

OCP CREDIT STRATEGY FUND

Annual Management Report of Fund Performance for the year ended
December 31, 2015

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2015 to December 31, 2015

Manager:

Onex Credit Partners, LLC

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Notes:

1. This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete Annual Financial Statements of the Fund. You can get a copy of the Annual Financial Statements at your request, and at no cost, by contacting us (contact information above) or on SEDAR at www.sedar.com. Holders may also contact us to request a free copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. This report may contain forward looking statements. Forward looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward looking statements.
3. Unless otherwise indicated all information is as at December 31, 2015.
4. None of the websites that are referred to in this Annual Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Annual Management Report of Fund Performance.

Investment Objectives and Strategies

The Fund invests in an actively managed, diversified portfolio (the "Portfolio") comprised primarily of senior debt obligations of non-investment grade North American issuers. Onex Credit Partners, LLC (the "Manager") is the manager of the Fund and also manages the Portfolio. The Fund seeks to achieve the following investment objectives: to maximize total returns for securityholders, to provide securityholders distributions currently targeted to be \$0.175 per quarter (\$0.70 per year to yield 7% per year based on the \$10.00 initial subscription price) and to preserve capital. The Manager seeks to generate attractive risk-adjusted returns through a long/short investment strategy focused on actively traded, event-driven, senior debt securities in the non-investment grade debt markets. In order to manage risk and volatility, the strategy is based on a diversified portfolio, with limited exposure to equity investments and no financial leverage.

Risks

There were no changes to the Fund over the period of this report that affected the overall level of risk associated with an investment in the Fund. Securityholders should refer to the Fund's annual information form ("AIF") for the year ended December 31, 2015 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The AIF is available free of charge from us (contact information above), on our website www.ocpcreditstrategy.com and on SEDAR www.sedar.com. Readers are also directed to Note 8 of the Fund's 2015 Annual Financial Statements, which discusses management of financial risks.

Results of Operations

For the year ended December 31, 2015, net assets per unit of the Fund was \$6.85 after payment of distributions to securityholders of \$0.70 per unit compared to \$8.40 on December 31, 2014. Total return for the Fund was – 10.6% over the year.

The Fund's net assets were \$163.3 million as at December 31, 2015, a decrease from \$221.3 million as at December 31, 2014. Factors contributing to this decrease include (i) redemptions of \$19.9 million; (ii) distributions to securityholders of \$17.2 million; and (iii) net losses of \$20.9 million.

The Fund was initially created to provide securityholders with tax-advantaged returns through the use of a forward agreement entered into between the Fund and a Canadian chartered bank on November 20, 2009 (the "Forward Agreement"). The Forward Agreement provided securityholders with indirect exposure to a portfolio of assets held by OCP Investment Trust. As a result of changes to the *Income Tax Act* (Canada) (the "Tax Act"), the Forward Agreement was terminated on December 29, 2014 (the "Forward Termination Date"), and the portfolio of assets held by OCP Investment Trust was transferred to the Fund through a series of transfers commencing on December 16, 2014 (the "Forward Unwind").

In connection with the Forward Unwind the Fund's investment objectives were amended to remove all references to the use of forward agreements to gain exposure to the Portfolio, to delete references to "tax-advantaged" and to clarify that the Fund will invest directly in securities similar to those held by OCP Investment Trust prior to the Forward Termination Date.

The amendments to the investment objectives of the Fund did not change the investment strategy and types of securities securityholders were previously exposed to indirectly through OCP Investment Trust.

As a result of the Forward Unwind and the Portfolio now being held by the Fund directly, the Fund had higher investment income and operating expenses as compared to the prior year.

The Fund's total return in the period in question can largely be attributed to negative performance in certain portfolio holdings (e.g. Genco, Eagle Bulk, Team Tankers, OSX and TXU).

Challenging global market conditions and heightened volatility during the year negatively impacted performance across investment strategies. Top of mind for the markets was a continued slowdown in China and the impact of dropping commodity prices. China continues to see significant volatility in its equity market and concerns over impact on consumer demand. The potential resolution with Iran also added pressure to world oil prices. This uncertainty directly and indirectly affected many asset classes, including the Fund's target investments. The sustained rise in the U.S. dollar along with anticipated monetary policy changes rounded out the cacophony of major factors affecting performance.

