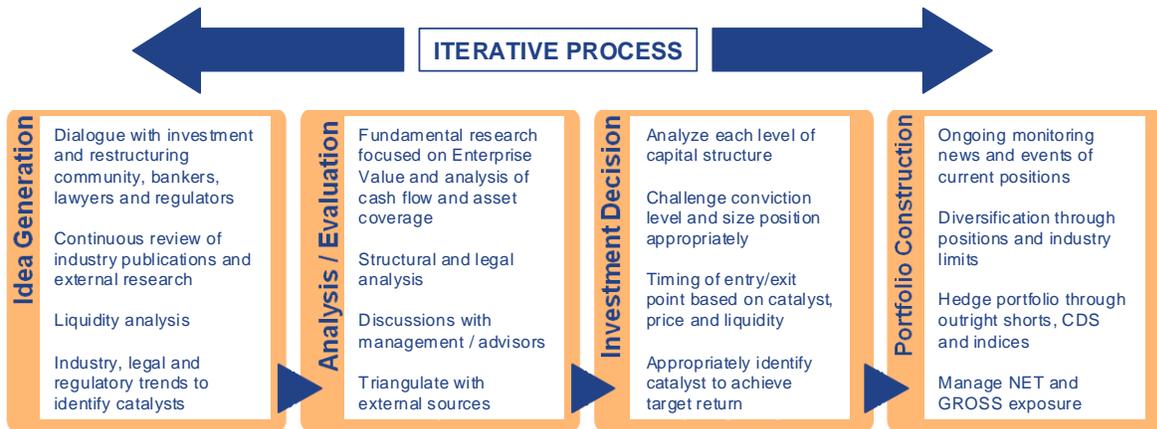
#### *Investment Process*

OCP uses a variety of resources to source investment ideas for the Portfolio including, but not limited to: industry related research, trade publications, discussions with industry participants, company management and legal and financial professionals.

Upon identifying a potential investment, OCP will perform an analysis of the value of the company. This will typically start with an evaluation of the company's business model, including its expected cash flow under various economic and industry conditions, tangible asset value, competitive strengths and weaknesses, as well as the quality of its existing management team. In addition, OCP typically performs a structural analysis, which includes a review of the rights and interests of each creditor/equity holder in the company's capital structure, including protective debt covenants, collateral protection, seniority and other contractual rights as well as any other legal issues surrounding the company and its reorganization, if applicable.

OCP will then seek to determine what event may cause the value to be realized and what the timing for that event will be. In general, OCP will seek investments linked to a certain event that should occur within six to twelve months. The event behind each investment may be, among other things, the resolution of litigation, a successful refinancing or financial reorganization, an operational turnaround or a change in industry conditions.

The following graph depicts the investment process followed by OCP.



### *Risk Management*

Managing risk is an integral part of OCP's investment philosophy. OCP manages the level of risk in the Portfolio through diversification, intensive research and portfolio construction. There typically is a focus on actively traded senior debt to help minimize the chances of loss due to an inability to trade. Short positions and hedges may also be used to offset certain long exposures and to reduce volatility. No financial leverage is employed in the Portfolio.

### *Short Selling Strategy*

In order to both manage risk and also produce incremental return, OCP may adjust the level of short exposure to the credit of certain issuers or indexes that track the credit markets in general. This may include selling short certain securities and the purchase and sale of options on securities and other derivative instruments, including credit default swaps. OCP may also seek to establish an outright short position in debt securities when OCP believes that the security is fundamentally overvalued or that the issuer could become distressed. These strategies can serve to hedge the Portfolio as a whole from correlation to the broader markets. Any cash received from short proceeds is held as cash or short term marketable securities, rather than re-invested.

### *Foreign Currency Hedging*

OCP protects returns on the Portfolio from currency fluctuations by hedging foreign currency exposure to the Canadian dollar. OCP seeks to hedge to the Canadian dollar not less than 90% of the Portfolio's investments denominated in currencies other than the Canadian dollar. The distributions on securities held in the Portfolio, however, may not be hedged at any time and, accordingly, no assurance can be given that the Trust and the Fund will not be adversely impacted by changes in foreign exchange rates.

### *Use of Derivatives*

OCP invests in and uses derivative instruments, other than commodity derivatives, for hedging or investment purposes consistent with its investment objectives and subject to OCP's investment restrictions. For example, OCP may use derivatives with the intention of offsetting or reducing risks associated with losses from currency fluctuations, interest rate changes and market risks. No assurance can be given that the Portfolio will be hedged from any particular risk from time to time. In addition, OCP may employ derivative strategies in the Portfolio to invest indirectly in, or gain exposure to,

securities or financial markets. These derivative strategies may be used to establish long or short biased investments in such securities or financial markets.

### Leverage

The Portfolio does not use financial leverage.

### Fund Performance

The following table sets forth the Fund's relative performance.

Cumulative Return: Inception through April 2011	YTD April 2011	1 Year	Since Inception	
			Return % <sup>(1)</sup>	Volatility %
OCP Credit Strategy Fund NAV <sup>(2)(3)</sup>	3.6%	8.3%	12.7%	3.9%
Credit Suisse Leveraged Loan Index <sup>(4)</sup>	3.3%	7.6%	16.9%	3.8%
Credit Suisse High Yield Index <sup>(4)</sup>	5.1%	12.8%	24.1%	5.6%
S&P500 <sup>(4)</sup>	8.8%	16.5%	27.8%	16.7%

Notes:

(1) Inception: November 19, 2009; April is as of April 28, 2011.

(2) Performance figures for the Fund assume that all distributions are re-invested in the Fund at NAV per Unit and calculated after accounting for fees and expenses of the initial public offering.

(3) Past performance may not be repeated.

(4) Information about the Credit Suisse Leveraged Loan and High Yield Indexes was obtained from Credit Suisse and information about the S&P500 was obtained from Zephyr Associates and is included to show the general trend in these markets in the periods indicated. These numbers are not intended to imply that the Fund is similar to the indexes either in composition or element of risk.

### Growth of OCP Credit Strategy Fund NAV Plus Distributions Since Inception (Inception through April 2011)

Since Inception, the Fund has generated a total return of 12.7% consisting of growth in NAV plus distributions.



Notes:

(1) Inception: November 19, 2009; April 2011 performance is through April 28, 2011.

(2) Performance figures for the Fund assume that all distributions are re-invested in the Fund at NAV per Unit and calculated after accounting for fees and expenses of the initial public offering. Past performance may not be repeated.

## Performance History

The debt opportunity strategy of OCP is focused on investing in debt of stressed/distressed companies (the “**Debt Opportunity Strategy**”) and has been employed by OCP (including its predecessors) to manage other vehicles since 2001. The strategy of the Fund is substantially the same as the Debt Opportunity Strategy. As outlined in the table below, since July 1, 2001 through April 30, 2011, other vehicles following the Debt Opportunity Strategy have generated a compound annual return, net of all expenses and fees, of 9.6%, outperforming broad market indexes, with generally less volatility and no financial leverage. The returns and volatility of the Debt Opportunity Strategy are measured since inception, July 1, 2001.

