

OCP CREDIT TRUST

Annual Management Report of Fund Performance for the year ended
December 31, 2013

Fund:

OCP Credit Trust

Securities:

Trust Units

Period:

January 1, 2013 to December 31, 2013

Manager:

Onex Credit Partners, LLC

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Notes:

1. This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete Annual Financial Statements of the Fund. You can get a copy of the Annual Financial Statements at your request, and at no cost, by contacting us (contact information above) or on SEDAR at www.sedar.com. Securityholders may also contact us to request a free copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. This report may contain forward looking statements. Forward looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward looking statements.
3. Unless otherwise indicated all information is as at December 31, 2013.
4. None of the websites that are referred to in this Annual Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Annual Management Report of Fund Performance.

Investment Objectives and Strategies

The Fund's investment objective is to maximize total returns for holders of units while preserving capital. The Fund follows a long only strategy that seeks to deliver attractive risk-adjusted returns and stable income while emphasizing preservation of capital and capital appreciation. The Manager targets senior secured loans and other senior debt obligations of non-investment grade issuers that the Manager believes have strong market positions, attractive and sustainable business models and high quality management teams. In pursuit of its objectives, the Fund anticipates it will employ leverage up to 40% of its total assets.

Risks

There were no changes to the Fund over the period of this report that affected the overall level of risk associated with an investment in the Fund. Securityholders should refer to the Fund's annual information form ("AIF") for the year ended December 31, 2013 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The AIF is available free of charge from us (contact information above), on our website www.ocpseniorcredit.com and on SEDAR www.sedar.com. Readers are also directed to Note 9 of the Fund's 2013 Annual Financial Statements which discusses management of financial risks.

Results of Operations

The Fund's net assets were \$297.8 million as at December 31, 2013, a decrease from \$306.9 million as at December 31, 2012. The largest factors contributing to this decrease were distributions to its unitholder of \$43.5 million and realized foreign exchange loss of \$14.1 million. This was partially offset by (i) net investment income of \$22.9 million; (ii) realized gain on sale of investments and total return swap of \$15.4 million; (iii) an increase in the unrealized value of portfolio investments of \$7.6 million; and (iv) and increase in the unrealized value of derivatives of \$2.6 million.

Interest income and interest expense are higher due to an increased level of invested capital in the current year as compared to the prior year. Otherwise, there are no other significant changes in investment income or operating expenses compared to the prior year.

For the fiscal year ended December 31, 2013, net assets per unit of the Fund was \$8.73 after payment of distributions of \$1.27 per unit compared to \$8.99 on December 31, 2012. Total return for the Fund was 11.9% over the year.

During 2013, both interest income and price appreciation drove the Fund's return. Return was aided by positive market conditions and performance of specific investments in the portfolio.

Beyond normal changes due to the portfolio's active management, there were no material changes in asset mix. The portfolio's average monthly exposure in the period was 163% of net asset value, slightly above its monthly average of 154% in 2012. This leverage level is consistent with the Fund's investment strategy.

The composition and changes to the composition of the Portfolio in the period were consistent with the investment objectives and strategy of the Fund. Portfolio capital was deployed primarily in floating rate, senior loan positions that are typically larger and more actively traded than the average loan and were selected for their strong asset coverage and/or cash flow coverage. Consistent with its investment strategy, the Portfolio had a modest allocation to first lien secured corporate bonds which can have the same credit risk as senior secured loans but can offer higher yields and or greater price appreciation potential.

Recent Developments

The Manager believes the underpinnings of the loan market should remain intact. These underpinnings include slow but stable U.S. economic growth and low interest rates which will result in strong new issue activity. Though currently low, the Manager believes that default rates may increase in 2014 if, as expected, a few very large credits in the market embark upon restructurings that result in defaults. Because these defaults are widely anticipated and the companies would default for their own specific issues and not economy wide ones, these defaults would not impact the Manager's overall market outlook. In addition, the Manager believes investors will continue to seek income producing investments and this demand will also benefit senior loans.

