

OCP CREDIT STRATEGY FUND

Interim Management Report of Fund Performance for the period
January 1, 2017 to June 30, 2017

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2017 to June 30, 2017

Manager:

Onex Credit Partners, LLC

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Notes:

1. This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete Interim Financial Statements of the Fund. You can get a copy of the Interim 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 June 30, 2017.
4. None of the websites that are referred to in this Interim Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Interim 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.

Results of Operations

For the six-month period ended June 30, 2017, net assets per unit of the Fund was \$7.05 after payment of distributions to securityholders of \$0.35 per unit compared to \$7.16 on December 31, 2016. Total return for the Fund was 3.5% over the period.

The Fund's net assets were \$98.7 million as at June 30, 2017, a decrease from \$127.9 million as at December 31, 2016. Factors contributing to this decrease include: (i) redemptions of \$27.6 million; and (ii) distributions to securityholders of \$5.6 million. This was offset in part by net income and net gains on investments of \$4.0 million.

During the period, performance was driven primarily by events relating to individual credits, strong credit markets and prudent asset selection. The Manager continued to actively manage the Portfolio in 2017 and deployed capital in situations where it perceived an attractive risk/reward balance.

The Portfolio remains unlevered and predominantly long. At the end of 2016, the Fund was 83% net long, comprised primarily of high-yield bonds and leveraged loans at 34% and 44%, respectively. At the end of June 2017, the Fund was 73% net long, comprised primarily of high-yield bonds and leveraged loans at 33% and 40%, respectively.

In the first six months of 2017, the largest positive contributors were Intelsat (Telecom, +0.8%), K Hovnanian (Housing/Building Products, +0.6%), Momentive (Chemicals, +0.5%), Lehman (Other, +0.4%) and Altegrity (Business Services, +0.3%). The numbers presented above are approximate contributions to the gross performance of the Fund during the six-month period. Some of the best performing positions in the first half of 2017 (Momentive, Altegrity) were also top performers in 2016.

The five worst performers and their contributions to performance for the six month period were: HGIM (Energy Services, -0.9%), Hornbeck Offshore (Energy Services, -0.4%), Freddie Mac (Finance, -0.2%), Team Tankers (Shipping-Chemical, -0.2%) and Acosta (Service, -0.1%).

The Fund's largest positions are by nature often the most meaningful contributors to performance, which is consistent with the Manager's management style of investing with conviction. Throughout the first half of 2017, the Manager exited some names held by the Fund after anticipated events occurred (and/or a valuation was reached where the Manager was prepared to sell). Those positions were replaced with approximately 20 new positions, many of which are repeat issuers and companies known to the Manager for many years. The Manager continues to invest in assets where it finds an attractive risk/reward, where it can identify assets and catalysts to unlock value, and where downside risk is measureable and acceptable.

Investors are searching for positive yield during a time of negative or low rates around the world, and this demand has helped support the credit markets. Further volatility in oil prices, uncertainty regarding the new U.S. administration and other geopolitical concerns could bring additional volatility to the credit markets. Some level of volatility in the markets is beneficial to this strategy as it can often create attractive situations or events in which the Fund can invest. The Manager continues to

find opportunities that it believes will augment the Portfolio and is monitoring global events and potential impacts closely. Often, credits owned by the Fund, or under consideration for investment, are companies the Manager has analyzed and/or invested in over a period of time. The Fund remains focused on individual credit selection and specific events or catalysts. Other macroeconomic considerations for investors at this time are changes to interest rates, domestic and/or international regulatory changes and U.S. GDP growth.

Recent Developments

The Manager is cautiously optimistic in the current environment, though it expects there could be some near-term volatility in the markets. The Fund's exposure to leveraged loans in this Portfolio is beneficial in a rising rate environment, as leveraged loans' floating rate coupons help to minimize duration risk.

As well, the Manager's general tendency to invest in first-lien, senior secured debt (with ample subordination in the capital structure) is a prudent use of capital should some level of volatility return to the markets. Uncertainty and volatility create opportunities for this strategy and the Manager has maintained dry powder to continue investing at the right time.