### Debt Opportunity Strategy Compound Annual Net Returns and Volatility (as of April, 2011)<sup>2,3</sup>

	1 Year	3 Years	5 Years	Since Inception <sup>(1)</sup>	
				Return %	Volatility %
<b>Debt Opportunity Strategy</b>	<b>8.0%</b>	<b>12.9%</b>	<b>9.6%</b>	<b>9.6%</b>	<b>6.8%</b>
Credit Suisse Leveraged Loan Index <sup>(4)</sup>	7.5%	6.4%	4.6%	5.0%	7.6%
Credit Suisse High Yield Index <sup>(4)</sup>	12.6%	10.7%	8.7%	9.4%	10.0%
S&P500 <sup>(4)</sup>	17.2%	1.7%	3.0%	3.1%	15.9%

Notes:

(1) July 1, 2001.

(2) Past performance may not be repeated. There can be no assurance that the performance of the Fund will equal or exceed the performance of the Debt Opportunity Strategy and the investment objectives, restrictions, distribution policies and expenses of each differ.

(3) Performance figures for the Debt Opportunity Strategy are based upon United States generally accepted accounting principles and were prepared by OCP based on audited financial statements through December 31, 2010 and unaudited monthly estimates thereafter. Performance figures are net of expenses and fees (0.125% monthly fixed fee and 20% incentive fee). The vehicles considered do not generally make distributions and therefore results reflect the reinvestment of all income.

(4) Information about the Credit Suisse Leveraged Loan and High Yield Indexes was obtained from Credit Suisse and information about the S&P500 was obtained from Zephyr Associates, and is included to show the general trend in several markets in the periods indicated. These numbers are not intended to imply that the Debt Opportunity Strategy was similar to the indexes either in composition or element of risk.

### Debt Opportunity Strategy Performance in Rising Rate Periods

As indicated in the chart below, since inception, the Debt Opportunity Strategy has consistently outperformed both U.S. 10-Year treasuries and corporate investment-grade bonds during periods of rising interest rates.

#### Rising Rate Environment

Rate	Dates	% Point Change	Debt Opportunity Strategy <sup>(2)</sup>	US 10 Year Treasuries	Corporate Inv. Grade Bonds	High Yield Bonds
Libor	April '04-June '06	+4.30%	10.6%	(0.7)%	0.95%	6.6%
10-Yr. UST	June '03-May '04	+1.30%	12.3%	(5.3)%	(0.4)%	13.3%
10-Yr. UST	July '05-June '06	+1.20%	12.2%	(5.8)%	(2.2)%	5.0%
		<i>Avg.:</i>	<b>11.7%</b>	<b>(3.9)%</b>	<b>(0.6)%</b>	<b>8.3%</b>

Notes:

(1) Representative indexes: U.S. 10-Year Treasuries - Citi U.S. 10-Year Treasury Benchmark; Corporate Inv. Grade Bonds - Barclays Capital Investment Grade Bond Index; High Yield Bonds - Credit Suisse High Yield Bond Index.

(2) Performance figures are net of expenses and fees (0.125% mostly fixed fee and 20% incentive fee) and reflect the reinvestment of all income. Past performance may not be repeated.

(3) Provides annualized returns during periods since inception of the Debt Opportunity Strategy in which 3-month Libor and/or U.S. 10-Year Treasury bond yields rose at least 100 basis points over a period of 12 or more months.

## Portfolio Composition

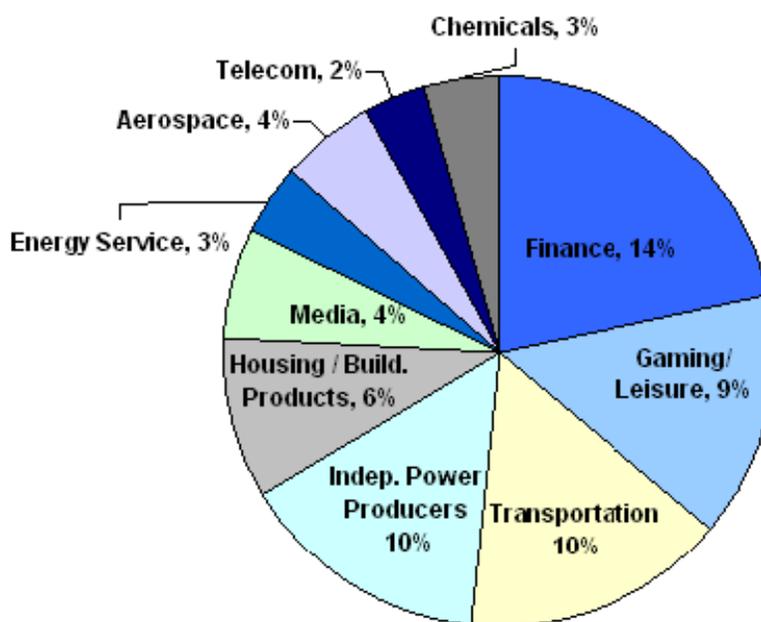
The following table sets forth the various asset classes of the Portfolio and the respective asset allocation between long and short positions as of April 28, 2011. "Bonds" includes corporate and U.S. government bonds; "Other" includes call options, warrants and notional value of CDS/Puts.

	Exposure		
	Long	Short	Net
Senior Loans	41.2%	0.0%	41.2%
Bonds	30.3%	(14.9)%	15.4%
Equity	6.8%	0.0%	6.8%
Other	1.3%	(8.8)%	(7.5)%
<b>Adjusted Exposure</b>	<b>79.6%</b>	<b>(23.7)%</b>	<b>55.9%<sup>(1)</sup></b>
Cash	20.4%	0.0%	20.4%
<b>Total Exposure</b>	<b>100.0%</b>	<b>(23.7)%</b>	<b>76.3%</b>

Note:

(1) Shorts include the notional value of credit default swaps.

The following chart sets forth the industry diversification of the Portfolio as of April 28, 2011 (the top ten net long exposure by industry as a percentage of the NAV).



## Investment Restrictions of the Fund

The Fund will be subject to the investment restrictions set out below, and will also indirectly be subject to the investment restrictions of the Trust as a result of the Forward Agreement. The investment restrictions of the Fund, which are set forth in the Declaration of Trust, provide that the Fund will not:

- (a) with respect to the securities acquired pursuant to the Forward Agreement, purchase any securities other than “Canadian securities” for purposes of the Tax Act;
- (b) make or hold any investment that would result in the Fund failing to qualify as a “mutual fund trust” for purposes of the Tax Act and will not acquire any property that would be “taxable Canadian property” of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof) (or any amendment to such definition); or
- (c) make or hold any investment that would result in the Fund being subject to the tax on specified investment flow through (“SIFT”) trusts as provided for in section 122 of the Tax Act.

### **The Trust**

The Trust was established for the purpose of acquiring and holding the Portfolio. The beneficial owner of all the units of the Trust is the Counterparty. On Closing, the Counterparty may subscribe for additional units of the Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the pre-payment of additional purchase obligations under the amended Forward Agreement. The Trust will use any subscription proceeds to acquire additional securities for the Portfolio. In order to generate returns, the Trust may lend its securities to brokers, dealers and other financial institutions.

Units of the Trust are redeemable at the demand of its unitholder. On redemption, the Trust unitholder will receive for each unit of the Trust redeemed an amount equal to the NAV per unit of the Trust. The NAV per unit of the Trust will be equal to the amount by which the Total Assets (as hereinafter defined) of the Trust exceed its total liabilities on a per unit basis and, accordingly, will be based upon the value of the Portfolio.

