

OCP CREDIT STRATEGY FUND

Annual Management Report of Fund Performance for the year ended
December 31, 2014

Fund:

OCP Credit Strategy Fund

Securities:

Listed TSX: OCS.UN

Period:

January 1, 2014 to December 31, 2014

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 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, 2014.
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.

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, 2014 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 2014 Annual Financial Statements, which discusses management of financial risks.

Results of Operations

For the year ended December 31, 2014, net assets per unit of the Fund was \$8.40 after payment of distributions to securityholders of \$0.70 per unit compared to \$9.03 on December 31, 2013. Total return for the Fund was 0.6% over the year.

The Fund's net assets were \$221.3 million as at December 31, 2014, a decrease from \$253.9 million as at December 31, 2013. Factors contributing to this decrease include (i) distributions to securityholders of \$18.8 million; and (ii) redemptions of \$15.6 million.

After the Forward Unwind (as defined below), there was Portfolio related activity that took place in the Fund and, as such, the Fund had higher investment income and operating expenses as compared to the prior year. Similarly, there are new balances recorded on the current year statements of financial position, comprehensive income and cash flows that are a direct result of normal course Portfolio related activity.

The Fund was initially created to provide securityholders with tax-advantaged returns through the use of a forward agreement entered into between the Fund and a Canadian chartered bank on November 20, 2009 (the "Forward Agreement"). The Forward Agreement provided securityholders with indirect exposure to a portfolio of assets held by OCP Investment Trust. As a result of changes to the *Income Tax Act* (Canada) (the "Tax Act"), the Forward Agreement was terminated on December 29, 2014 (the "Forward Termination Date"), and the portfolio of assets held by OCP Investment Trust was transferred to the Fund through a series of transfers commencing on December 16, 2014 (the "Forward Unwind").

In connection with the Forward Unwind the Fund's investment objectives were amended to remove all references to the use of forward agreements to gain exposure to the Portfolio, to delete references to "tax-advantaged" and to clarify that the Fund will invest directly in securities similar to those held by OCP Investment Trust prior to the Termination Date.

The amendments to the investment objectives of the Fund did not change the investment strategy and types of securities securityholders were previously exposed to indirectly through OCP Investment Trust.

The Fund performed well on an absolute basis in the first six months of 2014 but had negative performance in a difficult environment in the following six months of the year. The largest positive contributors to performance in 2014 through November included holdings in Lehman Brothers, Edison International, TXU Energy, Overseas Shipping Group and Arch Coal. Each company experienced one or a series of events that have been previously discussed in the Fund's monthly updates over the year.

While performance for the period from July 1 through December 31st was negative, the Fund protected capital relatively well which is one of the key goals of its strategy. Most of the negative performance in that period was attributable to a lack of significant positive events and a decline that was concentrated in the Fund's investments in the shipping industry, reversal of profits in TXU, and the Fund's holdings in government-sponsored enterprise (GSE's), including Freddie Mac.

The Fund's remaining investments in the shipping sector were adversely affected by a decline in commodity prices.

The Fund's long and short exposures at the end of December were 82.94% and 13.79%, respectively. The long exposure declined from 95% at the end of June as events unfolded and changed market conditions led us to reduce exposure, largely by not reinvesting proceeds received upon the conclusion of events. This increased purchase power provides flexibility to pursue new opportunities that are being created; we believe the benefit of this flexibility outweighs its potential opportunity cost. Shorts are used for both hedging and investing and have helped to reduce the Fund's volatility during periods of market turbulence. During the period, senior loan and corporate bond assets comprised the largest share of the Portfolio, which is consistent with the Fund's investment strategy.

Any changes in the composition of the Portfolio during the period were in keeping with the Fund's investment objectives. This has resulted in a portfolio of event-driven investments that we believe will benefit from the specific corporate events, such as restructurings, refinancings and bankruptcies, that we identified in our investment rationales. While capital appreciation has generally driven performance, the Portfolio's assets can also generate interest income.

Events occur in all economic and market environments and also occur outside the non-investment grade market, e.g., investment grade and municipal bond markets, which changes the Fund's opportunity set. Modest U.S. economic growth and low interest rates should continue to support the senior secured loan and high yield bond markets. The record issuance of high yield bonds and senior loans may become additional sources of opportunity. Small increases in the default rate can create event driven opportunities for a vehicle the size of the Fund.

Recent Developments

As we enter the new year, we expect that on-going market volatility and global deleveraging will drive an increase in events such as debt refinancings, repayments, restructurings, and other corporate events.

Our expectation in 2014 for the senior secured loan and high yield bond markets was they remain strong, and for the US economy to experience modest economic growth, low interest rates, and below average default rates. Our view was that any increase in the default rates would be driven by company specific issues, not broad economic issues. Given the combined \$3.3 trillion market value of the high yield bond and senior loan markets, even a small pick-up in the default rate can create event driven opportunities for a Fund the size of OCP Credit Strategy Fund. In addition, we believed the significant volume of issuance of high yield bonds and senior loans in 2013 and the return of riskier deal types at that time would continue to provide additional sources of opportunity.

