

OCP CREDIT TRUST

Annual Management Report of Fund Performance for the year ended
December 31, 2014

Fund:

OCP Credit Trust

Securities:

Trust Units

Period:

January 1, 2014 to December 31, 2014

Manager:

Onex Credit Partners, LLC

910 Sylvan Avenue

Englewood Cliffs, New Jersey

U.S.A. 07632

(647) 260-4055 or (877) 260-4055

www.ocpseniorcredit.com • info@ocpfunds.com

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, 2014.
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, 2014 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 2014 Annual Financial Statements which discusses management of financial risks.

Results of Operations

For the year ended December 31, 2014, net assets per unit of the Fund was \$7.12 after payment of distributions of \$1.96 per unit compared to \$8.73 on December 31, 2013. Total return for the Fund was 4.1% over the year.

The Fund's net assets were \$243.0 million as at December 31, 2014, a decrease from \$297.8 million as at December 31, 2013. The largest factors contributing to this decrease were distributions to its unitholder of \$67.2 million, realized loss on forward contracts of \$31.5 million and a decrease in the unrealized value of derivatives of \$6.7 million. This was partially offset by foreign currency gain of \$19.7 million and realized gains on the sale of investments and total return swap of \$12.7 million.

Interest income and interest expense are lower due to a decreased 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.

During the period, interest income drove the majority of the Fund's return. Return was aided by positive market conditions in the first half of the period and the performance of specific investments in the portfolio.

Beyond normal changes due to the portfolio's active management, the most significant change to the portfolio's asset mix was an increase from 12% to 23% in the High Yield Bond exposure in the Fund. During the year we increasingly saw value in specific High Yield Bonds and adjusted the portfolio accordingly.

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 we assess to be larger and more actively traded and were selected for their strong asset coverage and/or cash flow coverage, among other criteria.

Based on the broad range of companies we follow and invest in, our outlook is for the U.S. economy to deliver modest but stable growth in 2015, while we expect many foreign economies to face continued headwinds. We do expect volatility to remain in the market near term as a result of the dramatic sell off in oil and other commodities at the end of 2014 and the continued uncertainty surrounding geopolitical events. Given this backdrop, we are cautious heading into 2015, but maintain a positive loan market outlook.

Recent Developments

Our outlook for the senior loan market is cautious, but positive based on modest U.S. economic growth and a continued temperate environment for defaults. We acknowledge that the resurgence of global risks – economic, political, and conflict related – could impact this outlook and we will adhere steadfastly to the Fund’s prudent investment approach.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Fund adopted International Financial Reporting Standards (IFRS) on January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. The Fund’s 2014 annual financial statements are prepared in accordance with IFRS, and include 2013 comparative financial information and an opening Statement of Financial Position as at January 1, 2013, also prepared in accordance with IFRS. Note 12 and the Fund Specific Notes of the December 31, 2014 annual financial statements disclose the impact of the transition to IFRS on the Fund’s reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund’s financial statements prepared under Canadian generally accepted accounting principles as defined in Part V of the CPA Canada Handbook (Canadian GAAP).

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, 2014.

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⁾

	2014	2013	2012	2011	2010 ⁽²⁾
Net Assets, beginning of period	\$8.73	\$8.99	\$8.91	\$9.44	\$9.40
Increase (decrease) from operations:					
Total revenue	0.75	0.89	0.81	0.77	0.03
Total expenses	(0.18)	(0.22)	(0.21)	(0.22)	(0.01)
Realized gains (losses) for the period	0.02	0.04	0.70	(0.32)	(0.03)
Unrealized gains (losses) for the period	(0.23)	0.30	0.05	(0.06)	0.05
Total increase (decrease) from operations ⁽³⁾	0.36	1.01	1.35	0.17	0.04
Distributions:					
From income (excluding dividends)	(0.36)	(1.01)	(1.35)	(0.17)	0.00
From dividends	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00	(0.04)
Return of capital	(1.60)	(0.26)	0.00	(0.53)	0.00
Total Distributions ⁽⁴⁾	(1.96)	(1.27)	(1.35)	(0.70)	(0.04)
Net Assets as at December 31 ⁽⁵⁾	\$7.12	\$8.73	\$8.99	\$8.91	\$9.44

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian GAAP. Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. Under IFRS, the Fund measures the fair value of its investments using the guidance in IFRS 13 which requires that if an asset or liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. Accordingly, the opening net assets as at January 1, 2013 was restated to reflect the accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 remain in accordance with Canadian GAAP.