The Trust generally receives interest income, capital gains or distributions from the investments included in the Portfolio. The net income of the Trust consists primarily of interest income, capital gains or distributions, less expenses of the Trust. The Trust distributes all of its net income and net realized capital gains earned in each fiscal year to ensure that it is not liable for tax under Part I of the Tax Act. To the extent that the Trust has not distributed in cash the full amount of its net income in any year, the difference between such amount and the amount actually distributed by the Trust may be paid through the issuance of additional units having a NAV in the aggregate at the date of distribution equal to this difference. Immediately after any such distribution of units, the number of outstanding units of the Trust may be consolidated such that each unitholder of the Trust (including the Counterparty will hold after the consolidation the same number of units of the Trust as it held before the distribution of additional units.

### **Investment Restrictions of the Trust**

The investment activities of the Trust are to be conducted in accordance with, among other things, the following investment restrictions which provide that the Trust will not:

- (a) invest more than 10% of the aggregate value of the assets of the Trust (“**Total Assets**”) in the securities of any single issuer, other than securities issued or guaranteed by the United States Government, Government of Canada or a province or territory thereof;
- (b) employ financial leverage;
- (c) be net short;
- (d) invest in asset-backed commercial paper or collateralized debt obligations directly or indirectly by selling credit protection under credit default swaps identifying any asset-back commercial paper or collateralized debt obligations as reference obligations;
- (e) own more than 10% of the equity value of an issuer or purchase the securities of an issuer for the purpose of exercising control over management of that issuer;
- (f) guarantee the securities or obligations of any person other than the Manager or the Fund, and then only in respect of the activities of the Fund;
- (g) with the exception of securities of the Trust’s own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager or any of its affiliates, any officer, director or shareholder of the Manager, any person, trust, firm or corporation managed by the Manager or any of its affiliates or any firm or corporation in which any officer, director or shareholder of the Manager may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any purchase or sale of securities, any such transaction is effected through normal market facilities, pursuant to a non-pre-arranged trade, and the purchase price approximates the prevailing market price or is approved by the independent review committee established by the Manager in accordance with NI 81-107 (the “**Independent Review Committee**” or “**IRC**”);
- (h) make or hold any investments in entities that would be “foreign affiliates” of the Trust for purposes of the Tax Act;
- (i) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Trust (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Trust (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in proposed section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an “exempt foreign trust” for the purposes of proposed section 94 of the Tax Act, each as set forth in the proposed amendments to the Tax Act dated August 27, 2010 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto); or
- (j) at any time, hold any property that is a “non-portfolio property” for the purposes of the rules in the Tax Act which apply to a SIFT trust and its unitholders (the “**SIFT Rules**”).

If a percentage restriction on investment or use of assets or borrowing or financing arrangements set forth above as an investment restriction is adhered to at the time of the transaction, later changes to the market value of the investment or Total Assets will not be considered a violation of the investment restrictions. If the Trust receives from an issuer subscription rights to purchase securities of that issuer, and if the Trust exercises those subscription rights at a time when the Trust’s holdings of securities of that

issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, the Trust has sold at least as many securities of the same class and value as would result in the restriction being complied with.

## REDEMPTIONS

### Annual Redemption Right

Units may be surrendered annually for redemption during the period from the first business day in January until 5:00 p.m. (Toronto time) on January 15 in each year (the “**Notice Period**”) subject to the Fund’s right to suspend redemptions in certain circumstances. Units surrendered for redemption during the Notice Period will be redeemed on the last business day of March of each year (the “**Annual Redemption Date**”) and the Unitholder will receive payment on or before the 15<sup>th</sup> day following the Annual Redemption Date.

Redeeming Unitholders will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of the Annual Redemption Date, less any costs and expenses incurred by the Fund in connection with funding the redemption (the “**Annual Redemption Amount**”). The NAV per Unit will vary depending on a number of market factors, including interest rates and volatility in the equity and/or credit markets.

### Monthly Redemption Right

Units may be surrendered for redemption in any month. Units properly surrendered for redemption by a Unitholder prior to 5:00 p.m. (Toronto time) on the 10<sup>th</sup> business day before the last business day of a month will be redeemed on the last day of that month (“**Monthly Redemption Date**”) and the Unitholder will receive payment on or before the 15<sup>th</sup> day following such Monthly Redemption Date, subject to the Fund’s right to suspend redemptions in certain circumstances. Unitholders depositing Units subsequent to January 15<sup>th</sup> and prior to 5:00 p.m. (Toronto time) on the 45<sup>th</sup> business day before the last business day in March will be entitled to elect to receive the Annual Redemption Amount rather than the Monthly Redemption Amount (as defined below).

A Unitholder who properly surrenders a Unit for redemption will receive the amount (the “**Monthly Redemption Amount**”), if any, equal to the lesser of (A) 94% of the weighted average trading price of the Units on the TSX during the 15 trading days preceding the applicable Monthly Redemption Date, and (B) the “closing market price” of the Units on the principal market on which the Units are quoted for trading on the applicable Monthly Redemption Date. The “closing market price” shall be an amount equal to (i) the closing price of the Units if there was a trade on the applicable Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of the Units if there was trading on the applicable Monthly Redemption Date and the market provides only the highest and lowest prices of the Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the Units if there was no trading on the applicable Monthly Redemption Date. Notwithstanding the foregoing, a Unitholder who properly surrenders a Unit for redemption during the Notice Period will receive the Annual Redemption Amount.

### Exercise of Redemption Right

An owner of Units who desires to exercise redemption privileges thereunder must do so by causing a participant in CDS (“**CDS Participant**”) to deliver to CDS on behalf of the owner a written notice (the “**Redemption Notice**”) of the owner’s intention to redeem Units. An owner who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to

exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS and so as to permit CDS to deliver notice to the registrar and transfer agent of the Fund in advance of the required time. The form of Redemption Notice will be available from a CDS Participant or the registrar and transfer agent. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

Except as provided under “Redemptions – Suspension of Redemptions”, by causing a CDS Participant to deliver to CDS a notice of the owner’s intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice delivered by a CDS Participant regarding an owner’s intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner’s instructions will not give rise to any obligations or liability on the part of the Fund or the Manager to the CDS Participant or to the owner.

### **Suspension of Redemptions**

The Manager may suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on stock exchanges or other markets on which securities in the Canadian Securities Portfolio or the Portfolio are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the Total Assets, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (ii) for a period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first business day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

## **FEES AND EXPENSES**

### **Fees and Expenses of the Fund**

#### *Management Fee*

Pursuant to the terms of the Declaration of Trust, the Manager is entitled to an annual management fee (the “**Management Fee**”) of 0.3125% of the NAV of the Fund (as noted below, a management fee of 0.9375% is also payable by the Trust for a total overall management fee of 1.25% of the applicable NAV) calculated weekly and paid monthly in arrears, plus an amount equal to the Servicing Fee (as hereinafter defined), plus applicable taxes, is paid to the Manager.