Our general view was correct; however, markets reacted negatively in the past five months as investors focused on oil prices, geopolitical risks and the slowdown in economic growth in emerging markets, including China. In the last quarter of the year, the precipitous decline in oil prices accelerated market turmoil, directly causing a material loss in value in most oil and gas related companies, and having an effect on the performance and valuation of many industrial sectors.

Overall, the environment in 2014 can be characterized by an initial period of optimism, followed by a period of volatility and risk aversion. The VIX index, a measure of equity market volatility, tripled from a low of 10.34 on June 20th to a high of 31.06 on October 15th and returned to 11.91 on November 26th. Our medium- to long-term view remains relatively unchanged from that expressed at the beginning of 2014 since we believe the US economy will continue to experience modest economic growth and low interest rates, however, in light of the sharp drop in oil prices we anticipate somewhat higher default rates than we would have otherwise expected.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Fund adopted International Financial Reporting Standards (IFRS) on January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. The Fund's 2014 annual financial statements are prepared in accordance with IFRS, and include 2013 comparative financial information and an opening Statement of Financial Position as at January 1, 2013, also prepared in accordance with IFRS. Note 12 and the Fund Specific Notes of the December 31, 2014 annual financial statements disclose the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements prepared under Canadian generally accepted accounting principles as defined in Part V of the CPA Canada Handbook (Canadian GAAP).

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 \$4,825,769 in performance fees to the Manager during the period (\$4,705,186 relating to fiscal 2013 and \$120,583 relating to 2014). The Manager and the Fund were not party to any other related party transactions during the year ended December 31, 2014.

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 NET ASSETS PER UNIT ⁽¹⁾

	2014	2013	2012	2011	2010
Net Assets, beginning of period	\$9.03	\$8.84	\$8.60	\$9.49	\$9.50
Increase (decrease) from operations:					
Total revenue	0.02	0.00	0.00	0.00	0.00
Total expenses	(0.12)	(0.08)	(0.08)	(0.08)	(0.09)
Realized gains (losses) for the period	2.38	0.24	0.09	0.05	0.02
Unrealized gains (losses) for the period	(2.19)	0.72	0.93	(0.33)	0.83
Total increase (decrease) from operations ⁽²⁾	0.09	0.88	0.94	(0.36)	0.76
Distributions:					
From income (excluding dividends)	0.00	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00	0.00
From capital gains	(0.70)	0.00	0.00	0.00	0.00
Return of capital	0.00	(0.70)	(0.70)	(0.70)	(0.78)
Total Distributions ⁽³⁾	(0.70)	(0.70)	(0.70)	(0.70)	(0.78)
Net Assets, end of period ⁽⁴⁾	\$8.40	\$9.03	\$8.84	\$8.60	\$9.49

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian GAAP. Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. Under IFRS, the Fund measures the fair value of its investments using the guidance in IFRS 13 which requires that if an asset or liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. Accordingly, the opening net assets as at January 1, 2013 was restated to reflect the accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 remain in accordance with Canadian GAAP.

⁽²⁾ 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.

⁽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

	2014	2013	2012	2011	2010
Total net asset value (000s) ⁽¹⁾	\$221,346	\$253,939	\$264,517	\$261,336	\$197,103
Number of units outstanding ⁽¹⁾	26,355,791	28,131,739	29,909,815	30,379,175	20,780,000
Management expense ratio ⁽²⁾	3.21%	5.49%	3.74%	5.04%	3.41%
Management expense ratio before waivers or absorptions	3.21%	5.49%	3.74%	5.04%	3.41%
Trading expense ratio ⁽³⁾	0.24%	0.25%	0.25%	0.25%	0.25%
Portfolio turnover rate ⁽⁴⁾	3.35%	N/A	N/A	N/A	N/A
Net asset value per unit	\$8.40	\$9.03	\$8.84	\$8.60	\$9.49
Closing market price	\$8.36	\$8.92	\$8.90	\$8.50	\$9.74

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, 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 for the periods prior to the Forward Termination Date. The MER for the periods ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013 and December 31, 2014 excluding agents' fees and offering expenses and interest expense are 2.68%, 2.07%, 2.61%, 4.08% and 2.23%, 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 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The current year portfolio turnover rate is calculated for the period post Forward Termination Date. For the period prior to the Forward Termination Date, 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 annual management fee from the Fund. For the period prior to the Forward Unwind, the management fee earned by the Manager was 0.3125% of the net asset value of the Fund, calculated weekly and paid monthly in arrears. For the period after the Forward Unwind, the management fee earned by the Manager is 1.25% of the net asset value of the Fund, calculated daily and paid monthly in arrears.

Prior to the Forward Unwind, the Manager also received an annual management fee in an amount equal to 0.9375% of the net asset value of OCP Investment Trust, which was calculated daily and paid monthly in arrears.

