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***Brochure***

**Onex Credit Partners, LLC**

**March 28, 2012**

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**This brochure provides information about the qualifications and business practices of Onex Credit Partners, LLC (“OCP”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at [sgutman@onexcredit.com](mailto:sgutman@onexcredit.com). This information has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about OCP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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**Item 2. Material Changes**

The following summary only discloses material changes made to the brochure since OCP's last annual update, which was filed on March 31, 2011. Items 4, 6, 7 and 8 were revised to reflect that OCP launched its CLO strategy as an extension to its loan product business in March 2012.

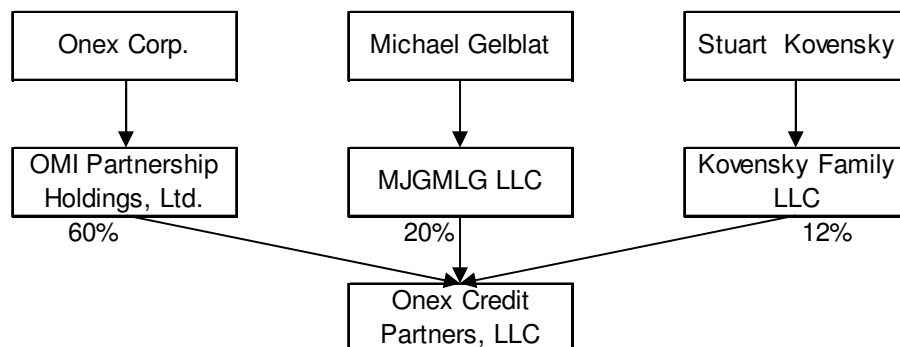
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#### Item 4. Advisory Business

OCP is an investment adviser with its principal place of business in Englewood Cliffs, New Jersey. OCP commenced operations as an investment adviser on January 1, 2006 and has been registered with the SEC since January 30, 2006. As set forth below, the principal indirect owners of the adviser are Onex Corporation, Michael Gelblat and Stuart Kovensky:



The remaining 8% of OCP is owned by trusts that were created by Michael Gelblat and/or Stuart Kovensky.

Onex Corporation is a Canadian investment firm listed on the Toronto Stock Exchange and Gerald W. Schwartz, its founder, Chairman, President and Chief Executive Officer, is Onex Corporation's controlling shareholder.

OCP provides advisory services on a discretionary basis to its *clients*, which include pooled investment vehicles intended for sophisticated investors and institutional investors, structured debt vehicles consisting of collateralized loan obligations ("CLOs"), closed end investment funds listed on the Toronto Stock Exchange and an institution with a separately managed account. OCP currently manages the following strategies:

Debt Opportunity Strategy: Opportunistic and event-driven focus on senior debt of companies that exhibit stress or are distressed, investing both long and short without the use of leverage.

Senior Credit Strategy: Focused primarily on performing first-lien loans, with moderate exposure to event driven situations, and utilizing modest leverage to enhance returns.

Senior Floating Income Strategy: Focused solely on performing first-lien loans with no exposure to stress/distressed situations and without the use of leverage.

CLO Strategy: Focused on performing first-lien loans with no exposure to stressed/distressed situations in CLOs.

OCP provides advice to *client* accounts based on specific investment objectives and strategies. In connection with managed accounts and pooled investment vehicles having a limited number of investors, OCP may agree to tailor advisory services to the individual needs of *clients*.

OCP does not participate in any wrap-fee programs.

OCP had approximately \$1,448,127,000 of regulatory assets under management as of December 31, 2011. In addition, OCP manages approximately \$82 million in a loan only managed account and in March 2012 launched its CLO strategy with approximately \$325 million in assets under management. All of these assets are managed on a discretionary basis.

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## Item 5. Fees and Compensation

OCP's compensation consists of management fees and performance-based compensation.

OCP receives a monthly management fee from each *client* ranging between 0.3125% and 2.0% per annum. Management fees are billed and paid monthly in arrears based on the total market value of the assets in the *client* account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and certain accrued interest). If a new *client* account is established during a month or a *client* makes an addition to its account during a month, the management fee will be prorated for the number of days remaining in the month. If a *client's* investment management agreement is terminated or a withdrawal is made from a *client* account during a month, the management fee payable to OCP will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the month in which the investment management arrangement was in effect or such amount was in the account.

