

OCP CREDIT STRATEGY FUND

Monthly Update as at August 31, 2012



Investment Rationale and Objectives

OCP Credit Strategy Fund provides Unitholders with exposure to the performance of 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, on a tax-advantaged basis; (ii) to provide Unitholders with attractive, quarterly, tax-advantaged 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:	\$268,355,190*
NAV per Unit:	\$8.94*
Market Price:	\$8.75*
Latest Distribution: June 30, 2012	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$1.8286

*As at August 30, 2012

Commentary

Net performance of OCP Credit Strategy Fund was 1.37% and 7.98% in August and year-to-date, respectively. Markets drifted firmly higher during the seasonally quiet month and received a boost late in the month following comments by U.S. Fed Chairman Bernanke that were perceived as supportive of a third round of quantitative easing (QE3). The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 1.05%, 1.20%, and 2.25% in the month, respectively.

The Fund's top five performers accounted for approximately one third of positive performance in the month and included the senior bonds and senior secured loans of Realogy and the restructured equity of Capmark Financial. Realogy, a provider of real estate brokerage services, gained on improving financial performance driven by a combination of increased home sales and average home prices. Moreover, investors are becoming increasingly confident in the company's ability to complete its proposed IPO in the near-term and significantly de-lever its balance sheet. The Fund increased its Realogy exposure during the year on evidence of a sustained housing market recovery and expectation that the company would take steps to de-lever in the near-term. Capmark traded higher following the announcement that \$1.3 billion of real estate securities and cash could be transferred to the company from its wholly owned bank that will allow Capmark to completely payoff its residual debt and commence distributions to the equity held by the Fund. These events were expected but the timing was ahead of expectations.

Losses in the Fund were modest and consisted primarily of short positions, including an S&P500 put and high yield bond CDX index hedges. We continued to find new long and short investment opportunities in the month including a long position in the secured bonds of a bankrupt US municipality and short exposures to a truck manufacturer and consumer-related companies.

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Five Strongest and Weakest Performers

Strongest

TXU Senior Secured Loan
Tribune Senior Credit Facility
Lehman Brothers Senior Notes, Claims
Capmark Financial Restructured Equity
Realogy Senior Secured Loans, Bonds

Weakest

Arch Coal Senior Bonds (short)
Spanish Government Bond (short)
S&P500 Puts
High Yield Bond Index CDX
Visteon Senior Bond (short)

The chart shows the top five strongest and weakest holdings contributing to the Fund'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
Finance	11.93%	0.00%	11.93%
Independent Power Producers	10.05%	0.00%	10.05%
Transportation	10.27%	-1.09%	9.18%
Housing/Building Products	8.35%	-0.86%	7.49%
Energy	8.95%	-1.86%	7.09%
Gaming/Leisure	5.96%	0.00%	5.96%
Aerospace	5.89%	0.00%	5.89%
Media	4.85%	0.00%	4.85%
Business Services	4.38%	-1.26%	3.11%
Energy Service	2.57%	0.00%	2.57%
Technology	1.75%	0.00%	1.75%
Telecom	1.45%	0.00%	1.45%
Forest Prod/Containers	1.30%	0.00%	1.30%
Chemicals	0.66%	-0.03%	0.62%
Real Estate	0.12%	0.00%	0.12%
Healthcare	0.00%	0.00%	0.00%
Manufacturing	0.00%	-0.57%	-0.57%
Retail	0.75%	-2.03%	-1.28%
Food	0.84%	-2.50%	-1.66%
Consumer Non-Durable	0.00%	-1.67%	-1.67%
Index	0.00%	-5.31%	-5.31%
Other	7.97%	-6.48%	1.48%
Adjusted Exposure**	88.02%	-23.66%	64.36%

** Shorts include the notional value of the credit default swaps, if any.

Portfolio Composition***

	Long	Short	Net
Bank Debt	49.53%	0.00%	49.53%
Corporate Bonds	28.53%	-5.97%	22.56%
Government Bonds	0.00%	-6.48%	-6.48%
Equity	5.49%	-0.47%	5.02%
Other	3.99%	0.00%	3.99%
Puts	0.00%	-0.12%	-0.12%
Call Options	0.00%	0.00%	0.00%
Warrants	0.48%	0.00%	0.48%
Notional value of CDS	0.00%	-10.61%	-10.61%
Notional value of Puts	0.00%	0.00%	0.00%
Adjusted Exposure**	88.02%	-23.66%	64.36%
Adjusted Cash ****	11.98%	0.00%	11.98%
Total Exposure	100.00%	-23.66%	76.34%

*** The Portfolio refers to the positions held by underlying fund, OCP Investment Trust.

**** Cash is adjusted to reflect payment or receipt of proceeds from any unsettled trades and to exclude the proceeds of any short sales.

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. Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the Fund. Please read the Fund's continuous disclosure documents (found on SEDAR) before investing. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated.

The Portfolio refers to the positions held by the underlying fund, OCP Investment Trust. Through a forward agreement, the return of the Fund is dependent on the return of the Portfolio. Performance figures for the Fund are based on Canadian generally accepted accounting principles and were based on audited financial statements through December 31, 2011 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.