

OCP CREDIT STRATEGY FUND

Monthly Update as at December 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:	\$221,345,654.74*
NAV per Unit:	\$8.40*
Market Price:	\$8.36*
Latest Distribution: December 31, 2014	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.5786

*As at December 31, 2014

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	SI
OCP Credit Strategy Fund (OCS.UN)	-1.38	-3.20	-5.78	0.55	0.55	5.30	7.24	5.52

Commentary

Net performance of OCP Credit Strategy Fund (the Portfolio) was (1.38%) and 0.55% for December and year-to-date, respectively. For the month of December, the CS Leveraged Loan, CS High Yield indices and S&P 500 returned (1.10%), (1.72%) and (0.25%), respectively. Market volatility persisted in the month of December with heightened concerns surrounding commodity related companies. Generally, investments that had the most significant price movements were companies participating directly in the energy, mining and related service sector. Positive performers included investments in Tervita, Emeco and Torm while TXU and Eitzen experienced negative performance.

Tervita is an oil service company focused in Canada with a less significant business segment in the U.S. The bank debt and bonds had traded down in late November/early December in sympathy with most energy names. We believed the secured term loan was covered by asset value and the company was positioned to withstand the industry downturn. We purchased the debt in the mid- to upper-70s. At month end, Tervita announced a transaction to sell its U.S. operations at a very attractive price, causing the investment to trade higher. While we did sell a portion of our position at the higher price, we kept the majority as the asset sale will reduce leverage and the net proceeds will pay down approximately 57% of the term loans at par.

The Portfolio's short position in Emeco bonds was a positive performer. Emeco is a mining services company that leases large trucks and earth moving equipment to companies in the coal, oil sands and copper mining sectors. We continue to maintain the position as we anticipate continued declining lease revenues at Emeco as a result its customers' challenges.

Torm secured loans traded up in December on continued improvements in product tanker shipping rates and cash flows for the company. While product tanker investments struggled for much of 2014, recent volatility in oil prices has increased demand for product tankers. Additionally, the opening of several refineries in the Middle East has led to greater exports of refined product.

Our position in TXU declined during the month of December as a result of a significant decline in natural gas prices and anticipated slowing of growth in oil and gas production. Natural gas typically sets the price of electricity in Texas, and therefore lower gas prices shrink the margin that TXU earns from its nuclear and coal fired power plants.

Our senior secured loans in Eitzen Chemical traded down this month. We expect the company to benefit from lower operating costs as fuel costs decline and chemical tanker charter rates improve. Once Eitzen Chemical completes its restructuring later this month, the company should have sufficient financial flexibility and will be favorably positioned to capitalize on improving industry dynamics. We continue to believe that market weakness has created increased opportunities for the Portfolio. We are currently focused on finding companies that are well positioned and have the financial flexibility to withstand a prolonged down turn in commodity prices mindful that there could be continued volatility in the market.

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Five Strongest and Weakest Performers

Strongest

General Motors Equity and Warrants
 Term Senior Secured Loans
 Tervita Senior Secured Loan
 Alpha Natural Senior Secured Loan
 Emeco Bonds (short)

Weakest

TXU Senior Secured Loans and Bond
 Eitzen Senior Secured Loans
 Genco Shipping & Trading Equity
 MachGen Equity
 Arvin Meritor Senior Unsecured Bond

The chart shows the top five strongest and weakest holdings contributing to the Portfolio'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
Trucking	6.36%	0.00%	6.36%
Business Services	6.04%	0.00%	6.04%
Independent Power Producers	5.69%	0.00%	5.69%
Shipping - Chemical	5.14%	0.00%	5.14%
Automobiles	8.22%	-3.12%	5.09%
Energy	4.35%	-0.14%	4.21%
Housing/Building Producers	5.46%	-1.35%	4.11%
Shipping - Tankers	4.05%	0.00%	4.05%
Chemicals	4.98%	-1.00%	3.98%
Aerospace	3.78%	0.00%	3.78%
Shipping - Dry Bulk	3.36%	0.00%	3.36%
Transportation/Logistics	3.12%	0.00%	3.12%
Finance	2.89%	-0.11%	2.78%
Media	3.12%	-0.73%	2.40%
Gaming/Leisure	2.91%	-0.69%	2.22%
Technology	2.07%	0.00%	2.07%
Infrastructure	1.53%	0.00%	1.53%
Energy Services	1.51%	0.00%	1.51%
Manufacturing	0.00%	-0.34%	-0.34%
Packaging	0.00%	-0.71%	-0.71%
Telecom	0.00%	-0.77%	-0.77%
Forest Prod/Containers	0.00%	-0.91%	-0.91%
Metals/Minerals	0.00%	-1.11%	-1.11%
Index	0.18%	-1.76%	-1.57%
Other	8.20%	-1.06%	7.14%
Adjusted Exposure**	82.94%	-13.79%	69.15%

** 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	34.87%	0.00%	34.87%
Corporate Bonds	32.20%	-10.87%	21.33%
Government Bonds	0.00%	-1.06%	-1.06%
Equity	8.03%	-0.79%	7.24%
Other	6.27%	0.00%	6.27%
Puts	0.00%	0.00%	0.00%
Warrants	1.57%	0.00%	1.57%
Notional value of CDS	0.00%	-1.07%	-1.07%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	82.94%	-13.79%	69.15%
Cash****	17.06%	0.00%	17.06%
Total Exposure	100.00%	-13.79%	86.21%

*** 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.