

OCP CREDIT STRATEGY FUND

Annual Management Report of Fund Performance for the year ended
December 31, 2012

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2012 to December 31, 2012

Manager:

Onex Credit Partners, LLC

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Notes:

1. This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete Annual Report of 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. Securityholders 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, 2012.
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 provides exposure, by virtue of a forward agreement (the "Forward Agreement"), to the performance of an actively managed, diversified portfolio (the "Portfolio") held in OCP Investment Trust 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, through exposure to the Portfolio, seeks to achieve the following investment objectives: to maximize total returns for securityholders, to provide securityholders tax-advantaged 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.

Risks

There were no changes to the Fund over the period of this report that affected the overall level of risk associated with an investment in the Fund. Securityholders should refer to the Fund's annual information form ("AIF") for the year ended December 31, 2012 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The AIF is available free of charge from us (contact information above), on our website www.ocpcreditstrategy.com and on SEDAR www.sedar.com. Readers are also directed to Note 8 of the Fund's 2012 Annual Financial Statements, which discusses management of financial risks.

Results of Operations

The Fund's net assets were \$264.5 million as at December 31, 2012, an increase from \$261.3 million as at December 31, 2011. Factors contributing to this increase include an increase in the unrealized value of the Forward Agreement of \$28.1 million and realized gains on partial settlements of the Forward Agreement of \$3.3 million. This was partially offset by (i) distributions to securityholders of \$21.1 million; (ii) redemptions of \$2.8 million; (iii) expenses of \$2.3 million, and (iv) units purchased for cancellation of \$1.3 million.

Expenses were higher as compared to the prior year primarily due to the increase in the average net assets, which increases the overall amount of any expenses that are calculated as a percentage of net assets.

For the fiscal year ended December 31, 2012, net assets per unit of the Fund was \$8.84 after payment of distributions to securityholders of \$0.70 per unit compared to \$8.60 on December 31, 2011. Total return for the Fund was 11.2% over the period. The return of the Fund is, by virtue of the Forward Agreement, based on the return of OCP Investment Trust, which, in turn, is based on the performance of the Portfolio.

The following Manager's Commentary relates to the Fund's exposure to the performance of the Portfolio held in OCP Investment Trust.

The year ended with virtually all major global markets delivering solid gains. The anticipated stumbling blocks from precarious political and economic situations around the globe faded under relentless, often coordinated, central bank stimulus efforts. However, the year was not all smooth sailing. The markets stumbled in May ahead of Greek parliamentary elections that were viewed as increasing the risk of Greece exiting the Euro zone. ECB President Draghi quashed these concerns by stating that the ECB would do "whatever it takes" to preserve the currency union. Following Draghi's comments and improving economic news, investors regained confidence in the second half of 2012, pushing markets steadily higher in spite of what the Manager viewed as still unresolved global macro-economic risks.

Gains in the year were concentrated in the Portfolio's five best performing positions, K Hovnanian Enterprises, Lehman Brothers Holdings, Capmark Financial Group, Lightsquared LP, and Tribune Company, which accounted for the majority of the year's gross performance. The debt of these companies benefitted from corporate events as the Manager has discussed in its monthly updates. The Portfolio's shorts, both hedges and investments, detracted from performance. Hedges, including S&P500, investment grade and high yield bond indexes, which the Manager believes are prudent given the macro risk overhangs, accounted for a significant portion of this drag. Given strength in the Portfolio's markets in 2012, security selection proved to be less critical. However, over the long haul, the Manager believes that its focus on security selection helps to satisfy the goal of providing investors attractive risk-adjusted and absolute returns, while preserving capital.

The Portfolio's long exposure increased from 72.83% to 84.91% in 2012 while its short exposure grew from 17.92% to 21.75% as increases in individual corporate bond shorts and CDS more than offset a reduction in European government bond shorts. During the year, senior loan and corporate bond assets comprised the largest share of the Portfolio, which is consistent with the Fund's investment strategy.

The change in the composition of the Portfolio during the year was consistent with the Fund's investment objective. This has resulted in a portfolio of event-driven investments that the Manager believes will benefit from the specific corporate events, such as restructurings, refinancings, and bankruptcies, that the Manager identified in its investment rationales. The Portfolio's assets can also generate interest income and may benefit from price appreciation.

