

OCP CREDIT STRATEGY FUND

Monthly Update as at January 31, 2013



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:	\$ 267,580,319*
NAV per Unit:	\$8.95*
Market Price:	\$9.05*
Latest Distribution: December 31, 2012	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.1786

*As at January 31, 2013

Commentary

Net performance of OCP Credit Strategy Fund was 1.16% in January. With the "fiscal cliff" issue resolved early in the month, investors found further optimism in improving global economic news, lower market volatility, and the belief that the risk of another U.S. recession remains low. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 1.12%, 1.30%, and 5.18% in the month, respectively.

In January, the top five performers generated the majority of the gross performance. The Portfolio initiated positions in Ambac's surplus and holding company notes in January following a favorable U.S. Internal Revenue Service ruling. The ruling is the first of several catalysts anticipated during 2013. Ambac, one of the larger monoline insurers, provided financial guarantees to clients prior to the 2008 financial crisis. As the financial crisis progressed, Ambac's losses multiplied causing the Insurance Commissioner of Wisconsin to put Ambac's main operating subsidiary, Ambac Assurance Corporation, into "rehabilitation" in March 2010. The goal of rehabilitation is to maximize value to the policyholders (Ambac's clients) through an orderly liquidation of its assets. The holding company, which owns 100% of Ambac Assurance and has \$1.6 billion in total debt, filed for bankruptcy in November 2010. Since 2010, the company has successfully settled over \$20 billion in claims at significant discounts to par. OCP believes Ambac will continue to reduce claims through settlements that will create value to both the surplus notes and the holding company bonds.

The Portfolio's short exposure to Best Buy, through a CDS position, was the largest detractor from performance in the month. Best Buy's CDS spreads tightened following its announcement in early January that holiday sales were better than expected. Despite this news, OCP has confidence in its investment thesis that changing dynamics in electronics retailing (e.g., competition from mass merchants and online retailers) will continue to shrink Best Buy's gross margins and increase leverage and that a rumored potential leveraged buyout of the company by founder Richard Schulze could cause credit spreads to widen. Given gains in the high yield bond market, the Portfolio's high yield bond index short was also among its performance detractors.

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Five Strongest and Weakest Performers

Strongest

Lehman Brothers Senior Notes, Claims
Ambac Notes
Tribune Senior Credit Facility, Equity
Fed Mogul Senior Secured Loan
CMA-CGM Container Senior Secured Loan

Weakest

Edison Mission Senior Bonds
Best Buy (CDS)
High Yield Bond Index Short (CDX)
Avon (CDS)
iGATE Senior Unsecured Bond (short)

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
Transportation	17.04%	-1.69%	15.35%
Independent Power Producers	9.44%	0.00%	9.44%
Housing/Building Products	8.42%	-0.95%	7.47%
Finance	6.80%	0.00%	6.80%
Technology	6.07%	0.00%	6.07%
Aerospace	4.99%	0.00%	4.99%
Gaming/Leisure	4.77%	0.00%	4.77%
Energy Service	2.97%	0.00%	2.97%
Telecom	2.23%	0.00%	2.23%
Energy	3.52%	-1.87%	1.66%
Forest Prod/Containers	0.92%	0.00%	0.92%
Business Services	1.28%	-0.52%	0.76%
Media	0.39%	0.00%	0.39%
Real Estate	0.14%	0.00%	0.14%
Manufacturing	0.00%	0.00%	0.00%
Retail	1.47%	-2.07%	-0.60%
Chemicals	0.67%	-1.74%	-1.07%
Food	0.85%	-3.41%	-2.55%
Consumer Non-Durable	0.00%	-2.58%	-2.58%
Index	0.00%	-3.87%	-3.87%
Other	11.43%	-3.07%	8.36%
Adjusted Exposure**	83.41%	-21.77%	61.64%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	43.52%	0.00%	43.52%
Corporate Bonds	30.38%	-7.12%	23.27%
Government Bonds	0.00%	-3.07%	-3.07%
Equity	3.82%	-0.41%	3.41%
Other	4.67%	0.00%	4.67%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	1.01%	0.00%	1.01%
Notional value of CDS	0.00%	-11.18%	-11.18%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	83.41%	-21.77%	61.64%
Cash****	16.59%	0.00%	16.59%
Total Exposure	100.00%	-21.77%	78.23%

*** 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.