OCP may also receive performance-based compensation, which is based upon a share of the *client's* net profits (including net unrealized gains and losses on investments). This compensation may be paid or reallocated to OCP or to a *related person* of OCP and is equal to an amount ranging between 15% and 20% of a *client* account's net profits, in some cases subject to a preferred return. Certain *clients* are not charged performance-based compensation.

These fees can be negotiated and fees for any managed accounts are negotiated on a case by case basis.

To the extent set forth in the documents governing each *client* account, *clients* may incur additional expenses including organizational and operating costs such as director fees, legal, accounting, auditing and other professional expenses, research expenses, *client* related professional liability insurance, a share of OCP's professional liability insurance, investment expenses, custodial fees, registrar and transfer agent expenses, banks service fees, direct fees and expenses such as legal fees and due diligence expenses related to the analysis, purchase or sale of investments (whether or not the investment is made) and other reasonable expenses related to the purchase, sale or transmittal of assets. In addition, *client* assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. Information regarding brokerage practices can be found in Item 12, Brokerage Practices.

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**Item 6. Performance-Based Fees and Side-by-Side Management**

OCP and its investment personnel provide investment management services to multiple portfolios for multiple *clients*. OCP is entitled to be paid performance-based compensation by its private pooled investment vehicle *clients* and certain other *client* accounts, including CLOs. In addition, OCP's investment personnel are typically compensated on a basis that includes a discretionary performance-based component. OCP and its investment personnel, including investment personnel that share in performance-based compensation, manage both *client* accounts that are charged performance-based compensation and accounts that are charged an asset-based fee, which is a *non-performance-based fee*. In addition, certain *client* accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When OCP and its investment personnel manage more than one *client* account a potential exists for one *client* account to be favored over another *client* account. OCP and its investment personnel have a greater incentive to favor *client* accounts that pay OCP (and indirectly the portfolio manager) performance-based compensation or higher fees or in which OCP or its personnel have significant investments.

OCP has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. OCP reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, OCP's procedures relating to the allocation of investment opportunities require that similarly managed accounts generally participate in investment opportunities pro rata based on asset size subject to, among other things, factors such as the amount of cash available for investment or the fit of a particular investment opportunity in a particular account. OCP's procedures further require that, to the extent orders are aggregated, the *client* orders are price-averaged. Finally, OCP's procedures require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by OCP's Chief Compliance Officer.

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**Item 7. Types of *Clients***

OCP's *clients* consist of pooled investment vehicles, including closed end funds trading on the Toronto Stock Exchange and a CLO, and a business entity.

With respect to any *client* that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.



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## Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

OCP utilizes a variety of methods to make investment decisions and recommendations. OCP applies a fundamental, research-driven and value-oriented approach to non-investment grade credit markets. OCP's investment processes are iterative and combine bottom-up with top-down analyses. OCP uses a variety of resources to source investment opportunities including, but not limited to: industry related research, trade publications, discussions with industry participants, company management and legal and financial professionals.

Upon identifying a potential investment, depending on the particulars of the investment and strategy, OCP may perform an analysis of the value of the company as well as its ability to fund its fixed obligations, including interest expense, and capital expenditures. This analysis often starts with a forward-looking evaluation of the company's business model, including its expected cash flow under various economic and industry conditions, tangible asset value, competitive strengths and weaknesses, as well as the quality of its existing management team. In addition, OCP may perform a structural analysis, including a review of the rights and interests of each creditor/equity holder in the company's capital structure, including protective debt covenants, collateral protection, seniority and other contractual rights as well as any other legal issues surrounding the company. Finally, OCP may analyze an issue's market liquidity by examining its size, current and historical trading activity, the number and type of holders, and its historical and current bid-ask spread. For event driven opportunities, the nature of the event, and the prospective timing of various scenarios, may be analyzed.

