

OCP CREDIT STRATEGY FUND

Monthly Update as at January 31, 2014



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:	\$258,306,027*
NAV per Unit:	\$9.19*
Market Price:	\$9.07*
Latest Distribution: December 31, 2013	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.8786

*As at January 30, 2014

Commentary

Net performance of OCP Credit Strategy Fund was 1.76% in January. The positive sentiment in certain markets at the end of 2013 reversed on reports of slower than expected U.S. economic growth in the month and mounting stress in emerging markets. U.S. non-investment grade credit outperformed equities; the CS Leveraged Loan Index and CS High Yield Index returned 0.71% and 0.76%, respectively, while the S&P500 returned (3.46%).

In January, several of the Fund's shipping / transportation related positions were top performers, including CMA-CGM Container (CMA) and Overseas Shipping Group (OSG). We initiated purchase of the less followed senior secured loan of container shipper CMA in April 2013 at a meaningful discount to par. Our investment thesis was that the market value of the loan's collateral provided a significant cushion in the unlikely event of CMA's default and that the company would benefit from improving industry fundamentals and its cost containment program. A meaningful portion of the loan amortized since our initial purchase and in January, we sold the balance of the loan at a negotiated price that was favorable for the Fund. OSG, one of the world's largest bulk shippers of crude oil and refined petroleum products, had filed for bankruptcy protection in November 2012. Its structurally senior loan, which is held in the Fund, appreciated in January as the company made progress towards an anticipated financial restructuring.

The largest detractor from performance during the month represented approximately 20 basis points of the Fund's market value.

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Five Strongest and Weakest Performers

Strongest

CMA CGM Container Senior Secured Loan
Eagle Bulk Senior Secured Loan
Overseas Shipping Group (OSG) Structurally Senior Loan
Eitzen Senior Secured Loan
Co-Operative Banking Group Bond

Weakest

General Motors Warrants
Glitnir Claims
MachGen Secured 2 nd Lien Loan
Penson Senior Notes
K. Hovnanian Senior 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
Independent Power Producers	11.15%	0.00%	11.15%
Automobiles	12.59%	-2.58%	10.01%
Other	10.36%	-0.92%	9.44%
Trucking	8.11%	0.00%	8.11%
Gaming/Leisure	7.82%	0.00%	7.82%
Shipping – Dry Bulk	7.75%	0.00%	7.75%
Shipping – Tankers	6.08%	0.00%	6.08%
Finance	5.56%	0.00%	5.56%
Aerospace	4.42%	0.00%	4.42%
Housing/Building Products	5.48%	-1.12%	4.36%
Shipping – Chemical	3.58%	0.00%	3.58%
Business Services	2.99%	-0.62%	2.37%
Technology	2.30%	0.00%	2.30%
Energy Service	1.91%	0.00%	1.91%
Energy	2.61%	-1.87%	0.74%
Food	0.61%	0.00%	0.61%
Transportation	0.06%	0.00%	0.06%
Media	0.42%	-0.61%	-0.19%
Retail	0.00%	-0.39%	-0.39%
Packaging	0.00%	-0.56%	-0.56%
Metals/Minerals	0.00%	-0.61%	-0.61%
Telecom	0.00%	-0.61%	-0.61%
Forest Products/Containers	0.00%	-0.74%	-0.74%
Index	0.00%	-1.39%	-1.39%
Chemicals	1.50%	-3.11%	-1.61%
Adjusted Exposure**	95.31%	-15.12%	80.20%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	54.69%	0.00%	54.69%
Corporate Bonds	27.60%	-12.81%	14.79%
Government Bonds	0.00%	-0.92%	-0.92%
Equity	7.14%	-0.46%	6.68%
Other	4.45%	0.00%	4.45%
Puts	0.00%	0.00%	0.00%
Call Options	0.03%	0.00%	0.03%
Warrants	1.41%	0.00%	1.41%
Notional value of CDS	0.00%	-0.93%	-0.93%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	95.31%	-15.12%	80.20%
Cash****	4.69%	0.00%	4.69%
Total Exposure	100.00%	-15.12%	84.88%

*** 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.