

OCP CREDIT STRATEGY FUND

Monthly Update as at July 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:	\$\$257,239,661*
NAV per Unit:	\$9.05*
Market Price:	\$8.86*
Latest Distribution: June 28, 2013	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.5286

*As at July 25, 2013

Commentary

Net performance of OCP Credit Strategy Fund was 0.71% and 6.31% in July and year-to-date, respectively. Markets benefitted from stable treasury yields and a sharp decline in volatility as investors digested the Fed's recent comments and mixed signs of U.S. economic growth. The high yield bond and senior loan markets also benefitted from retail fund inflows. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 1.07%, 1.99%, and 5.09% in the month, respectively.

In July, the top five performers generated a significant portion of the Fund's gross performance, including the senior notes of the bankrupt power company, Edison Mission, and senior secured loans of auto parts maker, Federal Mogul. Edison Mission notes gained on news that the company is exploring the sale of all, or a portion, of its assets as an alternative to emerging from bankruptcy as a standalone company. This could shorten the bankruptcy and accelerate the return of cash to creditors. Separately, the equity market's strong reception to the recent IPO of a renewable energy portfolio of another power company, NRG, implied a higher valuation for a portion of Edison Mission's holdings. The senior secured loan of Federal Mogul was a top contributor as the company completed a \$500 million rights offering and announced relatively strong second quarter earnings. We believe the rights offering and the associated delevering are precursors to refinancing of the credit facility later this year.

After contributing to June's performance, the Portfolio's short positions reversed those gains in July, dampening volatility across these months. Like last month, the loss from any individual position was very small - the largest (high yield index short) detracted approximately 13bps from gross performance.

We are pleased to announce that Kevin Connors has joined Onex Credit Partners as a senior member of the investment team with over 30 years of experience. Before joining Onex Credit Partners, Kevin held positions at Bear Stearns and Royal Bank of Scotland where his main focus was investing and transacting in stressed and distressed bonds, loans, and claims.

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Five Strongest and Weakest Performers

Strongest

Edison Mission Senior Notes
General Motors Warrants
Lehman Brothers Senior Notes, Claims
Fed Mogul Senior Secured Loan
Ambac Notes

Weakest

High Yield Bond Index Shorts (CDX)
Eagle Bulk Senior Secured Loan, Warrants
ANR Senior Unsecured Note (short)
Trinseo Senior Secured Note (short)
FMG Resources Snr. Unsecured Note (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
Automobiles	11.60%	-2.36%	9.24%
Independent Power Producers	8.96%	0.00%	8.96%
Finance	9.26%	-0.92%	8.34%
Technology	8.68%	-1.76%	6.91%
Shipping	6.75%	0.00%	6.75%
Aerospace	6.19%	0.00%	6.19%
Gaming/Leisure	4.96%	0.00%	4.96%
Housing/Building Products	4.88%	-1.00%	3.88%
Trucking	3.60%	0.00%	3.60%
Forest Prod/Containers	3.72%	-0.68%	3.04%
Business Services	2.56%	-0.56%	2.00%
Energy	3.92%	-2.37%	1.55%
Energy Service	1.00%	0.00%	1.00%
Retail	0.00%	-0.36%	-0.36%
Media	0.20%	-0.57%	-0.37%
Packaging	0.00%	-0.52%	-0.52%
Telecom	0.00%	-0.58%	-0.58%
Metals/Minerals	0.00%	-1.84%	-1.84%
Food	0.89%	-2.75%	-1.86%
Chemicals	0.76%	-2.80%	-2.04%
Index	0.00%	-2.29%	-2.29%
Other	12.27%	0.00%	12.27%
Adjusted Exposure**	90.18%	-21.35%	68.83%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	46.89%	0.00%	46.89%
Corporate Bonds	32.02%	-13.63%	18.39%
Government Bonds	0.00%	0.00%	0.00%
Equity	5.53%	-0.45%	5.08%
Other	4.49%	0.00%	4.49%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	1.25%	0.00%	1.25%
Notional value of CDS	0.00%	-7.28%	-7.28%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	90.18%	-21.35%	68.83%
Cash****	9.82%	0.00%	9.82%
Total Exposure	100.00%	-21.35%	78.65%

*** 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.