

OCP CREDIT STRATEGY FUND

Interim Management Report of Fund Performance for the period
January 1, 2018 to June 30, 2018

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2018 to June 30, 2018

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, 2018.
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

The Fund's net assets decreased by \$11.7 million to \$85.4 million from December 31, 2017 to June 30, 2018. The Fund had redemptions of \$9.1 million for the period. The Fund paid distributions totaling \$4.7 million and had profit and net income of \$2.1. The Fund's six-month return was 2.3%, as compared to the Credit Suisse Leveraged Loan Index which returned 2.4% and the Credit Suisse High Yield Index which returned 0.20%.

During the six-month period ended June 30, 2018, the global economy was relatively strong, as was the loan market, which had accessible refinancing markets. A robust leveraged buyout pipeline and an active mergers and acquisitions environment, coupled with rising interest rates, presented opportunities to initiate trades to generate income in positions perceived to add little incremental risk to the portfolio.

Investment selection was one of the primary contributors to the Fund's performance. Looking at this year's top ten performers, six of the major contributors to the Fund's performance were new to the list, as compared to last year's top performers. The Portfolio Manager's active management contributed to the Fund's performance, as did a focus on senior secured debt, and the timing of investments, as event-driven situations impacted various investments.

Top individual contributors to the Fund's performance included holdings in Intelsat S.A., Momentive Performance Materials Inc. ("Momentive") and Hornbeck Offshore Services Inc. ("Hornbeck"). Intelsat S.A., a satellite company that provides communications infrastructure, completed a modest debt and equity offering in the second quarter of 2018, increasing its market capitalization. The company also received some positive news from the Federal Communications Commission regarding its efforts to monetize unused spectrum capacity. Momentive, which produces silicon and chemical products, emerged from bankruptcy in late 2014, leaving bondholders with a litigation claim for receiving a below-market coupon at the time. The company performed well during the period and the market continued to reflect optimism about a potential resolution to the litigation claim following a favourable court ruling in late 2017. Hornbeck, a marine transportation business, saw its shares rise in response to a recovery in oil prices.

The Fund's largest detractor was its holding in Globalstar Inc., a global provider of satellite communication services. A proposed merger was announced, which adversely affected the Fund's equity position. The company has since disclosed that the proposed merger agreement has been terminated.

Recent Developments

While the Portfolio Manager remains cautious with respect to current geopolitical uncertainty, the U.S. economy is expected to remain strong in the near term. The Fund is invested in strong, stable businesses that should be able to withstand a changing market environment. Given the Portfolio Manager's focus on individual credit selection and specific event-driven opportunities, the Fund is well positioned with ample liquidity reserves to take advantage of opportunities as they arise.

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, 2018.

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⁾

	2018	2017	2016	2015	2014	2013
Equity/Net Assets, beginning of period	\$6.94	\$7.16	\$6.85	\$8.40	\$9.03	\$8.84
Earnings from operations:						
Total revenue	0.19	0.36	0.41	0.42	0.02	0.00
Total expenses	(0.09)	(0.20)	(0.18)	(0.24)	(0.12)	(0.08)
Realized gains (losses) for the period	(0.28)	0.73	(0.45)	(0.48)	2.38	0.24
Unrealized gains (losses) for the period	0.34	(0.41)	1.14	(0.55)	(2.19)	0.72
Total Earnings (loss) from operations ⁽²⁾	0.16	0.48	0.92	(0.85)	0.09	0.88
Distributions:						
From income (excluding dividends)	(0.10)	(0.22)	(0.17)	(0.10)	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	0.00	(0.70)	0.00
Return of capital	(0.25)	(0.48)	(0.53)	(0.60)	0.00	(0.70)
Total Distributions ⁽³⁾	(0.35)	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Equity/Net Assets, end of period ⁽⁴⁾	\$6.75	\$6.94	\$7.16	\$6.85	\$8.40	\$9.03

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

	2018	2017	2016	2015	2014	2013
Total equity/net asset value (000s) ⁽¹⁾	\$85,358	\$97,062	\$127,911	\$163,337	\$221,346	\$253,939
Number of units outstanding ⁽¹⁾	12,654,792	13,994,088	17,876,056	23,851,108	26,355,791	28,131,739
Management expense ratio ⁽²⁾	2.54%	2.71%	2.59%	2.99%	3.21%	5.49%
Management expense ratio before waivers or absorptions	2.54%	2.71%	2.59%	2.99%	3.21%	5.49%
Trading expense ratio ⁽³⁾	0.00%	0.04%	0.01%	0.02%	0.24%	0.25%
Portfolio turnover rate ⁽⁴⁾	26.61%	76.24%	55.50%	51.06%	3.35%	N/A
Equity/Net asset value per unit	\$6.75	\$6.94	\$7.16	\$6.85	\$8.40	\$9.03
Closing market price	\$6.62	\$7.01	\$7.06	\$6.62	\$8.36	\$8.92

Notes:

⁽¹⁾ This information is provided as at December 31 of the year shown, except 2018 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 Interim 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, 2013, 2014, 2015, 2016, 2017 and June 30, 2018 excluding interest expense are 4.08%, 2.23%, 2.06%, 2.08%, 2.30% and 2.22%, respectively.

