

OCP CREDIT STRATEGY FUND

Annual Management Report of Fund Performance for the year ended
December 31, 2018

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2018 to December 31, 2018

Manager:

Onex Credit Partners, LLC

930 Sylvan Avenue

Englewood Cliffs, New Jersey

U.S.A. 07632

(647) 260-4055 or (877) 260-4055

www.ocpcreditstrategy.com • info@ocpfunds.com

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, 2018.
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.

Results of Operations

The Fund's net assets decreased by \$19.8 million to \$77.2 million from December 31, 2017 to December 31, 2018. The Fund had redemptions of \$9.1 million and paid distributions totaling \$9.1 million and had net loss of \$1.6 million for the year. The Fund's twelve-month return was -2.3%, as compared to the Credit Suisse Leveraged Loan Index which returned 1.1% and the Credit Suisse High Yield Index which returned -2.4%.

While the broader U.S. economy started off strong at the beginning of 2018, more recently, investors became concerned about geopolitical risks, U.S. trade relations with China and concerns that the pace of growth in the U.S. may not be sustainable, particularly in the face of rising interest rates. Many investors began to operate with a higher level of caution, as evidenced by significant equity market volatility in the fourth quarter of 2018 and fund flows out of the credit markets.

The Portfolio Manager's active portfolio management contributed positively to the Fund's performance, as did the timing of target investments. The Fund's capital structure and credit quality, as it is typically invested in senior secured debt, contributed positively as well. Individual contributors to performance included Intelsat Jackson ("Intelsat"), Promotoro De Informaciones SA ("Prisa") and Vantage Drilling Co. ("Vantage").

Intelsat was successful in addressing its debt maturities through the issuance of new debt and equity during the period. The company, in conjunction with other satellite providers, also made significant progress with the Federal Communications Commission towards monetizing a portion of its spectrum capacity, though the outcome of this process remains uncertain at this stage. Prisa reduced its debt significantly, and extended its debt maturities into late 2022, a restructuring that was facilitated through an equity raise from existing shareholders, and an agreement with lenders to pay down debt at par, plus maturity extensions on its remaining term loans. In the coming year, the Portfolio Manager expects Prisa to explore further strategies to lower its debt. The Fund holds an equity position in Vantage, which restructured in 2016. The equity derives value from the business operations, as well as any recoveries under an arbitration award the company won last summer against a former customer for a breach of contract. Vantage filed suit in the U.S. District Court to compel the former client to pay dues under the arbitration award, and this litigation is pending. The Fund's exposure was reduced following the arbitration ruling, though it still maintains a position as there is potential for additional value upon a final resolution and improved operating results.

Market volatility detracted from the Fund's performance. During the fourth quarter, significant outflows from the credit markets impacted performance broadly and drove pricing downward, erasing gains for the year. Individual detractors from performance included Team Tankers International Ltd. ("Team Tankers"), which posted lower results than expected as a result of lower realized charter rates in the second half of the year, particularly on the company's larger vessels. Continued growth in cargo demand should lead to better cash flows through higher utilization and charter rates in 2019 and 2020. In addition, the company completed two acquisitions earlier this year, which expanded its capacity by nearly 40%, giving Team Tankers greater scale to compete in its target markets and potentially make additional acquisitions in the future. Another detractor from performance was North American homebuilder, K. Hovnanian Homes. The Fund owned various debt holdings

of this issuer throughout the year, as well as common equity. The Fund's exposure to the company's unsecured debt was eliminated when the bonds were redeemed at par as part of a refinancing.

Recent Developments

The Portfolio Manager has a cautious outlook for the coming period amid geopolitical uncertainty, although the U.S. economy is expected to remain strong in the near term. Should conditions change, the Fund is well positioned to take advantage of event-driven opportunities as they arise. The Fund remains focused on individual credit selection over market cycles, rather than on specific points in 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 December 31, 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 five years.

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

	2018	2017	2016	2015	2014
Equity/Net Assets, beginning of period	\$6.94	\$7.16	\$6.85	\$8.40	\$9.03
Income from operations:					
Total revenue	0.40	0.36	0.41	0.42	0.02
Total expenses	(0.17)	(0.20)	(0.18)	(0.24)	(0.12)
Realized gains (losses) for the period	(0.17)	0.73	(0.45)	(0.48)	2.38
Unrealized gains (losses) for the period	(0.18)	(0.41)	1.14	(0.55)	(2.19)
Total Income (loss) from operations ⁽²⁾	(0.12)	0.48	0.92	(0.85)	0.09
Distributions:					
From income (excluding dividends)	(0.27)	(0.22)	(0.17)	(0.10)	0.00
From dividends	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00	(0.70)
Return of capital	(0.43)	(0.48)	(0.53)	(0.60)	0.00
Total Distributions ⁽³⁾	(0.70)	(0.70)	(0.70)	(0.70)	(0.70)
Equity/Net Assets, end of period ⁽⁴⁾	\$6.10	\$6.94	\$7.16	\$6.85	\$8.40

Notes:

