

OCP CREDIT STRATEGY FUND

Monthly Update as at December 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:	\$163,336,981.94*
NAV per Unit:	\$6.85*
Market Price:	\$6.62*
Latest Distribution: December 31, 2015	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$4.2786

*As at December 31, 2015

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	SI
OCP Credit Strategy Fund (OCS.UN)	(2.45)	(5.00)	(9.24)	(10.60)	(10.60)	(5.19)	(0.29)	1.54	2.70

Commentary

Net performance of OCP Credit Strategy Fund (the Fund) was (2.45%) and (10.60%) for December and year-to-date, respectively. For the month of December, the CS Leveraged Loan, CS High Yield ("CS-HY Index") and S&P 500 TR indexes returned (0.95%), (2.95%) and (1.59%), respectively.

December performance was marked by heightened volatility, which characterizes the state of the high-yield market for the last several months. Losses were fairly broadly distributed this month as the portfolio had significantly more negative contributors than positive contributors, although the Fund outperformed the CS-HY Index. The most significant positive contributor is a name mentioned frequently over the last few months, Momentive Performance Materials Inc. ("Momentive"). There were no significant negative contributors to performance, the largest being a decline of 0.39% for the month.

Momentive is a global leader in silicones, quartz and ceramics that we have discussed in the last several letters. The Fund has a position in the secured notes. The name declined in prior months due to overall volatility in the high-yield markets, concerns over poor fundamentals in the chemicals sector and technical selling pressure. This month's positive performance was primarily a result of technical factors as selling pressure abated and new investors were attracted to the name at lower prices. We continue to have conviction in the name, believe the bonds were oversold and we added to our position in the month.

While instability in the high-yield markets has created volatility in Fund performance, we continue to find opportunities to add to our portfolio at attractive prices. Having cash on hand, while remaining nimble and opportunistic during these times, has been critical in navigating this investing environment.

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Five Strongest and Weakest Performers

Strongest

Momentive Secured Notes
Glitnir Unsecured Claims
Macy's Unsecured Notes
Vale Overseas Unsecured Notes
Corporate Risk Hldgs Senior Secured Notes (formerly Altegrity)

Weakest

OSX-2 Senior Secured Loans
TCEH Senior Secured Bonds and Loans
Prisa Senior Secured and Unsecured Loans
ACA Senior Unsecured Bond
YRCW Senior Secured Loan

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
Automobiles	13.79%	-1.24%	12.56%
Energy	12.01%	-0.01%	11.99%
Trucking	8.99%	0.00%	8.99%
Business Services	7.31%	0.00%	7.31%
Media	6.03%	-1.21%	4.83%
Telecom	4.77%	0.00%	4.77%
Gaming/Leisure	4.47%	0.00%	4.47%
Housing/Building Products	4.33%	0.00%	4.33%
Chemicals	5.48%	-1.84%	3.65%
Technology	3.23%	0.00%	3.23%
Shipping - Tankers	3.18%	0.00%	3.18%
Independent Power Producers	3.14%	0.00%	3.14%
Shipping - Chemical	2.76%	0.00%	2.76%
Aerospace	2.56%	0.00%	2.56%
Finance	2.68%	-0.14%	2.55%
Shipping - Jones Act	1.65%	0.00%	1.65%
Energy Service	1.72%	-0.61%	1.12%
Transportation/Logistics	0.45%	0.00%	0.45%
Shipping - Dry Bulk	0.42%	0.00%	0.42%
Packaging	0.95%	-1.13%	-0.18%
Metals/Minerals	0.00%	-0.73%	-0.73%
Forest Products/Containers	0.00%	-1.26%	-1.26%
Retail	0.00%	-6.03%	-6.03%
Other	4.01%	-1.70%	2.32%
Adjusted Exposure**	93.96%	-15.89%	78.08%

Portfolio Composition

	Long	Short	Net
Bank Debt	42.51%	0.0%	42.5%
Corporate Bonds	39.7%	-9.3%	30.3%
Government Bonds	0.0%	-1.7%	-1.7%
Municipal Bonds	0.7%	0.0%	0.7%
Equity	7.5%	-0.2%	7.3%
Call Options	0.0%	0.0%	0.0%
Puts	0.0%	0.0%	0.0%
Warrants	0.8%	0.0%	0.8%
Other	2.8%	0.0%	2.8%
Notional value of CDS	0.0%	-4.7%	-4.7%
Adjusted Exposure**	93.96%	-15.89%	78.08%
Adjusted Cash***	6.04%	0.00%	6.04%
Adjusted Total Exposure	100.00%	-15.89%	84.11%

*** 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.