
OCP Senior Credit Fund

Annual Financial Statements
for the period from November 19, 2010 to December 31, 2010

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 Canadian generally accepted accounting principles using information available to March 22, 2011 and management's best estimates and judgments.

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 judgments 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 Collins Barrow Toronto LLP, 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 22, 2011.



Michael Gelblat
MANAGING MEMBER
ONEX CREDIT PARTNERS, LLC,
THE MANAGER OF THE FUND
MARCH 22, 2011.

AUDITORS' REPORT

To the Unitholders of **OCP Senior Credit Fund**,

We have audited the accompanying financial statements of OCP Senior Credit Fund (the "Fund"), which comprise the schedule of forward agreement as at December 31, 2010, the statement of net assets as at December 31, 2010 and the statements of operations and changes in net assets for the period from November 19, 2010 to December 31, 2010 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 Canadian Generally Accepted Accounting Principles, 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 audit. We conducted our audit 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 of our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2010 and its financial performance and its changes in net assets for the period from November 19, 2010 to December 31, 2010 in accordance with Canadian Generally Accepted Accounting Principles.

Collins Barrow Toronto LLP

LICENSED PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS
TORONTO, CANADA,
MARCH 22, 2011.

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BAKER TILLY
INTERNATIONAL

OCP SENIOR CREDIT FUND
STATEMENT OF NET ASSETS

As at December 31,	2010 \$
<hr/>	
Assets	
Forward Agreement <i>[Note 6]</i>	321,996,561
Cash	2,207,256
	<hr/>
	324,203,817
	<hr/>
Liabilities	
Accounts payable and accrued liabilities	988,520
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Net Assets	323,215,297
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Number of units outstanding <i>[Note 7]</i>	34,100,000
	<hr/>
Net assets per unit	\$9.48
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See accompanying notes

OCP SENIOR CREDIT FUND
STATEMENT OF OPERATIONS

For the period from November 19, 2010 to December 31, 2010

2010
\$

Investment income

Interest 7,148

Expenses

Management fees [Note 5] 184,207

Dealer service fee [Note 5] 147,366

Forward Agreement fee [Note 6] 100,832

Other operating expenses 95,581

527,986

Net investment loss (520,838)

Realized and unrealized gain (loss) on Forward Agreement

Net realized foreign exchange loss (426)

Net change in unrealized appreciation on Forward Agreement 1,399,061

Net gain on Forward Agreement 1,398,635

Increase in net assets from operations 877,797

Increase in net assets from operations per unit \$0.03

See accompanying notes

OCP SENIOR CREDIT FUND
STATEMENT OF CHANGES IN NET ASSETS

For the period from November 19, 2010 to December 31, 2010	2010 \$
Increase in net assets from operations	877,797
Capital unit transactions <i>[Note 7]</i>	
Subscriptions received	341,000,000
Agents' fees and expenses of issue <i>[Note 1]</i>	(18,662,500)
	322,337,500
Net assets, end of period	323,215,297

