

OCP SENIOR CREDIT FUND

Monthly Update as at September 30, 2014



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: | \$247,429,457.94* |
| NAV per Unit: | \$10.19* |
| Market Price: | \$10.15* |
| Latest Distribution: September 30, 2014 | \$0.1250 |
| Distribution Frequency: | Quarterly |
| Cash Distributions Since Inception: | \$1.9325 |

*As at September 30 2014

Fund Returns (%)

| | 1M | 3M | 6M | YTD | 1Y | 2Y | 3Y | SI |
|---------------------------------|-------|-------|------|------|------|------|-------|------|
| OCP Senior Credit Fund (OSL.UN) | -1.18 | -1.03 | 0.59 | 3.09 | 7.01 | 7.92 | 10.58 | 7.37 |

Commentary

Net performance of OCP Senior Credit Fund was (1.18)% and 3.09% for September and year-to-date, respectively. Hopes for a rebound in the second half of the year were tempered by growth disappointments, uncoordinated policy stimuli and weak numbers across the board in retail, industrial production and purchasing. Fundamental concerns about declining Eurozone growth and continued slowing in China caused global markets to lose ground. In the U.S. worry that a strong jobs report would result in a direct response from the Federal Reserve on interest rates had stocks close the month on a negative note. The S&P 500, CS High Yield, and Leveraged Loan Indexes returned (1.40%), (2.11%), and (0.52%) in September, respectively.

For most of the portfolio, interest income offset net mark-to-mark declines with only two positions moving lower by more than 10bp those being Altegrity and Arch Coal that combined accounted for 41bp of the gross drawdown. Our strongest performer was a company we have not written about before, Navistar Financial, but one which has been in the Portfolio since January 2013. Navistar Financial provides financing to dealers and retail customers for the purchase of Navistar trucks. We believe the Senior Secured Term Loan is well covered by all company receivables, dealer properties and parts inventories. We continue to expect the Company will look to address the Loan's December 2016 maturity sometime next year and repay the holding at par resulting in further gains.

The Portfolio's senior secured first lien note investment in Altegrity declined during the month due to the early September cancellation of a large government contract for the company's U.S. Investigations Services (USIS) division, which we outlined in last month's update. We believe the value of Altegrity's non-USIS business more than covers the Portfolio's investment in the senior secured first lien note at par.

The negative sentiment on commodities, specifically coal, continued this month. This impacted Arch, pressuring its entire capital structure, including the senior secured term loans which are at the topmost part and comprise only a third of the total gross debt. Arch has sufficient near-term liquidity to ride through the trough and we believe that the term loans are fully covered.

There continues to be no unanticipated defaults in the Portfolio.

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Five Strongest and Weakest Performers

Strongest

Navistar Senior Secured Loan
Radio One Senior Secured Loan
Essar Steel Algoma Senior Secured Loan
Commercial Barge Line Co. Senior Secured Loan
Aveta Senior Secured Loan

Weakest

Altegrity Senior Secured Loan
Arch Coal Senior Secured Loan
Caesars Senior Secured Loan
Harbinger Senior Secured Note
Stena International Senior Secured Note

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**

| | |
|----------------------------|----------------|
| Technology | 12.61% |
| Business Services | 12.41% |
| Media | 10.29% |
| Trucking | 8.50% |
| Telecom | 7.62% |
| Retail | 7.51% |
| Energy | 5.64% |
| Gaming/Leisure | 5.27% |
| Healthcare | 4.61% |
| Transportation | 4.25% |
| Metals/Minerals | 2.97% |
| Finance | 2.45% |
| Shipping - Jones Act | 2.40% |
| Education | 1.99% |
| Transportation/Logistics | 1.98% |
| Housing/Building Products | 1.67% |
| Energy Service | 1.60% |
| Aerospace | 1.52% |
| Manufacturing | 1.11% |
| Food | 1.07% |
| Automobiles | 1.03% |
| Forest Prod/Containers | 0.45% |
| Infrastructure | 0.43% |
| Shipping - Tankers | 0.41% |
| Chemicals | 0.23% |
| Adjusted Exposure** | 100.00% |

** 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.

You will usually pay brokerage fees to your dealer if you purchase or sell units of the investment fund on the Toronto Stock Exchange ("TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them. There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in these documents. **The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees (such as redemption fees or optional charges) or income taxes payable by any unitholder that would have reduced returns.** Investment funds are not guaranteed, their values change 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, 2013 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.

Portfolio Composition***

| | Net |
|-----------------------|----------------|
| Bank Debt | 144.20% |
| Corporate Bonds | 21.81% |
| Government Bonds | 0.00% |
| Equity | 0.00% |
| Other | 0.00% |
| Total Exposure | 166.01% |

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