⁽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

	2014	2013	2012	2011	2010
Total net asset value (000s) ⁽¹⁾	\$243,025	\$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	34,121,864
Management expense ratio ⁽²⁾	2.25%	2.47%	2.30%	2.34%	1.21%
Management expense ratio before waivers or absorptions	2.25%	2.47%	2.30%	2.34%	1.21%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	66.00%	59.15%	66.16%	43.31%	11.37%
Net asset value per unit	\$7.12	\$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, December 31, 2013 and December 31, 2014 are 1.21%, 1.24%, 1.23%, 1.23% and 1.20%, 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.

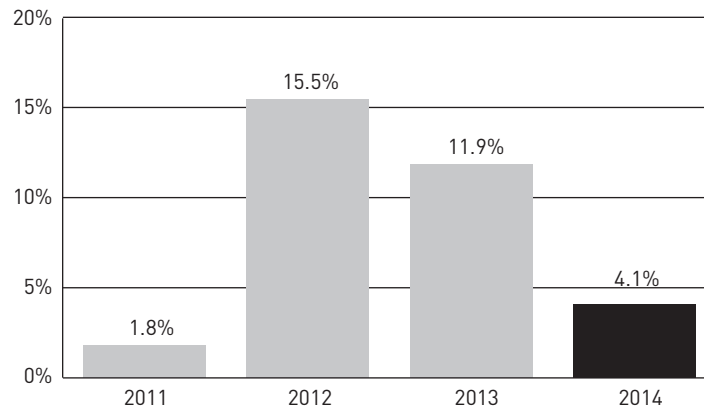
The Manager has retained FA Administration Services Inc. to provide certain administrative services to the Fund. The Manager pays FA Administration Services Inc. out of its management fee.

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	4.1%	1.8%	2.1%
3 Year	10.4%	7.8%	5.8%
Since Inception	8.0%	7.3%	5.0%

Summary of Investment Portfolio

One of the Fund's investment holdings as at December 31, 2014 is a total return swap. The following is a summary of the Fund's investment portfolio as at December 31, 2014 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, 2014

Description	% of Net Asset Value
Cash	48.01
Navistar Inc., Term Loan	9.06
Altegrity Inc., Bond	6.23
Radio One Inc., Term Loan	5.56
Houghton Mifflin Harcourt Publishing Company, Term Loan	5.42
Federal Mogul Corporation, Term Loan	5.34
Alon USA Partners, LP, Term Loan	5.18
SRA International Inc., Term Loan	5.09
Caesars Entertainment Resort Properties LLC, Term Loan	5.05
Albertsons LLC, Term Loan	4.27
Freescale Semiconductor Inc., Term Loan	4.25
Harbinger Group Inc., Bond	4.20
Commercial Barge Line Company, Term Loan	4.15
Level 3 Financing Inc., Term Loan	4.02
First Data Corporation, Term Loan and Bond	3.98
Zayo Group LLC, Term Loan	3.90
Ceva Group PLC, Term Loan	3.67
Brand Energy & Infrastructure Services, Inc., Term Loan	3.66
Avaya Inc., Term Loan and Bond	3.63
YRC Worldwide, Inc., Term Loan	3.53
Ascend Learning LLC, Term Loan	3.43
McGraw-Hill Global Education Holdings, LLC, Term Loan	3.41
Eastman Kodak Company, Term Loan	3.37
Stena International S.A., Bond	3.23
New Albertson's, Inc., Term Loan	3.18
Total Net Asset Value	\$243,025,044

SECTOR ALLOCATION AS AT DECEMBER 31, 2014

Industry	% of Net Asset Value
Cash	48.01
Business Services	23.22
Technology	19.46
Media	18.86
Trucking	14.48
Telecom	13.32
Retail	13.02
Energy	8.79
Gaming/Leisure	8.51
Healthcare	7.56
Transportation	7.39
Finance	4.20
Shipping – Jones Act	4.15
Metals/Materials	3.72
Education	3.43
Transportation/Logistics	3.23
Aerospace	2.96
Housing/Building Products	2.88
Energy Service	2.39
Manufacturing	2.20
Food	1.87
Automobiles	1.78
Forest Products/Containers	0.78
Shipping – Tankers	0.70
Infrastructure	0.60
Chemicals	0.40

Portfolio composition	% of Net Asset Value
Bank Debt	147.41
Cash	48.01
Bonds	22.49

161 Bay Street, 49th Floor
Toronto, Ontario M5J 2S1
(647) 260-4055 or (877) 260-4055
www.ocpseniorcredit.com • info@ocpfunds.com