OCP manages three strategies:

### Debt Opportunity Strategy

OCP seeks to achieve its investment objective for *clients* following its Debt Opportunity Strategy by pursuing absolute returns while focusing on capital preservation and risk control. Central to that goal, OCP seeks to invest in the senior secured and unsecured parts of the capital structure, maintains a diversified portfolio, and seeks both long and short investment opportunities. OCP primarily invests in instruments issued by financially troubled, distressed, bankrupt or highly leveraged companies, with an emphasis on situations with an event catalyst. These companies may be in bankruptcy or may be viewed as likely to file for bankruptcy or pursue an alternative form of debt restructuring. The problems that these issuers may face can stem from a variety of legal, financial, cyclical or operational issues. In addition, OCP may at times invest in companies that have been improperly identified as candidates for a debt restructuring either in or out of bankruptcy court. OCP may invest in other extraordinary transactions such as rights offerings, liquidations outside of bankruptcy, recapitalizations, leveraged buyouts or "going private" transactions.

At any given point in time, OCP may hedge a variety of risks including market, credit, basis, and foreign exchange risk. The primary hedging technique is the use of short positions in instruments (typically debt, not equity related) such as individual bonds and ETFs, as well as options and derivatives, such as credit default swaps (CDS), credit index swaps, and puts. For certain long exposures, *clients* may take short positions within the same company's capital structure to offset certain risks, and in the case of long exposure to fixed-rate bonds, *clients* may short the appropriate US Treasury security to hedge interest rate risk. In addition to taking short positions (typically debt) in specific companies for hedging purposes, OCP may also establish outright short positions for directional investing purposes based on potential negative events identified through the research process.

### Senior Credit Strategy

OCP seeks to achieve its investment objective for *clients* following its Senior Credit Strategy primarily by purchasing exposure to syndicated leveraged loans, which broadly defined consists of loan instruments that are rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively, and certain unrated loans. Syndicated leveraged loans include first and second lien loans as well as unsecured loans. It is anticipated that the majority of *clients'* assets will be exposed to and/or invested in first-lien leveraged loans and OCP may seek additional return by selectively purchasing exposure to and/or investing in second lien leveraged loans as well as unsecured loans and secured and unsecured high yield debt. *Clients* following the Senior Credit Strategy may also invest in stressed or distressed bank debt. These *clients* may purchase exposure (either long or, for some *client* accounts, short) through the use of derivatives and swaps and may invest directly (including participations) in syndicated loans, high yield debt and stressed and distressed bank debt. For *clients* following the Senior Credit Strategy that have both long and short positions, the focus is primarily on long positions and therefore such *clients* will typically have a significant net long exposure to the market for syndicated leveraged loans and other debt obligations for leveraged companies. OCP will use leverage in the Senior Credit Senior Credit Strategy in amounts OCP deems prudent.

### Senior Floating Income Strategy

OCP seeks to achieve its investment objective for *clients* following its Senior Floating Income Strategy primarily by purchasing directly (or by participation) interests in syndicated corporate bank loans consisting of loan instruments that are issued by leveraged non-investment grade companies and rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively, and certain unrated corporate loans. These loans include first and second lien loans as well as unsecured loans. It is anticipated that the majority of the assets held by *clients* following the Senior Floating Income Strategy will be primarily exposed to first-lien loans, senior secured bonds and other senior obligations of corporate borrowers. *Clients* following the Senior Floating Income Strategy may also make limited investments in senior obligations of stressed and distressed issuers. *Clients* following the Senior Floating Income Strategy will hold only long positions and therefore will have a long only exposure to the market for senior obligations. OCP will not borrow money in order to employ the Senior Floating Income Strategy.

### CLO Strategy

OCP performs certain investment management functions, including supervising and directing the investment and reinvestment of assets of the CLO in accordance with the terms of its advisory agreement. The assets of the CLO primarily consist of loan instruments that are issued by leveraged non-investment grade companies and rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively.

These methods, strategies and investments involve risk of loss to *clients* and *clients* must be prepared to bear those risks.

