
OCP Investment Trust

Interim Financial Statements
for the period January 1, 2010 to June 30, 2010

NOTICE TO READER:

These interim financial statements and related notes for the six month period ended June 30, 2010 have been prepared by the management of the Fund. The external auditors of the Fund have not audited or reviewed these interim financial statements.

OCP INVESTMENT TRUST
STATEMENTS OF NET ASSETS (Unaudited)

	June 30, 2010 \$	December 31, 2009 \$
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Assets		
Investments, at fair value	130,548,065	72,470,516
Cash	92,263,742	172,129,413
Receivable for investments sold	6,442,146	1,653,604
Accrued interest	220,756	101,530
	<hr/> 229,474,709	<hr/> 246,355,063
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Liabilities		
Accounts payable and accrued liabilities	287,158	237,906
Redemption payable	3,760,000	-
Payable for investments purchased	34,860,682	50,286,684
	<hr/> 38,907,840	<hr/> 50,524,590
Net assets	<hr/> 190,566,869	<hr/> 195,830,473
Number of units outstanding [Note 6]	<hr/> 19,839,020	<hr/> 20,791,733
Net assets per unit	<hr/> \$9.61	<hr/> \$9.42

See accompanying notes

OCP INVESTMENT TRUST
STATEMENT OF OPERATIONS (Unaudited)

For the six months ended June 30	2010 \$
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Investment Income	
Interest	1,968,803
	<hr/>
	1,968,803
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Expenses	
Management fees [Note 5]	917,433
Other operating expenses	181,033
	<hr/>
	1,098,466
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Net investment income	870,337
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Realized and unrealized gain (loss) on investments and transaction costs	
Net realized foreign exchange gain	2,804,051
Net realized gain on sale of investments [Note 7]	1,876,461
Transaction costs	(4,879)
Change in unrealized depreciation of investments	(1,594,574)
	<hr/>
Net gain on investments	3,081,059
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Increase in net assets from operations	3,951,396
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Increase in net assets from operations per unit	\$0.19
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See accompanying notes

OCP INVESTMENT TRUST
STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

For the six months ended June 30	2010 \$
Increase in net assets from operations	3,951,396
Capital unit transactions	
Redemption of units	(9,215,000)
Decrease in net assets for the period	(5,263,604)
Net assets, beginning of period	195,830,473
Net assets, end of period	190,566,869

See accompanying notes

OCPI INVESTMENT TRUST
SCHEDULE OF INVESTMENTS (Unaudited)