Growth in the U.S. economy should continue to be slow, but still sufficient to sustain stable non-investment grade credit markets. The dynamics of attractive relative yields, low default rates, and strong new issuance should continue to provide a solid foundation for further gains in these markets. Of course the Manager acknowledges that resurgence in real or perceived systematic risks could materially impact its outlook.

The record issuance of high yield bonds and resurgent new issuance of loans could be a developing source of opportunity for the Fund's strategy. In addition, capital markets have become more aggressive as evidenced by an increase in the issuance of lower-rated credits. Historically, the combination of greater new issuance and decline in credit quality has preceded a rise in default rates and event-driven investment opportunities. Today, the nearer term impact of this dynamic could be muted because a significant portion of the new issuance has been used to refinance debt thereby extending maturities and helping to reduce financial pressure on issuers.

Recent Developments

The Manager continues to believe that any increases in bond and loan default rates will be driven by operating and financial issues within specific companies or industries and not by broad based economic weakness. With over \$2.5 trillion in market value, even a small pick-up in defaults in the high yield bond and senior loan markets would provide additional opportunity for the Fund's strategy, especially given its size. The Fund is well positioned to take advantage of potential opportunities, with ample cash on hand.

On March 21, 2013, the Minister of Finance announced proposed measures which would affect certain tax benefits of the distributions paid to taxable unitholders of investment funds, such as the Fund, that utilize forward purchase and sale agreements to obtain exposure to an underlying reference portfolio. Based on its review to date, the Manager believes that the Fund and the tax characterization of distributions received by unitholders will be unaffected until the expiration of the forward agreement in November, 2014. The Manager awaits further guidance from the Federal Government on the implementation of the budget proposals and will provide additional details as soon as it is in a position to do so.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Canadian investment companies will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), for interim and annual periods beginning on or after January 1, 2014. These standards will replace the existing Canadian generally accepted

accounting principles. Effective January 1, 2014, the Fund will adopt IFRS as the basis for preparing its financial statements. The Fund will prepare its first financial statements under IFRS for the interim period ending June 30, 2014, along with comparative data on an IFRS basis and an opening statement of financial position as at January 1, 2013.

The Fund is continuing with its orderly transition plan to meet the requirements to change over to IFRS. Based on the Fund's analysis to date, the transition to IFRS will primarily impact financial statement presentation and disclosures. A summary of the significant standards impacting the Fund under IFRS are outlined below. The key differences identified are based on the application of IFRS as they exist as of this date and will not have an impact on the Fund's Net Asset Value.

IAS 32 – Presentation of puttable instruments (equity vs. liability):

IAS 32 Financial Instruments: Presentation requires puttable instruments to be presented as a liability rather than equity on the Fund's Statement of Net Assets, unless certain conditions are met. IAS 32 defines a puttable instrument as a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset, as is the case with unit redemptions. The Fund is currently assessing its unitholder structure to confirm future presentation.

IAS 7 – Statement of cash flows:

In addition to the financial statements currently presented, the Fund will be required to present a statement of cash flows under IFRS.

IFRS 13 – Fair value measurement:

If an asset or liability measured at fair value has a bid price and an ask price, IFRS 13 requires that the price within the bid-ask spread that is most representative of the fair value be used to measure fair value. The use of bid prices for asset positions and ask prices for liability positions is permitted, but is not required. IFRS 13 allows for the use of mid-market pricing or other pricing conventions that are used by market participants as a practical means for fair value measurements within a bid-ask spread. As the Fund does not invest directly in securities, adoption of IFRS 13 is not anticipated to have a material impact.

IFRS 10 – Consolidated financial statements:

The Fund is expected to meet the definition to be an investment entity, and, as such, will not be required to consolidate its investments, but rather measure them at fair value through profit or loss, regardless of whether those investments are controlled.

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. OCP Investment Trust paid \$16,170 in performance fees to the Manager during the year. In addition, as at December 31, 2012, OCP Investment Trust accrued \$1,335,510 in performance fees payable to the Manager, which was paid during the first quarter of 2013. The Manager and the Fund were not party to any other related party transactions during the year ended December 31, 2012.

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 since inception.