See accompanying notes

OCP SENIOR CREDIT FUND
SCHEDULE OF FORWARD AGREEMENT

As at December 31, 2010

Number of Shares or Par Value (US\$)	Description	Maturity Date	Average Cost (US\$)	Fair Value (US\$)
Investments held by OCP Credit Trust				
Total Return Swap				
BONDS				
802,000	Atkore International Inc., 9.875%	January 1, 2018	829,201	834,079
3,500,000	Ceva Group PLC, 8.375%	December 1, 2017	3,544,722	3,535,000
4,000,000	Delta Air Lines, 9.50%	September 15, 2014	4,462,556	4,355,000
4,000,000	NAI Entertainment Holdings LLC, 8.25%	December 15, 2017	4,149,500	4,200,000
Total Bonds			12,985,979	12,924,079
BANK DEBT				
2,387,392	Altegrity (f/k/a US Investigation Services Inc.), Term Loan	February 21, 2015	2,273,991	2,285,927
10,000,000	American General, Term Loan	April 21, 2015	10,125,000	10,131,250
7,647,500	Ascend Learning LLC, Term Loan	December 6, 2016	7,494,550	7,484,990
8,419,500	Aveta Holdings LLC, Term Loan	April 14, 2015	8,166,915	8,303,732
12,038,000	AWAS Finance Term Loan	June 10, 2016	12,462,985	12,248,665
8,592,500	Brickman Group Holdings, Term Loan	October 14, 2016	8,720,138	8,692,749
1,686,892	Bright Horizons Family Solutions Inc., Term Loan	May 28, 2015	1,695,326	1,689,000
5,000,000	CCS Inc. Term Loan	November 14, 2014	4,487,500	4,481,250
3,000,000	Caesar's (formerly Harrah's Operating Company Inc.), Term Loan B3	January 28, 2015	2,636,250	2,706,564
5,000,000	Caesar's (formerly Harrah's Operating Company Inc.), Term Loan B4	October 31, 2016	5,193,750	5,254,465
2,500,000	Charter Communications Operating LLC, Term Loan B2	March 6, 2014	2,603,125	2,591,517
5,000,000	Charter Communications Operating LLC, Term Loan B1	March 6, 2014	4,900,000	4,928,410
10,000,000	CIT Term Loan Tranche 3	August 11, 2015	10,202,500	10,185,420
12,500,000	Delos Aircraft Inc. Term Loan	March 17, 2016	12,740,625	12,685,262
4,000,000	Federal Mogul Corporation, Term Loan	December 27, 2014	3,620,000	3,728,572
2,480,000	First Data Corporation, Term Loan B1	September 24, 2014	2,247,500	2,285,476
4,960,000	First Data Corporation, Term Loan B2	September 24, 2014	4,495,000	4,570,952
1,486,607	FIG LLC, Term Loan	October 7, 2015	1,505,189	1,503,332
5,000,000	Graham Packaging Company LP, Term Loan	September 23, 2016	5,068,750	5,051,041
5,000,000	Guitar Center Inc., Term Loan	October 9, 2014	4,550,000	4,616,965
8,750,000	Intelsat Jackson Holdings Ltd., Term Loan	February 1, 2014	8,343,750	8,301,563
12,022,500	Intelsat Jackson Holdings Ltd., Term Loan B	April 2, 2018	11,996,738	12,131,989
2,479,849	Knology Inc., Term Loan	October 17, 2016	2,501,547	2,495,348
10,000,000	Level 3 Financing Inc., Term Loan	March 13, 2014	9,343,750	9,435,710
4,809,000	Novelis Corporation, Term Loan	December 17, 2016	4,760,910	4,864,304
7,000,000	Nyco Holdings, Term Loan	December 29, 2013	6,662,500	6,742,358
5,830,000	Remy International Inc., Term Loan	December 16, 2016	5,837,288	5,859,150
5,000,000	Ship Luxco, Term Loan	November 30, 2017	5,043,750	5,017,500
4,000,000	Syniverse Technologies Inc., Term Loan	December 21, 2017	3,960,000	4,007,500

OCP SENIOR CREDIT FUND
SCHEDULE OF FORWARD AGREEMENT continued

As at December 31, 2010

Number of Shares or Par Value (US\$)	Description	Maturity Date	Average Cost (US\$)	Fair Value (US\$)
5,000,000	Texas Competitive Electric Holdings Company, Term Loan	October 10, 2014	3,893,750	3,850,570
6,996,000	The Great Atlantic & Pacific Tea Company Inc., Term Loan	June 14, 2012	7,064,503	7,065,960
3,000,000	The ServiceMaster Company, Term Loan	July 24, 2014	2,846,250	2,872,125
5,185,473	TNT Logistics Netherlands BV, Term Loan	August 31, 2016	4,913,235	4,874,345
5,000,000	Universal City Development Partners Limited, Term Loan	November 6, 2014	5,062,500	5,040,625
2,915,000	US Foodservice, Term Loan	July 3, 2014	2,659,938	2,651,758
10,000,000	Venetian Orient Limited	May 18, 2015	9,600,000	9,475,000
Total Bank Debt			209,679,503	210,111,344
Total Bonds and Bank Debt			222,665,482	223,035,423
Unrealized gain on total return swap (US\$)				369,941

	Fair Value (C\$)
Other Assets and Liabilities held in OCP Credit Trust	
Unrealized gain on total return swap	367,778
Unrealized gain on forward contract	1,446,170
Cash	242,930,946
Cash on deposit with broker as collateral	59,651,465
Receivable for investments sold	17,639,514
Accrued interest	319,215
Accounts payable and accrued liabilities	(358,527)
Forward Agreement	321,996,561

See accompanying notes

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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. On November 19, 2010 the Fund completed an initial public offering of 30,000,000 units at \$10 per unit and 2,000,000 units at \$10 per unit as a partial exercise of an over-allotment option granted to the agents. On December 9, 2010, the agents further exercised the over-allotment option, subscribing for an additional 2,100,000 units at \$10 per unit. Agents’ fees and expenses of issue relating to the initial public offering of units totaled \$18,662,500.

