

OCP CREDIT STRATEGY FUND

Monthly Update as at October 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:	\$228,205,040.18*
NAV per Unit:	\$8.66*
Market Price:	\$8.80*
Latest Distribution: September 30, 2014	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.4036

*As at October 30 2014

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	SI
OCP Credit Strategy Fund (OCS.UN)	-2.24	-4.51	-3.13	1.55	3.35	6.64	6.92	5.92

Commentary

Net performance of OCP Credit Strategy Fund was (2.24)% and 1.55% for October and year-to-date, respectively. Volatility remained throughout the month due to fundamental concerns about macro issues, including weakening growth prospects in the European Union and a continued economic slowdown in China, offset by some signs of strength in the U.S. economy. The CS Leveraged Loan, CS High Yield indices and S&P 500 returned 0.29%, 0.95% and 2.44%, respectively.

A lack of significant positive events in the Portfolio's positions was outweighed by a few positions which had negative performance. Altegrity was a winner for the month as the Fund's investment in the senior secured first lien notes recaptured most of September's loss. Investors are awaiting word on the company's plans to restructure its debt following the previously disclosed loss of a large U.S. government contract in September. We believe the value of Altegrity more than covers the par value of the Portfolio's investment in the senior secured first lien notes.

The two biggest detractors from this month's performance were dry bulk shipping companies, Eagle Bulk and Genco. Each of these companies emerged from their respective restructuring processes earlier this year. As we expected, the balance sheets of both companies were restructured to significantly reduce leverage and our secured loan positions were converted primarily into equity in the reorganized entities. During October, dry bulk shipping rates were negatively pressured by concerns about sluggish Chinese growth, as well as increased new build ship deliveries, causing the equities in the sector to trade lower. However, we believe that with their restructured balance sheets, Eagle Bulk and Genco are well positioned to withstand the current cyclical lows and to capitalize on current depressed conditions by pursuing consolidation opportunities.

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Five Strongest and Weakest Performers

Strongest

Altegrity Senior Secured Loan
K. Hovnanian Equity, Senior Bond
Delphi Equity
Arch Coal Senior Unsecured Note
Caesars Senior Secured Loan

Weakest

Eagle Bulk Senior Secured Loan
Genco Shipping & Trading Senior Secured Loan, Bond
TXU Senior Secured Loan
Lehman Brothers Senior Note, Claims
Momentive First Lien Notes

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	7.94%	0.00%	7.94%
Trucking	5.66%	0.00%	5.66%
Business Services	5.66%	0.00%	5.66%
Shipping - Chemical	5.36%	0.00%	5.36%
Automobiles	7.50%	-2.91%	4.59%
Housing/Building Products	5.30%	-1.26%	4.04%
Energy	4.04%	-0.22%	3.82%
Shipping - Dry Bulk	3.71%	0.00%	3.71%
Shipping - Tankers	3.68%	0.00%	3.68%
Chemicals	5.59%	-2.19%	3.40%
Aerospace	3.08%	0.00%	3.08%
Transportation/Logistics	2.89%	0.00%	2.89%
Finance	2.81%	-0.10%	2.71%
Media	3.12%	-0.71%	2.41%
Gaming/Leisure	2.77%	-0.64%	2.13%
Technology	1.94%	0.00%	1.94%
Infrastructure	1.38%	0.00%	1.38%
Energy Service	1.08%	0.00%	1.08%
Manufacturing	0.00%	-0.39%	-0.39%
Packaging	0.00%	-0.67%	-0.67%
Telecom	0.00%	-0.73%	-0.73%
Index	0.77%	-1.60%	-0.82%
Metals/Minerals	0.00%	-0.85%	-0.85%
Forest Products/Containers	0.00%	-0.87%	-0.87%
Other	7.98%	-1.09%	6.89%
Adjusted Exposure**	82.27%	-14.22%	68.05%

** 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.

You will usually pay brokerage fees to your dealer if you purchase or sell units of the investment fund on the Toronto Stock Exchange ("TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them. There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in these documents. **The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees (such as redemption fees or optional charges) or income taxes payable by any unitholder that would have reduced returns.** Investment funds are not guaranteed, their values change 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.

Portfolio Composition***

	Long	Short	Net
Bank Debt	34.63%	0.00%	34.63%
Corporate Bonds	30.84%	-11.43%	19.41%
Government Bonds	0.00%	-1.09%	-1.09%
Equity	9.18%	-0.69%	8.49%
Other	6.43%	0.00%	6.43%
Puts	0.00%	0.00%	0.00%
Warrants	1.19%	0.00%	1.19%
Notional value of CDS	0.00%	-1.01%	-1.01%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	82.27%	-14.22%	68.05%
Cash****	17.73%	0.00%	17.73%
Total Exposure	100.00%	-14.22%	85.78%

*** 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.