

OCP CREDIT STRATEGY FUND

Monthly Update as at August 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:	\$257,623,926 *
NAV per Unit:	\$9.09*
Market Price:	\$8.70*
Latest Distribution: June 28, 2013	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.5286

*As at August 29, 2013

Commentary

Net performance of OCP Credit Strategy Fund was 0.40% and 6.72% in August and year-to-date, respectively. During the seasonally quiet month, markets weakened as better global economic data and renewed focus on potential tapering of bond purchases by the U.S. Federal Reserve drove U.S. Treasury yields to their highest level since July 2011. Concerns over potential U.S. military action in the Middle East also contributed to higher market volatility. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.04%, (0.58)%, and (2.90)% in the month, respectively.

Similar to prior months, the Portfolio's top five performers generated a significant portion of gross performance in August. One of the top five performers was a position initiated in April 2013 in the senior secured term loan of container shipper CMA CGM, a smaller less followed loan that is secured by certain of the company's containers. Based on our analysis, we concluded that the market value of the collateral provided a significant cushion in the unlikely event of a default. Our thesis was that CMA CGM would survive the shipping slowdown given an improving outlook. The loan traded higher in August after they reported better than expected second quarter earnings, driven in part by increased shipping volumes, and reduced fuel and other operating costs. This improved operating performance combined with planned non-core asset sales allowed CMA CGM to delever more than expected during the quarter. We continue to expect that improved demand will drive higher freight rates in the third quarter and that CMA will continue to lead the industry on margin performance.

The Portfolio's weakest positions included Jefferson County's secured municipal bonds which moved lower on concerns that the recent disruption in the municipal bond market could complicate Jefferson's anticipated exit from bankruptcy. The Portfolio had reduced its exposure to the name following the announcement of the terms of a consensual Plan to allow the municipality to emerge from Bankruptcy. Effectiveness of the plan is dependent upon issuance of new municipal debt to finance the exit from bankruptcy and re-pay the existing debt at the agreed discount. During the month, municipal bond yields increased (and prices declined) in sympathy with the sell-off in U.S. Treasuries and dislocation following the bankruptcy of the City of Detroit that increased focus on the ability to complete the necessary financing at an acceptable rate of interest. While the cost to finance an exit from bankruptcy has increased, we continue to believe all parties are motivated to have the county emerge from bankruptcy quickly should a small modification to the plan be necessary (we currently do not think that will be the case).

OCP CREDIT STRATEGY FUND

Monthly Update as at August 31, 2013



Five Strongest and Weakest Performers

Strongest

Lehman Brothers Senior Notes, Claims
Edison Mission Senior Bonds
CMA-CGM Container Senior Secured Loan
Capmark Financial Restructured Equity
Arch Coal Senior Unsecured Notes (short)

Weakest

Jefferson County Secured Municipal Bond
General Motors Warrants
TXU Senior Secured Loan
Ambac Note
Altegrity Senior Secured Loan, Bond

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	11.68%	-2.33%	9.35%
Independent Power Products	9.13%	0.00%	9.13%
Finance	8.52%	-0.94%	7.58%
Shipping	6.90%	0.00%	6.90%
Aerospace	6.33%	0.00%	6.33%
Technology	8.26%	-2.72%	5.55%
Gaming/Leisure	5.06%	0.00%	5.06%
Housing/Building Producers	4.98%	-1.03%	3.95%
Trucking	3.65%	0.00%	3.65%
Business Services	3.47%	-0.56%	2.91%
Forest Prod/Containers	3.35%	-0.68%	2.67%
Energy	3.97%	-2.31%	1.66%
Energy Service	0.00%	0.00%	0.00%
Media	0.19%	-0.55%	-0.36%
Retail	0.00%	-0.37%	-0.37%
Packaging	0.00%	-0.52%	-0.52%
Telecom	0.00%	-0.55%	-0.55%
Metals/Minerals	0.00%	-1.29%	-1.29%
Chemicals	0.93%	-2.77%	-1.84%
Food	0.51%	-2.80%	-2.29%
Index	0.00%	-2.33%	-2.33%
Other	13.27%	0.00%	13.27%
Adjusted Exposure**	90.21%	-21.75%	68.46%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	45.25%	0.00%	45.25%
Corporate Bonds	33.38%	-12.96%	20.42%
Government Bonds	0.00%	0.00%	0.00%
Equity	5.76%	-0.46%	5.31%
Other	4.66%	0.00%	4.66%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	1.14%	0.00%	1.14%
Notional value of CDS	0.00%	-8.33%	-8.33%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	90.21%	-21.75%	68.46%
Cash****	9.79%	0.00%	9.79%
Total Exposure	100.00%	-21.75%	78.25%

*** 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.