THE FUND'S NET ASSETS PER UNIT ⁽¹⁾

	2012	2011	2010 ⁽⁷⁾	2009 ⁽²⁾
Net Assets, beginning of period ⁽³⁾	\$8.60	\$9.49	\$9.50	\$9.44
Increase (decrease) from operations:				
Total revenue	0.00	0.00	0.00	0.00
Total expenses	(0.08)	(0.08)	(0.09)	(0.01)
Realized gains (losses) for the period	0.09	0.05	0.02	0.00
Unrealized gains (losses) for the period	0.93	(0.33)	0.83	0.08
Total increase (decrease) from operations ⁽⁴⁾	0.94	(0.36)	0.76	0.07
Distributions:				
From income (excluding dividends)	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00
Return of capital	(0.70)	(0.70)	(0.78)	0.00
Total Distributions ⁽⁵⁾	(0.70)	(0.70)	(0.78)	0.00
Net Assets as at December 31 ⁽⁶⁾	\$8.84	\$8.60	\$9.49	\$9.50

Notes:

- ⁽¹⁾ This information is derived from the Fund's audited annual financial statements.
- ⁽²⁾ Results for the period from November 20, 2009 (inception date) to December 31, 2009.
- ⁽³⁾ For 2009, the net assets per unit reflects the issue price of \$10.00 less share issue expenses.
- ⁽⁴⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- ⁽⁵⁾ Distributions were paid in cash.
- ⁽⁶⁾ This is not a reconciliation of the beginning and ending net assets per unit.
- ⁽⁷⁾ Certain comparative figures have been reclassified to conform to the current year's presentation.

RATIOS AND SUPPLEMENTAL DATA

	2012	2011	2010 ⁽⁵⁾	2009
Total Net Asset Value (000s) ⁽¹⁾	\$264,517	\$261,336	\$197,103	\$197,489
Number of units outstanding ⁽¹⁾	29,909,815	30,379,175	20,780,000	20,780,000
Management expense ratio ⁽²⁾	3.74%	5.04%	3.41%	8.06%
Management expense ratio before waivers or absorptions	3.74%	5.04%	3.41%	8.06%
Trading expense ratio ⁽³⁾	0.25%	0.25%	0.25%	0.26%
Portfolio turnover rate ⁽⁴⁾	N/A	N/A	N/A	N/A
Net Asset Value per unit	\$8.84	\$8.60	\$9.49	\$9.50
Closing market price	\$8.90	\$8.50	\$9.74	\$10.00

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, except as stated in the following sentence, is expressed as an annualized percentage of daily average net asset value during the period. The MER for the periods ended December 31, 2009, December 31, 2010 and December 31, 2011, include agents' fees and other offering expenses which, are one-time expenses and therefore are not annualized. Total expenses also include interest expense on short positions held in OCP Investment Trust. The MER for the periods ended December 31, 2009, December 31, 2010, December 31, 2011 and December 31, 2012 excluding agents' fees and offering expenses and interest expense are 2.05%, 2.68%, 2.07% and 2.61% 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 net asset value during the period.
- ⁽⁴⁾ The Fund's return is 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 does not apply to the Fund.
- ⁽⁵⁾ Certain comparative figures have been reclassified to conform to the current year's presentation.

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 annual management fee from the Fund in an amount equal to 0.3125% of the net asset value of the Fund, which is calculated weekly and paid monthly in arrears.

The Manager also receives an annual management fee in an amount equal to 0.9375% of the net asset value of OCP Investment Trust, which is calculated daily and paid monthly in arrears.

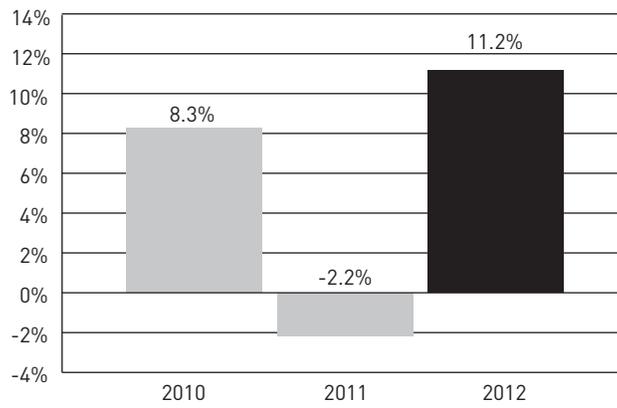
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

