

# OCP CREDIT STRATEGY FUND

Monthly Update as at April 30, 2015



## Investment Rationale and Objectives

OCP Credit Strategy Fund provides Unitholders with exposure to 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 (ii) to provide Unitholders with attractive, quarterly 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:	\$195,772,788.88*
NAV per Unit:	\$8.16*
Market Price:	\$7.85*
Latest Distribution: March 31, 2015	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.7536

\*As at April 30, 2015

## Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	SI
OCP Credit Strategy Fund (OCS.UN)	1.47	1.21	-1.73	-0.76	-4.80	2.64	5.26	5.03

## Commentary

Net performance of OCP Credit Strategy Fund (the Fund) was 1.47% and -0.76% for April and year-to-date, respectively. For the month of April, the CS Leveraged Loan, CS High Yield indices and S&P 500 returned 0.90%, 1.31% and 0.96%, respectively.

The winners discussed below include certain investments that we believe had been oversold (Team Tankers and Torm) and the Fund's investment in Prisa, which benefited from the completion of an anticipated event.

As we expected, the Spanish regulatory agency approved the sale of Prisa's stake in its pay-for-TV business to Telefonica in late April. In early May, under the terms of the transaction, the vast majority of the purchase price was paid at closing with the balance expected over the coming months. The closing was an important milestone for Prisa and its debt reduction plans as it continues to monetize non-core assets ahead of deadlines at attractive prices. There are several additional events we anticipate over the coming quarters that should provide incremental upside to the Fund's holdings.

Technical pressure on both Team Tankers and Torm subsided during the month as investors began to recognize the continued improvement in the tanker markets, lifting the market price for both positions. The demand for seaborne transportation for refined products and chemicals should remain relatively strong resulting from, among other things, volatility in the oil markets and the ramping of new refinery production in the Middle East. We remain positive on these names as financial performance and charter rates are expected to continue to improve.

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## Five Strongest and Weakest Performers

### Strongest

Team Tankers Equity  
 Term Senior Secured Loans  
 Prisa Senior Secured Loans  
 Capmark Financial Equity  
 TXU Senior Secured Loans & Bonds

### Weakest

Genco Shipping & Trading Equity  
 General Motors Warrants  
 Glitnir Claims  
 Proshares Ultrashort Euro ETF  
 Tribune Media Company Equity

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
Energy	9.18%	-0.02%	9.15%
Trucking	7.56%	0.00%	7.56%
Business Services	7.51%	0.00%	7.51%
Automobiles	9.73%	-3.34%	6.39%
Independent Power Producers	6.31%	0.00%	6.31%
Housing/Building Products	6.36%	-1.59%	4.77%
Gaming/Leisure	4.60%	0.00%	4.60%
Shipping - Tankers	4.22%	0.00%	4.22%
Shipping - Chemical	4.10%	0.00%	4.10%
Media	4.72%	-0.91%	3.80%
Transportation/Logistics	3.77%	0.00%	3.77%
Aerospace	3.61%	0.00%	3.61%
Finance	3.32%	-0.16%	3.16%
Chemicals	3.92%	-1.14%	2.79%
Technology	2.48%	0.00%	2.48%
Shipping - Dry Bulk	1.70%	0.00%	1.70%
Energy Service	2.14%	-0.74%	1.40%
Infrastructure	0.00%	0.00%	0.00%
Index	0.22%	-0.54%	-0.32%
Metals/Minerals	0.00%	-0.82%	-0.82%
Packaging	0.00%	-0.86%	-0.86%
Forest Prod/Containers	0.00%	-0.94%	-0.94%
Retail	0.00%	-4.54%	-4.54%
Other	8.54%	-1.27%	7.27%
<b>Adjusted Exposure**</b>	<b>93.98%</b>	<b>-16.86%</b>	<b>77.12%</b>

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

## Portfolio Composition

	Long	Short	Net
Bank Debt	39.29%	0.00%	39.29%
Corporate Bonds	36.20%	-11.44%	24.77%
Government Bonds	0.00%	-1.27%	-1.27%
Municipal Bonds	0.41%	0.00%	0.41%
Equity	9.29%	-0.72%	8.57%
Other	6.91%	0.00%	6.91%
Puts	0.00%	0.00%	0.00%
Warrants	1.87%	0.00%	1.87%
Notional value of CDS	0.00%	-3.43%	-3.43%
Notional value of Puts	0.00%	0.00%	0.00%
<b>Adjusted Exposure**</b>	<b>93.98%</b>	<b>-16.86%</b>	<b>77.12%</b>
Cash***	6.02%	0.00%	6.02%
<b>Total Exposure</b>	<b>100.00%</b>	<b>-16.86%</b>	<b>83.14%</b>

\*\*\* 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.

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.

Performance figures for the Fund are based on Canadian generally accepted accounting principles and were based on audited financial statements through December 31, 2014 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.