

# OCP SENIOR CREDIT FUND

Monthly Update as at March 31, 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:                   | \$315,878,793 *   |
| NAV per Unit:                       | \$9.32 *          |
| Market Price:                       | \$9.40 *          |
| Latest Distribution: March 31, 2012 | \$0.1250          |
| Distribution Frequency:             | Quarterly         |
| Cash Distributions Since Inception: | \$0.6825          |

\*As at March 30, 2012

## Commentary

Net performance of OCP Senior Credit Fund was 1.02% and 5.38% in March and year-to-date respectively. Markets continued to gain, albeit at a more moderate pace, as investors weighed signs of U.S. economic growth against concerns of unresolved issues in Europe and slowing growth in China. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.70%, 0.02%, and 3.29% in the month, respectively.

The majority of the Fund's senior secured loan investments contributed to performance with their gains driven almost equally by interest income and price appreciation. A number of the Fund's positions repaid in full or in part during the month and we have been cautiously redeploying the capital. There continued to be no defaults in the portfolio and we believe its holdings will perform as expected, paying off at par on or before their expected maturities.

The spread of the CS Leveraged Loan Index (assuming three year average life) tightened by 12 basis points to 588 basis points in March, still significantly above the Index's historic average of approximately 450 basis points.

# OCP SENIOR CREDIT FUND

Monthly Update as at March 31, 2012



## Five Strongest and Weakest Performers

### Strongest

|                             |
|-----------------------------|
| Caesar's Senior Term Loan   |
| Springleaf Senior Term Loan |
| Dynergy Senior Term Loan    |
| Styron Senior Term Loan     |
| First Data Senior Term Loan |

### Weakest

|                            |
|----------------------------|
| Wynn Senior Secured Note   |
| Lawson Senior Term Loan    |
| Veyance Senior Term Loan   |
| Atkore Senior Secured Note |
| GAP (A&P) 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              | 13.93%  |
| Finance              | 10.84%  |
| Business Services    | 8.57%   |
| Gaming/Leisure       | 7.88%   |
| Aerospace            | 7.66%   |
| Transportation       | 6.67%   |
| Media                | 5.91%   |
| Independent Power Pr | 5.20%   |
| Chemicals            | 4.99%   |
| Healthcare           | 4.45%   |
| Technology           | 4.34%   |
| Food                 | 3.64%   |
| Service              | 3.17%   |
| Housing/Building Pro | 2.41%   |
| Energy Service       | 2.28%   |
| Retail               | 2.02%   |
| Education            | 1.62%   |
| Cable/Wireless Video | 1.31%   |
| Metals/Minerals      | 1.23%   |
| Energy               | 0.92%   |
| Consumer Non-Durable | 0.59%   |
| Manufacturing        | 0.38%   |
| Adjusted Exposure**  | 100.00% |

## Portfolio Composition\*\*\*

|                  |         |
|------------------|---------|
| Bank Debt        | 139.20% |
| Corporate Bonds  | 5.32%   |
| Government Bonds | 0.00%   |
| Equity           | 0.00%   |
| Other            | 0.00%   |
| Total Exposure   | 144.52% |

\*\*\* 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, 2011 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.