

OCP SENIOR CREDIT FUND

Annual Financial Statements for the year ended
December 31, 2017

Table of Contents

Management Responsibility for Financial Reporting	1
Independent Auditors' Report	2
Statements of Financial Position	3
Statements of Comprehensive Income	4
Statements of Change in Equity	5
Statements of Cash Flows	6
Schedule of Investment Portfolio	7
Schedule of Total Return Swap	10
Notes to the Financial Statements	12

OCP SENIOR CREDIT FUND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of OCP Senior Credit Fund (the "Fund") are the responsibility of the management of the Fund. They have been prepared in accordance with International Financial Reporting Standards using information available to March 28, 2018 and management's best estimates and judgements.

The management of the Fund is responsible for the information and representations contained in these Annual Financial Statements and the Annual Management Report of Fund Performance. Management is also responsible for the selection of the accounting principles that are most appropriate for the Fund's circumstances and for the judgements and estimates made in the financial statements. The management of the Fund maintains appropriate processes to ensure that accurate, relevant and reliable financial information is produced.

These financial statements have been approved by the management of the Fund and have been audited by RSM Canada LLP, Licensed Public Accountants, Chartered Accountants, on behalf of the unitholders. The auditors' report outlines the scope of their audit and their opinion on the financial statements.



Josh Spierer
Chief Financial Officer
Onex Credit Partners, LLC,
The Manager of the Fund
March 28, 2018



Michael Gelblat
Chief Executive Officer
Onex Credit Partners, LLC,
The Manager of the Fund
March 28, 2018



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INDEPENDENT AUDITORS' REPORT

To the unitholders of

OCP Senior Credit Fund

We have audited the accompanying financial statements of OCP Senior Credit Fund, which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of OCP Senior Credit Fund as at December 31, 2017 and December 31, 2016, and its financial performance, its changes in equity and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

RSM Canada LLP

Licensed Public Accountants
Chartered Professional Accountants
March 28, 2018
Toronto, Ontario

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OCP SENIOR CREDIT FUND

STATEMENTS OF FINANCIAL POSITION

As at (Stated in Canadian dollars)

	December 31, 2017 \$	December 31, 2016 \$
ASSETS		
Current Assets		
Investments held long	71,366,866	62,111,306
Unrealized gain on total return swap [Note 3]	1,048,350	4,562,208
Cash and cash equivalents	10,818,236	21,202,134
Cash on deposit with brokers as collateral [Note 3]	41,097,878	76,355,118
Receivable for investments sold	9,802	31,756
Interest and other receivables	1,997,561	2,768,506
Unrealized gain on forward contracts [Note 4]	1,454,640	-
Total Assets	127,793,333	167,031,028
LIABILITIES		
Current Liabilities		
Unfunded bank debt commitments	6,761	3,437
Unrealized loss on forward contracts [Note 4]	-	2,192,412
Accounts payable and accrued liabilities [Note 7]	409,980	493,986
Payable for total return swap	2,301,284	6,294,456
Payable for investments purchased	251,324	2,542,939
Interest payable	231,090	228,483
Distributions payable [Note 6]	1,508,618	1,851,968
Total Liabilities	4,709,057	13,607,681
EQUITY		
Unit capital	88,446,534	108,817,342
Retained earnings	34,637,742	44,606,005
Total Equity	123,084,276	153,423,347
Total Liabilities and Equity	127,793,333	167,031,028
Number of Units Outstanding [Note 8]	12,068,945	14,815,741
Total Equity/Net Assets per unit	\$10.20	\$10.36

See accompanying notes.

OCP SENIOR CREDIT FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (Stated in Canadian dollars)

	2017 \$	2016 \$
INCOME		
Investment Income		
Interest for distribution purposes	14,139,300	16,848,037
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Foreign currency loss	(3,159,235)	(2,900,881)
Other net changes in fair value of investments		
Net realized gain (loss) on investments	2,397,452	(203,109)
Net realized gain (loss) on total return swap	4,132,335	1,148,618
Net realized gain on forward contracts	1,791,192	5,099,839
Net change in unrealized (depreciation) appreciation of investments	(8,556,969)	5,733,952
Net change in unrealized appreciation of derivatives	133,129	10,155,192
	10,877,204	35,881,648
EXPENSES		
Interest expenses	2,921,814	2,511,526
Management fees [Note 7]	2,062,091	2,394,373
Dealer service fees [Note 7]	549,891	632,227
Harmonized sales tax	239,471	280,612
Custodian and valuation fees	226,023	166,391
Securityholder reporting costs	62,463	76,844
Audit fees	29,500	33,021
Other administration costs	33,945	58,194
Legal fees	13,366	36,041
Independent Review Committee fees	18,971	18,945
Trustee fees	9,000	9,000
Transaction costs [Note 7]	-	1,518
Total Expense	6,166,535	6,218,692
Profit and total comprehensive income for the period	4,710,669	29,662,956
Earnings (loss) per unit [Note 12]	\$0.36	\$1.77

See accompanying notes.

