

# OCP SENIOR CREDIT FUND

Monthly Update as at March 31, 2013



## 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.

## Commentary

Net performance of OCP Senior Credit Fund was 1.07% and 3.93% in March and year-to-date, respectively. Markets gained in the month as investors focused on bright spots in the U.S. economy (e.g., housing market strength, consumer spending, robust first quarter growth estimates) versus European risks associated with inconclusive Italian election results and Cypriot banking crisis, believing that these risks have largely been contained by the European Central Bank's ongoing monetary policies. The CS Leveraged Loan Index, CS High Yield Bond Index, and S&P500 returned 0.85%, 1.03%, and 3.75% in the month, respectively.

The large majority of the Portfolio's senior secured loan positions contributed to performance with gains driven primarily by interest income. After trending higher during the month, the Altegrity term loans traded up at month-end after the company proposed an amendment to loosen its first lien leverage covenant for six quarters. In return for the amendment, Altegrity offered a 50 basis point amendment fee, an increase to the rate and implementation of a LIBOR floor on certain loans, as well as several other credit enhancing restrictions. Altegrity's financial performance remains in line with our expectations.

There continued to be no unanticipated defaults in the portfolio and we believe its holdings will perform as expected, paying off at par on or before their expected maturities.

## 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:	\$316,867,190 *
NAV per Unit:	\$10.01 *
Market Price:	\$9.70 *
Latest Distribution: March 31, 2013	\$0.1250
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$1.1825

\* As at March 28, 2013

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## Five Strongest and Weakest Performers

### Strongest

SRA International Senior Secured Loan
First Data Senior Secured Loan
Navistar Senior Secured Loan
Altegrity Senior Secured Loan
Alon Senior Secured Loan

### Weakest

STG-Fairway Senior Secured Loan
AWAS Senior Secured Loan
McGraw-Hill Senior Secured Loan
Remy Senior Secured Loan
Aircastle Secured Trust Certificate

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\*\*

Transportation	13.84%
Business Services	9.95%
Finance	9.54%
Media	8.52%
Technology	7.55%
Telecom	6.72%
Healthcare	6.17%
Energy	5.72%
Gaming/Leisure	5.71%
Housing/Building Products	5.09%
Metals/Minerals	3.83%
Service	2.77%
Retail	2.67%
Chemicals	2.12%
Independent Power Producers	1.94%
Aerospace	1.75%
Education	1.48%
Consumer Durables	1.09%
Energy Service	1.01%
Food	0.89%
Manufacturing	0.85%
Consumer Non-Durables	0.59%
Cable/Wireless Video	0.19%
<b>Adjusted Exposure**</b>	<b>100.00%</b>

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

## Portfolio Composition\*\*\*

Bank Debt	148.59%
Corporate Bonds	11.25%
Government Bonds	0.00%
Equity	0.00%
Other	0.00%
<b>Total Exposure</b>	<b>159.84%</b>

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

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, 2012 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.