### *Ongoing Fees and Expenses*

The Fund pays for all ordinary expenses incurred in connection with its operation and administration and bears indirectly all ordinary expenses incurred in connection with the operation and administration of the Trust. These expenses include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications including marketing and advertising expenses; fees payable to the registrar and transfer agent; premiums for directors' and officers' insurance coverage for the directors and officers of the Manager, members of the Independent Review Committee and OCP; any reasonable out-of-pocket expenses incurred by the Manager or its agents in connection with their on-going obligations to the Fund and the Trust; fees payable to the auditors and legal advisors of the Fund; regulatory filing, licensing fees; costs associated with currency hedging; any fees related to investments made or considered including research expenses; and any expenditures incurred upon the termination of the Fund. Such expenses also include expenses of any action, suit or other proceedings in which or in relation to which the Manager is entitled to indemnity by the Fund.

### *Counterparty Fees*

The Fund pays to the Counterparty a fee under the Forward Agreement, calculated weekly and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the NAV of the Trust).

### *Trustee Fee*

The Trustee is entitled to receive a fee from the Fund, currently \$10,000 per annum, plus applicable taxes.

### *Servicing Fee*

A servicing fee (the "**Servicing Fee**") is payable by the Manager to each dealer whose clients hold Units. The Servicing Fee will accrue daily and is paid quarterly in arrears and in an amount equal to 0.40% annually of the NAV per Unit, plus applicable taxes.

## **Fees and Expenses of OCP Investment Trust**

### *OCP Investment Trust Management Fee*

An annual management fee of 0.9375% of the NAV of the Trust calculated weekly and paid monthly in arrears, plus applicable taxes, is paid to the Manager.

### *Performance Fee*

Only once the unitholder of the Trust has achieved a preferred return of 9.0% (the "**Preferred Return**") will OCP be eligible to receive, for each fiscal year of the Trust, a performance fee (the "**Performance Fee**"). The Performance Fee shall be calculated and accrue monthly and be paid annually (except that when Units are redeemed the accrued Performance Fee in respect of such Units will be paid at the time of such redemption). The amount of the Performance Fee shall be determined as of December 31 of each year (the "**Determination Date**"). The Performance Fee for a given year will be an amount for each unit of the Trust then outstanding equal to 15% of the amount by which the sum of (i) the NAV of such unit at the Determination Date (calculated without taking into account the Performance Fee), and (ii) the distributions paid on such unit during the previous 12 months (such sum being referred to as the "**Return**"), exceeds the Threshold Amount (as defined below); provided that no Performance Fee will be paid unless the Return exceeds 109% (the "**Threshold Rate**") of the Threshold Amount. If the Return exceeds 109% of the Threshold Amount, OCP will be entitled to a Performance Fee equal to 15% of the Return; provided that after the payment of the Performance Fee, in any fiscal year, the return to the

unitholder of the Trust will be at least equal to the Preferred Return. The Fund's performance as at the date hereof exceeds the Threshold Amount for the 2010 Determination Date such that the performance fee accrued to the Manager as at the date hereof is approximately \$1,700,000. The offering price was increased by \$0.03 to take into account this performance fee accrual. The performance fee in respect of Units issued pursuant to the Offering will only accrue and be payable in respect of distributions and net asset value growth occurring after the Closing.

The "Threshold Amount" is the greatest of: (i) the NAV per unit of the Trust immediately following the closing of the initial public offering of the Fund; (ii) the NAV per unit of the Trust on the Determination Date for the previous fiscal year (after payment of such Performance Fee); and (iii) the NAV per unit of the Trust on the Determination Date in the last fiscal year in which a Performance Fee was paid (after payment of such Performance Fee).

#### *Operating Expenses of OCP Investment Trust*

The Trust will pay for all ordinary expenses incurred in connection with its operation and administration.

#### **CAPITALIZATION TABLE**

The following table sets forth the unaudited capitalization of the Fund before and after giving effect to the Offering, assuming a maximum total Offering of 8,600,000 Units and assuming that the Over-Allotment Option is exercised in full:

<b>Designation</b>	<b>Authorized as at June 13, 2011</b>	<b>Outstanding as at December 31, 2010</b>	<b>Outstanding as at June 13, 2011</b>	<b>Outstanding as at June 13 after giving effect to the Offering</b>
Units	Unlimited	20,780,000 Units	20,574,375	30,464,375

#### **PRICE RANGE, NAV, TRADING VOLUME OF UNITS AND DISTRIBUTIONS**

The Units trade on the TSX under the trading symbol, "OCS.UN". On June 13, 2011, the closing price of the Units on the TSX was \$9.91 per Unit and the NAV per Unit was \$9.64. The following table sets forth the closing market price and trading volume of the Units on the TSX since the completion of its initial public offering on October 27, 2009. All such information, other than the NAV per Unit and distributions per Unit, was obtained from Bloomberg or the TSX and the Fund, the Manager and the Agents do not assume any responsibility for the accuracy of such information.

For the period from the Closing to December 31, 2011, the Threshold Rate and the Preferred Return will be reduced proportionately in respect of Units issued pursuant to the Offering to reflect the number of days remaining in the year from the Closing to December 31, 2011. Notwithstanding the foregoing, the "Threshold Amount" for the 2011 fiscal year in respect of Units issued pursuant to the Offering will be the NAV per Unit of the Trust on the Closing of the Offering.

<u>Period</u>	<b>NAV per Unit</b>		<b>Distribution per Unit</b>	<b>Closing Market Price of Units</b>		<b>Volume</b>
	<b>Low</b>	<b>High</b>		<b>Low</b>	<b>High</b>	
<b><u>2011</u></b>						
June 1-13	\$9.64	\$9.70		\$9.91	\$10.09	23,930
May	\$9.69	\$9.74		\$10.15	\$9.96	23,031
April	\$9.64	\$9.69		\$9.86	\$10.10	27,618
March	\$9.63	\$9.88	\$0.175	\$9.86	\$10.14	33,878
February	\$9.79	\$9.92		\$9.91	\$10.10	36,396
January	\$9.62	\$9.77		\$9.70	\$9.95	25,458
<b><u>2010</u></b>						
December	\$9.52	\$9.71	\$0.175	\$9.61	\$9.89	25,969
November	\$9.46	\$9.54		\$9.60	\$9.90	34,520
October	\$9.35	\$9.48		\$9.39	\$9.65	28,393
September	\$9.28	\$9.40	\$0.175	\$9.36	\$9.99	18,620
August	\$9.29	\$9.37		\$9.53	\$9.90	13,247
July	\$9.18	\$9.34		\$9.62	\$9.93	16,358
June	\$9.21	\$9.44	\$0.175	\$9.55	\$9.94	18,993
May	\$9.30	\$9.49		\$9.51	\$9.94	22,291
April	\$9.52	\$9.58		\$9.86	\$10.03	25,711
March	\$9.65	\$9.79	\$0.254	\$10.00	\$10.19	24,858
February	\$9.56	\$9.61		\$9.95	\$10.10	26,516
January	\$9.60	\$9.65		\$9.92	\$10.18	25,215
<b><u>2009</u></b>						
December	\$9.42	\$9.50		\$9.95	\$10.11	21,458
November 20-30	\$9.43	\$9.43		\$9.85	\$10.00	41,066

Source: Bloomberg

### PRIOR SALES

The Fund has not issued any Units in the 12-month period preceding the date of this short form prospectus.

## RISK FACTORS

Prospective investors should carefully consider, in addition to the information contained in this short form prospectus and the information incorporated by reference herein, the risks described in the AIF which is incorporated by reference herein.