Markets delivered another year of solid gains in 2013 as global risks moderated and global economies grew. Notwithstanding the announcement in December by the U.S. Federal Reserve of its intention to reduce bond purchases (i.e., tapering) in January, markets continued to ascend as investors gained confidence in the Federal Reserve's intent to keep short term rates near zero. Based on the broad range of companies that the Manager follows and invests in, their outlook is for the U.S. economy to deliver modest but stable growth. The macro-environment has stabilized, although resurgence in real or perceived systemic risks could materially impact the outlook.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Investment companies that are publicly accountable enterprises or investment funds to which National Instrument 81-106 *Investment Fund Continuous Disclosure* is applicable, are required to adopt International Financial Reporting Standards (IFRS) for the first time for interim and annual financial statements relating to annual periods beginning on or after January 1, 2014. As a result, the Fund will adopt IFRS beginning January 1, 2014 and publish its first financial statements, prepared in accordance with IFRS, for the semi-annual period ending June 30, 2014. The 2014 semi-annual and annual financial statements will include 2013 comparative financial information and an opening Statement of Financial Position as at January 1, 2013, also prepared in accordance with IFRS.

The Fund continues to execute its transition plan to complete the changeover to IFRS in 2014 and comply with the required timetable for continuous disclosure. As at December 31, 2013, the impact to the financial statements based on the Fund's assessment of the differences between current Canadian Generally accepted accounting principles ("GAAP") and IFRS are as follows:

- IFRS 13 *Fair Value Measurement* permits the use of mid-market prices or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. The Fund will adopt accounting policies for the valuation of investments to utilize mid-market prices that align more closely with the calculation of net asset value (NAV) used to price unitholder transactions (Transaction NAV). As a result, net assets for current financial reporting purposes (GAAP NAV) will be impacted and is expected to align with Transaction NAV, eliminating the need for a NAV per unit reconciliation. The impact to the Statements of Financial Position as at January 1, 2013 (see December 31, 2012) and December 31, 2013 is disclosed in note 2 of the Fund's annual financial statements.
- IFRS 10 *Consolidated Financial Statements* provides an exception to the consolidation requirements and requires an investment entity to account for its subsidiaries at fair value through profit or loss. The Fund has concluded that it meets the definition of an investment entity as at January 1, 2013 and throughout the year ended December 31, 2013.
- Units of the Fund are puttable instruments and are required to be presented as equity or liability depending on certain criteria. In circumstances where the conditions are met to reflect securityholder's equity as equity, the Fund will also be required to separately disclose retained earnings, other reserves and securityholders' paid up capital. The fund has assessed the unitholder's structure and has determined the equity treatment is the most appropriate classification. The amount of share capital and retained earnings as of December 31, 2013 were \$210,249,797 and \$87,528,614 (2012 – \$253,749,797 and \$53,152,383), respectively.

- IFRS requires the presentation of a Statement of Cash Flows, including comparatives for 2013. The Fund has not previously presented this statement as permitted by current Canadian GAAP. In addition, other statements presented will be renamed as follow:

Canadian GAAP

Statements of Net Assets

Statements of Operations

Statements of Changes in Net Assets

Statement of Investment Portfolio

IFRS

Statements of Financial Position

Statements of Comprehensive Income

Statements of Changes in Financial Position

Schedule of Investment Portfolio

- Other reclassifications, presentation differences and additional disclosures will also be required in the financial statements to comply with the new requirements under IFRS.

Related Party Transactions

The Manager and the Fund are deemed to be related parties. Please refer to the section titled "Management Fees," which outlines the fees paid to the Manager. The Manager and the Fund were not party to any other related party transactions during the year ended December 31, 2013.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception.