The following summary identifies the material risks related to OCP's significant investment strategies and should be carefully evaluated before making investment with OCP; however, the following does not intend to identify all possible risks of an investment with OCP or provide a full description of the identified risks. Not all of these risks apply to each strategy. The following is not meant to supersede the material contained in the offering memoranda of each *client* that is a private pooled vehicle:

**Market Risks.** The profitability of a significant portion of the investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that OCP will be able to predict accurately these price movements. Although OCP may attempt to mitigate market risk through the use of long and short positions or other methods, there may be a significant degree of market risk.

*Distressed Situation Risk.* Investment in distressed situations exposes the *client* to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; legal risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; and liquidity risk.

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while OCP may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for OCP's investment portfolios than if OCP did not engage in any such hedging transactions.

*Leverage.* Performance may be more volatile if a *client's* account employs leverage.

*Short Selling Risk.* OCP's investment program includes short selling. Short selling transactions expose *clients* to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by a *client* in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the *client* might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Lack of Diversification.* *Client* accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, *client* portfolios may be subject to more rapid change in value than would be the case if OCP were required to maintain a wider diversification among types of securities and other instruments.

The following summary identifies the material risks related to the type of investments that are typically made for *clients* by OCP and should be carefully evaluated before making investment with OCP; however, the following does not intend to identify all possible investments that may be made or all possible risks related to such investments. Not all of these risks apply to each strategy. The following is not meant to supersede the material contained in the offering memoranda of each *client* that is a private pooled vehicle:

*Distressed Securities.* Distressed securities include securities, private claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, bonds, bi-lateral agreements, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to *clients*, but also involve a substantial degree of risk. *Clients* may lose a substantial portion or all of their investment in a distressed environment or may be required to accept cash or securities with a value less than the *clients'* investment.

*High-Yield Securities.* High-yield securities include “high-yield” bonds and preferred securities that are not investment grade. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of interest or dividends than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of the securities.

*Commercial Loans and Loan Participations.* Commercial loans and loan participations include Investments in syndicated, commercial bank loans, whether acquired through assignment or participation. Such arrangements may limit the *client's* ability to exercise its rights against an issuer and entail certain contractual relationships among the lender and the lending group which could be disadvantageous to the *client*.

*Derivatives.* Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the *client* or OCP.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

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**Item 9. Disciplinary Information**

OCP has no disciplinary information to disclose.

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#### Item 10. Other Financial Industry Activities and Affiliations

Onex Corporation, one of OCP's *related persons*, is a large alternative asset investment management organization whose primary business strategy is private equity. If permitted by the relationship terms, OCP's *clients* may make or participate in loans to companies in which Onex Corporation (or its affiliates) has made or is proposing to make an equity investment (each an "Onex Portfolio Company" or collectively, "Onex Portfolio Companies"). Making or participating in loans to Onex Portfolio Companies may present certain conflicts of interest and/or present certain regulatory issues to a *client*. For example, if a *client* makes or participates in a loan to an Onex Portfolio Company and the Onex Portfolio Company enters bankruptcy, the *client* could be deemed an "insider" for purposes of the Bankruptcy Code of the United States (the "Bankruptcy Code"). Insider status under the Bankruptcy Code could adversely affect the *client's* ability to collect on the loan by subjecting the *client* to equitable subordination (i.e., the threshold of inequitable conduct that needs to be shown to invoke this remedy is lower when the holder of the claim is an insider and the burden of proof to show that any particular transaction was fundamentally fair will be on the *client*, not the bankruptcy trustee), increased exposure to preference suits (i.e., more transactions will be potentially avoidable as preferential as the reach-back period will be one year rather than 90 days) and other restrictions under certain circumstances. Further, due to its affiliation with Onex Corporation, OCP may become aware of material non-public information concerning certain companies and as a result of such knowledge, or as a result of certain internal policies adopted by OCP, OCP may at times be precluded from acquiring or disposing of investments it would otherwise wish to acquire or dispose. There may also be other areas of overlap between Onex Corporation's activities or customers and the *client* or portfolio companies in which the *client* is invested. Finally, OCP may determine not to make or participate in loans to Onex Portfolio Companies or may adopt procedures intended to minimize potential conflicts and/or regulatory or tax issues, which procedures may have the effect of limiting the *client's* ability to acquire or dispose of loans to Onex Portfolio Companies.

