

OCP INVESTMENT TRUST

Annual Management Report of Fund Performance for the year ended
December 31, 2011

Fund: OCP Investment Trust

Securities: Trust Units

Period: January 1, 2011 to December 31, 2011

Manager: Onex Credit Partners, LLC

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Notes:

1. This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete Annual Financial Statements of the Fund. You can get a copy of the Annual Financial Statements at your request, and at no cost, by contacting us (contact information above) or on SEDAR at www.sedar.com. Securityholders may also contact us to request a free copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. This report may contain forward looking statements. Forward looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward looking statements.
3. Unless otherwise indicated all information is as at December 31, 2011.
4. None of the websites that are referred to in this Annual Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Annual Management Report of Fund Performance.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund's investment objectives are to maximize total returns for securityholders while preserving capital. The Fund seeks to generate attractive risk adjusted returns through a long/short investment strategy focused on actively traded, event-driven, senior debt securities in the non-investment grade debt markets. In order to manage risk volatility, the strategy is based on a diversified portfolio, with limited exposure to equity investments and no financial leverage.

RISKS

There were no changes to the Fund over the period of this report that affected the overall level of risk associated with an investment in the Fund. Securityholders should refer to the Fund's annual information form ("AIF") for the year ended December 31, 2011 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The AIF is available free of charge from us (contact information above), on our website www.ocpcreditstrategy.com and on SEDAR www.sedar.com. Readers are also directed to Note 8 of the Fund's 2011 Annual Financial Statements which discusses management of financial risks.

RESULTS OF OPERATIONS

The Fund's net assets were \$260.1 million as at December 31, 2011, an increase from \$197.2 million as at December 31, 2010. The largest factors contributing to this increase were (i) subscriptions of \$95.3 million; (ii) net realized foreign exchange gains of \$5.3 million; (iii) net realized gains on sale of investments of \$3.8 million; and (iv) net investment income of \$3.5 million. This was partially offset by redemptions of \$25.7 million and a decrease in the unrealized appreciation of portfolio investments of \$19.1 million.

For the fiscal year ended December 31, 2011, the net assets per unit of the Fund was \$10.20 compared to \$10.33 on December 31, 2010. Total return for the Fund was -1.3% over the period.

The Portfolio's long exposure averaged 73.9% in the year, in line with an average of 74.9% during full year 2010. The Fund's short exposure averaged 22.4% in the period, an increase from a 12.1% average in 2010. The Fund delivered strong absolute and risk adjusted performance in the first half of 2011 despite the costs associated with hedges and shorts. While performance was negative in the second half, the Fund protected capital relatively well versus certain risk asset classes notwithstanding the negative impact of largely technically driven market forces in the third quarter that stemmed from the U.S. debt downgrade and the Euro-zone sovereign debt crisis. During the year, the Fund profited from exposure to anticipated corporate events, specifically debt re-financings and/or corporate restructurings in industries such as U.S. homebuilders (SouthEdge, Woodside PH Holdings), financial institutions (Lehman Brothers Holdings, Capmark Financial Group), and gaming (Boyd Gaming).

The overall asset mix of the Portfolio did not change significantly in 2011 versus 2010. During the period, senior loan and corporate bond assets comprised the largest share of the Portfolio, which is consistent with the Fund's investment strategy.

The change in the composition of the Portfolio during the year was consistent with the Fund's investment objective. This has resulted in a portfolio of event-driven investments that the Manager believes will benefit from the specific corporate events, such as restructurings, re-financings, and bankruptcies, that the Manager identified in its investment rationales. The Portfolio's assets can also generate interest income and may benefit from capital gains.

Periods of uncertainty and volatility have consistently led to stronger opportunities for the Fund's strategy. The Manager believes that this type of dynamic is once again being created and expects the opportunity set for the Fund's opportunistic, event driven, value-oriented strategy to continue to grow. Longer term, the Manager expects the on-going market volatility and global deleveraging to drive an increase in corporate events such as debt re-financings, repayments, restructurings, and other corporate events. Another developing source of events is the large number of impending high yield bond and loan maturities between 2012 and 2019 which could increase the Fund's investment universe. The significant value of new loans and bonds issued between 2009 and 2011, many from lower quality companies represents an additional source of opportunity. Historically, a surge in new issuance has resulted in an increase in defaults and corporate restructurings, especially of lower quality companies, in the years that follow.

