

OCP CREDIT STRATEGY FUND

Monthly Update as at March 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:	\$243,342,696*
NAV per Unit:	\$9.22*
Market Price:	\$9.07*
Latest Distribution: March 31, 2014	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.0536

*As at March 31, 2014

Commentary

In March, net performance of OCP Credit Strategy Fund was 0.42% bringing year-to-date performance to 4.10%. Markets advanced in spite of continued tensions surrounding Russia and the Ukraine as well as concerns over China's growth rate. The S&P 500 and CS Leveraged Loan and High Yield Indexes returned 0.84%, 0.37% and 0.27%, respectively.

The Portfolio's five top performers in March accounted for the majority of performance and included Genco Shipping & Trading Ltd. and Edison Mission Energy. In late 2013, the Portfolio began purchasing the senior secured loan and unsecured bonds of Genco, a dry bulk shipper, at prices below par. We anticipated near-term corporate events, believed that the collateral provided meaningful downside protection for our senior secured loan and that the unsecured bonds had significant upside potential. Genco was under financial stress due to weak industry conditions and a highly leveraged balance sheet and was unlikely to remain in compliance with loan covenants. Notwithstanding Genco's difficult financial situation, the improving supply / demand imbalance supported our expectation of continued recovery in dry bulk shipping rates, which would result in higher recoveries. As anticipated, the Company entered into restructuring negotiations with creditors in early 2014 as a consensual restructuring would provide stability to operations while reducing cost. To expedite negotiations, Genco did not make a February bond coupon payment which gave creditors 30 days to reach a consensual plan. In March, Genco's loan and bonds traded higher as the Company's decision to pay the missed bond coupon and enter into a series of forbearance agreements up to four days suggesting a deal to expedite a restructuring was imminent. Edison Mission bonds gained following anticipated regulatory approval of the sale of its assets to NRG (closing in early April) and its impending exit from bankruptcy. As cash generated prior to closing will be distributed to creditors, we expect recoveries will benefit from the strong power prices due to increased demand given colder than normal weather in the first quarter of 2014.

Co-operative Banking Group PLC ("Co-Op") detracted from performance as its shares declined after the company announced in March weaker than expected preliminary 2013 financial results coupled with an unexpected plan to issue more equity to further enhance the bank's regulatory capital. Earlier in month, the Portfolio had reduced the position (selling approximately one third of its position). After this announcement, the Portfolio exited its remaining equity position. While it detracted from performance in this month, Co-Op was a profitable position over the life of the holding.

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Five Strongest and Weakest Performers

Strongest

Genco Shipping & Trading Senior Secured Loan, Bond
Edison Mission Senior Bond
TXU Senior Secured Loan
Global Ship Lease Secured Bond
Capmark Financial Restructured Equity

Weakest

Co-Operative Banking Group Bond
Torm Senior Secured Loan
K. Hovnanian Equity, Senior Bond
General Motors Warrants
Fannie Mae Preferred Equity

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	16.10%	-0.85%	15.24%
Shipping – Tankers	10.08%	0.00%	10.08%
Shipping – Dry Bulk	8.48%	0.00%	8.48%
Gaming/Leisure	8.16%	0.00%	8.16%
Automobiles	9.89%	-2.72%	7.17%
Trucking	5.48%	0.00%	5.48%
Housing/Building Products	5.67%	-1.22%	4.45%
Shipping – Chemical	3.77%	0.00%	3.77%
Business Services	4.06%	-0.64%	3.42%
Finance	3.03%	0.00%	3.03%
Transportation/Logistics	2.72%	0.00%	2.72%
Technology	2.41%	0.00%	2.41%
Aerospace	2.30%	0.00%	2.30%
Energy Service	1.21%	0.00%	1.21%
Energy	2.75%	-1.97%	0.78%
Food	0.66%	0.00%	0.66%
Media	0.47%	-0.66%	-0.19%
Metals/Minerals	0.00%	-0.24%	-0.24%
Retail	0.00%	-0.39%	-0.39%
Packaging	0.00%	-0.61%	-0.61%
Telecom	0.00%	-0.65%	-0.65%
Forest Prod/Containers	0.00%	-0.81%	-0.80%
Chemicals	0.96%	-2.14%	-1.18%
Index	0.00%	-1.34%	-1.34%
Other	10.50%	-0.97%	9.53%
Adjusted Exposure**	98.72%	-15.22%	83.50%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	55.01%	0.00%	55.01%
Corporate Bonds	31.90%	-12.05%	19.85%
Government Bonds	0.00%	-0.97%	-0.97%
Equity	5.43%	-1.32%	4.11%
Other	5.04%	0.00%	5.04%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	1.34%	0.00%	1.34%
Notional value of CDS	0.00%	-0.88%	-0.88%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	98.72%	-15.22%	83.50%
Cash****	1.28%	0.00%	1.28%
Total Exposure	100.00%	-15.22%	84.78%

*** 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, 2013 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.