

OCP CREDIT STRATEGY FUND

Monthly Update as at October 31, 2012



Investment Rationale and Objectives

OCP Credit Strategy Fund provides Unitholders with exposure to the performance of an actively managed, diversified portfolio comprised primarily of senior debt obligations of non-investment grade North American issuers.

The Fund's objectives are: (i) to maximize total returns for Unitholders, on a tax-advantaged basis; (ii) 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 (iii) to preserve capital.

Details

Date of Inception:	November 20, 2009
Issue Price:	\$10.00
Opening NAV (November 20, 2009):	\$9.44
Ticker Symbol:	OCS.UN (TSX)
Total Net Assets:	\$266,202,814 *
NAV per Unit:	\$8.88 *
Market Price:	\$8.78 *
Latest Distribution: September 28, 2012	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.0036

*As at October 25, 2012

Commentary

Net performance of OCP Credit Strategy Fund was 0.63% and 9.33% in October and year-to-date, respectively. Investors digested mixed news including favorable housing and GDP reports, and generally disappointing third quarter earnings. The underpinnings of the high yield credit markets — stable U.S. economic growth, low default rates, and strong new issue markets — remained solid helping them outperform equities. In October, the CS Leveraged Loan and CS High Yield Bond Indexes returned 0.37% and 0.86%, respectively, while the S&P500 lost 1.85%.

The Portfolio's five strongest performers included Lightsquared (senior secured loan) and Best Buy (CDS). Lightsquared gained following its submission of a proposal to the Federal Communications Commission to resolve concerns over interference with GPS and other devices that Lightsquared's satellites are claimed to cause. If approved by the FCC, Lightsquared would exchange the offending spectrum for other spectrum. The FCC has expressed a desire to resolve the issues surrounding Lightsquared's spectrum to help meet continued demand for wireless services. Following the loan's price appreciation we reduced the position but continue to hold a position in anticipation of further positive events. The Portfolio established a short position by purchasing CDS on retailer Best Buy earlier this year expecting its financial results to deteriorate based on increased competition from mass merchants and online retailers. In October, Best Buy announced that third quarter results would be significantly below the prior year's results. Best Buy's former Chairman and Founder is pursuing a possible leverage buy-out of the company. The success of that venture, and the accompanying increase in debt, could be a catalyst for additional gains in the value of the CDS.

The TXU senior secured loan was the weakest performer in the month, declining on two events. The first was related to Texas regulators' planned reforms to incentivize producers to expand supply to meet growing demand. Options under consideration include an increase in power price caps and a combination of increased power price caps and payments for capacity under a "capacity market" arrangement. A capacity market would provide producers with more earnings certainty, which is preferred by investors. In October, regulators announced a price cap increase causing concern that creation of a capacity market would be delayed. We believe the Texas reform process, which is a positive catalyst for existing generators like TXU, will continue. Second, TXU released its third quarter 10Q which briefly outlined potential negative tax implications for its parent company should its power generation subsidiaries restructure; this information caused price pressure across its capital structure. We believe the impact of the disclosure to the recovery of TXU's senior secured loans is neutral. TXU released an additional 8K in early November that appears to confirm our view.

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Five Strongest and Weakest Performers

Strongest

Lightsquared Senior Secured Loan
K Hovnanian Senior Bonds
Lehman Brothers Senior Notes, Claims
Best Buy (CDS)
GM Bonds, Warrants

Weakest

TXU Senior Secured Loan
ATP Oil & Gas Senior Secured Loan, DIP Loan
Fed Mogul Senior Secured Loan
Arch Coal Senior Unsecured Note (short)
Edison Mission Senior Bonds

The chart shows the top five strongest and weakest holdings contributing to the Fund's performance for the month. These holdings do not represent all of the assets held, purchased or sold during the month.

Industry Exposure**

	Long	Short	Net
Finance	11.46%	0.00%	11.46%
Independent Power Producers	10.31%	0.00%	10.31%
Transportation	10.79%	-1.63%	9.16%
Housing/Building Products	8.83%	-0.90%	7.93%
Gaming/Leisure	6.13%	0.00%	6.13%
Aerospace	5.45%	0.00%	5.45%
Energy	6.72%	-1.85%	4.87%
Media	3.77%	0.00%	3.77%
Technology	2.61%	0.00%	2.61%
Energy Service	2.59%	0.00%	2.59%
Telecom	2.03%	0.00%	2.03%
Business Services	2.46%	-0.58%	1.88%
Forest Prod/Containers	1.31%	0.00%	1.31%
Chemicals	0.66%	-0.02%	0.65%
Real Estate	0.12%	0.00%	0.12%
Healthcare	0.00%	0.00%	0.00%
Retail	1.47%	-2.04%	-0.57%
Manufacturing	0.00%	-0.58%	-0.58%
Consumer Non-Durable	0.00%	-1.68%	-1.68%
Food	0.85%	-3.38%	-2.53%
Index	0.00%	-5.24%	-5.24%
Other	11.77%	-2.97%	8.80%
Adjusted Exposure**	89.33%	-20.87%	68.46%

** Shorts include the notional value of the credit default swaps, if any.

Portfolio Composition***

	Long	Short	Net
Bank Debt	48.91%	0.00%	48.91%
Corporate Bonds	29.39%	-5.86%	23.53%
Government Bonds	0.00%	-2.97%	-2.97%
Equity	4.99%	-0.45%	4.54%
Other	5.46%	0.00%	5.46%
Puts	0.00%	-0.02%	-0.02%
Call Options	0.00%	0.00%	0.00%
Warrants	0.57%	0.00%	0.57%
Notional value of CDS	0.00%	-11.58%	-11.58%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	89.33%	-20.87%	68.46%
Cash	10.67%	0.00%	10.67%
Total Exposure	100.00%	-20.87%	79.13%

*** The Portfolio refers to the positions held by underlying fund, OCP Investment Trust.

**** Cash is adjusted to reflect payment or receipt of proceeds from any unsettled trades and to exclude the proceeds of any short sales.

All amounts in Canadian dollars unless otherwise stated. Certain statements constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Fund. The forward-looking statements are not historical facts but reflect Onex Credit Partners, LLC's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although Onex Credit Partners, LLC believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. Onex Credit Partners, LLC undertakes no obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect this information, except as required by law. Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the Fund. Please read the Fund's continuous disclosure documents (found on SEDAR) before investing. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated.

The Portfolio refers to the positions held by the underlying fund, OCP Investment Trust. Through a forward agreement, the return of the Fund is dependent on the return of the Portfolio. Performance figures for the Fund are based on Canadian generally accepted accounting principles and were based on audited financial statements through December 31, 2011 and unaudited monthly estimates thereafter. Performance figures for the Fund include distributions paid during the relevant period and are calculated net of expenses and fees. Returns for the Fund may diverge from the returns for the Portfolio for several reasons including the incurrence of expenses and payment of distributions by the Fund.