The Fund is designed to provide unitholders with a stable source of tax-advantaged income through 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.

In order to meet its investment objective, the Fund used the net proceeds of the offering to pre-pay its obligation to purchase a portfolio of Canadian Securities (the “Canadian Securities Portfolio”) under a forward purchase and sale agreement (the “Forward Agreement”) which the Fund entered into with The Bank of Nova Scotia (the “Counterparty”). Under the terms of the Forward Agreement, the Counterparty has agreed to deliver to the Fund on November 19, 2015 (being the scheduled Forward Termination Date) the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of a corresponding number of units of OCP Credit Trust (the “Trust”), which holds the Portfolio securities, net of any amount owing by the Fund to the Counterparty. As such, the return of the Fund will, by virtue of the Forward Agreement, be based on the return of the Trust, which, in turn, will be based on the performance of the Portfolio.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). In applying Canadian GAAP, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting year. Significant estimates include the valuation of the forward agreement. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Forward Agreement

The Forward Agreement is valued at an amount that would be realized if the position was to be closed out in accordance with its terms, in which case fair value shall be based on the net asset value of the Trust. The Forward Agreement is categorized as held for trading and changes in fair value are reflected in the Fund’s Statement of Operations under “Net change in unrealized appreciation on Forward Agreement”. Trade date accounting is used.

Income and expense recognition

The accrual method of recording income and expenses is followed.

Increase in net assets from operations per unit

The increase in net assets from operations per unit in the Statement of Operations represents the increase in net assets from operations during the period, divided by the weighted average number of units outstanding during the period.

Valuation of fund units for transaction purposes

Net asset value per unit is calculated daily by dividing the net asset value by the outstanding units.

Net assets per unit for financial reporting purposes are determined in the same manner as above, except for investments which are accounted for in accordance with CICA Handbook Section 3855.

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS *continued*

Given that the Fund does not invest directly in any investment securities, there is no difference between the Fund's net asset value and the Fund's net assets.

Income taxes

No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized taxable capital gains are distributed to the unitholders.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments of the Fund include cash, accounts payable and accrued liabilities. There are no significant differences between the carrying values of these financial instruments and their fair value. The Forward Agreement is carried at its fair value as described in Note 2 above. Financial instruments recorded at fair value, are categorized between those whose fair value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2) and those where the valuation technique involves the use of non-market observable inputs (Level 3). The Forward Agreement is considered Level 2.

4. DISTRIBUTIONS

An objective of the Fund is to provide unitholders with tax efficient quarterly distributions consisting of capital gains and returns of capital initially 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 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).

5. EXPENSES OF THE FUND AND RELATED PARTY TRANSACTIONS

The Manager is entitled to an annual management fee of 0.50% based on the net asset value of the Fund, as well as an annual fee of 1.00% based on the net asset value of the Trust (total overall management fee of 1.5%). These fees are calculated daily and paid monthly in arrears.

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

Under the Forward Agreement, the Fund will pay to the Counterparty an annual fee as negotiated with the Counterparty, of the notional amount of the Forward Agreement (being effectively equal to the net asset value of the Trust), calculated daily and paid quarterly in arrears.

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

All transactions with the Manager are measured at the exchange amounts, and occur within the normal course of business.

6. FORWARD AGREEMENT

The Fund has used the net proceeds of the offering to pre-pay its obligation to purchase the Canadian Securities Portfolio pursuant to a Forward Agreement that it has entered into with the Counterparty, which has a credit rating of AA- according to Standard & Poor's Rating Services ("S&P"). Under the terms of the Forward Agreement, the Counterparty has agreed to deliver to the Fund on November 19, 2015, being the scheduled Forward Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of a corresponding number of units of OCP Credit Trust, net of any amount owing by the Fund to the Counterparty. The Fund will partially settle the Forward Agreement

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS *continued*

prior to the Forward Termination Date in order to fund quarterly distributions, redemptions and repurchases of units from time to time, and operating expenses of the Fund.

7. UNITS ISSUED AND OUTSTANDING

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.