THE FUND'S NET ASSETS PER UNIT ⁽¹⁾

	2013	2012	2011	2010 ⁽²⁾
Net Assets, beginning of period	\$8.99	\$8.91	\$9.44	\$9.40
Increase (decrease) from operations:				
Total revenue	0.89	0.81	0.77	0.03
Total expenses	(0.22)	(0.21)	(0.22)	(0.01)
Realized gains (losses) for the period	0.04	0.70	(0.32)	(0.03)
Unrealized gains (losses) for the period	0.30	0.05	(0.06)	0.05
Total increase (decrease) from operations ⁽³⁾	1.01	1.35	0.17	0.04
Distributions:				
From income (excluding dividends)	(1.01)	(1.35)	(0.17)	0.00
From dividends	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	(0.04)
Return of capital	(0.26)	0.00	(0.53)	0.00
Total Distributions ⁽⁴⁾	(1.27)	(1.35)	(0.70)	(0.04)
Net Assets as at December 31 ⁽⁵⁾	\$8.73	\$8.99	\$8.91	\$9.44

Notes:

- ⁽¹⁾ This information is derived from the Fund's audited annual financial statements.
- ⁽²⁾ Results for the period from November 19, 2010 (inception date) to December 31, 2010.
- ⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- ⁽⁴⁾ Distributions were paid in cash or reinvested in additional units of the Fund.
- ⁽⁵⁾ This is not a reconciliation of the beginning and ending net assets per unit.

RATIOS AND SUPPLEMENTAL DATA

	2013	2012	2011	2010
Total Net Asset Value (000s) ⁽¹⁾	\$297,778	\$306,902	\$303,865	\$321,997
Number of units outstanding ⁽¹⁾	34,121,864	34,121,864	34,121,864	34,121,864
Management expense ratio ⁽²⁾	2.47%	2.30%	2.34%	1.21%
Management expense ratio before waivers or absorptions	2.47%	2.30%	2.34%	1.21%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	59.15%	66.16%	43.31%	11.37%
Net Asset Value per unit	\$8.73	\$8.99	\$8.91	\$9.44

Notes:

- ⁽¹⁾ This information is provided as at December 31 of the year shown.
- ⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Total expenses also include interest expense related to the leverage employed by the Fund. The MER excluding interest expense for the periods ended December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013 are 1.21%, 1.24%, 1.23% and 1.23%, respectively.
- ⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- ⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Manager is responsible for providing or arranging for all investment advisory and portfolio management services required by the Fund including, without limitation, managing the portfolio in a manner consistent with the investment objectives, guidelines and restrictions of the Fund and for arranging for the execution of all portfolio transactions. The Manager is also responsible for the operational and administrative functions of the Fund. As compensation for the management services rendered to the Fund, the Manager is entitled to receive an annual management fee from the Fund in an amount equal to 1.00% of the net asset value of the Fund, which is calculated daily and paid monthly in arrears.

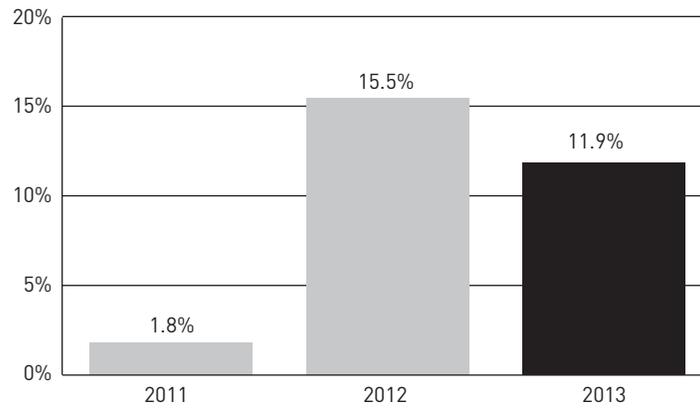
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS ⁽¹⁾

The following bar chart shows the Fund's annual performance for the periods shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



⁽¹⁾ Returns are based on Net Asset Value per unit.

