

OCP CREDIT STRATEGY FUND

Monthly Update as at January 31, 2016



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:	\$161,056,541.51*
NAV per Unit:	\$6.75*
Market Price:	\$6.26*
Latest Distribution: December 31, 2015	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$4.2786

*As at January 29, 2016

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	SI
OCP Credit Strategy Fund (OCS.UN)	(1.40)	(5.73)	(10.42)	(1.40)	(10.10)	(6.67)	(1.14)	0.66	2.43

Commentary

Net performance of OCP Credit Strategy Fund (the Fund) was (1.40) for January and year-to-date. For the month of January, the CS Leveraged Loan, CS High Yield ("CS-HY Index") and S&P 500 TR indexes returned (0.73%), (1.66%) and (4.96%), respectively.

January performance was marked by continued volatility, which characterizes the state of the high-yield market for the last 18 months. The Fund's performance was relatively in-line with the noted indexes and performance across our investments was divided as there were roughly the same number of positive contributors as negative contributors. The top two contributors to performance were Torm and Lehman Brothers and there were no significant negative contributors.

Torm is a product tanker shipping company, and the Fund has owned the company's debt since early 2014. Upon completion of Torm's restructuring in mid-2015, the Fund elected to take most of its recovery in the form of debt, which had been carried at a discount to par. We expected that the loan might be repaid years in advance of the stated maturity. As part of a recent loan amendment process designed to advance Torm's business plan, the Fund received a par recovery in January.

The Fund has held various investments in Lehman Brothers since the firm collapsed in 2008. While Lehman has been one of the Fund's biggest positions and best performers over the years, the estate has been gradually liquidating over time and our investment is now a fraction of what it once was. Thus far, the Fund has received recoveries in excess of its initial investments. This past month's performance provides a good example of the gains that can often be realized at the tail end of liquidations. The Fund's position traded up after the company reached a settlement with JP Morgan that was significantly better than the market had anticipated and will lead to a material distribution to creditors in a few months.

Persistent volatility in the high-yield markets has created near-term challenges for performance. However, opportunities emerged toward the latter half 2015 and the early part of 2016, and we've been able to invest capital at attractive prices. Our opportunistic approach to investing during periods of instability gives us confidence in our ability to generate positive returns when volatility subsides.

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Five Strongest and Weakest Performers

Strongest

Term Term Loan, Equity and Warrants
 Lehman Brothers Senior Notes, Claims
 Navistar Senior Secured Loans
 Prisa Senior Secured and Unsecured Loans
 Transocean Senior Unsecured Bonds

Weakest

Delphi Equity
 Corporate Risk Hldgs Senior Secured Notes (formerly Altegrity)
 HGIM Corp. Senior Secured Loan
 Federal Mogul Senior Secured Loan
 Caesars (CERP) 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	14.12%	-1.27%	12.85%
Energy	12.28%	-0.01%	12.27%
Trucking	7.68%	0.00%	7.68%
Business Services	7.05%	0.00%	7.05%
Telecom	4.71%	0.00%	4.71%
Gaming/Leisure	4.44%	0.00%	4.44%
Chemicals	6.34%	-1.91%	4.43%
Media	5.52%	-1.24%	4.27%
Technology	4.15%	0.00%	4.15%
Housing/Building Products	3.91%	0.00%	3.91%
Independent Power Producers	3.23%	0.00%	3.23%
Shipping - Chemical	2.90%	0.00%	2.90%
Finance	2.66%	-0.11%	2.54%
Aerospace	2.27%	0.00%	2.27%
Shipping - Jones Act	1.63%	0.00%	1.63%
Energy Service	1.56%	-0.56%	1.00%
Transportation/Logistics	0.42%	0.00%	0.42%
Shipping - Tankers	0.27%	0.00%	0.27%
Shipping - Dry Bulk	0.19%	0.00%	0.19%
Pharmaceuticals	0.02%	0.00%	0.02%
Packaging	0.95%	-1.18%	-0.23%
Metals/Minerals	0.00%	-0.70%	-0.70%
Forest Prod/Containers	0.00%	-1.30%	-1.30%
Retail	0.00%	-6.24%	-6.24%
Other	3.48%	-1.81%	1.67%
Adjusted Exposure**	89.80%	-16.34%	73.46%

Portfolio Composition

	Long	Short	Net
Bank Debt	37.88%	0.0%	37.9%
Corporate Bonds	41.1%	-9.6%	31.5%
Government Bonds	0.0%	-1.8%	-1.8%
Municipal Bonds	0.7%	0.0%	0.7%
Equity	6.9%	-0.1%	6.8%
Call Options	0.0%	0.0%	0.0%
Puts	0.0%	0.0%	0.0%
Warrants	0.6%	0.0%	0.6%
Other	2.7%	0.0%	2.7%
Notional value of CDS	0.0%	-4.9%	-4.9%
Adjusted Exposure**	89.80%	-16.34%	73.46%
Adjusted Cash***	10.20%	0.00%	10.20%
Adjusted Total Exposure	100.00%	-16.34%	83.66%

*** 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.