RECENT DEVELOPMENTS

While the U.S. economy showed signs of strengthening in housing, manufacturing and employment in 2011, market volatility remained high especially in the second half of the year driven by the U.S. debt downgrade and the Euro-zone sovereign debt crisis. The volatile market environment was reflected by the VIX index which averaged 18 in the first half of the year and then peaked at nearly 50 in August, while averaging 24 in the second half. That said, the Manager believes it manages the Fund's overall risk level by maintaining long and short investments, focusing on larger, more liquid positions, and not employing financial leverage.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

On December 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, 2014. This extends the previous two-year deferral of IFRS to three years as compared to other publicly accountable entities. Consequently, IFRS will be applicable to the Fund for the fiscal year beginning January 1, 2014. At the transition date the prior fiscal year financial statements will require restatement to IFRS for comparative purposes.

The deferral is to provide time for the International Accounting Standards Board ("**IASB**") to finalize its guidance on investment entities such that a final standard could be issued after January 1, 2013, the previously established changeover date for investment companies in Canada.

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.

The process of evaluating the potential impact of IFRS on the financial statements is ongoing, as the IASB and the AcSB continue to issue new standards and recommendations.

RELATED PARTY TRANSACTIONS

The Manager and the Fund are deemed to be related parties. Please refer to the section titled "Management Fees," which outlines the fees paid to the Manager. In addition, the Fund paid \$1,055,160 in performance fees to the Manager during the year of which \$12,269 relates to fiscal 2011 and \$1,042,891 relates to fiscal 2010. The Manager and the Fund were not party to any other related party transactions during the year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception.

THE FUND'S NET ASSETS PER UNIT ⁽¹⁾

	2011	2010 ⁽⁶⁾	2009 ⁽²⁾
Net Assets, beginning of period	\$10.33	\$9.42	\$9.34
Increase (decrease) from operations			
Total revenue	0.40	0.40	0.00
Total expenses	(0.25)	(0.24)	(0.01)
Realized gains (losses) for the period	0.40	0.37	0.04
Unrealized gains (losses) for the period	(0.84)	0.37	0.05
Total increase (decrease) from operations ⁽³⁾	(0.29)	0.90	0.08
Distributions:			
From income (excluding dividends)	0.00	0.00	0.00
From dividends	0.00	0.00	0.00
From capital gains	0.00	(0.95)	(0.08)
Return of capital	0.00	0.00	0.00
Total Distributions ⁽⁴⁾	(0.00)	(0.95)	(0.08)
Net Assets as at December 31 ⁽⁵⁾	\$10.20	\$10.33	\$9.42

Notes:

- (1) This information is derived from the Fund's audited annual financial statements.
- (2) Results for the period from November 20, 2009 (inception date) to December 31, 2009.
- (3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (4) Distributions were reinvested in additional units of the Fund.
- (5) This is not a reconciliation of the beginning and ending net assets per unit.
- (6) Certain comparative figures have been reclassified to conform to the current year's presentation.

RATIOS AND SUPPLEMENTAL DATA

	2011	2010 ⁽⁵⁾	2009
Total Net Asset Value (000s) ⁽¹⁾	\$260,140	\$197,210	\$195,830
Number of units outstanding ⁽¹⁾	25,511,799	19,094,689	20,791,733
Management expense ratio ⁽²⁾	2.35%	2.47%	1.19%
Management expense ratio before waivers or absorptions	2.35%	2.47%	1.19%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	102.84%	132.47%	26.22%
Net Asset Value per unit	\$10.20	\$10.33	\$9.42

Notes:

- ⁽¹⁾ This information is provided as at December 31 of the year shown.
- ⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Total expenses also include interest expense on short positions held in the Fund. The MER for the periods ended December 31, 2009, December 31, 2010 and December 31, 2011 excluding interest expense are 1.19%, 1.79% and 1.19%, respectively.
- ⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- ⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- ⁽⁵⁾ Certain comparative figures have been reclassified to conform to the current year's presentation.

MANAGEMENT FEES

The Manager is responsible for providing or arranging for all investment advisory and portfolio management services required by the Fund including, without limitation, managing the portfolio in a manner consistent with the investment objectives, guidelines and restrictions of the Fund and for arranging for the execution of all portfolio transactions. The Manager is also responsible for the operational and administrative functions of the Fund. As compensation for the management services rendered to the Fund, the Manager is entitled to receive an annual management fee from the Fund in an amount equal to 0.9375% of the net asset value of the Fund, which is calculated weekly and paid monthly in arrears.