As at June 30, 2010

Number of shares or Par Value (US\$)	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
LONG POSITIONS					
BONDS					
7,955,000	Abitibi-Consolidated of Canada, 13.75%	Defaulted	6,019,940	6,489,925	
3,440,000	American General Finance, 5.90%	September 15, 2012	3,107,069	3,333,157	
1,230,000	American General Finance, 6.50%	September 15, 2017	962,261	1,017,348	
4,945,000	American General Finance, 6.90%	December 15, 2017	4,177,840	4,175,280	
2,000,000	American International Group Variable, 8.175%	May 15, 2058	1,646,125	1,675,433	
1,290,000	Beazer Homes USA, 6.50%	November 15, 2013	1,269,138	1,261,903	
860,000	Beazer Homes USA, 8.125%	June 15, 2016	709,203	816,190	
2,800,000	BP Capital Markets PLC, 3.625%	May 8, 2014	2,472,742	2,541,152	
1,360,001	CIT Group Inc., 7.00%	May 1, 2016	1,245,498	1,315,957	
543,985	CIT Group Inc., 7.00%	May 1, 2013	538,109	552,325	
815,991	CIT Group Inc., 7.00%	May 1, 2014	793,674	815,524	
815,991	CIT Group Inc., 7.00%	May 1, 2015	769,788	798,218	
1,904,011	CIT Group Inc., 7.00%	May 1, 2017	1,723,322	1,817,113	
50,000	GMAC Inc., 6.20%	November 15, 2013	45,004	48,690	
100,000	GMAC Inc., 6.375%	August 1, 2013	88,860	98,183	
105,000	GMAC Inc., 7.00%	January 15, 2013	100,238	107,156	
96,000	GMAC Inc., 7.00%	November 15, 2012	91,054	97,721	
120,000	GMAC Inc., 7.10%	January 15, 2013	114,010	123,026	
30,000	GMAC Inc., 7.10%	January 15, 2013	27,548	30,756	
100,000	GMAC Inc., 7.125%	August 15, 2012	97,055	103,243	
135,000	GMAC Inc., 7.25%	August 15, 2012	131,025	139,753	
1,000,000	GMAC Inc., 7.50%	August 15, 2017	854,728	965,535	
194,000	GMAC Inc., 7.75%	October 15, 2017	163,666	187,134	
175,000	GMAC Inc., 7.875%	November 15, 2012	164,353	181,584	
90,000	GMAC Inc., 8.00%	October 15, 2017	75,689	88,065	
6,760,000	IHOP Franchising, 7.0588%, Series 2007-3A	December 20, 2037	6,600,074	6,863,654	
860,000	K Hovnanian Enterprises, 6.50%	January 15, 2014	686,901	665,719	
7,600,530	K Hovnanian Enterprises, 7.50%	May 15, 2016	5,896,517	5,480,531	
645,000	Lehman Brothers Holdings, 3.60%	Defaulted	159,312	135,082	
11,300,000	Lehman Brothers Holdings, 6.875%	Defaulted	2,692,717	2,441,438	
7,860,238	Lyondell Chemical Company, 11.00%	May 1, 2018	8,631,317	8,939,287	
2,150,000	Penson Worldwide Inc., 12.50%	May 15, 2017	2,161,282	2,257,062	
2,000,000	Smurfit-Stone Container Corporation, 8.375%	Defaulted	1,785,620	1,648,923	
1,080,180	Terrestar Networks Inc., 15.00%	February 15, 2014	1,027,184	1,053,789	
2,000,000	Witco Corporation, 6.875%	Defaulted	1,652,771	2,396,505	
Total Bonds			58,681,634	60,662,361	46.47%

OCPI INVESTMENT TRUST
SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2010

Number of shares or Par Value (US\$)	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
BANK DEBT					
7,749,692	Bowater Inc. Revolving Commitment	May 25, 2011	7,882,144	7,834,278	
7,960,101	Boyd Gaming Corporation Revolving Commitment	May 4, 2012	7,388,274	7,470,192	
1,190,840	CCS Inc. Term Loan	November 14, 2014	1,048,824	1,029,155	
3,000,000	Charter Communications Operations Term Loan C	September 6, 2016	2,980,436	2,961,924	
1,989,796	Charter Communications Operations Term Loan B	March 6, 2014	1,959,079	1,953,479	
4,669,358	Chemtura Corporation Pre-Petition RC	Defaulted	4,916,837	5,137,067	
4,966,238	Chrysler Financial Services 2nd Lien Term Loan	August 3, 2013	5,075,799	5,236,109	
2,448,711	CIT Group Inc., Term Loan	January 20, 2012	2,712,015	2,676,460	
1,984,733	Federal Mogul Corporation Term Loan	December 27, 2014	1,658,651	1,831,012	
2,471,194	Ford Motor Company Term Loan B	December 15, 2013	2,275,156	2,473,054	
1,989,975	Ford Motor Company Term Loan B2	December 15, 2013	1,805,298	1,976,966	
4,250,000	General Growth Properties Term Loan	Defaulted	4,290,110	4,654,580	
1,492,500	Harrah's Operating Company Inc. Term Loan B4	October 15, 2016	1,506,451	1,581,749	
4,457,920	Harrah's Operating Company Inc. Term Loan B3	January 28, 2015	3,702,090	3,912,479	
2,977,021	Las Vegas Sands Strip Term Loan	May 23, 2014	2,668,524	2,785,468	
4,500,000	Level 3 Financing Inc. Term Loan	March 13, 2014	4,127,689	4,223,045	
2,232,737	Realogy Corporation Term Loan	October 10, 2013	2,054,861	1,998,250	
2,150,000	Thomson SA Revolving Commitment	Defaulted	2,645,539	2,286,846	
10,272,483	Tribune Company Revolving Commitment	Defaulted	7,217,072	7,091,307	
2,500,485	Venetian Macau US Finance Term Loan	May 23, 2013	2,482,457	2,578,598	
3,440,000	Visteon Corporation Term Loan	Defaulted	3,947,824	3,878,802	
1,500,000	W. R. Grace Strip, 5-year RC and 364 Day RC	Defaulted	2,681,094	2,731,360	
Total Bank Debt			77,026,224	78,302,180	59.98%
CREDIT DEFAULT SWAPS					
4,300,000	CDX HY 14 5.00%	June 20, 2015	(20,283)	264,363	
Total Credit Default Swap			(20,283)	264,363	0.20%

