

# OCP SENIOR CREDIT FUND

Monthly Update as at April 30, 2011



## Investment Rationale and Objectives

OCP Senior Credit Fund provides Unitholders with a stable source of tax-advantaged income through exposure to the performance of an actively managed, diversified portfolio comprised primarily of first lien floating rate senior secured loans of non-investment grade North American issuers.

The Fund's objectives are: (i) provide Unitholders with attractive, quarterly, tax-advantaged distributions, currently targeted to be \$0.50 per annum, representing an annual yield of 5% based on the original issue price of \$10.00 per Unit; (ii) preserve capital; and (iii) generate enhanced returns through increasing cash flow to the portfolio as interest rates rise.

## Details

Date of Inception:	November 19, 2010
Issue Price:	\$10.00
Opening NAV (November 19, 2010):	\$9.45
Ticker Symbol:	OSL.UN (TSX)
Total Net Assets:	\$325,947,131*
NAV per Unit:	\$9.56*
Market Price:	\$9.99*
Latest Distribution: March 31, 2011	\$0.1825
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$0.1825

\* As at April 29, 2011.

## Commentary

Net performance of OCP Senior Credit Fund was 0.90% and 2.77% in April and year-to-date, respectively. Markets benefitted from a relatively stable global environment and improving U.S. corporate earnings. The CS Leveraged Loan Index returned 0.60% in the month.

Most of the Portfolio's holdings experienced positive performance during the month with interest income and capital gains contributing equally to performance. Two of the larger contributors were the senior secured loans of Level III Communications, Inc. and Texas Competitive Electric Holdings ("TXU"). Level III, a leading international communication services company, announced a \$3 billion stock-for-stock acquisition of Global Crossing Ltd. This deleveraging transaction was a positive event for the senior secured loan held in the Portfolio. TXU, the largest energy producer in Texas, gave senior loan holders the option to amend and extend their loans in exchange for a one-time fee and a higher coupon. Based on our determination that the compensation offered was insufficient, the Fund did not participate in the extension. In April, the non-extended loan traded higher.

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. Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the Fund. Please read the Fund's continuous disclosure documents (found on SEDAR) before investing. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The Portfolio refers to the positions held by the underlying fund, OCP Credit Trust.

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# ONEX

CREDIT PARTNERS

## Five Strongest and Weakest Performers

### Strongest

TXU Senior Term Loan
Caesar's (fka Harrah's) Senior Term Loan
Level 3 Senior Term Loan
Willbros Term Loan
Aircastle Secured Trust Certificate

### Weakest

Guitar Center Senior Term Loan
First Data Senior Term Loan
US Foodservice Senior Term Loan
La Paloma Term Loan / Letter of Credit
Federal-Mogul Strip Loan

The chart shows the top five strongest and weakest holdings contributing to the Fund's performance for the month. These holdings do not represent all of the assets held, purchased or sold during the month.

## Industry Exposure\*\*

Gaming/Leisure	15.76%
Finance	11.40%
Aerospace	11.27%
Telecom	11.20%
Business Services	7.26%
Retail	5.22%
Healthcare	5.06%
Independent Power Producers	5.02%
Service	4.14%
Chemicals	3.64%
Energy Service	3.45%
Media	2.81%
Cable/Wireless Video	2.54%
Transportation	2.19%
Housing/Building Products	2.14%
Education	1.69%
Pharmaceuticals	1.36%
Metals/Minerals	1.29%
Forest Prod/Containers	1.13%
Consumer Non-Durable	0.79%
Food	0.63%
Adjusted Exposure**	100.00%

## Portfolio Composition\*\*\*

Bank Debt	121.35%
Corporate Bonds	8.02%
Government Bonds	0.00%
Equity	0.00%
Other	0.00%
Total Exposure	129.37%

\*\*\* The Portfolio refers to the positions held by the underlying fund, OCP Credit Trust.

\*\* Based on invested capital as of the report date, not the target level of invested capital

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The Portfolio refers to the positions held by the underlying fund, OCP Credit Trust. Through a forward agreement, the return of the Fund is dependent on the return of the Portfolio. Performance figures for the Fund are based on Canadian generally accepted accounting principles and were based on unaudited monthly estimates. Performance figures for the Fund include distributions paid during the relevant period and are calculated net of expenses and fees. Returns for the Fund may diverge from the returns for the Portfolio for several reasons including the incurrence of expenses and payment of distributions by the Fund.