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 period ended June 30, 2017.

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 six periods.

THE FUND'S EQUITY/NET ASSETS PER UNIT ⁽¹⁾

	2017	2016	2015	2014	2013	2012
Equity/Net Assets, beginning of period	\$7.16	\$6.85	\$8.40	\$9.03	\$8.84	\$8.60
Earnings from operations:						
Total revenue	0.19	0.41	0.42	0.02	0.00	0.00
Total expenses	(0.10)	(0.18)	(0.24)	(0.12)	(0.08)	(0.08)
Realized gains (losses) for the period	0.68	(0.45)	(0.48)	2.38	0.24	0.09
Unrealized gains (losses) for the period	(0.52)	1.14	(0.55)	(2.19)	0.72	0.93
Total Earnings (loss) from operations ⁽²⁾	0.25	0.92	(0.85)	0.09	0.88	0.94
Distributions:						
From income (excluding dividends)	(0.08)	(0.17)	(0.10)	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	(0.70)	0.00	0.00
Return of capital	(0.27)	(0.53)	(0.60)	0.00	(0.70)	(0.70)
Total Distributions ⁽³⁾	(0.35)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Equity/Net Assets, end of period ⁽⁴⁾	\$7.05	\$7.16	\$6.85	\$8.40	\$9.03	\$8.84

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim 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⁾ Equity/Net assets and distributions are based on the actual number of units outstanding at the relevant time. The earnings from operations are 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

	2017	2016	2015	2014	2013	2012
Total equity/net asset value (000s) ⁽¹⁾	\$98,651	\$127,911	\$163,337	\$221,346	\$253,939	\$264,517
Number of units outstanding ⁽¹⁾	13,994,088	17,876,056	23,851,108	26,355,791	28,131,739	29,909,815
Management expense ratio ⁽²⁾	2.85%	2.59%	2.99%	3.21%	5.49%	3.74%
Management expense ratio before waivers or absorptions	2.85%	2.59%	2.99%	3.21%	5.49%	3.74%
Trading expense ratio ⁽³⁾	0.02%	0.01%	0.02%	0.24%	0.25%	0.25%
Portfolio turnover rate ⁽⁴⁾	48.13%	55.50%	51.06%	3.35%	N/A	N/A
Equity/Net asset value per unit	\$7.05	\$7.16	\$6.85	\$8.40	\$9.03	\$8.84
Closing market price	\$7.01	\$7.06	\$6.62	\$8.36	\$8.92	\$8.90

Notes:

- ⁽¹⁾ This information is provided as at December 31 of the year shown, except 2017 which is provided as at June 30.
- ⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average equity/net asset value during the period. Total expenses also include interest expense on short positions. The MER for the periods ended December 31, 2012, 2013, 2014, 2015, 2016 and June 30, 2017 excluding interest expense are 2.61%, 4.08%, 2.23%, 2.06%, 2.08% and 2.36%, 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 equity/net asset value during the period. The Fund stopped paying forward agreement fees after November 20, 2014.
- ⁽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 period. The higher a fund's portfolio turnover rates in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

For the periods prior to November 20, 2014, 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 in an amount equal to 1.25% of the net asset value of the Fund, calculated daily and paid monthly in arrears.

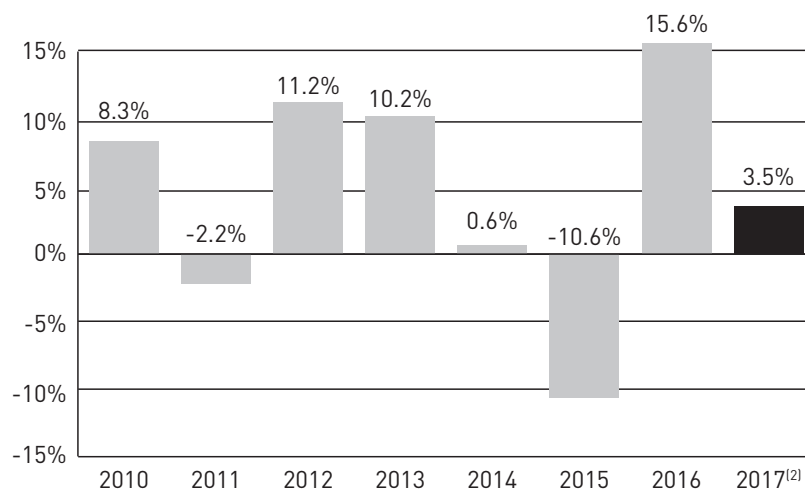
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