Each of the limited partnerships or private funds for which OCP or its *related person* serves as general partner or investment manager has and may in the future enter into agreements, or "side letters," with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the partnership or fund. For example, such terms and conditions may provide for special rights to make future investments in the partnership, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the partnership or fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the partnership or fund and such limited partners or shareholders. The modifications are solely at the discretion of the partnership or fund and may, among other things, be based on the size of the limited partner's or shareholder's investment in the partnership or fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in the partnership or fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the partnership or fund.

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**Item 11. Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading**

OCP has adopted a Code of Ethics (the “Code”) that obligates it to put the interests of its *clients* before its own interests and to act honestly and fairly in all respects in their dealings with *clients*. All of OCP’s personnel are also required to comply with applicable federal securities laws. *Clients* or prospective *clients* may obtain a copy of the Code by contacting Steven Gutman (Chief Compliance Officer) by email at [sgutman@onexcredit.com](mailto:sgutman@onexcredit.com), or by telephone at (201) 541-2121. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by *related persons*.

OCP, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which OCP or its *related persons* have invested or seek to invest on behalf of *clients*. OCP is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other *person*, regardless of whether such other *person* is a *client*. OCP maintains and enforces written policies and procedures that prohibit the communication of such information to *persons* who do not have a legitimate need to know such information and to assure that OCP is meeting its obligations to *clients* and remains in compliance with applicable law. In certain circumstances, OCP may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but OCP will be prohibited from communicating such information to the *client* or using such information for the *client’s* benefit. In such circumstances, OCP will have no responsibility or liability to the *client* for not disclosing such information to the *client* (or the fact that OCP possesses such information), or not using such information for the *client’s* benefit, as a result of following OCP’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

OCP’s *related persons* act as a general partner in partnerships in which OCP acts as investment adviser and solicits investors. Also, OCP acts as investment adviser to *client* accounts that consist solely of OCP’s *related persons*. Finally, OCP may make investments for its *clients* or participate in loans to Onex Portfolio Companies, which are companies in which Onex Corporations has made or is proposed to make an equity investment, as described further in Item 10. These practices create a conflict of interest because OCP has an incentive to recommend securities from (or sell securities to) *clients* based on its, or its *related persons*, own financial interests, rather than solely the interests of a *client*.

In addition, OCP or its *related persons* invests in the same securities (or related securities, e.g., warrants, options or futures) that OCP or a *related person* recommends to *clients*. Such practices present a conflict where, because of the information OCP has, OCP or its *related person* are in a position to trade in a manner that could adversely affect *clients* (e.g., place their own trades before or after *client* trades are executed in order to benefit from any price movements due to the *clients’* trades). In addition to affecting OCP’s or its *related person’s* objectivity, these practices by OCP or its *related persons* may also harm *clients* by adversely affecting the price at which the *clients’* trades are executed. OCP has adopted the following procedures in an effort to minimize such conflicts:

OCP requires its access persons to pre-clear most transactions in their personal accounts with a portfolio manager and the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its *clients*. Generally, personal trading will not be approved in any security that (i) a *client* owns or is in the process of buying or selling or (ii) OCP is researching, analyzing or considering buying or selling for a *client*.

All of OCP’s access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of OCP’s access persons are also required to provide broker confirmations of each transaction in which they engage and a quarterly certification of such

transactions. Trading in *employee* accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the *client accounts* and reviewed against the restricted securities list.

Also see OCP's discussion of its asset allocation rules in Item 6.



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## Item 12. Brokerage Practices

OCP considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and responsiveness. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, OCP need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not OCP's practice to negotiate "execution only" commission rates, thus a *client* may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. OCP's Best Execution Committee and Investment Committee meet periodically to evaluate the broker-dealers used by OCP to execute *client* trades using the foregoing factors.

OCP may receive research or brokerage from a broker-dealer and/or a third party in connection with *client* securities transactions. This is known as a "soft dollar" relationship. OCP has no formal soft dollar arrangements in place to receive any specific research or brokerage services. To the extent OCP may enter into soft dollar arrangements in the future, OCP will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

From time to time OCP may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by OCP or recommend these private funds as an investment to clients. OCP may place *client* portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if OCP determines that it is otherwise consistent with seeking best execution. In no event will OCP select a broker-dealer as a means of remuneration for recommending OCP or any product managed by OCP (or an affiliate) or affording OCP with the opportunity to participate in capital introduction programs.