⁽³⁾ The trading expense ratio represents total commissions, forward agreement fees and other portfolio transaction costs expressed as an Interim 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 Interim 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.

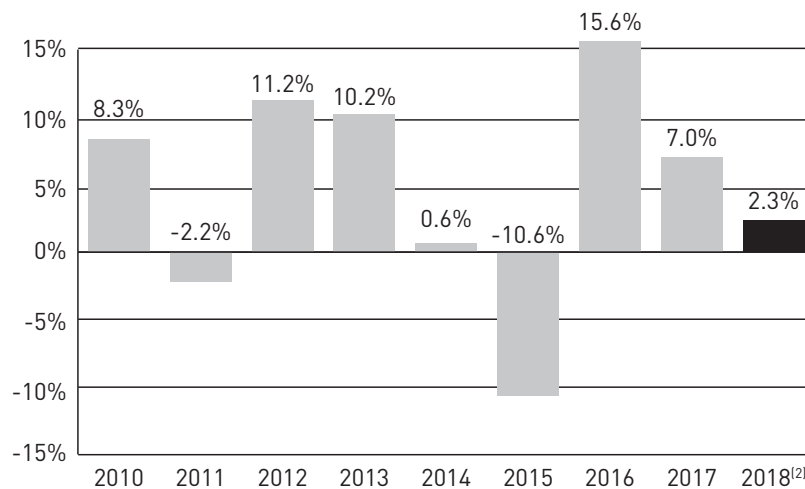
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

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 Annual and Interim 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⁾ Returns for the period January 1, 2018 to June 30, 2018.

Summary of Investment Portfolio

The following is a summary of the Fund's portfolio as at June 30, 2018. 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, 2018

Description	% of Equity/Net Asset Value
Long Positions	
Cash including cash on deposit with brokers as collateral ⁽¹⁾	8.42
Promotora De Informaciones S.A.	6.88
Intelsat Jackson Holdings	4.70
Altegrity Inc.	4.41
Cumulus Media Holdings Inc.	3.82
Momentive Performance	3.45
Del Monte Food, Inc.	3.40
CITGO Holdings Inc.	3.37
HGIM Corp.	3.33
Hornbeck	2.85
CCS Intermediate Holdings, LLC	2.83
Allegheny Ludlum Corp.	2.73
YRC Worldwide Inc.	2.54
FTS International Inc.	2.48
Sequa Mezzanine Holdings LLC	2.38
STG-Fairway Acquisitions Inc.	2.36
Acosta Inc.	2.02
Azure Midstream Energy LLC	2.01
PRWireless PR, LLC	1.99
Vantage Drilling International	1.99
Prospect Medical Holdings, Inc.	1.97
Hexion Inc.	1.86
Veritas US Inc.	1.69
Frontier Communications Corporation	1.62
Revlon Consumer Products Corporation	1.49

Description	% of Equity/Net Asset Value
Short Positions	
US Treasury Notes	[2.98]
Total Net Asset Value	\$85,358,378

SECTOR ALLOCATION AS AT JUNE 30, 2018

Industry	% of Equity/Net Asset Value
Long Positions	
Energy Service	11.62
Media	11.45
Telecom	10.12
Cash including cash on deposit with brokers as collateral ⁽¹⁾	8.42
Business Services	7.29
Energy	6.68
Chemicals	6.21
Technology	5.69
Healthcare	5.02
Food	3.88
Metals/Minerals	3.52
Service	3.42
Trucking	2.54
Aerospace	2.38
Manufacturing	2.16
Independent Power Producers	2.13
Gaming/Leisure	1.83
Consumer Non-Durables	1.82
Transportation/Logistics	1.81
Finance	1.54
Shipping – Chemical Tankers	1.34
Other	1.06
Shipping – Jones Act	1.03
Packaging	0.72
Automobiles	0.68
Transportation	0.50
Retail	0.47
Housing/Building Products	0.35
Wireless Communications	0.26
Pharmaceuticals	0.25
Consumer Durables	0.23

Industry	% of Equity/Net Asset Value
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Short Positions

Other	(2.98)
Index	(0.17)
Retail	(0.08)

Portfolio Composition	% of Equity/Net Asset Value
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Long Positions

Bank Debt	54.84
Bonds	30.25
Cash ⁽¹⁾	8.42
Equities and Warrants	12.94

Portfolio Composition	% of Equity/Net Asset Value
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Short Positions

Bonds	(2.98)
Credit Default and Index Swaps	(0.25)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received, and other miscellaneous items is 1.23%.