

# OCP SENIOR CREDIT FUND

Monthly Update as at June 30, 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:	\$ 298,675,963*
NAV per Unit:	\$9.32*
Market Price:	\$9.01*
Latest Distribution: June 30, 2012	\$0.1250
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$0.8075

\* As at June 29, 2012

## Commentary

Net performance of OCP Senior Credit Fund was 1.11% and 6.78% in June and year-to-date, respectively. Following negative performance in May, market conditions remained volatile in June as investors continued to focus on global economic risks, including Greece's potential exit from the Euro and results of the U.S Federal Reserve's Federal Open Market Committee meeting. On the last day of June, the announcement of a deal among European leaders to help Eurozone banks sparked broad market rallies. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.74%, 1.86%, and 4.12% in the month, respectively.

The majority of the Portfolio's senior secured loan investments contributed to positive performance, almost equally from interest income and price appreciation. The Portfolio benefitted from two specific events during the month worth noting, a repayment and an amendment. Equipower repaid its senior secured term loan in full at par versus its slightly discounted market price prior to repayment. This repayment was well in advance of its stated 2018 maturity. Styron's senior secured loans gained following the announcement by its private equity sponsor of an equity investment which would be used to repay a portion of the company's debt at par in exchange for covenant relief, paying the lenders a 50 basis point fee and increasing the loan's coupon by 200 basis points. These two secured loans were among the top five gainers in June. There continued to be no unanticipated defaults in the Portfolio.

We are pleased to welcome Robin Russell and Ralph Della Rocca to our team. Robin joins as a Senior Research Analyst and Ralph joins as Director of Operations. Robin was most recently Managing Director and Group Head for Distressed and Special Situations Research at Jefferies with over 18 years of industry experience and Ralph was most recently a Director at Markit with over 24 years of operations experience.

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## Five Strongest and Weakest Performers

### Strongest

Springleaf Senior Secured Loan
Styron Senior Secured Loan
Equipower Senior Secured Loan
Caesar's Senior Secured Loan
First Data Senior Secured Loan

### Weakest

AWAS Senior Secured Loan
Guitar Center Senior Secured Loan
Altegrity Senior Secured Loan
TI Automotive Senior Secured Loan
SRA International Senior Secured 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	8.79%
Business Services	8.78%
Gaming/Leisure	7.57%
Media	7.42%
Transportation	7.03%
Healthcare	6.23%
Chemicals	5.53%
Aerospace	4.10%
Food	3.69%
Independent Power Producers	3.67%
Technology	3.56%
Housing/Building Products	3.25%
Service	3.11%
Energy	2.32%
Energy Service	2.21%
Manufacturing	2.04%
Retail	2.03%
Education	1.64%
Cable/Wireless Video	1.27%
Metals/Minerals	1.22%
Consumer Non-Durable	0.60%
Adjusted Exposure**	100.00%

## Portfolio Composition\*\*\*

Bank Debt	147.07%
Corporate Bonds	6.54%
Government Bonds	0.00%
Equity	0.00%
Other	0.00%
Total Exposure	153.61%

\*\*\* 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.