OCP INVESTMENT TRUST
SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2010

Number of shares or Par Value (US\$)	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
EQUITIES					
3,280	Ally Financial Inc. Preferred 7.00% Series 144a		2,585,473	2,703,472	
46,824	CIT Group Inc.		1,422,786	1,678,244	
344	Delphi Equity Class B		4,409,201	4,888,022	
406,000	General Motors Corporation 6.25% Preferred 'C'		3,199,962	3,000,742	
180,000	General Motors Corporation Preferred 5.25% Series B		1,357,854	1,259,756	
55,350	LyondellBasell Industries NV CL 'A'		1,058,248	947,895	
30,950	ProShares UltraShort Euro		757,907	820,157	
286,000	Smurfit-Stone Container Corporation		62,953	58,229	
Total Equities			14,854,384	15,356,517	11.76%
Total Long Positions			150,541,959	154,585,421	118.41%
SHORT POSITIONS					
BONDS					
(6,450,000)	Spanish Government Bonds, 4.00%	April 30, 2020	(8,628,137)	(8,024,813)	
(2,800,000)	BP Capital Markets PLC, 4.75%	March 10, 2019	(2,473,100)	(2,468,046)	
(1,230,000)	First Data Corporation, 9.875%	September 24, 2015	(1,064,902)	(991,262)	
(1,290,000)	Level 3 Financing Inc., 9.25%	November 1, 2014	(1,211,602)	(1,241,384)	
(820,000)	ServiceMaster Company, 10.75%	July 15, 2015	(899,747)	(899,962)	
(2,150,000)	Simon Property Group LP, 5.65%	February 1, 2020	(2,279,597)	(2,416,292)	
(2,150,000)	USG Corporation, 9.50%	January 15, 2018	(2,305,721)	(2,257,062)	
Total Bonds			(18,862,806)	(18,298,821)	(14.02%)
UNFUNDED REVOLVING COMMITMENT					
(130,775)	Chemtura Corporation Pre-Petition RC	Defaulted	(342)	5,200	
(412,855)	Tribune Company Revolving Commitment	Defaulted	(123,847)	(152,789)	
Total Unfunded Revolving Commitment			(124,189)	(147,589)	(0.11%)
Total Short Positions			(18,986,995)	(18,446,410)	(14.13%)
FORWARD CONTRACTS					
	United States Dollar				
	Forward currency contracts (1 contract)				
	July 22, 2010 ⁽¹⁾		-	(5,590,946)	
Total Forward Contracts			-	(5,590,946)	(4.28%)
Adjustment for transaction costs			(3,330)	-	
Total Investments			131,551,634	130,548,065	100.00%

(1) Sold 129,614,000 United States dollars for Canadian dollars at a weighted average rate of 1.0174
The counterparty is rated A by Standard & Poor's.

See accompanying notes

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2010

1. THE FUND

OCP Investment Trust (the “Fund”) is an investment fund governed by the laws of the Province of Ontario by a Declaration of Trust dated October 27, 2009. On November 20, 2009 the Fund commenced operations.

The Fund was established for the purpose of acquiring and holding an actively managed, diversified portfolio (the “Portfolio”) comprised primarily of senior debt obligations of non-investment grade North American issuers.

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 investments. 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.

Investments

Investments are categorized as held for trading and recorded at their fair value. In the case of publicly traded securities, fair value means the closing bid price for long positions and the closing ask price for short positions. For bonds and bank debt, fair market value means the bid or ask price provided by independent security pricing services or broker quotes. The difference between fair value and average cost, as recorded in the accounts, is shown as “Change in unrealized depreciation of investments” in the Statement of Operations. Average cost is used to determine the gain or loss on investments sold. Investment transactions are recorded on the trade date.