Certain risk factors relating to the Fund, the Trust and the Units are described below. As a result of the Forward Agreement, Unitholders are exposed to risks relating to the Trust. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund or the Trust. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund, and the ability of the Fund to make distributions on the Units, could be materially adversely affected.

### No Assurances of Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its investment objectives. The funds available for distribution to Unitholders will vary according to, among other things, the interest and distributions paid on the securities in the Portfolio and the value of the securities in the Portfolio. There is no assurance that the Portfolio will earn any return. No assurance can be given as to the amount of distributions in future years. No assurance can be given that the NAV per Unit will appreciate.

It is possible that, due to declines in the market value of the securities in the Portfolio or the distributions made thereunder, the Fund will have insufficient assets to achieve in full its investment objectives, including that of long-term total returns.

### Risks Associated with the Fund's Investments

#### *High-Yield Securities*

The Trust may make investments in "high-yield" bonds and preferred securities that are not investment grade. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of interest or dividends than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities.

In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of the securities.

High-yield securities that are rated BB or lower by Standard and Poor or Ba or lower by Moody's Investor Services Inc. are often referred to in the financial press as "junk bonds" and may include securities of issuers in default. "Junk bonds" are considered by the ratings agencies to be predominantly speculative and may involve major risk exposures such as: (i) vulnerability to economic downturns and changes in interest rates; (ii) sensitivity to adverse economic changes and corporate developments; (iii) redemption or call provisions which may be exercised at inopportune times; and (iv) difficulty in accurately valuing or disposing of such securities.

#### *Commercial Loans; Loan Participations*

An investment in interests in syndicated, commercial bank loans, whether acquired through assignment or participation ("**Loan Participation**"), may involve certain risks. Under the agreements

governing most syndicated loans, should the Trust, as a holder of an interest in a syndicated loan, wish to call a default or exercise remedies against a borrower, it could not do so without the agreement of at least a majority of the lenders. Further, actions could be taken by a majority of the other lenders, or in some cases, a single agent bank, without the consent of the Trust. The Trust would, nevertheless, be liable to indemnify the agent bank for the Trust's rateable share of expenses or other liabilities incurred in such connection and, generally, with respect to the administration and any renegotiation or enforcement of the syndicated loans. Moreover, an assignee or participant in a loan may not be entitled to certain gross-up payments in respect of withholding taxes and other indemnities that otherwise might be available to the original holder of the loan.

The Trust may invest in corporate secured and unsecured loans acquired through assignment or participations. While the Trust will favour acquiring loans through assignment (rather than participations), it may not always be able to do so. In purchasing participations, the Trust will usually have a contractual relationship only with the selling institution, and not the borrower. The Trust generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to, or waivers under, the loan agreement agreed to by the selling institution. The Trust may not directly benefit from the collateral supporting the related secured loan and may be subject to any rights of set-off the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof the Trust may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, the Trust may be subject to the credit risk of the selling institution as well as of the borrower. Certain of the secured loans or Loan Participations may be governed by the law of a jurisdiction other than a United States jurisdiction which may present additional risks as regards the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

#### *Debt Obligations of Stressed Issuers*

The Trust may invest in debt and equity securities and derivatives thereon, accounts and notes payable, loans, private claims and other financial instruments and obligations of non-investment grade and troubled companies which may result in significant returns to the Trust, but which involve a substantial degree of risk. The Trust may lose its entire investment in a troubled company, may be required to accept cash or securities with a value less than its investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not pay current interest and may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state, provincial and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

Some troubled companies in the United States may take advantage of the Chapter 11 reorganization process, often a lengthy and contentious process, seeking to achieve a consensual reorganization. In order to achieve a consensual plan and expedite distributions, secured and other senior debt holders may agree to allocate value, which would otherwise be allocated to them on a strict priority basis, to junior creditors who would not otherwise be entitled to such value or even anything at all. If this occurs, secured and other senior creditors may receive smaller distributions than they would

otherwise be entitled to under a strict priority plan, although the present value of the reduced distributions could exceed the present value of full distributions made some years later.

On the other hand, in some circumstances, holders of senior claims are unwilling to forego their absolute priorities. Senior claim holders may attempt to have their plan of reorganization approved by using the “cram down” process described below despite the risk of protracted litigation and the consequent delay in receiving distributions. A proposed plan of reorganization will be confirmed by a bankruptcy court, if, among other things, every class of creditors accepts the plan. A class of creditors has accepted a plan if at least two-thirds in amount and more than one-half in number of the allowed claims of voting creditors in such class vote to accept the plan. Acceptance by a class binds each creditor in such class. A proposed plan of reorganization will be confirmed despite the rejection by one or more dissenting classes if at least one class of creditors has accepted the plan and the plan provides that all remaining classes are dealt with based on the seniority of their claims, with each class to be paid in full before the next junior class of creditors are paid anything. In this “cram down” scenario, to the extent that the Fund holds claims that are junior to those of any dissenting class or classes, it could realize little or nothing on such claims.

The market prices of such instruments issued by troubled companies are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

The Trust may have investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Trust of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Trust may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Trust may invest, there is a potential risk of loss by the Trust of its entire investment in such companies. In connection with such transactions (or otherwise), the Trust may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed when the Trust enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

#### *Risks from Insufficient Collateral Securing Senior Loans*

Although the senior loans in the Portfolio will generally be secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower’s obligation in the event of borrower default or that such collateral could be readily liquidated under such circumstances. In the event of bankruptcy of a borrower, delays or limitations could be experienced with respect to the ability to realize the benefits of any collateral securing a senior loan.

### *Agent Risk*

A financial institution's employment as an agent under a senior loan might be terminated in the event that it fails to observe a requisite standard of care or becomes insolvent. A successor agent would generally be appointed to replace the terminated agent, and assets held by the agent under the loan agreement would likely remain available to holders of such indebtedness. However, if assets held by the terminated agent for the benefit of the Trust were determined to be subject to the claims of the agent's general creditors, the Portfolio might incur certain costs and delays in realizing payment on a senior loan or loan participation and could suffer a loss of principal and/or interest.

### *Other Risks Associated with Senior Loans*

Many senior loans included in the Portfolio may not be rated by an approved credit rating organization, will not be registered or prospectus qualified for securities law purposes and will not be listed on any securities exchange. In addition, the amount of public information available with respect to senior loans generally may be less extensive than that available for registered or exchange listed securities. Economic and other events (whether real or perceived) can reduce the demand for certain senior loans or senior loans generally, which may reduce market prices and cause the Trust's NAV to fall.

### **Interest Rates**

The Trust's investments may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decline. Conversely, as interest rates decline, the market value of fixed income securities tends to rise. This risk will be greater for long-term securities than for short term securities. Moreover, the risk is mitigated to the extent that the Portfolio consists of assets bearing floating rates of interest, including most syndicated loan facilities. While the Trust may seek to hedge remaining interest rate risk using both corporate and governmental securities as well as derivative instruments, there is no assurance that such measures, even if implemented, will be effective.

