

OCP CREDIT STRATEGY FUND

Monthly Update as at May 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:	\$246,301,864.44*
NAV per Unit:	\$9.35*
Market Price:	\$9.17*
Latest Distribution: March 31, 2014	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.0536

*As at May 29, 2014

Commentary

May's net performance of OCP Credit Strategy Fund was 0.63% bringing year-to-date net performance to 5.47%. Risk assets gained in the month on positive economic news, elevated M&A activity, and expectations that the European Central Bank would announce new stimulus measures at its early June meeting. Notwithstanding this positive sentiment, U.S. treasuries rallied, pushing the yield of the ten year note to its lowest level of the year. The S&P 500, CS High Yield, and Leveraged Loan Indexes returned 2.35%, 0.90%, and 0.61% in May, respectively.

The senior secured loan of power producer TXU was the largest contributor to performance in May as market uncertainty abated over the possible adverse impact on large power generators from expected Environmental Protection Agency (EPA) draft regulations proposing to cut carbon pollution. Based on early reports the capital expenditure impact on TXU is expected to be manageable. Longer term, investors increasingly believe TXU's power margins will be supported by higher natural gas prices due to growing domestic and international demand. Furthermore, the positive trend in power-industry M&A activity and valuation multiples is viewed favorably as consolidation will likely lead to increased and accelerated closure of uneconomic power generation.

There were no significant detractors from performance in the month, the largest of which accounted for 17 basis points of gross performance.

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Five Strongest and Weakest Performers

Strongest

TXU Senior Secured Loan
Glitnir Claim
Air Canada Equity
Caesar's Senior Secured Loan
Arvin Meritor Unsecured Bond

Weakest

MachGen Equity
Gold Bridge Shipping Senior Secured Loan
Eagle Bulk Senior Secured Loan
Accuride Secured Bond (short)
U.S. Treasury 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
Shipping – Tankers	9.71%	0.00%	9.71%
Independent Power Producers	9.65%	0.00%	9.65%
Gaming/Leisure	8.41%	0.00%	8.41%
Shipping – Dry Bulk	8.37%	0.00%	8.37%
Shipping – Chemical	5.97%	0.00%	5.97%
Trucking	5.30%	0.00%	5.30%
Automobiles	7.37%	-2.66%	4.71%
Housing/Building Products	4.89%	-1.18%	3.71%
Aerospace	3.26%	0.00%	3.26%
Business Services	3.90%	-0.64%	3.26%
Finance	3.34%	-0.19%	3.15%
Transportation/Logistics	2.75%	0.00%	2.75%
Technology	2.30%	0.00%	2.30%
Infrastructure	1.83%	0.00%	1.83%
Media	2.27%	-0.64%	1.63%
Energy Service	1.17%	0.00%	1.17%
Energy	2.83%	-1.83%	1.00%
Food	0.00%	0.00%	0.00%
Metals/Minerals	0.00%	-0.22%	-0.22%
Packaging	0.00%	-0.58%	-0.58%
Telecom	0.00%	-0.65%	-0.65%
Forest Products/Containers	0.00%	-0.78%	-0.78%
Chemicals	0.95%	-2.04%	-1.09%
Index	0.00%	-1.31%	-1.31%
Other	8.64%	-0.96%	7.68%
Adjusted Exposure**	92.91%	-13.68%	79.23%

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

Portfolio Composition***

	Long	Short	Net
Bank Debt	56.87%	0.00%	56.87%
Corporate Bonds	21.69%	-11.23%	10.47%
Government Bonds	0.00%	-0.96%	-0.96%
Equity	5.13%	-0.65%	4.48%
Other	7.96%	0.00%	7.96%
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%	-0.85%	-0.85%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	92.91%	-13.68%	79.23%
Cash****	7.09%	0.00%	7.09%
Total Exposure	100.00%	-13.68%	86.32%

*** 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, 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.