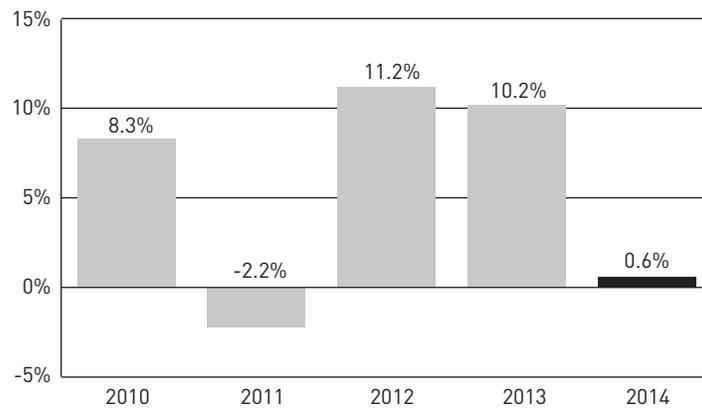
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

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	0.6%	1.8%	2.1%
3 Year	7.2%	7.8%	5.8%
Since Inception	5.5%	9.1%	6.3%

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at December 31, 2014. This is a summary only and will change due to ongoing portfolio transactions of the Fund. The Annual Management Report of Fund Performance 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 the Fund's portfolio as at December 31, 2014. 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, 2014

Description	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	20.13
U.S. Treasury Bills	18.35
Momentive Performance	4.82
Texas Competitive Electric Holdings Company	4.69
Lehman Brothers Holdings Inc.	4.68
Altegrity Inc.	4.57
Navistar Inc.	4.37
Torm A/S	4.05
K Hovnanian Enterprises	3.98
Glitnir Bank	3.50
Eitzen Chemical (Singapore) Pte Ltd.	3.21
International Automotive Components Group	3.10
Alon USA Partners, LP	3.06
Global Ship Lease, Inc.	3.04
Caesars Entertainment Resort Properties LLC	2.91
Promotora De Informaciones	2.65
Meritor, Inc.	2.36
YRC Worldwide, Inc.	1.99
ACST Pass Through Trust Floating Rate	1.95
Avaya Inc.	1.92
Gold Bridge Shipping Limited	1.71
Eagle Bulk Shipping Inc.	1.69
Genco Shipping & Trading Ltd.	1.67
General Motors Company	1.56
Indiana Toll Road Concession	1.53

Description	% of Net Asset Value
Short Positions	
USG Corporation	(1.30)
FMG Resources	(1.08)
US Treasury	(1.06)
Tronox Finance LLC	(0.98)
Sealed Air Corporation	(0.91)
Goodyear Tire & Rubber Company	(0.77)
Avis Budget Car Rental LLC	(0.77)
Jaguar Land Rover Automotive PLC	(0.77)
CenturyLink Inc.	(0.76)
Accuride Corporation	(0.75)
AMC Networks Inc.	(0.72)
Ball Corporation	(0.71)
Hilton Worldwide Finance LLC	(0.68)
Emeco Property Limited	(0.33)
Alpha Natural Resources	(0.14)
Fannie Mae	(0.11)
CDX HY 23	(0.07)
Eitzen Chemical (Singapore) Pte. Ltd.	(0.01)
Total Net Asset Value	\$221,345,655

SECTOR ALLOCATION AS AT DECEMBER 31, 2014

Industry	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	20.13
Short term Investments	18.35
Other	8.20
Automobiles	8.16
Trucking	6.36
Business Services	5.82
Independent Power Producers	5.69
Housing/Building Products	5.40
Chemicals	4.94
Shipping – Chemical Tankers	4.92
Energy	4.32
Shipping – Tankers	4.05
Aerospace	3.78
Shipping – Dry Bulk	3.36
Media	3.12
Transportation/Logistics	3.04
Gaming/Leisure	2.91
Finance	2.89
Technology	2.06
Infrastructure	1.53
Energy Service	1.51
Index	0.87

Industry	% of Net Asset Value
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Short Positions

Automobiles	(3.06)
Housing/Building Products	(1.30)
Metals/Minerals	(1.08)
Other	(1.06)
Chemicals	(0.98)
Forest Products/Containers	(0.91)
Telecom	(0.76)
Media	(0.72)
Packaging	(0.71)
Gaming/Leisure	(0.68)
Manufacturing	(0.33)
Energy	(0.14)
Finance	(0.11)
Index	(0.07)
Shipping – Chemical Tankers	(0.01)

Portfolio Composition	% of Net Asset Value
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Long Positions

Bank Debt	39.34
Bonds	31.70
Cash ⁽¹⁾	20.13
Short term Investments	18.35
Equities	10.29
Warrants	1.57

Portfolio composition	% of Net Asset Value
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Short Positions

Bonds	(11.71)
Equity	(0.11)
Credit Index Swaps	(0.07)
Unfunded Bank Debt Commitments	(0.01)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received and other miscellaneous items is 17.06%.

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