OCP SENIOR CREDIT FUND

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31 (Stated in Canadian dollars)

	Unit Capital \$	Retained Earnings \$	Total Equity \$
As at January 1, 2017	108,817,342	44,606,005	153,423,347
Changes in equity for 2017:			
Profit (loss) for the period	-	4,710,669	4,710,669
Reinvestment of dividends/distributions	-	5,853,438	5,853,438
Redemption of units	(20,174,429)	(8,498,426)	(28,672,855)
Distributions to unitholders			
Income	-	(12,033,944)	(12,033,944)
Return of capital	(196,379)	-	(196,379)
As at December 31, 2017	88,446,534	34,637,742	123,084,276
As at January 1, 2016	143,174,793	33,096,443	176,271,236
Changes in equity for 2016:			
Profit (loss) for the period	-	29,662,956	29,662,956
Reinvestment of dividends/distributions	-	4,010,621	4,010,621
Redemption of units	(34,357,451)	(10,160,792)	(44,518,243)
Distributions to unitholders			
Income	-	(11,779,473)	(11,779,473)
Capital gains	-	(223,750)	(223,750)
As at December 31, 2016	108,817,342	44,606,005	153,423,347

See accompanying notes.

OCP SENIOR CREDIT FUND

STATEMENTS OF CASH FLOWS

For the years ended December 31 (Stated in Canadian dollars)

	2017 \$	2016 \$
Cash Flow from Operating Activities		
Profit (loss) for the period	4,710,669	29,662,956
Adjustments for:		
Foreign currency loss	3,159,235	2,900,881
Net realized (gain) loss on investments	(2,397,452)	203,109
Net realized (gain) loss on total return swap	(4,132,335)	(1,148,618)
Net realized gain on forward contracts	(1,791,192)	(5,099,839)
Net change in unrealized depreciation (appreciation) on investments	8,556,969	(5,733,952)
Net change in unrealized (appreciation) on derivatives	(133,129)	(10,155,192)
Changes in working capital		
Decrease in cash on deposit with brokers as collateral	35,257,240	21,645,159
Decrease in interest and other receivables	770,945	1,423,366
Increase in interest payable	2,607	17,346
(Decrease) in accounts payable and accrued liabilities	(84,006)	(203,777)
(Decrease) in payable for total return swap	(3,993,172)	(6,986,708)
Purchase of Investments	(95,229,730)	(42,561,529)
Proceeds from sales of investments	77,548,251	75,237,293
Proceeds from (to) settlement of forward contracts and derivatives	5,923,527	6,248,455
Net Cash Generated (Used) by Operating Activities	28,168,427	65,448,950
Cash Flows from Financing Activities		
Distributions to unitholders	(6,720,235)	(11,680,712)
Amount paid on redemption of units	(28,672,855)	(44,518,243)
Net Cash Generated (Used) by Financing Activities	(35,393,090)	(56,198,955)
Foreign currency (loss) on cash and other assets	(3,159,235)	(2,900,881)
Net (decrease) increase in cash and cash equivalents	(7,224,663)	9,249,995
Cash and cash equivalents beginning of period	21,202,134	14,853,020
Cash and Cash Equivalents End of year	10,818,236	21,202,134
Interest received, net of withholding tax	14,910,245	18,000,667
Interest paid	(2,919,207)	(2,494,180)

See accompanying notes.

OCP SENIOR CREDIT FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2017 (Stated in Canadian dollars)

Par Value (\$)	Description	Maturity Date	Average Cost \$	Fair Value \$	% of Portfolio
LONG POSITIONS					
COMMON STOCK					
23,904	Avaya Holdings Corp.		468,976	527,624	
Total Preferred Stock			468,976	527,624	0.72%
BANK DEBT					
254,000	Acosta, Inc. (fka Acosta Holdco, Inc.), Tranche B-1 Loan	September 26, 2021	320,365	280,655	
787,028	Acuity Specialty Products, Inc. (aka Zep Inc.), Initial Term Loan (First Lien)	August 12, 2024	993,274	996,031	
3,100,750	ADG LLC., Initial Term Loan	September 28, 2023	4,024,125	3,821,817	
1,411,110	Alon USA Partners LP, Tranche B Term Loan	November 26, 2018	1,809,440	1,779,189	
145,825	Alpha Natural Resources, Inc.	Defaulted	-	2,384	
1,712,000	Avaya Inc., Initial Term Loan	December 15, 2024	2,148,599	2,116,400	
816,282	Azure Midstream Energy LLC, Term Loan	November 15, 2018	822,985	926,541	
1,768,556	BJ's Wholesale Club, Inc., Tranche B Term Loan (First Lien)	February 3, 2024	2,121,806	2,186,905	
3,888,460	Brand Energy & Infrastructure Services, Inc. (fka FR Brand Acquisition Corp), Initial Term Loan	June 21, 2024	5,086,829	4,904,782	
1,807,018	CCS Intermediate Holdings, LLC, Initial Term Loan (First Lien)	July 23, 2021	2,118,730	2,068,145	
1,848,429	CITGO Holding, Inc., Term Loan	May 12, 2018	2,442,949	2,333,487	
525,793	CRCI Holdings Inc., Initial Term Loan	August 31, 2023	682,682	661,014	
321,142	CSM Bakery Solutions Limited (fka CSM Bakery Supplies Limited), Term Loan (First Lien)	July 3, 2020	390,314	397,673	
671,000	Delta 2 (Lux) S.a.r.l (aka Formula One), Facility B3 (USD)	February 1, 2024	879,683	847,784	
4,818,363	Eastman Kodak Company, Term Loan	September 3, 2019	6,029,796	5,183,237	
2,358,150	Endo Luxembourg Finance Company I S.à r.l., Initial Term Loan	April 29, 2024	3,114,323	2,979,616	
553,000	EXC Holdings III Corp. (aka Excelitas Technologies Corp.), Initial USD Term Loan (First Lien)	December 2, 2024	704,112	700,724	
1,409,843	Explorer Holdings, Inc., Initial Term Loan	May 2, 2023	1,783,309	1,788,675	
176,556	Frontier Communications Corporation, Term B-1 Loan	June 15, 2024	212,822	213,728	
1,605,000	Heartland Dental, LLC, Term Loan (First Lien)	July 31, 2023	1,986,397	2,040,476	
4,025,296	HGIM Corp., Term B Loan	Defaulted	2,676,130	1,999,733	
847,740	Hoya Midco, LLC, Initial Term Loan (First Lien)	June 30, 2024	1,107,806	1,063,537	
64,103	ICSH Parent, Inc., Delayed Draw Term Loan (First Lien)	April 29, 2024	82,492	80,722	
914,101	ICSH Parent, Inc., Initial Term Loan (First Lien)	April 29, 2024	1,175,488	1,151,102	
657,030	Idera, Inc., Initial Term Loan (First Lien)	June 28, 2024	856,428	818,083	
122,982	KMG Chemicals, Inc., Initial Term Loan	June 15, 2024	158,259	154,868	