Income and expense recognition

Interest income is recorded when measurable and when collection is reasonably assured.

The accrual method of recording expenses is followed.

Foreign currency translation

Investments at fair value and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange applicable on the valuation dates. Investment transactions and income and expenses are translated at the rate of exchange on the date of such transactions.

Realized foreign currency gains and losses on investments are included in the Statement of Operations in “Net realized foreign exchange gain”. Unrealized foreign currency gains and losses on investments and other assets (net) are included in the Statement of Operations in “Change in unrealized depreciation of investments”.

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 for redemptions and subscriptions is calculated at the end of Thursday of each week, on the annual redemption date and on such other dates as the Manager deems appropriate, 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.

The difference between net asset value for pricing purposes and net assets for financial reporting purposes results solely

OCP INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

from investments in equities, which are valued at their closing sale price for purpose of determining net asset value. The bid price of the common shares has less than a 1% variance with their closing sale price. At June 30, 2010, there is no material difference between the Fund's net asset value and 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 unitholder.

Transaction costs

Transaction costs are expensed and are included in "Transaction costs" in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments of the Fund include cash, receivable for investments sold, accrued interest, accounts payable and accrued liabilities, redemptions payable and payable for investment securities purchased. There are no significant differences between the carrying values of these financial instruments and their fair value. Investments are carried at their fair values as described in Note 2 above.

The following table shows financial instruments as at June 30, 2010 recorded at fair value, 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).

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	7,765,023	7,591,494	-	15,356,517
Bonds	-	60,662,361	-	60,662,361
Bank Debt	-	78,302,180	-	78,302,180
Credit default swap	-	264,363	-	264,363
	7,765,023	146,820,398	-	154,585,421
Financial liabilities				
Bonds	-	18,298,821	-	18,298,821
Unfunded Revolving Commitments	-	147,589	-	147,589
Derivatives	-	5,590,946	-	5,590,946
	-	24,037,356	-	24,037,356

4. DISTRIBUTIONS

To the extent that the Fund has not distributed in cash the full amount of its net income in any year, the difference between such amount and the amount actually distributed by the Fund will be paid through an additional distribution, being the issuance of additional units having a net asset value in the aggregate at the date of distribution equal to this difference. Immediately after any such additional distribution, the number of outstanding units will be consolidated such that the unitholder will hold after the consolidation the same number of units as it held before the distribution of additional units.

OCP INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

5. EXPENSES OF THE FUND AND RELATED PARTY TRANSACTIONS

The Manager is entitled to an annual management fee of 0.9375% based on the net asset value of the Fund. This fee is calculated weekly and paid monthly in arrears.

In addition, the Manager is entitled to an annual performance fee (the “**Performance Fee**”) once a unitholder of the Fund has achieved a preferred return of 9.0%. The Performance Fee is calculated and accrued monthly and paid annually (except that when units are redeemed the accrued Performance Fee in respect of such units will be paid at the time of such redemption). The amount of the Performance Fee is determined as of December 31 of each year (the “**Determination Date**”). The Performance Fee for a given year will be an amount for each unit of the Fund then outstanding equal to 15% of the amount by which the sum of (i) the net asset value of such unit at the Determination Date (calculated without taking into account the Performance Fee), and (ii) the distributions paid on such unit during the previous 12 months (such sum being referred to as the “**Return**”), exceeds the Threshold Amount (as defined below). No Performance Fee will be paid unless the Return exceeds 109% of the Threshold Amount. If the Return exceeds 109% of the Threshold Amount, the Manager will be entitled to a Performance Fee equal to 15% of the Return. On December 31, 2009, the Threshold Amount is the net asset value per unit of the Fund, immediately following the closing of the offering. Thereafter, the Threshold Amount is the greatest of: (i) the net asset value per unit of the Fund immediately following the closing of the offering; (ii) the net asset value per unit of the Fund on the Determination Date for the previous fiscal year (after payment of such Performance Fee); and (iii) the net asset value per unit of the Fund on the Determination Date in the last fiscal year in which a Performance Fee was paid (after payment of such Performance Fee).