### **Restrictions on Trading Due to Status**

It is possible that OCP may deem it necessary to seek representation for the Trust on the Board of Directors of, or on an official or unofficial creditors' committee for, a distressed company in order to better monitor the financial condition of the distressed company or developments in the proceeding and/or to be in an improved position of advocacy during any negotiations. Such representation could, however, cause the Trust to be deemed to be an "insider" or a "fiduciary" of the distressed company or of a creditors' committee, and the ability of the Trust to trade in the securities and claims of such company could be restricted. Similarly, in connection with the acquisition of bank debt, the Trust may receive confidential information concerning the company prior to making an investment, in which case the ability of the Trust to trade securities or claims of such company could be restricted.

### **Short Sales**

Short selling, or the sale of securities not owned by the Trust, necessarily involves certain additional risks. Such transactions expose the Trust to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Trust in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Trust might be compelled, at the most disadvantageous time, to replace borrowed securities previously

sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

### **Futures Contracts**

The Trust may invest in futures contracts to hedge currency. Futures markets are highly volatile and are influenced by numerous factors, such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in rates and prices. In addition, because of the low margin deposits required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Futures trading may also be illiquid. Certain futures exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain specified limits. If prices fluctuate during a single day's trading beyond those limits (which conditions have in the past sometimes lasted for several days in certain contracts) the trader could be prevented from promptly liquidating unfavourable positions and thus be subject to substantial losses.

### **Foreign Market Exposures**

Investments in the Portfolio may, at any time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and US companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or US company. Volume and liquidity in some foreign markets may be less than in Canada and the United States and, at times, volatility of price may be greater than in Canada or the United States. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

### **Credit Default Swaps**

The buyer of a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Certain credit default swap contracts may also require the buyer or the seller to make an up-front payment. Generally, a credit event may include bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium and/or restructuring. The Trust may be either the buyer or seller in a transaction. A credit default swap can be settled physically (where the buyer delivers a deliverable obligation in exchange for the face value of such obligation) or in cash (where the seller pays to the buyer the excess of the face value of the obligation over its market value, which market value can be determined pursuant to a formula in the contract or by reference to an auction price, without any physical delivery of any obligation). If the Trust is a buyer and no credit event occurs, the Fund will have made fixed payments and received nothing. However, if a credit event occurs, the Trust, as a buyer, typically will realize full face value for a reference obligation that may have little or no market value. As a seller, the Trust receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may be obligated to pay the buyer an amount which will enable the buyer to realize the full face value of the reference obligation which may have little or no market value. The value of credit default contracts may also change over the term of the contract as changes occur in the perceived risk of a credit event with respect to an underlying reference obligation or entity.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Although there are ongoing efforts by regulators to require more exchange trading and clearing and other regulation of swaps generally, swap contracts are typically not traded on exchanges and are not otherwise pervasively regulated, and as a consequence investors in such contracts do not benefit from regulatory protections to the same extent as securities and futures markets. The selling of credit default swaps involves greater risks than if the Trust had invested in the reference obligation directly. The buyer or seller of a credit default swap will incur a loss if the counterparty fails to perform on its obligation under the contract. In circumstances where the credit default swaps are not cash settled, the buyer can receive the face value of a reference obligation under a credit default swap only by delivering a deliverable obligation to the seller, and is at risk if a deliverable obligation is unavailable or illiquid.

### **Reliance on OCP**

Unitholders are dependent on the ability of the Manager to manage the Fund and the Trust in a manner consistent with the investment objectives, strategy and restrictions of the Fund. Performance of the investments in the Portfolio will be dependent on the investments chosen by OCP, which provides portfolio management services to the Fund and the Trust. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the Fund and the Trust will continue to be employed by OCP. Mr Kovensky is recovering from a medical procedure that took place in the first quarter of 2010. There is no assurance that Mr. Kovensky will continue in his current limited capacity. OCP does not believe that the loss of any individual would materially and adversely affect its ability to perform its obligations to the Fund and the Trust.

### **Currency Exposure**

As the Portfolio will be invested primarily in obligations traded in US dollars, the NAV of the Fund, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the US dollar relative to the Canadian dollar. The Trust may not be fully hedged and distributions received on the Portfolio may not be hedged and accordingly no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent OCP's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Trust and therefore the Fund if OCP's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

### **Liquidity of the Assets in the Portfolio**

The Trust's assets may, at any given time, include securities and other financial instruments or obligations which are very thinly traded or for which no market exists or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts. Further, such investments may be extremely difficult to value with any degree of certainty. Finally, if a substantial number of Unitholders were to redeem from the Fund and there was not a sufficient amount of cash or liquid securities, such redemption requests might have to be met through distributions of illiquid securities.

### **Counterparty Risk**

The Fund is exposed to the credit risk associated with the Counterparty. The Counterparty may be the issuer of securities in the Portfolio or may have relationships with any or all of the issuers whose

securities are included in the Portfolio which could conflict with the interests of the Fund or the Trust. Depending on the value of the Portfolio, the Fund's exposure to the credit risk of the Counterparty may be significant. In addition, the possibility exists that the Counterparty will default on its obligations under the Forward Agreement or that the proceeds from the sale of securities acquired under the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third-party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of securities acquired under the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of the Trust or the Counterparty and the Counterparty is not responsible for the returns of the Portfolio. In addition, there is a risk that the Fund will not be able to enter into a new forward agreement on commercially reasonable terms following the Forward Termination Date and therefore the Fund may be terminated at such time.

### **Status of the Fund for Securities Law Purposes**

The Fund is not a "mutual fund" for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws are not available in the Fund and restrictions imposed on mutual funds under Canadian securities laws, including NI 81-102, do not apply to the Fund.

### **Risks Related to Redemptions**

The purpose of the annual redemption right is to prevent Units from trading at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity, there can be no assurance that it will reduce trading discounts. There is a risk that the Fund may incur significant redemptions if Units trade at a significant discount to their NAV, thereby providing arbitrage traders an opportunity to profit from the difference between the applicable NAV and the discounted market price at which they purchased their Units.

If a significant number of Units are redeemed, the trading liquidity of the Units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of Unitholders to do so. The Manager may also suspend the redemption of Units in the circumstances described in the AIF.

Other closed-end funds with annual redemption rights similar to the redemption rights in respect of the Units have experienced significant redemptions on annual redemptions dates in the past.

### **Potential Conflicts of Interest**

The Manager and its directors and officers and its affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which invest primarily in the securities held by the Trust.

Although officers, directors and professional staff of the Manager will devote as much time to the Fund and the Trust as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among the Fund, the Trust and the other funds managed by the Manager.

### **Residency of the Manager**

The Manager is resident outside Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it may find it difficult to do so.

## **Changes in Legislation**

There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

## **Taxation of the Fund**

If the Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

The SIFT Rules will apply to a mutual fund trust that is a SIFT trust. Provided the Fund complies with its investment restrictions, the Fund will not be a SIFT trust for the purposes of these rules. If the SIFT Rules were to apply to the Fund, they may have an adverse impact on the Fund including on the distributions received by Unitholders.

## **Treatment of Proceeds of Disposition**

In determining its income for tax purposes, the Fund will not treat the acquisition of Canadian Securities Portfolio securities under the Forward Agreement as a taxable event and will treat gains and losses on the disposition of securities in the Canadian Securities Portfolio acquired under the Forward Agreement as capital gains and losses and the Fund will make the election under the Tax Act to treat each of its “Canadian securities” as defined in subsection 39(6) of the Tax Act as capital property. No advance income tax ruling has been requested or obtained from CRA regarding the timing or characterization of the Fund’s income, gains or losses.