OCP SENIOR CREDIT FUND

SCHEDULE OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2017 (Stated in Canadian dollars)

Par Value (\$)	Description	Maturity Date	Average Cost \$	Fair Value \$	% of Portfolio
1,293,481	Meter Readings Holdings, LLC, Initial Term Loan (First Lien)	August 29, 2023	1,671,076	1,626,811	
668,538	Milk Specialties Company, New Term Loan	August 16, 2023	874,347	846,775	
1,301,000	Navistar, Inc., Tranche B Term Loan	November 6, 2024	1,657,730	1,642,404	
521,000	Office Depot, Inc., Initial Term Loan	November 8, 2022	645,130	656,081	
532,837	Ortho-Clinical Diagnostics Holdings Luxembourg S.À R.L., Initial Term Loan	June 30, 2021	639,095	671,092	
1,413,895	Parfums Holding Company, Inc., Initial Term Loan (First Lien)	June 30, 2024	1,820,313	1,790,851	
71,131	Pet Holdings ULC, Delayed Term Loan	July 5, 2022	90,100	89,015	
843,325	Pet Holdings ULC, Initial Term Loan	July 5, 2022	1,091,120	1,052,695	
955,188	Petco Animal Supplies, Inc., Term Loan	January 26, 2023	1,254,784	907,763	
336,312	Pike Corporation, Initial Term Loan (2017)	September 20, 2024	414,757	428,135	
882,114	Radiology Partners Holdings, LLC, Term Loan	December 4, 2023	1,115,964	1,106,660	
300,728	Ramundsen Public Sector, LLC, Term Loan	February 1, 2024	398,806	382,007	
955,581	Revlon Consumer Products Corporation, Initial Term B Loan	September 7, 2023	1,001,507	895,366	
1,130,320	Sequa Mezzanine Holdings L.L.C., Initial Term Loan (First Lien)	November 28, 2021	1,454,439	1,429,896	
408,881	St. George's University Scholastic Services LLC, Term Loan	July 6, 2022	540,295	519,392	
1,692,000	Staples, Inc., Closing Date Term Loan	September 12, 2024	2,152,497	2,078,818	
1,045,745	Sterling Midco Holdings, Inc. (fka Sterling Holdings Ultimate Parent, Inc.), Initial Term Loan (First Lien)	June 19, 2024	1,376,880	1,321,810	
691,954	Supervalu Inc., Delayed Draw Term Loan	June 8, 2024	915,578	842,857	
1,153,257	Supervalu Inc., Initial Term Loan	June 8, 2024	1,552,315	1,404,762	
2,333,275	U.S. Anesthesia Partners, Inc., Initial Term Loan (First Lien)	June 23, 2024	3,075,482	2,938,228	
638,790	U.S. Security Associates Holdings, Inc., Initial Term Loan	July 14, 2023	794,690	811,440	
1,663,830	USI, Inc. (fka Compass Investors Inc.), 2017 New Term Loan	May 16, 2024	2,133,257	2,089,983	
539,375	Vertiv Group Corporation (fka Cortes NP Acquisition Corporation), Term B Loan	November 30, 2023	694,746	678,372	
301,304	VFH Parent LLC, Initial Term Loan	December 30, 2021	406,072	382,740	
219,239	Vistra Operations Company LLC (fka Tex Operations Company LLC), Initial Term C Loan	August 4, 2023	282,182	276,978	
844,000	West Corporation, Term B Loan	October 10, 2024	1,043,238	1,064,889	
727,940	Westmoreland Coal Company, Term Loan	December 16, 2020	719,432	421,144	
784,869	WP CPP Holdings, LLC, Term B-3 Loan (First Lien)	December 28, 2019	968,457	984,970	
Total Bank Debt			74,513,432	70,839,242	97.29%

OCP SENIOR CREDIT FUND

SCHEDULE OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2017 (Stated in Canadian dollars)

Par Value (\$)	Description	Maturity Date	Average Cost \$	Fair Value \$	% of Portfolio
FORWARD CONTRACTS					
	United States Dollars				
	Forward currency contract				
	January 12, 2018			1,454,640	2.00%
Total Forward Contracts			-	1,454,640	2.00%
UNFUNDED BANK DEBT COMMITMENT					
256,000	ADG, LLC, Delayed Draw Term Loan	September 22, 2023	(1,678)	(6,439)	
101,380	ICSH Parent, Inc., Delayed Draw Term Loan (First Lien)	April 29, 2024	-	160	
103,060	Mitchell International, Inc., Delayed Draw Term Loan (First Lien)	November 29, 2024	-	(65)	
23,750	Pet Holdings ULC, Delayed Term Loan	July 5, 2022	(309)	(150)	
84,886	Radiology Partners Holdings, LLC, Delayed Draw Term Loan	December 4, 2023	(1,067)	(267)	
Total Unfunded Bank Debt Commitment			(3,054)	(6,761)	- 0.01%
Total Investments			74,979,354	72,814,745	100.00%

See accompanying notes.