As at June 30, 2010, the Manager was not entitled to a Performance Fee.

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. UNITS ISSUED AND OUTSTANDING

The Fund is authorized to issue an unlimited number of transferable and redeemable units of a single class, each of which represents an equal undivided interest in the net assets of the Fund. The unitholder is entitled to redeem its units outstanding on any business day and will receive a redemption price equal to the net asset value per unit of the Fund.

Changes in the number of units outstanding for the period ended June 30 are summarized as follows:

	2010 #
Units outstanding, beginning of period	20,791,733
Units redeemed during the period	(952,713)
Units outstanding, end of period	19,839,020

On December 31, 2009, the Manager declared an additional distribution to the sole unitholder of the Fund in the amount of \$1,639,973. The distribution was satisfied through the issuance of additional units of the Fund having a value equal to the amount of the distribution. The additional units issued were automatically consolidated on a basis such that the number of consolidated units was equal to the number of units outstanding immediately prior to the transaction.

OCP INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

7. NET REALIZED GAIN ON SALE OF INVESTMENTS

The net realized gain on sale of investments for the period ended June 30 was as follows:

	2010 \$
Proceeds on sale of investments	63,964,027
Less cost of investments sold	
Investments, beginning of period	71,879,311
Investments purchased during the period	121,759,889
Investments, cost end of period	(131,551,634)
Cost of investments sold	62,087,566
Net realized gain on sale of investments	1,876,461

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, currency risk and other price 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 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 invests primarily in senior debt obligations of non-investment grade issuers, including defaulted obligations, which involves risk of loss and price changes due to such factors as an issuer's credit worthiness. This represents the main concentration of credit risk. The fair value of the debt securities held in the portfolio includes consideration of the credit worthiness of the issuer. The Schedule of Investments shows which securities are currently in default.

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.

The maximum exposure to any one debt issuer as of June 30, 2010 was \$14,324,203 representing 7.52% of the net assets of the Fund.

As at June 30, 2010, direct exposure to debt securities by credit rating is as follows:

Credit Rating	As a % of net assets
AA	(4.21)
A	(1.23)
BBB	4.48
BB	5.17
B	26.58
CCC	4.71
C	2.75
Not Rated*	25.00

*Not rated by Standard & Poor's Rating Services or Moody's Investment Services.

OCP INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

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.

As at June 30, 2010, approximately 33.50% of the Trust's net assets are held in cash (net of amounts receivable for investments sold and payable for investments purchased) 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.

Of the Fund's interest-bearing financial instruments, changes in the prevailing levels of market interest rates will not have a significant impact on their fair values.

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 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 June 30, 2010, the Fund does not have a significant exposure to foreign exchange risk as substantially all of the Fund's foreign investments are hedged back to the Canadian dollar.

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Since the Fund does not invest substantially in equity securities, the Fund does not have a significant exposure to other price risk as at June 30, 2010.

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 6. The Statement of Changes in Net Assets and Note 6 outline the relevant changes of the Fund's units for the period.

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 unitholder redemptions.

10. INCOME TAXES

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada) and will follow "financial institution" rules for purposes of the "mark-to-market" provisions contained in the Tax Act (Canada). The Fund 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 unitholder. 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

OCP INVESTMENT TRUST
NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

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 the unitholder.

The Fund may be subject to “**minimum tax**” under the Tax Act. The Manager will endeavour to manage the Fund in a manner such that the Fund will not be subject to minimum tax.

11. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Canadian Accounting Standards Board (“**AcSB**”) has confirmed that the use of International Financial Reporting Standards (“**IFRS**”) will be required for all Canadian publicly accountable entities for financial years beginning on or after January 1, 2011. At the transition date the prior fiscal year financial statements will require restatement to IFRS for comparative purposes.

The AcSB’s original IFRS implementation plan included investment funds, however, in June 2010, the AcSB issued an Exposure Draft proposing that entities currently applying Accounting Guideline *AcG-18 – Investment Companies*, can continue to apply existing Canadian standards in the CICA Handbook until fiscal years beginning on or after January 1, 2012. Earlier application would be permitted.

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. The 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.