If, contrary to advice of counsel for the Fund and the Agents, whether through the application of the general anti-avoidance rule or as a result of a change of law, or otherwise, the acquisition of the Canadian Securities Portfolio securities under the Forward Agreement were a taxable event or if gains realized on the sale of the Canadian Securities Portfolio securities acquired under the Forward Agreement were treated other than as capital gains on the sale of such securities, after-tax returns to Unitholders would be reduced.

## **Not a Trust Company**

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

## **Nature of Units**

The Units are neither fixed income nor traditional equity securities. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Fund, and Stikeman Elliott LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this short form prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Fund, and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" owned or subsequently acquired treated as capital property by making the irrevocable election in accordance with the Tax Act. This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" for purposes of the Tax Act and that the Fund has elected in accordance with the Tax Act to have each of its Canadian securities treated as capital property.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and certificates of the Manager and the Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal or provincial, territorial or foreign tax legislation or considerations, which may differ materially from those described in this summary. This summary assumes that all Tax Proposals will be enacted in the form proposed. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or provinces in which the investor resides or carries on business. Counsel expresses no views herein in respect of the deductibility of interest on any funds borrowed by a Unitholder to purchase Units. **This summary is of a general nature only and is not intended to be legal or tax advice to any Unitholder. Unitholders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.**

### **Status of the Fund**

This summary is based on the assumptions that the Fund will continue to qualify at all times as a "unit trust" and a "mutual fund trust", and will not be a "SIFT trust", all within the meaning of the Tax Act. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units.

### **Taxation of the Fund**

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. Counsel has been advised that the Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its income,

including its net realized capital gains, it will generally not be liable in such year for income tax under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a “**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of Canadian Securities Portfolio securities acquired by the Fund under the Forward Agreement in connection with a redemption of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days.

The Fund will not realize any income, gain or loss as a result of amending the existing Forward Agreement and no amount will be included in computing the Fund’s income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. As the Fund has elected in accordance with the Tax Act to have each of its “Canadian securities” treated as capital property, gains or losses realized by the Fund on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses.

On October 31, 2003 the Department of Finance announced a Tax Proposal relating to the deductibility of losses under the Tax Act. Under this Tax Proposal, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If such Tax Proposal were to apply to the Fund, deductions that would otherwise reduce the Fund’s taxable income could be denied, with after-tax returns to the Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the Tax Proposals of October 31, 2003 would be released for comment. To date, no such alternative proposal has been released.

Provided the Fund complies with its investment restrictions, it will not be liable for tax pursuant to the SIFT Rules.

### **Taxation of Unitholders**

A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The non-taxable portion of the Fund’s net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder’s income for the year. Any other amount in excess of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed gain. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable

capital gains of the Fund as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (net of any reasonable costs of disposition) exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property that were acquired before that time. For this purpose, the cost of Units that have been issued as an Additional Distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder in Units.

One-half of any capital gain ("**taxable capital gain**") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

#### **Taxation of Registered Plans**

Amounts of income and capital gains distributed by the Fund to a Registered Plan (defined below) are generally not taxable under Part I of the Tax Act while retained in the Registered Plan, provided that the Units are qualified investments under such a Registered Plan. Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

#### **Taxation Implications of the Fund's Distribution Policy**

The NAV per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. Since the Fund makes quarterly distributions, the consequences of acquiring Units late in a calendar year will generally depend on the amount of the quarterly distributions throughout the year and whether an Additional Distribution is necessary late in the calendar year to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McCarthy Tétrault LLP, counsel for the Fund, and Stikeman Elliott LLP, counsel for the Agents, provided that the Fund at all times qualifies as a mutual fund trust within the meaning of the Tax Act or the Units are listed on a designated stock exchange (which currently includes the TSX), the Units will be, as of the date hereof, qualified investments under the Tax Act for trusts governed by registered retirement savings plans (a "**RRSP**"), registered retirement income funds (a "**RRIF**"), deferred profit sharing plans, registered education savings plans, registered disability savings plans, and tax-free savings accounts (a "**TFSA**") (collectively "**Registered Plans**").

Notwithstanding that the Units may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax if the Units are a "prohibited investment" for the TFSA. The Units will generally be a "prohibited investment" if the holder of a TFSA does not deal at arm's

length with the Fund for purposes of the Tax Act or the holder of the TFSA has a “significant interest” (within the meaning of the Tax Act) in the Fund or a corporation, partnership or trust with which the Fund does not deal at arm’s length for purposes of the Tax Act. A “significant interest” of a holder in a trust generally means the ownership by the holder, either alone or together with persons and partnerships with which the individual does not deal at arm’s length for purposes of the Tax Act, of interests as a beneficiary under the trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the trust. In the 2011 Canadian Federal Budget, released on June 6, 2011, the Minister of Finance (Canada) amended the Tax Act to extend the "prohibited investment" rules to RRSPs, RRIFs and their annuitants. Holders of a TFSA and annuitants of an RRSP and RRIF should consult their own advisors in this regard.

## **TRUSTEE, CUSTODIAN, AUDITOR, TRANSFER AGENT AND PROMOTER**

### **The Trustee**

Computershare Trust Company of Canada is the trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee is 100 University Avenue, Toronto, Ontario M5J 2Y1.

### **The Custodian**

Citibank Canada (the “**Custodian**”) is custodian of the assets of the Fund and the Trust pursuant to a custodian agreement between the Fund and the Custodian (the “**Custodian Agreement**”) dated November 20, 2009. The Custodian's principal place of business in respect of the Fund and the Trust is Toronto, Ontario. The Custodian Agreement provides that the Custodian, except as described below, will receive and hold all cash, portfolio securities and other assets of the Fund and the Trust for safekeeping. The Custodian receives fees for custodial services provided to the Fund and the Trust. The Custodian may appoint sub-custodians who are qualified to act as such. In addition, the Custodian or an affiliate will calculate the NAV of the Fund.

Subject to certain exceptions as set out in the Custodian Agreement, the Custodian will not be liable for any act or omission in the course of, or connected to, rendering services under the Custodian Agreement or for loss to, or diminution of, the Fund’s property. In no event shall the Custodian be liable for any consequential or special damages. The Fund indemnifies and saves harmless the Custodian, and its affiliates, subsidiaries and agents, and their directors, officers, and employees from and against all legal fees, judgments and amounts paid in settlement incurred by such indemnified parties in connection with custodial or sub-custodial services provided under the Custodian Agreement except to the extent incurred as a result of breach of the above standard of care.

### **Auditor**

The auditors of the Fund are Collins Barrow Toronto LLP, at its office in Toronto, Ontario.

### **Transfer Agent and Registrar**

Computershare Investor Services Inc. will act as transfer agent and registrar for the Units and will maintain the securities registers at its office in Toronto, Ontario.

### **The Promoter**

The Manager may be considered a promoter of the Fund by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. The Manager

will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than amounts paid to the Manager as described under “Fees and Expenses”.

### **Servicer**

FA Administration Services Inc. (the “Servicer”) provides certain administrative services to the Manager, the Fund and the Trust pursuant to separate servicing agreements entered into on November 20, 2009 (the “**Servicing Agreements**”). The Servicing Agreements provide that the Servicer will provide certain bookkeeping, investor relations and other services to the Manager, the Fund and the Trust, as applicable. The fees of the Servicer are paid by the Manager and not the Fund or the Trust, as applicable. The Servicer will be reimbursed by the Fund or the Trust, as applicable, for all reasonable out-of-pocket expenses incurred by the Servicer.

