ONEX CREDIT PARTNERS

OCP SENIOR CREDIT FUND

ANNUAL LETTER 2016

Onex Credit hosted the year-end call for OCP Senior Credit Fund on Tuesday, February 21, 2017 at 11am EST.

Replay Number: 905-694-9451 / North American Toll Free: 800-408-3053 / Code: 1191669

Fund	2016 Performance (1 Year)	3 Year	5 Year	Since Inception (November 19, 2010)
OCP Senior Credit Fund	20.55%	6.11%	8.62%	7.13%
Credit Suisse High-Yield Index	18.37%	4.62%	7.15%	6.87%
Credit Suisse Leveraged Loan Index	9.88%	3.76%	5.35%	4.97%

As at December 31, 2016

We are pleased to report the OCP Senior Credit Fund (the "Fund") experienced its best year of performance in its six-year history. The Fund's net performance during the period, assuming distributions are reinvested, was 20.55%. Of the approximately 80 issuers whose obligations were held over the course of the year, all except one contributed positively to results, with the only negative contributor detracting just 10 basis points. The Fund outperformed both the CS High-Yield Bond Index and the CS Leveraged Loan Index, which returned 18.37% and 9.88%, respectively.

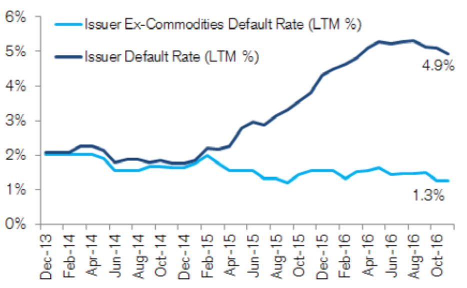
The total return of the Fund since inception in November 2010 (from an opening NAV of $9.45) through December 31, 2016 is 52.39%. Since inception, the Fund has paid $3.22 in total cash distributions per Unit.

The Fund allows investors to access primarily leveraged loans, including opportunistic investments with some event-driven upside, while almost exclusively retaining a senior secured position within the capital structure. The Fund's prudent use of leverage on the loan portfolio, combined with its modest allocation to high-yield bonds, allows us to achieve an attractive balance of risk and reward. Unlike the leveraged loan or high-yield indexes, we provide a differentiated investment opportunity and selectively research and diligence those credits which we believe are stable performers and are complementary to the Fund's strategy.

At this time last year, we had experienced highly volatile credit markets and effectively managed the portfolio through a very challenging period. Our discipline and fundamental approach to credit investing remained constant and served our investors well as we were well-positioned for the recovery in 2016.

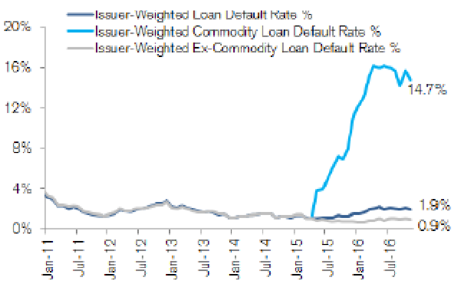
In last year's letter, we discussed our outlook and asserted 2016 would prove to be an opportune time to own leveraged loans. We also predicted default rates for non-investment grade debt would tick upwards generally, but would be concentrated in energy and commodity names and these sectors make up a very small percentage of the U.S. non-defaulted leveraged loan universe. This is what precisely what happened: overall, commodity defaults were more prevalent among high-yield bonds than leveraged loans, and default rates increased dramatically to approximately 5% and 15%, respectively. However, excluding commodities, defaults in both asset classes finished the period at multi-year lows (See Figures 1 and 2).

Figure 1: High-yield bonds: Defaults



Source: Credit Suisse

Figure 2: Leveraged Loans: Defaults



Source: Credit Suisse

Leveraged loan issuance in 2016 was 15% above the prior year, mostly driven by a surge in refinancing volumes in the fourth quarter. Early in 2017, capital markets remain active with approximately $570 billion of issuance anticipated for the year (an increase of 15% from 2016), and roughly 60% expected to be leveraged loans, mostly due to improved conditions for refinancing, M&A and private equity activity.

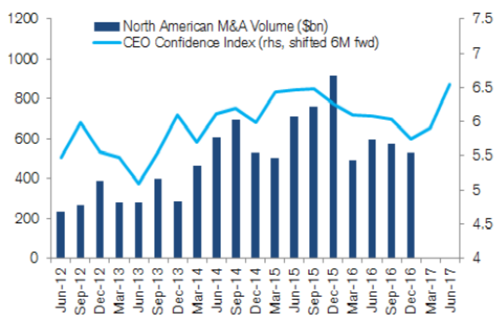
The Fund's strategy remains the same: over the long term, we expect the Fund to outperform the broader loan market with limited volatility, delivering stable distributions and growing NAV marginally over time. High-quality credit selection, preservation of capital and liquidity continue to be our primary areas of focus.

Looking Ahead

Positive performance going forward will be largely dependent on high-quality credit selection and active portfolio management, which are at the core of Onex Credit's investment philosophy and we strive to be good stewards of capital and seek to minimize credit losses.

With the new Trump administration, business confidence (Figure 3) and consumer sentiment levels are elevated in anticipation of near term growth and de-regulation, and many market participants believe it could be a strong period for corporate earnings. Trump's stated plans would encourage domestic investment and his intent for infrastructure development could stimulate the economy, prompt job growth and contribute to overall business development. As well, private equity dry powder is at record levels. The combined effect of these factors signals a strong environment for corporate M&A and new issuance.

Figure 3: CEO confidence lead indicator for M&A



Source: Credit Suisse

However, this favorable outlook comes with the risk of additional volatility as we expect the new administration to follow an aggressive plan of action in dealing with economic and geopolitical challenges. Recently, we modestly reduced the Fund's long exposure to allow for increased flexibility and to take advantage of new opportunities as they arise.

We believe leveraged loans will be an attractive asset class in the coming year. Loans offer significant risk-adjusted returns in a rising rate environment, as compared to many other investments, and they will likely benefit from investors seeking to minimize the duration risk associated with fixed income portfolios. As well, increases in LIBOR above agreed rate floors can increase returns to loan investors like the Fund.

The significant events driving the market, performance and valuation are increasingly in the arena of politics and economic policy. Events such as China's currency devaluation and the unexpected outcomes of the Brexit vote and U.S. presidential election created tremendous uncertainty over the last 12 months and to some extent, remain unresolved. Our team was successful in positioning the Fund's portfolio for strong performance in 2016 as unexpected events unfolded and markets reacted. As always, we do not invest on the basis of benchmark results or solely based on broader industry trends. We're watching world events closely and our team remains focused on thorough, bottom-up credit analysis.

We are personally invested alongside our investors as we navigate these markets. Our track record and decades of investing experience give us confidence and optimism in our ability to deliver strong risk-adjusted returns and a stable income stream of distributions. We are committed to our Canadian investors and look forward to another year together.

Thank you for your continued support,

Onex Credit

DISCLAIMER AND ADDITIONAL INFORMATION

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.