

OCP CREDIT STRATEGY FUND

Monthly Update as at August 31, 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:	\$185,768,591.00*
NAV per Unit:	\$7.74*
Market Price:	\$7.34*
Latest Distribution: June 30, 2015	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$3.9286

*As at August 31, 2015

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	SI
OCP Credit Strategy Fund (OCS.UN)	-2.19	-4.22	-3.19	-3.75	-8.51	-0.04	3.17	4.26	4.18

Commentary

Net performance of OCP Credit Strategy Fund (the Fund) was (2.19%) and (3.75%) for August and year-to-date, respectively. For the month of August, the CS Leveraged Loan, CS High Yield and S&P 500 TR indexes returned (0.65%), (2.05%) and (6.03%), respectively.

The Fund's performance in August was largely the result of overall market weakness led by continued volatility in equities and commodities and negative global events. This was reflected in the Fund's performance where numerous positions contributed modest losses (over 60% of the month's gross losses were generated by positions losing between 2 and 16 bps each), and TXU was the only outlier generating 47 bps of negative performance.

Caesars Entertainment Corp (CERP) Senior Secured Loans were a positive contributor to performance in August. The CERP term loans traded higher in August as a couple of positive events reduced the probability that its parent, Caesars Entertainment Corp. (CEC), would be forced to file for bankruptcy protection. First, bankrupt sister entity, Caesars Operating Co. (CEOC), made progress on its restructuring efforts as it reached an agreement with its first-lien creditors on a Restructuring Support Agreement (RSA), which is now supported by two-thirds of its lender group. Second, a New York judge ruled in favor of the CEC, denying summary judgment seeking to reinstate CEC's guarantee of certain debt.

The Fund's investment in the diversified risk and information services company, Corporate Risk Holdings, LLC (formerly known as Altegrity), performed well this month as the company's restructuring was approved and it exited from bankruptcy protection at the end of the month.

As mentioned above, the one negative performer of note was the Fund's position in TXU subsidiary Texas Competitive Electric Holdings Co (TCEH) secured loans. TXU is an electric utility company headquartered in Dallas, Texas, which has been going through a prolonged restructuring and is currently in a Chapter 11 process. TCEH secured loans traded down in August largely in sympathy with continued weakness in commodity markets, particularly natural gas prices.

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Five Strongest and Weakest Performers

Strongest

Altegrity Senior Secured Notes

Term Equity

Caesars (CERP) Senior Secured Loan

Glitnir Claims

Int'l Automotive Components Second Lien Bonds

Weakest

TCEH Senior Secured Loans & Bonds

Genco Equity

K Hovnanian Equity and Senior Notes

Eagle Bulk Equity

Prisa Secured and Unsecured Loans

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	13.64%	-0.02%	13.62%
Business Services	7.29%	0.00%	7.29%
Trucking	7.00%	0.00%	7.00%
Independent Power Producers	5.49%	0.00%	5.49%
Automobiles	8.20%	-3.12%	5.08%
Media	5.72%	-1.01%	4.71%
Shipping - Chemical	4.56%	0.00%	4.56%
Transportation/Logistics	3.99%	0.00%	3.99%
Gaming/Leisure	3.96%	0.00%	3.96%
Finance	3.55%	-0.16%	3.38%
Aerospace	3.21%	0.00%	3.21%
Shipping - Tankers	2.79%	0.00%	2.79%
Housing/Building Products	4.21%	-1.76%	2.46%
Telecom	2.25%	0.00%	2.25%
Chemicals	3.69%	-1.75%	1.94%
Technology	1.91%	0.00%	1.91%
Shipping - Dry Bulk	1.45%	0.00%	1.45%
Energy Service	2.14%	-0.81%	1.33%
Consumer Durables	0.72%	0.00%	0.72%
Packaging	0.80%	-0.95%	-0.14%
Index	0.00%	-0.61%	-0.61%
Metals/Minerals	0.00%	-0.86%	-0.86%
Forest Prod/Containers	0.00%	-1.07%	-1.07%
Retail	0.00%	-5.13%	-5.13%
Other	9.97%	-1.44%	8.54%
Adjusted Exposure**	96.53%	-18.68%	77.86%

Portfolio Composition

	Long	Short	Net
Bank Debt	39.09%	0.00%	39.09%
Corporate Bonds	38.33%	-12.50%	25.84%
Government Bonds	0.00%	-1.44%	-1.44%
Municipal Bonds	0.91%	0.00%	0.91%
Equity	9.07%	-0.79%	8.28%
Other	8.59%	0.00%	8.59%
Puts	0.00%	0.00%	0.00%
Warrants	0.53%	0.00%	0.53%
Notional value of CDS	0.00%	-3.95%	-3.95%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	96.53%	-18.68%	77.86%
Cash***	3.47%	0.00%	3.47%
Total Exposure	100.00%	-18.68%	81.33%

*** 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.

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.