ANNUAL COMPOUND RETURNS

The table below summarizes the Fund's annual compound total returns for the periods ended December 31 as indicated. As a basis for comparison, we have provided the performance of the Credit Suisse High Yield Index ("Index A") which is designed to mirror the investable universe of the \$US-denominated high yield debt market and the Credit Suisse Leveraged Loan Index ("Index B") which is designed to mirror the investable universe of the \$US-denominated leveraged loan market. As the criteria for determining the constituents of the Portfolio and the indexes differ, it is not expected that the Fund's performance will mirror that of the indexes. Further, the return of the indexes is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

Period	Fund	Index A	Index B
1 Year	11.9%	7.4%	6.2%
3 Year	9.6%	9.1%	5.8%
Since Inception	9.3%	9.1%	6.0%

Summary of Investment Portfolio

One of the Fund's investment holdings as at December 31, 2013 is a total return swap. The following is a summary of the Fund's investment portfolio as at December 31, 2013 assuming that the underlying assets of the total return swap were held directly by the Fund. This is a summary only and will change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on www.ocpseniorcredit.com.

The percentages set forth in this Summary of Investment Portfolio may vary from the percentages set forth in the monthly updates prepared by the Fund. Chief among the reasons for the variance is that (i) the sector allocation in the summary is based on a percentage of net asset value and the monthly updates are based on a percentage of invested capital (direct investments plus exposure under the total return swap) and (ii) the summary reflects cash held by the Trust and the monthly update reflects only the direct investments held by the Trust plus exposure under the total return swap. Securityholders can obtain additional information by visiting our website at www.ocpseniorcredit.com.

TOP 25 HOLDINGS AS AT DECEMBER 31, 2013

Description	% of Net Asset Value
Cash	43.74
Navistar Inc.	7.34
Caesars Entertainment Operating Co., Term Loan	7.32
Level 3 Financing Inc., Term Loan	4.84
First Data Corporation, Term Loan and Bond	4.70
Air Distribution Technologies, Inc., Term Loan	4.46
Freescale Semiconductor Ltd., Term Loan	4.37
Radio One Inc., Term Loan	4.35
Brand Energy & Infrastructure Services, Inc., Term Loan	4.31
Houghton Mifflin Harcourt Publishing Company, Term Loan	4.14
SRA International Inc., Term Loan	4.12
Alon USA Energy, Inc., Term Loan	3.96
Commercial Barge Line Company, Term Loan	3.82
Stations Casino Inc., Term Loan	3.73
Avaya Inc., Term Loan and Bond	3.43
Altegrity, Inc., Term Loan	3.43
Arch Coal Inc., Term Loan	3.36
Federal Mogul Corporation, Term Loan	3.22
Harbinger Group Inc., Bond	3.17
US Airways Group Inc., Term Loan	3.13
Ceva Group PLC, Term Loan and Bond	3.09
Zayo Group LLC, Term Loan	2.97
State Class Tankers II, LLC, Term Loan	2.88
McGraw-Hill Global Education Holdings, LLC, Term Loan	2.77
Ascend Learning, LLC, Term Loan	2.61
Total Net Asset Value	\$297,778,411

SECTOR ALLOCATION AS AT DECEMBER 31, 2013

Industry	% of Net Asset Value
Cash	43.74
Technology	18.52
Business Services	17.61
Media	14.60
Gaming/Leisure	13.79
Telecom	10.92
Energy	10.55
Trucking	9.08
Retail	7.90
Housing/Building Products	7.10
Shipping – Jones Act	6.70
Healthcare	5.64
Metals/Materials	5.39
Transportation	5.35
Automobiles	5.05
Aerospace	4.21
Finance	3.17
Education	2.61
Chemicals	2.30
Consumer Durables	1.86
Manufacturing	1.49
Energy Services	1.02
Forest Products/Containers	1.01
Service	0.17

Portfolio composition	% of Net Asset Value
Bank Debt	144.22
Cash	43.74
Bonds	11.81

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