

OCP CREDIT STRATEGY FUND

Monthly Update as at March 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:	\$256,712,877*
NAV per Unit:	\$8.95*
Market Price:	\$8.88*
Latest Distribution: March 31, 2013	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.3536

*As at March 28, 2013

Commentary

Net performance of OCP Credit Strategy Fund was 1.18% and 3.18% in March and year-to-date, respectively. Markets gained in the month as investors focused on bright spots in the U.S. economy (e.g., housing market strength, consumer spending, robust first quarter growth estimates) versus European risks associated with inconclusive Italian election results and Cypriot banking crisis, believing that these risks have largely been contained by the European Central Bank's ongoing monetary policies. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.85%, 1.03%, and 3.75% in the month, respectively.

The Portfolio's positions in Eastman Kodak (secured notes) and Ambac (holding and surplus company notes) were the strongest performers in the month. As discussed last month, Kodak sold-off as a result of uncertainty caused by a delay in finalizing the terms of a new loan needed to facilitate the company's exit from bankruptcy. As we expected, in March, the company announced an agreement for a new exit loan causing the notes to appreciate meaningfully more than last month's mark-to-market loss. The Portfolio's Ambac position appreciated on a combination of company specific and industry related factors. Information set forth by Ambac in its statutory statements confirmed our expectation that the company continued to buy bonds it insured at significant discounts creating incremental value for our holdings. Positive industry developments included a capital raise by another monoline insurer and the continuing impact of favorable United States District Court ruling that awarded to another monoline insurer significantly higher than expected recoveries on claims that are similar to the ones being pursued by Ambac against other parties to financial guaranty contacts.

Any loss from individual positions was modest, although in the aggregate offset gains by a meaningful amount. Losses were driven primarily by short positions including specific credits and a high yield bond market index.

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Five Strongest and Weakest Performers

Strongest

Eastman Kodak Second Lien Notes
Ambac Notes
TXU Senior Secured Loan
Lehman Brothers Senior Notes, Claims
Edison Mission Senior Bonds

Weakest

Best Buy (CDS)
Arch Coal Senior Unsecured Note (short)
Avon (CDS)
HY Bond Index Short (CDX)
MachGen Secured 2nd Lien Loan

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	18.91%	-1.47%	17.44%
Independent Power Producers	11.01%	0.00%	11.01%
Technology	8.93%	0.00%	8.93%
Finance	8.00%	-1.88%	6.12%
Aerospace	5.34%	0.00%	5.34%
Housing/Building Products	4.85%	-1.03%	3.82%
Gaming/Leisure	2.48%	0.00%	2.48%
Telecom	2.43%	0.00%	2.43%
Energy	3.92%	-2.02%	1.90%
Business Services	1.76%	-0.55%	1.21%
Energy Service	1.00%	0.00%	1.00%
Forest Prod/Containers	0.93%	-0.31%	0.61%
Consumer Non-Durables	0.00%	0.00%	0.00%
Real Estate	0.00%	0.00%	0.00%
Media	0.00%	-0.57%	-0.57%
Metals/Minerals	0.00%	-0.59%	-0.59%
Retail	0.00%	-1.27%	-1.27%
Chemicals	0.72%	-3.10%	-2.38%
Food	0.90%	-3.61%	-2.71%
Index	0.00%	-4.15%	-4.15%
Other	13.70%	-3.14%	10.57%
Adjusted Exposure**	84.88%	-23.68%	61.19%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	44.63%	0.00%	44.63%
Corporate Bonds	30.00%	-9.99%	20.01%
Government Bonds	0.00%	-3.14%	-3.14%
Equity	4.18%	-0.48%	3.70%
Other	5.28%	0.00%	5.28%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	0.79%	0.00%	0.79%
Notional value of CDS	0.00%	-10.08%	-10.08%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	84.88%	-23.68%	61.19%
Cash****	15.12%	0.00%	15.12%
Total Exposure	100.00%	-23.68%	76.32%

*** 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, 2012 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.