OCP often purchases or sells the same security for several *clients* contemporaneously and using the same executing broker. It is OCP's practice, where possible, to aggregate *client* orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker. Such aggregation may enable OCP to obtain for *clients* a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, OCP allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If an aggregated order is only partially filled, OCP's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to *clients*. Depending on the investment strategy pursued, the type of security and other factors, this may result in a pro rata allocation to all participating *clients*.

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**Item 13. Review of Accounts**

Each *client account* is reviewed by no less than two portfolio managers of OCP, on an ongoing basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed (depending on the investment strategy deployed for a particular *client*) include specific securities held, news and events related to current positions, diversification based on position and industry limits, hedging positions and gross and net exposures.

For each *client* that is a private pooled vehicle, that *client's* investors receive reports from the *client* pursuant to the terms of each *client's* offering memoranda or as otherwise described in the offering document of the *client*. Each *client* that is a separate account will receive the monthly reporting set forth in the management agreement entered into with that *client*. The sole managed account *client* of OCP currently receives regular reports from OCP no less than monthly.

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**Item 14.   *Client Referrals and Other Compensation***

This item is inapplicable.

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**Item 15. Custody**

This item is inapplicable.

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**Item 16. Investment Discretion**

OCP provides investment advisory services on a *discretionary basis* to *clients*. Please see Item 4 for a description of any limitations *clients* may place on OCP's *discretionary authority*.

Prior to assuming full discretion in managing a *client's* assets, OCP enters into an investment management agreement or other agreement that sets forth the scope of OCP's discretion.

Unless otherwise instructed or directed by a discretionary *client*, OCP has the authority to determine (i) the securities to be purchased and sold for the *client* account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the *client* account. Because of the differences in *client* investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among *clients* in invested positions and securities held. OCP's portfolio managers determine the allocation of securities to (or from) *client* accounts for each trade/order submitted. OCP may consider the following factors, among others, in allocating securities among *clients*: (i) *client* investment objectives and strategies; (ii) *client* risk profiles; (iii) tax status and restrictions placed on a *client's* portfolio by the *client* or by applicable law; (iv) size of the *client* account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is OCP's policy to allocate investment opportunities to eligible *client* accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead a portfolio manager to allocate securities to *client* accounts in varying amounts. Even *client* accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment, liquidity and other factors.

Allocations will be made among *client* accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when OCP determines in its discretion that a pro rata allocation is not appropriate, which may include a *client's* investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a *client's* status as a "restricted person" under applicable regulations.

Securities acquired by a OCP for its *clients* through a limited offering will be allocated pursuant to the procedures set forth in OCP's allocation policy. The policy provides that OCP will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those *client* accounts eligible to hold such securities. Eligibility will be based on the legal status of the *clients* and the *client's* investment objectives and strategies.

If it appears that a trade error has occurred, OCP will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, OCP's error correction procedure is to ensure that *clients* are treated fairly. OCP has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. Trade errors that result other than by breach of the standard of care attributable to OCP are generally to be borne by the *client* account.

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**Item 17. Voting *Client* Securities**

To the extent OCP has been delegated proxy voting authority on behalf of its *clients*, OCP complies with its proxy voting policies and procedures that are designed to ensure that in cases where OCP votes proxies with respect to *client* securities, such proxies are voted in the best interests of its *clients*.

*Clients* may provide specific voting guidelines for voting proxies.

If a material conflict of interest between OCP and a *client* exists, OCP will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the *client* or take some other appropriate action.

*Clients* may obtain a copy of OCP's proxy voting policies and procedures and information about how OCP voted a *client's* proxies by contacting Steven Gutman (Chief Compliance Officer) by email at [sgutman@onexcredit.com](mailto:sgutman@onexcredit.com) or by telephone at (201) 541-2121.

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**Item 18. Financial Information**

This item is inapplicable.