### **The Portfolio Advisor**

OCP is also the portfolio advisor to the Fund and the Trust. Mr. Kovensky is no longer the co-Chief Investment Officer and co-Chief Executive Officer of OCP. Mr. Kovensky remains a director of OCP and is also a member of OCP's investment committee.

## **DESCRIPTION OF UNITS**

### **The Units**

The Fund is authorized to issue an unlimited number of Units.

Except in the case of Unitholders who are not resident in Canada for the purpose of the Tax Act, all Units have equal rights and privileges. Each Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non-assessable.

### **Purchase for Cancellation**

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated NAV per Unit immediately prior to the date of any such purchase of Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Units are then listed. The Fund commenced a normal course issuer bid on March 29, 2011 which permits it to purchase up to 2,078,000 Units, representing 10% of the public float of the securities issued and outstanding. No purchases have been made under the normal course issuer bid to date.

### **Book Entry Only System**

Registration of interests in and transfers of the Units will be made only through the book-entry only system administered by CDS. Units must be purchased, converted, transferred and surrendered for redemption through a CDS Participant (as hereinafter defined). All rights of Unitholders must be

exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-entry only system, in which case the certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

### **USE OF PROCEEDS**

The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be \$83,250,720. The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in the Portfolio through the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of the Trust.

### **PLAN OF DISTRIBUTION**

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement. The Units will be issued at a price of \$10.12 per Unit. The price per Unit is equal to the NAV per Unit as at June 13, 2011 plus the expected expenses of the Offering and plus an amount, estimated to be \$0.03 per Unit, to compensate existing Unitholders of the Fund for the potential reversal at the Determination Date of any performance fee that has accrued to the Manager from January 1, 2011 to May 31, 2011. In consideration for their services in connection with the Offering, the Agents will be paid a fee of \$0.4048 per Unit (4.0%) sold under the Offering and will be reimbursed for reasonable out-of-pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund out of the proceeds of the Offering. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold.

The Fund has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing and gives the Agents the right to offer additional Units in an amount equal to up to 15% of the aggregate number of Units sold on Closing on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Units will be sold at \$10.12 per Unit and the Agents will be paid a fee of \$0.4048 per Unit (4.0%) sold. This short form prospectus qualifies the grant of the Over-Allotment Option as well as distribution of the Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agent's over-allocation position acquires such Units under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The maximum number of Units which will be sold is 8,600,000 Units or \$87,032,000. There is no minimum amount for the Offering. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about June 21, 2011 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final short form prospectus is issued.

**The Counterparty is a Canadian chartered bank affiliate of Scotia Capital Inc., one of the Agents. Consequently, the Fund may be considered to be a “connected issuer” of Scotia Capital Inc. for the purposes of securities regulations of certain Canadian provinces.**

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Agents may not, throughout the period of distribution under this short form prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of relevant self-regulatory authorities relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, an Agent may, in connection with this Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of Units while this Offering is in progress. These transactions may also include making short sales of Units, which involve the sale by the Agents of a greater number of Units than they are required to purchase in this Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Agents may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Units in the open market. In making this determination, the Agents will consider, among other things, the price of Units available for purchase in the open market compared to the price at which they may purchase Units through the Over-Allotment Option. The Agents must close out any naked short position by purchasing Units in the open market. A naked short position is more likely to be created if the Agents are concerned that there may be downward pressure in the price of the Units in the open market that could adversely affect investors who purchase in this Offering. Any naked short position would form part of the Agents’ over-allocation position.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

## EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this short form prospectus will be passed upon on behalf of the Fund by McCarthy Tétrault LLP and on behalf of the Agents by Stikeman Elliott LLP.

As of the date hereof, the partners and associates of McCarthy Tétrault LLP, as a group, and Stikeman Elliott LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Units.

## **EXEMPTIONS**

The Fund has been granted relief by the Ontario Securities Commission pursuant to Part 17 of NI 81-106 from the requirement to calculate NAV per Unit at least once every business day as required by Part 14 of NI 81-106. On this basis, the Fund calculates NAV per Unit on each Valuation Date which at a minimum, will be Thursday of each week, or if any Thursday is not a Business Day, the immediately preceding Business Day, and on the Annual Redemption Date, and includes any other date on which the Manager elects, in its discretion, to calculate the NAV per Unit.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In some jurisdictions, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## INDEPENDENT AUDITOR'S CONSENT

We have read the short form prospectus of OCP Credit Strategy Fund (the "**Fund**") dated June 14, 2011 relating to the offering of Units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned short form prospectus of our report to the Unitholders of the Fund on the schedule of forward agreement as at December 31, 2010, the statement of net assets as at December 31, 2010 and statements of operations and changes in net assets for the periods ending December 31, 2010 and 2009. Our report is dated March 22, 2011.

Toronto, Ontario  
JUNE 14, 2011

(*signed*) COLLINS BARROW LLP  
Chartered Accountants  
Licensed Public Accountants

**CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER**

Dated: June 14, 2011

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces of Canada and the Yukon.

**OCP Credit Strategy Fund by  
its Manager, Onex Credit Partners, LLC**

By: *(Signed)* MICHAEL GELBLAT  
Chief Executive Officer

By: *(Signed)* JOSH SPIERER  
Chief Financial Officer

On behalf of the Board of Directors  
of  
**Onex Credit Partners, LLC**

By: *(Signed)* CHRISTOPHER GOVAN  
Director

By: *(Signed)* ANDREW SHEINER  
Director

**Onex Credit Partners, LLC**  
as Manager and Promoter

By: *(Signed)* MICHAEL GELBLAT  
Chief Executive Officer

**CERTIFICATE OF THE AGENTS**

Dated: June 14, 2011

To the best of our knowledge, information and belief, this short form prospectus together with the documents incorporated by reference constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all of the provinces of Canada and the Yukon.

**RBC DOMINION SECURITIES INC.      CIBC WORLD MARKETS INC.**

BY: CHRISTOPHER BEAN

BY: MICHAEL D. SHUH

**BMO NESBITT BURNS INC.      NATIONAL BANK  
FINANCIAL INC.      SCOTIA CAPITAL INC.      TD SECURITIES INC.**

BY: ROBIN G. TESSIER

BY: TIMOTHY EVANS

BY: BRIAN D. MCCHESENEY

BY: CAMERON  
GOODNOUGH

**GMP SECURITIES L.P.**

BY: NEIL SELFE

**CANACCORD GENUITY CORP.      HSBC SECURITIES (CANADA) INC.      MACQUARIE CAPITAL MARKETS  
CANADA LTD.**

BY: RON SEDRAN

BY: BRENT LARKAN

BY: JAMES PRICE

**RAYMOND JAMES LTD.      MACKIE RESEARCH  
CAPITAL CORPORATION      WELLINGTON WEST  
CAPITAL MARKETS  
INC.      ROTHENBERG CAPITAL  
MANAGEMENT**

BY: J. GRAHAM FELL

BY: DAVID KEATING

BY: SCOTT LARIN

BY: ROBERT  
ROTHENBERG

**ONEX**

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CREDIT PARTNERS