OCP SENIOR CREDIT FUND

SCHEDULE OF TOTAL RETURN SWAP

As at December 31, 2017 (Stated in Canadian dollars)

Par value (US\$)	Description	Maturity Date	Average Cost (US\$)	Fair Value (US\$)
BONDS				
4,655,000	Altegrity Inc., 9.500%	July 1, 2019	4,294,238	4,858,656
4,000,000	BWay Intermediate Co. Inc., 5.500%	April 15, 2024	4,000,000	4,160,000
339,000	K Hovnanian Enterprises, 10.000%	July 15, 2022	339,000	372,900
1,113,000	PetSmart Inc., 5.875%	June 1, 2025	1,099,860	854,228
590,000	PQ Corp., 6.750%	November 15, 2022	590,000	629,825
2,198,000	Stena International SA, 5.750%	March 1, 2024	1,928,745	2,068,868
279,000	Valeant Pharmaceuticals International Inc., 6.500%	March 15, 2022	279,000	292,950
Total Bonds			12,530,843	13,237,427
BANK DEBT				
282,000	Acosta, Inc. (fka Acosta Holdco, Inc.), Tranche B-1 Loan	September 26, 2021	263,846	247,749
1,178,068	Albertson's LLC, 2017-1 Term B-5 Loan	December 21, 2022	1,178,068	1,153,954
2,056,817	Albertson's LLC, 2017-1 Term B-6 Loan	June 22, 2023	2,056,817	2,012,082
7,036,453	Alon USA Partners, LP, Tranche B Term Loan	November 26, 2018	7,001,271	7,054,044
520,000	Aramark Intermediate HoldCo Corporation, U.S. Term B-1 Loan	March 11, 2025	520,000	522,383
2,819,131	Array Canada Inc. (Array In Store NY, Inc.), Initial Term Loan	February 10, 2023	2,808,560	2,822,655
2,776,050	AVSC Holding Corp., New Term Loan (First Lien)	April 29, 2024	2,762,170	2,769,110
1,600,988	Canyon Valor Companies, Inc. (fka GTCR Valor Companies, Inc.), Initial Dollar Term Loan (First Lien)	June 16, 2023	1,596,985	1,618,712
2,247,344	Ceva Group PLC (fka Louis No.1 PLC/TNT Logistics), Pre-Funded L/C Loan	March 19, 2021	1,962,605	2,137,786
2,281,054	Ceva Intercompany BV, Dutch BV Term Loan	March 19, 2021	1,992,044	2,169,853
393,285	Ceva Logistics Canada, ULC (formerly as TNT Canada ULC), Canadian Term Loan	March 19, 2021	343,456	374,112
3,146,281	Ceva Logistics U.S. Holdings Inc. (fka Louis U.S. Holdco, Inc.), US Term Loan	March 19, 2021	2,747,647	2,992,900
2,322,290	Commercial Barge Line Company, Initial Term Loan	November 12, 2020	2,200,370	1,306,288
1,572,100	Constellis Holdings, LLC, Term B Loan (First Lien)	April 21, 2024	1,561,614	1,585,856
370,258	Creative Artists Agency, LLC, Refinancing Term Loan	February 15, 2024	369,332	371,955
525,000	CSM Bakery Solutions Limited (fka CSM Bakery Supplies Limited), Term Loan (First Lien)	July 3, 2020	517,125	516,906
1,523,000	Diplomat Pharmacy, Inc., Initial Term B Loan	December 20, 2024	1,507,770	1,532,519
3,189,625	DTI Holdco, Inc., Initial Term Loan	October 2, 2023	3,157,729	3,168,360
925,834	Duke Finance, LLC, 2017 Refinancing Term B Loan (First Lien)	February 21, 2024	925,834	931,621
1,855,693	Federal-Mogul Corporation, Tranche C Term Loan (2014)	April 15, 2021	1,684,041	1,868,450
1,532,300	Frontier Communications Corporation, Term B-1 Loan	June 15, 2024	1,524,639	1,474,839
906,000	HLF Financing S.a.r.l. (HLF Financing US, LLC), Senior Lien Term Loan	February 15, 2023	914,498	903,735
530,000	Intelsat Jackson Holdings S.A., Tranche B-4 Term Loan	January 2, 2024	530,000	536,228
265,000	Intelsat Jackson Holdings S.A., Tranche B-5 Term Loan	January 2, 2024	265,000	267,736
4,241,237	J.C. Penney Corporation, Inc., Loan (2016)	June 23, 2023	4,220,031	3,954,954
423,000	Kronos Acquisition Intermediate Inc. (aka KIK Custom Products), Initial Loan	August 26, 2022	421,943	425,996
1,438,395	McAfee, LLC, Closing Date USD Term Loan	September 30, 2024	1,425,632	1,433,001

OCP SENIOR CREDIT FUND

SCHEDULE OF TOTAL RETURN SWAP (continued)

As at December 31, 2017 (Stated in Canadian dollars)