- ⁽¹⁾ This information is derived from the Fund's audited annual financial statements.
- ⁽²⁾ Equity/Net assets and distributions are based on the actual number of units outstanding at the relevant time. The income 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
Total equity/net asset value (000s) ⁽¹⁾	\$77,238	\$97,062	\$127,911	\$163,337	\$221,346
Number of units outstanding ⁽¹⁾	12,654,792	13,994,088	17,876,056	23,851,108	26,355,791
Management expense ratio ⁽²⁾	2.54%	2.71%	2.59%	2.99%	3.21%
Management expense ratio before waivers or absorptions	2.54%	2.71%	2.59%	2.99%	3.21%
Trading expense ratio ⁽³⁾	0.01%	0.04%	0.01%	0.02%	0.24%
Portfolio turnover rate ⁽⁴⁾	69.06%	76.24%	55.50%	51.06%	3.35%
Equity/Net asset value per unit	\$6.10	\$6.94	\$7.16	\$6.85	\$8.40
Closing market price	\$5.90	\$7.01	\$7.06	\$6.62	\$8.36

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 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, 2014, 2015, 2016, 2017 and December 31, 2018 excluding interest expense are 2.23%, 2.06%, 2.08%, 2.30% and 2.25%, 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 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.

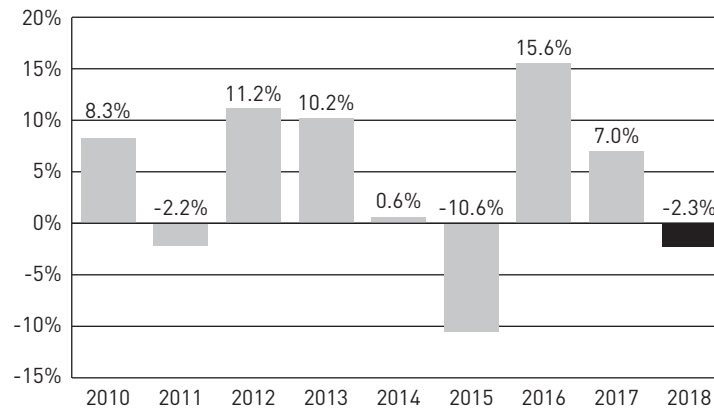
The Manager has retained First Asset Investment Management Inc. to provide certain administrative services to the Fund. The Manager pays First Asset Investment Management Inc. Out of its management fee.

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 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.

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	-2.28%	-2.36%	1.14%
3 Year	6.49%	7.35%	5.03%
5 Year	1.66%	3.71%	3.33%
Since Inception	3.93%	7.03%	5.10%

Summary of Investment Portfolio

The following is a summary of the Fund's portfolio as at December 31, 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 DECEMBER 31, 2018

Description	% of Equity/Net Asset Value
Long Positions	
Cash including cash on deposit with brokers as collateral ⁽¹⁾	9.17
Promotora De Informaciones S.A.	6.12
Intelsat Jackson Holdings	4.71
Momentive Performance	4.68
Cumulus Media Holdings Inc.	4.52
Del Monte Food, Inc.	4.30
CITGO Holdings Inc.	3.71
Allegheny Ludlum Corp.	3.01
HGIM Corp.	2.87
STG-Fairway Acquisitions Inc.	2.68
YRC Worldwide Inc.	2.61
Sequa Mezzanine Holdings LLC	2.55
PRWireless PR, LLC	2.47
Hornbeck	2.42
FTS International Inc.	2.31
Prospect Medical Holdings, Inc.	2.22
Vantage Drilling International	2.00
Hexion Inc.	1.81
OEP Trafo Holding Co.	1.76
Research Now Group, Inc.	1.59
Revlon Consumer Products Corporation	1.55
Cengage Learning, Inc.	1.52
Frontier Communications Corporation	1.48
Seadrill Operating LP	1.42
DTI Holdco, Inc.	1.40

Description	% of Equity/Net Asset Value
Short Positions	
US Treasury Notes	(3.48)
Credit Default and Index Swaps	(0.13)
Total Net Asset Value	\$77,238,238

SECTOR ALLOCATION AS AT DECEMBER 31, 2018

Industry	% of Equity/Net Asset Value
Long Positions	
Media	13.41
Energy Service	10.79
Telecom	9.43
Cash including cash on deposit with brokers as collateral ⁽¹⁾	9.17
Chemicals	7.90
Energy	7.12
Business Services	4.90
Healthcare	4.61
Food	4.30
Metals/Minerals	3.94
Independent Power Producers	3.00
Technology	2.83
Finance	2.81
Automobiles	2.77
Service	2.71
Trucking	2.61
Aerospace	2.55
Wireless Communications	2.47
Consumer Non-Durables	1.87
Gaming/Leisure	1.42
Shipping – Jones Act	1.20
Shipping – Chemical Tankers	1.15
Housing/Building Products	1.08
Education	0.90
Transportation/Logistics	0.80
Retail	0.71
Transportation	0.67
Other	0.67
Utilities	0.54
Packaging	0.44
Consumer Durables	0.39
Pharmaceuticals	0.28

Industry	% of Equity/Net Asset Value
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Short Positions

Other	(3.48)
Index	(0.07)
Retail	(0.06)

Portfolio Composition	% of Equity/Net Asset Value
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Long Positions

Bank Debt	60.29
Bonds	26.94
Cash ⁽¹⁾	9.17
Equities and Warrants	13.04

Portfolio Composition	% of Equity/Net Asset Value
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Short Positions

Bonds	(3.48)
Credit Default and Index Swaps	(0.13)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received, distribution payable and other miscellaneous items is -0.95%.