Commencing in 2012, 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 net asset value 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 units outstanding for the period ended December 31 are summarized as follows:

	2010 #
Units outstanding, beginning of period	-
Issuance of units	34,100,000
Units outstanding, end of period	34,100,000

8. 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 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 Trust 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.

As the Fund obtains exposure to the Portfolio held in the Trust through the Forward Agreement, the following incorporates disclosure in regards to the risks and risk management applicable to the Fund.

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.

In entering into the Forward Agreement, which is the most significant asset of the Fund, the Fund is exposed to the credit risk associated with the Counterparty. As at December 31, 2010, the credit exposure is \$321,996,561 and is represented by the net asset value of the Trust. The possibility exists that the Counterparty will default on its obligations under the Forward Agreement. This risk is managed by dealing with a counterparty that the Manager believes to be creditworthy and through regular monitoring of credit exposures. As at December 31, 2010, the Counterparty has a current credit rating of AA- by S&P.

The Fund is also exposed to credit risk of the debt securities it has exposure to via the Forward Agreement, which derives its value based on the performance of the Trust's Portfolio. The Trust has exposure to 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"). This represents the main concentration of credit risk. 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.

OCP SENIOR CREDIT FUND

NOTES TO FINANCIAL STATEMENTS *continued*

The Trust currently uses only one counterparty for its TRS Facility. Credit risk for the TRS Facility is managed by dealing with a counterparty that has a current credit rating of AA- by S&P.

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.

Liquidity risk

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

The Forward Agreement may be partially pre-settled at any time. If the Trust is unable to dispose of some or all of the Portfolio upon receipt of a redemption request, the Fund may experience a delay in the receipt of cash on the sale of Canadian Securities Portfolio to be delivered by the Counterparty under the Forward Agreement until such time as the Trust is able to dispose of such securities.

As at December 31, 2010, approximately 99.5% of the Trust's net assets are held in cash (including receivable for investments sold) and as a result, the Trust's liquidity risk is considered minimal.

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 the related funding costs.

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 is exposed to the performance of the Trust which invests its assets in securities that are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. Consequently, the Fund is exposed to currency risk as the fair value of the Portfolio securities denominated in currencies other than the Canadian dollar will vary due to changes in foreign currency exchange rates. For the period ended December 31, 2010, the Fund does not have significant exposure to foreign exchange risk as substantially all of the Trust's foreign exposure is hedged back to the Canadian dollar.

9. 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 the Prospectus. Restrictions and specific requirements on the redemption of units are described in Note 7. The Statement of Changes in Net Assets and Note 7 outline the relevant changes of the Fund's units for the year.

The Fund's objectives in managing its capital in respect of the units are to provide unitholders with tax efficient quarterly distributions consisting of capital gains and returns of capital initially 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 net asset value.

The Fund manages its capital in accordance with its investment objectives and strategies and the risk management practices outlined in Note 8 while maintaining sufficient liquidity to meet distributions and redemptions.

10. INCOME TAXES

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

OCP CREDIT STRATEGY FUND
NOTES TO FINANCIAL STATEMENTS *continued*

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. Occasionally, the Fund may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unitholders.

The Fund has accumulated \$1,115,376 non-capital losses which may be carried forward to reduce future taxable income for up to twenty years.

11. INTERNATIONAL FINANCIAL REPORTING STANDARDS

On January 12, 2011, the Canadian Accounting Standards Board (“**AcSB**”) made a decision to extend the deferral of the adoption of International Financial Reporting Standards (“**IFRS**”) by investment companies for an additional year to January 1, 2013. This results in a two-year deferral of IFRS adoption by investment companies compared to other publicly accountable entities. At the transition date, the prior fiscal year financial statements will require restatement to IFRS for comparative purposes.

The Fund is continuing with its orderly transition plan to meet the requirements to changeover to IFRS. The Fund has reviewed the existing body of IFRS against its current policies under Canadian GAAP and has noted certain policy differences, most notable is the requirement to consolidate the financial results of the Fund with OCP Credit Trust. The Manager is reviewing closely the developments of the International Accounting Standards Board’s investment company project which addresses consolidation for investment companies and is not expected to be issued before January 1, 2012. Apart from this, other major changes identified include the addition of a statement of cash flows and the classification of unitholder’s equity (puttable instruments) as a liability unless certain conditions are met, as well as more extensive note disclosure requirements. These changes will not have an impact on the Fund’s results of operations or financial position.