Par value (US\$)	Description	Maturity Date	Average Cost (US\$)	Fair Value (US\$)
419,739	Mister Car Wash Holdings, Inc., Term Loan	August 20, 2021	419,739	420,789
1,540,140	Misys Limited (aka Almonde/Tahoe), Dollar Term Loan (First Lien)	June 13, 2024	1,532,439	1,543,863
1,277,940	Mitchell International, Inc., Initial Term Loan (First Lien)	November 29, 2024	1,271,551	1,277,658
1,512,041	MMM Holdings, Inc., MMM Term Loan	June 30, 2019	1,413,758	1,469,200
1,099,246	MSO of Puerto Rico, Inc., MSO Term Loan	June 30, 2019	1,027,795	1,068,101
691,000	OEConnection LLC, Term Loan (First Lien)	November 22, 2024	687,545	688,409
893,906	Peabody Energy Corporation, Term Loan (2017)	March 31, 2022	893,906	905,080
2,007,977	ProQuest LLC (fka ProQuest-CSA LLC), Initial Term Loan	October 24, 2021	2,007,977	2,033,077
1,562,000	PSC Industrial Holdings Corp., Term Loan (First Lien)	October 11, 2024	1,546,380	1,555,166
1,846,210	Quest Software US Holdings Inc., 2017 Incremental Term Loan (First Lien)	October 31, 2022	1,846,210	1,872,980
1,301,000	Research Now Group, Inc., Initial Term Loan (First Lien)	December 20, 2024	1,235,950	1,242,455
3,926,448	St. George's University Scholastic Services LLC, Term Loan	July 6, 2022	3,926,448	3,965,712
804,977	Sterling Midco Holdings, Inc. (fka Sterling Holdings Ultimate Parent, Inc.), Initial Term Loan (First Lien)	June 19, 2024	804,977	809,002
3,961,393	STG-Fairway Acquisitions, Inc., Term Loan (First Lien)	June 30, 2022	3,897,020	3,901,972
950,000	Strike, LLC, Term Loan	November 30, 2022	921,500	959,500
2,476,209	TNS, Inc. (Transaction Network Services, Inc.), Initial Term Loan (First Lien)	August 14, 2022	2,470,018	2,478,685
390,000	Trident TPI Holdings, Inc., Tranche B-1 Term Loan	October 17, 2024	390,000	391,706
2,507,400	Twist Beauty International Holdings S.A., Facility B (USD)	April 22, 2024	2,494,863	2,523,071
1,418,620	VCVH Holding Corp., Initial Term Loan (First Lien)	June 1, 2023	1,404,434	1,425,713
2,715,581	Veritas US Inc., New Dollar Term B Loan	January 27, 2023	2,715,581	2,721,238
927,000	Vertiv Group Corporation (fka Cortes NP Acquisition Corporation), Term B Loan	November 30, 2023	924,683	927,000
1,237,275	Vistra Operations Company LLC (fka Tex Operations Company LLC), Initial Term Loan	August 4, 2023	1,237,275	1,242,843
1,375,291	Vizient, Inc., Term B-3 Loan	February 13, 2023	1,375,291	1,379,303
2,093,751	YRC Worldwide Inc., Tranche B-1 Term Loan	July 26, 2022	2,010,001	2,085,022
Total Bank Debt			84,914,368	85,041,329
Total Equity, Bonds and Bank Debt			97,445,211	98,278,756
Unrealized gain on total return swap (US\$)				833,545
Unrealized gain on total return swap (C\$)				1,048,350

See accompanying notes

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016
(Stated in Canadian dollars)

1. THE FUND

OCP Senior Credit Fund (the "Fund") is an investment fund governed by the laws of the Province of Ontario by a Declaration of Trust dated October 25, 2010.

The Fund is designed to provide unitholders with exposure to the performance of an actively managed, diversified portfolio (the "Portfolio") comprised of senior secured loans and other senior debt obligations of non-investment grade North American issuers.

The Fund seeks to achieve the following investment objectives: (i) to provide unitholders with attractive, quarterly distributions, currently targeted to be \$0.125 per quarter (\$0.50 per year to yield 5% per year based on the \$10.00 subscription price); (ii) to preserve capital; and (iii) to generate enhanced return through increasing cash flow to the Portfolio as interest rates rise.

The manager of the Fund is Onex Credit Partners, LLC (the "Manager"), as such, the Fund is dependent on the Manager for the administration and management of all matters relating to its operations.

The Fund's registered office is at 161 Bay Street, 49th Floor, Toronto, Ontario, M5J 2S1.

The financial statements of the Fund for the year ended December 31, 2017 were authorized for issue by the Manager on March 28, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Fund have been prepared in accordance with *International Accounting Standards* as issued by *International Accounting Standards Board* ("IASB"). The financial statements have been prepared on a going concern basis using the historical cost convention except for financial assets and financial liabilities measured at fair value.

In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Significant estimates include the valuation of the investments and derivatives, and significant judgements include determination of functional currency, classification of redeemable units and classification of the Fund as an investment entity. These estimates are based on information available as at the reporting date. Actual results could differ from those estimates.

Functional currency

The financial statements are presented in Canadian dollars (CAD), which is the currency of the primary economic environment in which the Fund operates and is considered the functional currency of the Fund.

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions.

Financial instruments

The Fund recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Classification and recognition of financial instruments

The classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Fund's designation of such instruments.

The Fund classifies financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39").

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss (FVTPL) is sub-divided into:

Financial assets and liabilities held for trading: Financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. All derivatives are classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Funds' policy is not to apply hedge accounting.

Financial instruments designated as fair value through profit or loss upon initial recognition: All investments held by the Fund (other than derivatives) are designated as fair value through profit or loss upon initial recognition. The Fund includes both long and short positions of equities, bonds, and other interest-bearing investments in this category. These financial assets and liabilities are designated upon initial recognition on the basis that they are part of a group of financial instruments that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's prospectus.

