

# OCP SENIOR CREDIT FUND

Monthly Update as at February 29, 2012



## Investment Rationale and Objectives

OCP Senior Credit Fund provides Unitholders with 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:	\$317,056,816 *
NAV per Unit:	\$9.35 *
Market Price:	\$9.14 *
Latest Distribution: December 31, 2011	\$0.1250
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$0.5575

\*As at February 29, 2012

## Commentary

Net performance of OCP Senior Credit Fund was 0.72% in February and 4.32% year-to-date. Markets extended their rally as investors were again encouraged by positive U.S. economic data and news that European finance ministers reached a deal to restructure Greece's debt. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.74%, 2.28%, and 4.32% in the month, respectively.

The majority of the Fund's senior secured loan investments contributed to the month's positive performance, from both interest income as well as price appreciation. Caser's Entertainment performed particularly well as the company offered to amend and extend its credit facility maturity from 2015 to 2020, thereby reducing near term pressure on the company's finances. Based on our analysis we did not accept the offer. However, debt maturities in 2015 were reduced by approximately 47% as a result of the transaction, causing the company's senior secured loans to appreciate.

The spread of the CS Leveraged Loan Index (assuming three year average life) tightened slightly to 600 basis points in February, still significantly above the Index's historic average of approximately 450. There continued to be no defaults in the portfolio.

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## Five Strongest and Weakest Performers

### Strongest

Caesar's Senior Term Loan
Level 3 Senior Term Loan
Radio One Senior Term Loan
US Foodservice Senior Term Loan
CEVA Senior Term Loan, Credit Facility

### Weakest

TXU Senior Term Loan
Springleaf Senior Term Loan
Styron Senior Term Loan
AWAS Senior Term Loan
Crown Castle Operating Co. Senior Term 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\*\*

Telecom	13.95%
Finance	10.81%
Gaming/Leisure	8.02%
Business Services	7.82%
Aerospace	7.70%
Media	6.03%
Transportation	5.59%
Independent Power Pr	5.18%
Healthcare	4.79%
Chemicals	4.57%
Technology	4.39%
Retail	4.13%
Food	3.65%
Service	3.16%
Energy Service	2.45%
Housing/Building Pro	2.41%
Education	1.61%
Cable/Wireless Video	1.32%
Metals/Minerals	1.23%
Consumer Non-Durable	0.59%
Energy	0.58%
Adjusted Exposure**	100.00%

### Portfolio Composition\*\*\*

Bank Debt	136.62%
Corporate Bonds	4.68%
Government Bonds	0.00%
Equity	0.00%
Other	0.00%
Total Exposure	141.30%

\*\*\* 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

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. 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 audited financial statements through December 31, 2010 and unaudited monthly estimates thereafter. 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.