

OCP CREDIT STRATEGY FUND

Monthly Update as at August 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:	\$242,425,022.26*
NAV per Unit:	\$9.20*
Market Price:	\$9.64*
Latest Distribution: June 30, 2014	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.2286

*As at August 28, 2014

Commentary

Net performance of OCP Credit Strategy Fund was (0.53%) and 5.78% for August and year-to-date, respectively. De-escalating geopolitical headlines and speculation about continued European Central Bank action influenced market trends, with additional movement prompted by the U.S.'s strengthening labor market and less apprehension about inflation. Modest gains in the U.S. high yield bond market were in response to solid quarterly earnings, fewer withdrawals and light new issue volume. The S&P 500, CS High Yield, and Leveraged Loan Indexes returned 4.00%, 1.45%, and 0.23% in August, respectively.

Similar to last month, the lack of significant positive events was outweighed by a few positions that retraced prior gains. While TXU and Hovnanian Enterprises each recovered much of prior months' losses, none of the top five detractors nor any of the profitable positions accounted for more than 14bp of performance. We continue to identify investments that we believe have measured downside that will benefit from identifiable events.

The Portfolio's senior secured note investment in Altegrity declined during the month, costing the Portfolio 14bp of performance. The U.S. Office of Personnel Management (OPM) suspended a major contract of the company's US Investigations Services (USIS) division due to a cyber-attack on USIS's corporate network. OPM has since canceled this contract, under which USIS was performing background investigations for individuals seeking US Government security clearances. The potential loss of this contract was in our analysis and we believe the value of Altegrity's non-USIS businesses more than cover the Portfolio's investment.

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Five Strongest and Weakest Performers

Strongest

Weakest

TXU Senior Secured Loan	Altegrity Senior Secured Loan
K. Hovnanian Equity, Senior Bond	Overseas Shipping Group (OSG)
Arvin Meritor Unsecured Bond	Eagle Bulk Senior Secured Loan
Avaya Senior Secured Loan	Air Canada Equity
Global Ship Lease Secured Bond	Caesars Senior Secured Loan

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**

Portfolio Composition***

	Long	Short	Net
Independent Power Producers	9.47%	0.00%	9.47%
Shipping – Dry Bulk	7.09%	0.00%	7.09%
Shipping – Chemical	6.34%	0.00%	6.34%
Business Services	5.60%	0.00%	5.60%
Gaming/Leisure	5.44%	0.00%	5.44%
Trucking	5.30%	0.00%	5.30%
Automobiles	7.30%	-2.68%	4.62%
Shipping – Tankers	3.94%	0.00%	3.94%
Housing/Building Products	4.88%	-1.16%	3.72%
Finance	3.50%	-0.17%	3.33%
Aerospace	3.08%	0.00%	3.08%
Transportation/Logistics	2.84%	0.00%	2.84%
Infrastructure	2.60%	0.00%	2.60%
Technology	2.36%	0.00%	2.36%
Energy	3.32%	-0.99%	2.33%
Media	2.38%	-0.65%	1.73%
Chemicals	3.57%	-2.04%	1.53%
Energy Service	1.19%	0.00%	1.19%
Healthcare	0.00%	0.00%	0.00%
Packaging	0.00%	-0.61%	-0.61%
Telecom	0.00%	-0.67%	-0.67%
Forest Prod/Containers	0.00%	-0.79%	-0.79%
Metals/Minerals	0.00%	-0.84%	-0.84%
Index	0.00%	-1.36%	-1.36%
Other	9.06%	-0.99%	8.07%
Adjusted Exposure**	89.25%	-12.93%	76.32%

	Long	Short	Net
Bank Debt	43.70%	0.00%	43.70%
Corporate Bonds	28.51%	-10.42%	18.09%
Government Bonds	0.00%	-0.99%	-0.99%
Equity	7.77%	-0.67%	7.10%
Other	7.99%	0.00%	7.99%
Puts	0.00%	0.00%	0.00%
Call Options	0.00%	0.00%	0.00%
Warrants	1.29%	0.00%	1.29%
Notional value of CDS	0.00%	-0.86%	-0.86%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	89.25%	-12.93%	76.32%
Cash****	10.75%	0.00%	10.75%
Total Exposure	100.00%	-12.93%	87.07%

*** 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.

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

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.