Other financial assets and liabilities

All other financial assets and liabilities not measured at FVTPL are measured at amortized cost. Assets are classified as loans and receivables and liabilities are classified as other financial liabilities. Included in loans and receivables are receivable for investments sold, interest and other receivables, cash and cash equivalents and cash on deposit with brokers as collateral. Included in other financial liabilities are accounts payable and accrued liabilities, distributions payable, payable for investments purchased, payable for total return swap and interest payable. Financial assets and liabilities are shown at the amount required to be received or paid, discounted, when appropriate. The carrying value of financial assets and liabilities not measured at FVTPL approximates fair value due to their short term nature.

(ii) Valuation of financial instruments

Financial assets and financial liabilities at FVTPL are recorded in the statements of financial position at fair value upon initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments are recognized directly in the statement of comprehensive income. All other financial assets and liabilities (other than those classified as FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

After initial measurement, the Fund measures financial instruments which are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded as "unrealized appreciation (depreciation) of investments" in the statements of comprehensive income. "Net realized gain (loss) on investments" and "net change in unrealized appreciation (depreciation) of investments" are determined on an average cost basis.

NOTES TO FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Fund meets the definition of an investment entity within IFRS 10 *Consolidated Financial Statements* and is required to measure its subsidiaries, if any, at FVTPL rather than consolidate them. The fair values of each specific type of investment and derivative are determined in the following manner:

Portfolio investments

In the case of publicly traded securities, fair value means the close or last traded price when the price falls within the day's bid-ask spread. For bonds and bank debt (including unfunded bank debt commitments), fair market value means the bid price provided by independent security pricing services or broker quotes for investments held long and ask price for investments sold short. In the circumstance where the close or last traded price falls outside of the bid-ask spread, then fair values is determined by using bid price for long positions and ask price for short positions, or a different point within the bid-ask spread that the Manager determines to be more representative of fair value.

Derivatives

The Fund is permitted to invest in forward foreign currency contracts to hedge foreign currency exposure on the investment portfolio. The value of forward currency contracts is recorded as the unrealized gain or loss that would be realized if the position was to be closed out and recorded as "unrealized gain (loss) on forward contracts" in the statements of financial position. Upon maturity of the contracts, the difference between the carrying value and the fair value is included in "net realized gain (loss) on forward contracts" in the statements of comprehensive income.

Derivative financial instruments such as total return swaps and forward contracts are valued on each valuation date according to the gain or loss that would be realized if the contracts were closed out. Unrealized gains and losses on derivatives are included in the statements of comprehensive income under "Net change in unrealized appreciation (depreciation) of derivatives". Realized gains and losses on total return swap are included in the "Net realized gain (loss) on total return swap".

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise of deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Income and expense recognition

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Net realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization or premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Redeemable participating units

The Fund's redeemable units meet the criteria of equity classification of puttable instruments in accordance with IAS 32, *Financial Instruments: Presentation* (IAS 32). All redeemable unitholders are classified as unit capital in the statements of financial position. The movement in unit capital is shown in the statements of changes in equity.

NOTES TO FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions.

Realized foreign currency gains and losses on investment transactions and unrealized foreign currency gains and losses on other net assets are included in the statements of comprehensive income in "Foreign currency gain (loss)". Unrealized foreign currency gains and losses on investments and derivatives are included in the statements of comprehensive income in "Net change in unrealized appreciation (depreciation) of investments" and "Net change in unrealized appreciation (depreciation) of derivatives", respectively.

Valuation of Fund Units

The value at which units are redeemed is the Net Asset Value per unit. Net asset value per unit is calculated daily by dividing the net asset value by its outstanding units. Amounts received on the issuance of units and amounts paid on the redemption of units are included on the statements of changes in equity.

Earnings (loss) Per Unit

Earnings (loss) per unit are based on the profit and total comprehensive income for the period divided by the weighted average number of units outstanding during the period.

Future Accounting Pronouncements – IFRS 9 *Financial Instruments* ("IFRS 9")

The IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Fund is performing an assessment of all aspects of IFRS 9 and plans to adopt the new standard on the required effective date.

Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). Consideration of the Funds business model and the contractual cash flows associated with the financial instrument is required under IFRS 9 to determine the classification and measurement categories.

The Fund will analyze the contractual cash flow characteristics of financial instruments in more detail before concluding whether financial instruments meet the criteria for FVTPL, FVOCI or amortized cost measurement under IFRS 9.

IFRS 9 also introduces an expected credit loss model for impairment of financial assets measured at amortized cost and debt instruments measured at FVOCI. The impact of this will depend on the classification and measurement of the entities financial instruments.

The Fund has not applied hedge accounting under IAS 39 and will not apply hedge accounting under IFRS 9.

3. TOTAL RETURN SWAP

The Fund's investment strategy is to deliver attractive risk-adjusted returns and stable income while emphasizing preservation of capital and capital appreciation by targeting senior secured loans and other senior debt obligations of non-investment grade issuers. To provide the Fund with the means to continue to meet its investment objective, on November 10, 2015, the Fund entered into a novation agreement with the Bank of Nova Scotia (the "Counterparty") becoming party to the December 20, 2010 total return swap ("TRS Facility") with the Counterparty.