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 performance for the periods shown and illustrates how the Fund's performance has changed from year to year. 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 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	11.2%	14.7%	9.4%
3 Year	5.6%	11.4%	7.0%
Since Inception	5.6%	12.1%	7.7%

Summary of Investment Portfolio

The Fund has entered into a forward agreement whereby the Fund obtains exposure to the performance of the Portfolio. Accordingly, these financial statements should be read in conjunction with the financial statements of OCP Investment Trust. The Annual Management Report of Fund Performance and Annual Financial Statements for OCP Investment Trust are available to securityholders and can be attained by visiting our website at www.ocpcreditstrategy.com or by writing to Onex Credit Partners, LLC, 910 Sylvan Avenue, Englewood Cliffs, New Jersey U.S.A. 07632, or on SEDAR at www.sedar.com.

The following is a summary of OCP Investment Trust's portfolio as at December 31, 2012. 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 HOLDINGS AS AT DECEMBER 31, 2012

Description	% of Net Asset Value of OCP Investment Trust
Long Positions	
Cash ⁽¹⁾	32.68
Lehman Brothers Holdings	5.54
Texas Competitive Electric Holdings Company	4.54
Overseas Shipholding Group Inc.	3.74
Caesars Entertainment Operating Co. Inc.	3.57
Federal Mogul Corporation	3.57
Springleaf Financial Funding Company	3.08
Glitnir Bank	3.02
Navistar International Corporation	2.75
Beazer Homes USA	2.74
K Hovnanian Enterprises	2.69
Jefferson County Municipal Authority	2.65
Dynegy	2.64
LightSquared LP	2.62
American Airlines Inc.	2.28
Eastman Kodak Company	2.10
ACST Pass Through Trust Floating Rate	2.09
Tervita Corporation	2.02
International Automotive Components Group Ltd.	2.00
Edison Mission Energy	1.94
Avaya Inc.	1.83
Alon USA Energy, Inc.	1.69
Realty Corporation	1.64
Arvin Meritor Inc.	1.59
Capmark Financial Group (Equity)	1.50

Description	% of Net Asset Value of OCP Investment Trust
Short Positions	
Spanish Government Bonds	(2.13)
iGate Corporation	(1.89)
Arch Coal, Inc.	(1.60)
USG Corporation	(0.92)
US Treasury Notes	(0.87)
Navistar International Corporation	(0.82)
HD Supply Inc.	(0.60)
Accuride Corp.	(0.51)
Cenveo Inc.	(0.49)
J Crew Group, Inc.	(0.33)
Alpha Natural Resources, Inc.	(0.32)
Exide Technologies	(0.29)
ATP Oil & Gas Corporation	(0.03)
Total Net Asset Value of OCP Investment Trust	\$262,152,514

SECTOR ALLOCATION AS AT DECEMBER 31, 2012

Industry	% of Net Asset Value of OCP Investment Trust
Long Positions	
Cash ⁽¹⁾	32.68
Transportation	15.67
Other	11.21
Independent Power Producers	10.41
Housing/Building Products	8.39
Finance	7.30
Aerospace	4.91
Gaming/Leisure	4.75
Technology	4.59
Energy	4.16
Energy Service	2.96
Telecom	2.62
Business Services	2.41
Retail	1.78
Media	1.11
Food	0.89
Forest Products/Containers	0.82
Chemicals	0.68
Index	0.41
Consumer Non-Durables	0.27
Real Estate	0.12

Industry	% of Net Asset Value of OCP Investment Trust
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Short Positions

Government Bonds	(3.00)
Energy	(1.94)
Technology	(1.89)
Transportation	(1.62)
Housing/Building Products	(0.92)
Manufacturing	(0.60)
Business Services	(0.49)
Retail	(0.33)

Portfolio composition	% of Net Asset Value of OCP Investment Trust
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Long Positions

Bank Debt	51.54
Cash ⁽¹⁾	32.68
Bonds	27.52
Equities	5.07
Warrants	0.80
Credit Default Swaps	0.55

Portfolio composition	% of Net Asset Value of OCP Investment Trust
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Short Positions

Bonds	(10.77)
Unfunded Bank Debt Commitments	(0.03)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received and other miscellaneous items is 15.09%.

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