Volatility throughout the broader markets impacted high-yield credit significantly, as the risk-off trade grew increasingly prevalent during 2015. As a result, market prices dropped and valuations suffered.

The largest positive contributors to performance in 2015 included holdings in Tronox, Machgen, Glitnir, Citgo and Altegrity.

With regards to specific portfolio assets, the Fund's exposure to the broad category of Energy has increased. However, that exposure is primarily through refining companies as opposed to E&P. Net exposure including cash remained approximately 85%. During the period, senior loan and corporate bond assets continue to comprise the largest share of the Portfolio, which is consistent with the Fund's investment strategy.

Any changes in the composition of the Portfolio during the period were in keeping with the Fund's investment objective. This has resulted in a portfolio of event-driven investments that the Portfolio Manager believes will benefit from the specific corporate events, such as restructurings, refinancing, value recoveries and bankruptcies as identified in our investment objectives. While capital appreciation has generally driven performance, the Portfolio's assets can also generate interest income.

Recent Developments

Events occur in all economic and market environments and also occur outside the non-investment grade market, e.g., investment grade and municipal bond markets, which changes the Fund's opportunity set. Modest U.S. economic growth and low interest rates should continue to support the senior secured loan and high yield bond markets. Small increases in the default rate or contagion from other more significantly impacted sectors can create event-driven opportunities for a fund the size of OCP Credit Strategy.

Significant downward price movements in Energy names and continued slowdown in the Chinese economy has had an adverse effect on credit markets in general. However, the Portfolio Manager believes opportunities within event-driven credit are increasing. The Portfolio Manager remains cautious but sees a number of factors coalescing that could create significant opportunities across industries and has maintained cash to take advantage of the increasing opportunity set.

Related Party Transactions

The Manager and the Fund are deemed to be related parties. Please refer to the section titled "Management Fees", which outlines the fees paid to the Manager. The Manager and the Fund were not party to any other related party transactions during the year ended December 31, 2015.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

THE FUND'S NET ASSETS PER UNIT ⁽¹⁾

	2015	2014	2013	2012	2011
Net Assets, beginning of period	\$8.40	\$9.03	\$8.84	\$8.60	\$9.49
Increase (decrease) from operations:					
Total revenue	0.42	0.02	0.00	0.00	0.00
Total expenses	(0.24)	(0.12)	(0.08)	(0.08)	(0.08)
Realized gains (losses) for the period	(0.48)	2.38	0.24	0.09	0.05
Unrealized gains (losses) for the period	(0.55)	(2.19)	0.72	0.93	(0.33)
Total increase (decrease) from operations ⁽²⁾	(0.85)	0.09	0.88	0.94	(0.36)
Distributions:					
From income (excluding dividends)	(0.10)	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	(0.70)	0.00	0.00	0.00
Return of capital	(0.60)	0.00	(0.70)	(0.70)	(0.70)
Total Distributions ⁽³⁾	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Net Assets, end of period ⁽⁴⁾	\$6.85	\$8.40	\$9.03	\$8.84	\$8.60

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian GAAP. Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. Under IFRS, the Fund measures the fair value of its investments using the guidance in IFRS 13 which requires that if an asset or liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. Accordingly, the opening net assets as at January 1, 2013 was restated to reflect the accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 remain in accordance with Canadian GAAP.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash.

⁽⁴⁾ This is not a reconciliation of the beginning and ending net assets per unit.