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

3. TOTAL RETURN SWAP (continued)

Pursuant to the TRS Facility, the Counterparty has agreed to pay to the Fund the total return of the defined underlying reference assets, which includes both the income they may generate and any capital appreciation. In return, the Fund has agreed to pay to the Counterparty a funding cost calculated daily based on a floating rate option plus a spread of 1.00%, and any administrative fees or expenses which are incurred by the Counterparty directly. Effective December 19, 2015, the spread of 1.00% was increased to 1.10% and effective April 19, 2016 the spread of 1.10% was increased to 1.20% and effective June 16, 2017 the spread of 1.20% was decreased to 1.15%. The floating rate option varies depending on the currency in which the reference assets are denominated. The following summarizes the floating rate options:

Base currency of reference assets	Floating rate options
USD	USD-LIBOR-ICE
Euro	EUR-EURIBOR
GBP	GBP-LIBOR-ICE
CAD	CAD-BA-CDOR

If the prices of the underlying reference assets fall, the Fund will be required to pay the amount by which the assets have fallen in price to the Counterparty upon the deletion of a reference asset, or if later, thirty calendar days following April 17, 2018, which is the scheduled ramp-down date.

The reference assets of the TRS Facility are listed in the Schedule of Total Return Swap.

As at December 31, 2017, the Fund has \$41,097,878 on deposit with the Counterparty as credit support (December 31, 2016 – \$76,355,118). Interest earned on the collateral is paid to the Fund and is included as interest income in the statements of comprehensive income.

4. FORWARD CONTRACTS

The Fund had entered into forward foreign currency contracts to deliver currencies at a specific future date as follows:

As at December 31, 2017:

Sale	Amount \$	Purchase	Amount \$	Contract Price \$	Settlement Date	Unrealized foreign exchange gain (loss) on contract \$
USD	95,415,000	CAD	121,431,808	0.79	January 12, 2018	1,454,640

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

4. FORWARD CONTRACTS (continued)

As at December 31, 2016:

Sale	Amount \$	Purchase	Amount \$	Contract Price \$	Settlement Date	Unrealized foreign exchange gain (loss) on contract \$
USD	115,800,000	CAD	153,235,245	0.76	January 13, 2017	(2,192,412)

The foreign currency counterparty is rated BBB+ by S&P Global Rating (2016 – BBB+).

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. These inputs may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities or other market corroborated inputs.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The breakdown of the Fund into the three-level hierarchy is as follows:

As at December 31, 2017:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Bank Debt	-	70,839,242	-	70,839,242
Common Stock	527,624	-	-	527,624
Total Return Swap	-	1,048,350	-	1,048,350
Forward Contract	-	1,454,640	-	1,454,640
	527,624	73,342,232	-	73,869,856

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Liabilities				
Unfunded Bank Debt Commitments	-	6,761	-	6,761

As at December 31, 2016:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Bank Debt	-	62,081,402	-	62,081,402
Preferred Stock	-	29,904	-	29,904
Total Return Swap	-	4,562,208	-	4,562,208
	-	66,673,514	-	66,673,514

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Liabilities				
Unfunded Bank Debt Commitments	-	3,437	-	3,437
Forward Contract	-	2,192,412	-	2,192,412
	-	2,195,849	-	2,195,849

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market. For the years ended December 31, 2017 and December 31, 2016, there were no transfers of financial assets and liabilities from Level 1 to Level 2.

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market. For the periods ended June 30, 2017 and December 31, 2016, there were no transfers of financial assets and liabilities from Level 2 to Level 1.

The Fund did not hold any positions of Level 3 investments at the beginning of, during, or at the end of the reporting periods.

6. DISTRIBUTIONS

An objective of the Fund is to provide unitholders with attractive, quarterly distributions currently targeted to be \$0.125 per unit (\$0.50 per annum to yield 5.0% on the subscription price of \$10.00 per unit) to unitholders of record on the last business day of each of March, June, September and December.

If, in any year after such distributions, there would otherwise remain in the Fund additional net income or net realized capital gains, the Fund intends to make, on or before December 31 of that year, a special distribution of such portion of the remaining

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

6. DISTRIBUTIONS (continued)

net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under the Income Tax Act (Canada).

7. EXPENSES OF THE FUND AND RELATED PARTY TRANSACTIONS

The Manager is entitled to an annual management fee of 1.50% based on the NAV of the Fund calculated daily and paid monthly in arrears. During the year ended December 31, 2017, the Fund incurred management fees of \$2,062,091 (December 31, 2016 – \$ 2,394,373) of which \$158,536 was owing at December 31, 2017 (December 31, 2016 – \$195,994).

A dealer service fee, which is equal to 0.40% annually of the NAV of the Fund is payable to dealers whose clients hold units of the Fund. This fee is calculated daily and paid quarterly in arrears.

The Fund is responsible for all costs relating to its administration and operation.

8. REDEEMABLE UNITS

Units of the Fund are puttable instruments and are required to be presented as equity or liability depending on certain criteria. The Fund has assessed the unitholder's structure and has determined the equity treatment is the most appropriate classification. Unit capital amounts are determined on a per unit average cost basis.

The Fund is authorized to issue an unlimited number of transferable and redeemable units of one class, each of which is entitled to one vote at all unitholder meetings and represents an equal, undivided interest in the net assets of the Fund.

Units may be surrendered annually for redemption during the period from the first business day in March until 5:00pm (Toronto time) on March 15 in each year (the "Notice Period") subject to the Fund's right to suspend redemptions in certain circumstances. Units surrendered for redemption during the Notice Period will be redeemed on the last business day of May of each year (the "Annual Redemption Date") for a redemption price per unit equal to the NAV per unit determined as of the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption.

