

OCP SENIOR CREDIT FUND

Monthly Update as at December 31, 2015



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 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:	\$176,271,235.57*
NAV per Unit:	\$9.04*
Market Price:	\$8.84*
Latest Distribution: December 31, 2015	\$0.7617
Distribution Frequency:	Quarterly
Cash Distributions Since Inception:	\$2.7167
In-kind Distributions Since Inception:	\$0.4775

*As at December 31, 2015

Fund Returns (%)

	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	SI
OCP Senior Credit Fund (OSL.UN)	(3.36)	(4.85)	(7.03)	(3.71)	(3.71)	(0.45)	3.06	4.74	4.69

Commentary

Net performance of OCP Senior Credit Fund (the Fund) was (3.36%) and (3.71%) for December and year-to-date, respectively. For the month of December, the CS Leveraged Loan, CS High-Yield and S&P 500 TR indexes returned (0.95%), (2.95%) and (1.59%), respectively.

Performance during the month of December was challenging for the Fund and for the credit markets overall. The Fund's negative performance in December was broad based as almost 90% of the portfolio's positions declined in value, illustrating the level of volatility in the broader loan markets. Many of the declines were modest, and while the bottom five performers accounted for over half of the monthly loss, there was not much noteworthy company-specific news to report. YRC Worldwide ("YRC") is one name which we haven't written about recently that traded lower in December.

The Fund owns the senior secured loan of YRC, a less-than-truckload ("LTL") company which assists with heavyweight shipments and flexible supply chain solutions in shipping industrial, commercial and retail goods. The position declined in December in-line with other trucking companies, as a result of broader concerns over a weaker U.S. economy in 2016.

While the LTL industry and YRC have experienced declining volumes in 2015, YRC management employed a strategy to increase yield by proactively reducing their lower-margin business and increasing prices with existing customers on other business. The increasing prices more than offset declining volumes, resulting in approximately a 50% increase to EBITDA during the year. While industry and macroeconomic factors may continue to weigh on the loan price, we believe that YRC will continue its strong operating performance and remain confident that the loans are covered.

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Five Strongest and Weakest Performers

Strongest

Weakest

Brand Energy Senior Secured Loan	Navistar Senior Secured Loans
Corporate Risk Hldgs Senior Secured Notes (formerly Altegrity)	Innovacare Senior Secured Loan
New Albertsons Senior Secured Loan	YRCW Senior Secured Loan
Gates Global LLC	Avaya Senior Secured Loans and Bonds
Alon Senior Secured Loan	Ceva Senior Secured Term Loan

The chart shows the top five strongest and weakest holdings contributing to the Portfolio's performance for the month. These holdings do not represent all of the assets held, purchased or sold during the month.

Industry Exposure**

Business Services	17.16%
Retail	13.13%
Trucking	11.30%
Energy	9.07%
Gaming/Leisure	7.22%
Technology	6.69%
Media	6.54%
Automobiles	5.93%
Telecom	3.92%
Education	3.52%
Consumer Durables	3.10%
Transportation/Logistics	3.05%
Energy Service	1.76%
Shipping - Jones Act	1.70%
Healthcare	1.00%
Aerospace	0.96%
Metals/Minerals	0.82%
Transportation	0.71%
Forest Products/Containers	0.71%
Shipping - Tankers	0.70%
Chemicals	0.41%
Housing/Building Products	0.33%
Manufacturing	0.28%
Adjusted Exposure**	100.00%

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

Portfolio Composition***

	Net
Bank Debt	135.4%
Corporate Bonds	23.8%
Government Bonds	0.0%
Equity	0.0%
Other	0.0%
Total Exposure	159.2%

*** 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.

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.

Performance figures for the Fund are based on Canadian generally accepted accounting principles and were based on audited financial statements through December 31, 2014 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.