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 interim and annual performance for the periods shown and illustrates how the Fund's performance has changed from period to period. 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 equity/net asset value per unit.

⁽²⁾ Return for the period January 1, 2017 to June 30 2017.

Summary of Investment Portfolio

The following is a summary of the Fund's portfolio as at June 30, 2017. 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 JUNE 30, 2017

Description	% of Equity/Net Asset Value
Long Positions	
Cash including cash on deposit with brokers as collateral ⁽¹⁾	23.07
Promotora De Informaciones S.A.	5.25
CITGO Holdings Inc.	4.14
Altegrity Inc.	3.82
Intelsat Jackson Holdings	3.75
Team Tankers International Ltd.	3.36
Caesars Entertainment Operating Co., Inc.	3.00
Momentive Performance	2.75
Cumulus Media Holdings Inc.	2.64
FTS International Inc.	2.60
Veritas US Inc.	2.57
YRC Worldwide Inc.	2.45
Hexion Inc.	2.44
Allegheny Ludlum Corp.	2.35
K Hovnanian Enterprises	2.28
Terraform Power Operating LLC	2.26
Alon USA Partners LP	2.24
Sequa Mezzanine Holdings LLC	2.05
Avaya Inc.	2.00
International Automotive Components Group LLC	1.88
Acosta Inc.	1.82
Lehman Brothers Holdings Inc.	1.78
STG-Fairway Acquisitions Inc.	1.72
Silver II US Holdings, LLC	1.66
HGIM Corp.	1.65

Description	% of Equity/Net Asset Value
Short Positions	
US Treasury Notes	(2.64)
XPO Logistics Inc.	(0.81)
Ball Corp.	(0.51)
EnSCO PLC	(0.37)
Total Net Asset Value	\$98,650,606

SECTOR ALLOCATION AS AT JUNE 30, 2017

Industry	% of Equity/Net Asset Value
Long Positions	
Cash including cash on deposit with brokers as collateral ⁽¹⁾	23.07
Energy	10.67
Energy Service	8.03
Media	7.90
Technology	5.87
Business Services	5.75
Chemicals	5.53
Telecom	4.03
Manufacturing	3.43
Shipping – Chemical Tankers	3.36
Automobiles	3.15
Gaming/Leisure	3.00
Housing/Building Products	2.93
Metals/Minerals	2.92
Aerospace	2.70
Trucking	2.45
Transportation/Logistics	2.06
Service	1.82
Other	1.81
Shipping – Jones Act	1.34
Finance	1.27
Healthcare	1.23
Independent Power Producers	0.94
Packaging	0.66
Transportation	0.65
Retail	0.57
Food	0.44
Consumer Non-Durables	0.35
Shipping – Tankers	0.31
Pharmaceuticals	0.16

Industry	% of Equity/Net Asset Value
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Short Positions

Other	(2.64)
Transportation/Logistics	(0.81)
Packaging	(0.51)
Energy	(0.37)

Portfolio Composition	% of Equity/Net Asset Value
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Long Positions

Bank Debt	41.19
Bonds	33.84
Cash ⁽¹⁾	23.07
Equities	10.15
Credit Default Swaps	0.07
Warrants	0.02

Portfolio Composition	% of Net Asset Value
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Short Positions

Bonds	(4.33)
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⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received and other miscellaneous items is 14.21%.

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