RATIOS AND SUPPLEMENTAL DATA

	2015	2014	2013	2012	2011
Total net asset value (000s) ⁽¹⁾	\$163,337	\$221,346	\$253,939	\$264,517	\$261,336
Number of units outstanding ⁽¹⁾	23,851,108	26,355,791	28,131,739	29,909,815	30,379,175
Management expense ratio ⁽²⁾	2.99%	3.21%	5.49%	3.74%	5.04%
Management expense ratio before waivers or absorptions	2.99%	3.21%	5.49%	3.74%	5.04%
Trading expense ratio ⁽³⁾	0.02%	0.24%	0.25%	0.25%	0.25%
Portfolio turnover rate ⁽⁴⁾	51.06%	3.35%	N/A	N/A	N/A
Net asset value per unit	\$6.85	\$8.40	\$9.03	\$8.84	\$8.60
Closing market price	\$6.62	\$8.36	\$8.92	\$8.90	\$8.50

Notes:

⁽¹⁾ This information is provided as at December 31 of the year shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and, except as stated in the following sentence, is expressed as an annualized percentage of daily average net asset value during the period. The MER for the period ended December 31, 2011 includes agents' fees and other offering expenses which, are one-time expenses and therefore are not annualized. Total expenses also include interest expense on short positions held in OCP Investment Trust for the periods prior to the Forward Termination Date. The MER for the periods ended December 31, 2011, 2012, 2013, 2014 and 2015 excluding agents' fees and offering expenses and interest expense are 2.07%, 2.61%, 4.08%, 2.23% and 2.06%, respectively.

⁽³⁾ The trading expense ratio represents total commissions, forward agreement fees and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Post Forward Termination Date, the Fund no longer pays any forward agreement fees.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's investment adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The 2014 portfolio turnover rate is calculated for the period post Forward Termination Date. For the period prior to the Forward Termination Date, the Fund's return was linked, by virtue of a Forward Agreement, to the performance of a portfolio comprised primarily of senior debt obligations of non-investment grade North American issuers, and consequently, the portfolio turnover rate did not apply to the Fund.

Management Fees

The Manager is responsible for providing or arranging for all investment advisory and portfolio management services required by the Fund including, without limitation, managing the Portfolio in a manner consistent with the investment objectives, guidelines and restrictions of the Fund and for arranging for the execution of all portfolio transactions. The Manager is also responsible for the operational and administrative functions of the Fund. As compensation for the management services rendered to the Fund, the Manager is entitled to receive an annual management fee from the Fund. For the period prior to the Forward Unwind, the management fee earned by the Manager was 0.3125% of the net asset value of the Fund, calculated weekly and paid monthly in arrears. For the period after the Forward Unwind, the management fee earned by the Manager is 1.25% of the net asset value of the Fund, calculated daily and paid monthly in arrears.

Prior to the Forward Unwind, the Manager also received an annual management fee in an amount equal to 0.9375% of the net asset value of OCP Investment Trust, which was calculated daily and paid monthly in arrears.

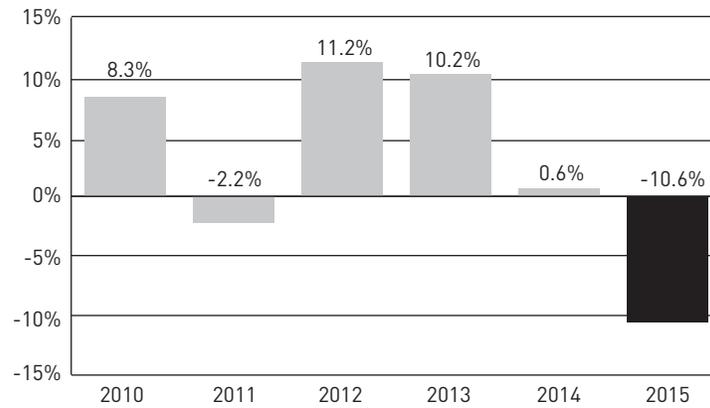
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS ⁽¹⁾

The following bar chart shows the Fund's annual performance for the periods shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



⁽¹⁾ Returns are based on net asset value per unit.