Changes in the number of redeemable units outstanding for the year ended December 31 are summarized as follows:

	2017 #	2016 #
Redeemable units outstanding, beginning of period	14,815,741	19,493,590
Redemption of redeemable units	(2,746,796)	(4,677,849)
Redeemable units outstanding, end of period	12,068,945	14,815,741

Under a normal course issuer bid, which will expire on July 17, 2018, the Fund has the ability to repurchase units up to a maximum of 10% of the public float at the time the bid commenced. Under the bid, units can be repurchased at their market price through the facilities of the Toronto Stock Exchange ("TSX"). During the periods ended December 31, 2017 and 2016, no units were purchased under this normal course issuer bid. When units are redeemed, the average cost of the units is deducted from unit capital and the difference between average cost and redemption price is taken to retained earnings.

9. MANAGEMENT OF FINANCIAL RISKS

In the normal course of business, the Fund is exposed to various financial risks, including credit risk, liquidity risk and market risk (consisting of interest rate risk and currency risk). The Fund's overall risk management program seeks to minimize

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

9. MANAGEMENT OF FINANCIAL RISKS (continued)

potentially adverse effects of these risks on the Fund's financial performance by employing professional, experienced portfolio managers, by monitoring daily the Fund's positions and market events and by diversifying the Investment Portfolio of the Fund within the constraints of the investment guidelines. To assist in managing risk, the Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, investment guidelines and securities regulations.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund mitigates such risk by entering into investment transactions with high credit quality financial institutions.

The Fund invests primarily in senior secured loans and other senior debt obligations of non-investment grade issuers, which are held directly or in a total return swap ("TRS Facility"). The fair value of debt securities held directly or in the TRS Facility, includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit exposure of the Fund. The Fund currently uses only one counterparty for its TRS Facility. Credit risk for the TRS Facility is managed by dealing with a counterparty that had a current credit rating of A+ by S&P as at December 31, 2017 and December 31, 2016.

As part of its cash management, the Fund limits its direct exposure to credit loss by placing its cash with high credit quality financial institutions.

Within the Fund's Portfolio, the maximum exposure to any one debt issuer as of December 31, 2017 was \$10,651,061 representing 8.65% of the net assets of the Fund (December 31, 2016 – \$14,080,955 or 9.18%).

Net exposure to debt securities by credit rating is as follows:

	As a % of Net Assets	
	December 31, 2017	December 31, 2016
BBB	0.53	–
BB	30.84	33.74
B	114.52	97.13
CCC	8.18	22.79
NR*	4.00	2.99

* Not rated by S&P Global Rating

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund has financial liabilities outstanding including accounts payable and accrued liabilities, payable for investments purchased, interest payable and distributions payable. These financial liabilities are all current and are expected to be settled within three months. The Fund also had liability on a total return swap with a scheduled ramp-down date of April 17, 2018 (Note 3). The Fund expects to have sufficient liquid assets to settle these financial liabilities.

NOTES TO FINANCIAL STATEMENTS (continued)

9. MANAGEMENT OF FINANCIAL RISKS (continued)

Redeemable units are redeemable at the holder's option subject to the conditions outlined in Note 8. The Fund expects to have sufficient liquid assets to settle any redemptions.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Changes in the prevailing levels of market interest rates are not expected to have a significant impact on the fair value of the TRS Facility or investments nor the related interest income and TRS Facility funding cost cash flows.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund invests its assets in investments that are denominated in a currency other than the Canadian dollar, the functional currency of the Fund, and also holds foreign currency denominated cash and other net assets. Consequently, the Fund is exposed to currency risk as the fair value of the investments and net assets denominated in currencies other than the Canadian dollar will vary due to changes in foreign currency exchange rates. As at December 31, 2017 and December 31, 2016, the Fund does not have significant exposure to foreign exchange risk as substantially all of the Fund's foreign denominated investments and net assets are hedged back to the Canadian dollar.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category. A summary of the Fund's concentration risk by product type as at December 31, 2017 is shown in the Fund's schedule of investment portfolio.

10. CAPITAL MANAGEMENT

Units issued and outstanding represent the capital of the Fund. The Fund has no restrictions or specific capital requirements and is authorized to issue an unlimited number of redeemable units as specified in its most recent Annual Information Form, which is available on SEDAR. Restrictions and specific requirements on the redemption of units are described in Note 8. The statements of changes in equity and Note 8 outline the relevant changes of the Fund's units for the periods.

The Fund's objectives in managing its capital in respect of the units are to provide unitholders with attractive quarterly distributions currently targeted to be \$0.125 per unit (\$0.50 per unit per year to yield 5% per year based on the \$10.00 subscription price), while at the same time to preserve and enhance the NAV.

The Fund manages its capital in accordance with its investment objectives and strategies and the risk management practices outlined in Note 9 while maintaining sufficient liquidity to meet distributions and redemptions.

11. TAXATION

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not subject to tax on that portion of its income, including net realized capital gains for its taxation year that is paid or payable to its unitholders. Income tax on net realized capital gains not paid or payable will be generally recoverable by virtue of refunding provisions contained in the Income Tax Act (Canada) and provincial income tax legislation, as redemptions occur. It is the intention of the Fund to pay all net taxable income and sufficient net taxable gains so that the Fund will not be subject to income taxes. If the Fund distributes more than it earns, this excess distribution is a return of capital and is not taxable to unitholders.

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS (continued)

12. EARNINGS (LOSS) PER UNIT

Earnings (loss) per unit for the years ended December 31, 2017 and 2016 is calculated as follows:

	2017	2016
Profit (loss) for the period	\$4,710,669	\$29,662,956
Weighted average units outstanding during the period	13,195,875	16,745,498
Earnings (loss) per unit	\$0.36	\$1.77

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