

OCP CREDIT STRATEGY FUND

Monthly Update as at March 31, 2016



Investment Rationale and Objectives

OCP Credit Strategy Fund provides Unitholders with exposure to an actively managed, unlevered, 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:	\$118,834,487.80*
NAV per Unit:	\$6.65*
Market Price:	\$6.25*
Latest Distribution: March 31, 2016	\$0.1750
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$4.4536

*As at March 31, 2016

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	SI
OCP Credit Strategy Fund (OCS.UN)	2.53	(0.37)	(5.35)	(0.37)	(8.93)	(7.25)	(1.45)	0.80	2.53

Commentary

Net performance of OCP Credit Strategy Fund (the "Fund") was 2.53% and (0.37%) for the month of March and the quarter, respectively. The Credit Suisse Leveraged Loan ("CS-LL"), Credit Suisse High-Yield ("CS-HY") and S&P 500 TR indexes returned 2.64%, 4.61% and 6.78%, and 1.33%, 3.21% and 1.35% during March and the quarter, respectively.

Like the broader credit markets, the first quarter for the Fund can be characterized as a tale of two markets. While the Fund's performance this quarter overall lacked significant company-specific, event-driven results, the sharp reversal of risk sentiment we experienced in late February and March drove performance gains in most of the portfolio's sectors and asset classes. We always seek to invest in good assets at attractive prices, and towards the end of last year, we saw a growing number of such opportunities in performing high-yield bonds and bank loans that had traded off meaningfully in line with market volatility and investors' aversion to risk. We took advantage of these opportunities and invested in the debt of companies we knew very well and had followed for long periods of time, and began to gradually increase our exposure to these types of investments. When the credit markets recovered sharply in early March as risk assets became more favorable and capital flowed back into the sector, the Fund's performance reversed early year losses and produced strong positive returns. Despite the strong performance in the last month of the quarter, opportunities created during the long period of volatility and price deterioration still exist.

The Fund's positive performance in the month was driven by three of the larger investments, Navistar, Gates Global and Momentive Performance Materials. These businesses are representative of the types of investments we like in the current environment: companies with good assets that have traded down heavily in price, in large part due to misplaced commodity-related and/or other non-correlated volatility. We continue to find opportunities to invest in (i) strong underlying businesses with over-levered balance sheets; (ii) businesses with complex capital structures or processes; (iii) companies with quantifiable assets and/or predictable cashflow characteristics; and (iv) other situations where markets have overreacted to actual or perceived risk.

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Five Strongest and Weakest Performers

Strongest

Gates Global Senior Secured Bonds
 Momentive Secured Bonds
 CITGO Holdings Senior Secured Loan and Bond
 Team Tankers Equity
 Navistar Senior Secured Loans

Weakest

ACA Senior Unsecured Bond
 Macy's Unsecured Bonds (Short)
 GAP Credit Default Swap
 Transocean Senior Unsecured Bonds (Short)
 Ineos Bonds (Short)

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
Energy	10.68%	-0.01%	10.67%
Automobiles	11.92%	-1.59%	10.33%
Business Services	8.97%	0.00%	8.97%
Trucking	7.87%	0.00%	7.87%
Telecom	5.50%	0.00%	5.50%
Media	5.34%	0.00%	5.34%
Chemicals	6.18%	-1.58%	4.59%
Finance	4.40%	-0.15%	4.25%
Shipping - Chemical	3.95%	0.00%	3.95%
Technology	3.89%	0.00%	3.89%
Gaming/Leisure	3.85%	0.00%	3.85%
Housing/Building Products	3.83%	0.00%	3.83%
Independent Power Producers	3.09%	0.00%	3.09%
Aerospace	2.79%	0.00%	2.79%
Energy Service	2.46%	0.00%	2.46%
Shipping - Jones Act	1.39%	0.00%	1.39%
Consumer Non-Durables	1.08%	0.00%	1.08%
Healthcare	0.88%	0.00%	0.88%
Shipping - Tankers	0.37%	0.00%	0.37%
Manufacturing	0.20%	0.00%	0.20%
Shipping - Dry Bulk	0.06%	0.00%	0.06%
Pharmaceuticals	0.04%	0.00%	0.04%
Consumer Durables	0.00%	0.00%	0.00%
Index	0.00%	0.00%	0.00%
Packaging	1.19%	-1.52%	-0.33%
Metals/Minerals	0.00%	-0.41%	-0.41%
Transportation/Logistics	0.00%	-0.63%	-0.63%
Forest Prod/Containers	0.00%	-1.69%	-1.69%
Retail	0.00%	-7.90%	-7.90%
Other	3.57%	-2.30%	1.28%
Adjusted Exposure**	93.49%	-17.78%	75.71%

Portfolio Composition

	Long	Short	Net
Bank Debt	37.44%	0.0%	37.4%
Corporate Bonds	42.6%	-9.3%	33.4%
Government Bonds	0.0%	-2.3%	-2.3%
Municipal Bonds	0.9%	0.0%	0.9%
Equity	9.2%	-0.2%	9.1%
Call Options	0.0%	0.0%	0.0%
Puts	0.0%	0.0%	0.0%
Warrants	0.8%	0.0%	0.8%
Other	2.5%	0.0%	2.5%
Notional value of CDS & Puts	0.0%	-6.1%	-6.1%
Adjusted Exposure**	93.49%	-17.78%	75.71%
Adjusted Cash***	6.51%	0.00%	6.51%
Adjusted Total Exposure	100.00%	-17.78%	82.22%

*** 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.