ANNUAL COMPOUND RETURNS

The table below summarizes the Fund's annual compound total returns for the periods ended December 31 as indicated. As a basis for comparison, we have provided the performance of the Credit Suisse High Yield Index ("Index A") which is designed to mirror the investable universe of the \$US-denominated high yield debt market and the Credit Suisse Leveraged Loan Index ("Index B") which is designed to mirror the investable universe of the \$US-denominated leveraged loan market. As the criteria for determining the constituents of the Portfolio and the indexes differ, it is not expected that the Fund's performance will mirror that of the indexes. Further, the return of the indexes is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

Period	Fund	Index A	Index B
1 Year	-10.6%	-4.9%	-0.4%
3 Year	-0.3%	1.4%	2.6%
Since Inception	2.7%	6.9%	5.2%

Summary of Investment Portfolio

The following is a summary of the Fund's portfolio as at December 31, 2015. This is a summary only and will change due to ongoing portfolio transactions of the Fund. A quarterly update is available on www.ocpcreditstrategy.com.

The percentages set forth in this summary may vary from the percentages set forth in the monthly updates prepared by the Fund. Chief among the reasons for the variance is that in the monthly updates cash is adjusted to reflect payment or receipt of proceeds from any unsettled trades and to exclude the proceeds of any short sales, and that the calculations use the notional amount of each credit default swap rather than its marked to market position.

TOP 25 HOLDINGS AS AT DECEMBER 31, 2015

Description	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	23.95
Navistar Inc.	6.11
CITGO Holdings Inc.	5.61
Promotora De Informaciones	5.60
Altegrity Inc.	5.08
Momentive Performance	5.02
Caesars Entertainment Resort Properties LLC	4.47
International Automotive Components Group	4.11
K Hovnanian Enterprises	3.42
Texas Competitive Electric Holdings Company	2.99
YRC Worldwide Inc.	2.87
Torm A/S	2.81
Meritor. Inc.	2.80
Team Tankers International Limited	2.76
Gates Global LLC	2.73
Nortel Networks Limited	2.64
Offshore Group Investment Limited	2.38
Avaya Inc.	2.37
Alon USA Partners, LP	2.29
Lehman Brothers Holdings Inc.	2.20
Federal-Mogul Corporation	2.00
American Commercial Lines	1.65
Ceva Group PLC	1.63
Sequa Corporation	1.12
Intelsat Jackson Holdings	1.11

Description	% of Net Asset Value
Short Positions	
Ineos Group Holdings SA	(1.80)
US Treasury	(1.69)
Macy's Retail Holdings, Inc.	(1.32)
Sealed Air Corporation	(1.25)
Avis Budget Car Rental LLC	(1.23)
AMC Networks Inc.	(1.20)
Ball Corporation	(1.13)
Transocean Inc.	(0.60)
Vale Overseas Limited	(0.48)
FMG Resources	(0.23)
Fannie Mae	(0.14)
Nordstrom Inc.	(0.02)
Cobalt International Energy	(0.01)
Total Net Asset Value	\$163,336,982

SECTOR ALLOCATION AS AT DECEMBER 31, 2015

Industry	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	23.95
Automobiles	13.64
Energy	11.86
Trucking	8.99
Business Services	7.04
Media	6.03
Chemicals	5.42
Telecom	4.74
Gaming/Leisure	4.47
Housing/Building Products	4.27
Other	3.99
Technology	3.20
Shipping – Tankers	3.18
Independent Power Producers	3.14
Shipping – Chemical Tankers	2.76
Finance	2.68
Aerospace	2.56
Energy Service	1.72
Shipping – Jones Act	1.65
Packaging	0.95
Transportation/Logistics	0.44
Shipping – Dry Bulk	0.42
Retail	0.07

Industry	% of Net Asset Value
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Short Positions

Chemicals	(1.80)
Other	(1.69)
Retail	(1.35)
Forest Products/Containers	(1.25)
Automobiles	(1.23)
Media	(1.20)
Packaging	(1.13)
Metals/Minerals	(0.71)
Energy Service	(0.59)
Finance	(0.14)
Energy	(0.01)

Portfolio Composition	% of Net Asset Value
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Long Positions

Bank Debt	43.56
Bonds	40.66
Cash ⁽¹⁾	23.95
Equities	8.14
Warrants	0.78
Credit Default Swaps	0.07

Portfolio composition	% of Net Asset Value
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Short Positions

Bonds	(10.93)
Equities	(0.15)
Credit Default Swaps	(0.02)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received and other miscellaneous items is 6.04%.

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