PAST PERFORMANCE

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following bar chart shows the Fund's annual performance for the financial years shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



⁽¹⁾ Returns are for the period from November 20, 2009 to December 31, 2009.

ANNUAL COMPOUND RETURNS

The table below summarizes the Fund's annual compound total returns for the periods ended December 31 as indicated. As a basis for comparison, we have provided the performance of the Credit Suisse High Yield Index ("**Index A**") which is designed to mirror the investable universe of the \$US-denominated high yield debt market and the Credit Suisse Leveraged Loan Index ("**Index B**") which is designed to mirror the investable universe of the \$US-denominated leveraged loan market. As the criteria for determining the constituents of the Portfolio and the indexes differ, it is not expected that the Fund's performance will mirror that of the indexes. Further, the return of the indexes is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

Period	Fund	Index A	Index B
1 year	-1.3%	5.5%	2.0%
Since inception	4.3%	11.0%	7.0%

SUMMARY OF INVESTMENT PORTFOLIO

The following is a summary of the Fund's investment portfolio as at December 31, 2011. This is a summary only and will change due to ongoing portfolio transactions of the Fund. A quarterly update is available on www.ocpcreditstrategy.com.

The percentages set forth in this summary may vary from the percentages set forth in the monthly updates prepared by the Fund. Chief among the reasons for the variance is that in the monthly updates cash is adjusted to reflect payment or receipt of proceeds from any unsettled trades and to exclude the proceeds of any short sales, and that the calculations use the notional amount of each credit default swap rather than its marked to market position.

TOP 25 HOLDINGS AS AT DECEMBER 31, 2011

Description	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	47.75
Lehman Brothers Holdings	6.23
Caesars Entertainment Operating Co. Inc. (formerly known as Harrah's Operating Company Inc.)	4.13
Level 3 Financing Inc.	4.06
Federal Mogul Corporation	3.74
American Airlines Inc.	3.54
Texas Competitive Electric Holdings Company	3.11
Tribune Company	3.04
Edison Mission Energy	2.96
Harbinger Group Inc.	2.90
ACST Pass Through Trust Floating Rate	2.29
Springleaf Finance Corporation	2.12
Capmark Financial Group (Equity)	1.90
CCS Inc.	1.83
Mach Gen LLC	1.77
Alon USA Energy, Inc.	1.74
Capmark Financial Group (Debt)	1.48
CIT Group Inc. (Bonds)	1.47
Dynegy Midwest Generation	1.45
Chiron Merger Sub Inc.	1.38
Glitnir Bank	1.38
Arvin Meritor Inc.	1.36
Dynegy Power	1.36
General Motors Corporation (Equity and warrants)	1.22
LightSquared LP	1.16

Description	% of Net Asset Value
Short Positions	
Spanish Government Bonds	(3.68)
US Treasury Notes	(2.67)
Italian Government Bonds	(1.44)
Simon Property Group LP	(0.96)
MGM Resorts International	(0.88)
Lender Processing Services Inc.	(0.79)
USG Corporation	(0.71)
Clearwire Communications	(0.68)
J Crew Group, Inc.	(0.31)
Rite Aid Corporation	(0.29)
Tribune Company	(0.24)
Dynegy Inc.	(0.01)
Total Net Asset Value	260,140,282

SECTOR ALLOCATION AS AT DECEMBER 31, 2011

Industry	% of Net Asset Value
Long Positions	
Cash ⁽¹⁾	47.75
Finance	11.47
Independent Power Producers	10.83
Other	7.87
Transportation	7.09
Aerospace	6.62
Telecom	6.58
Gaming/Leisure	5.38
Media	3.11
Housing/Building Products	3.02
Energy Service	2.68
Healthcare	2.39
Energy	1.74
Business Services	1.37
Chemicals	0.67
Index	0.55
Cable/Wireless Video	0.53
Forest Products/Containers	0.49
Real Estate	0.11
Consumer Non-Durables	0.05
Short Positions	
Government Bonds	(7.78)
Real Estate	(0.96)
Gaming/Leisure	(0.88)
Business Services	(0.79)
Housing/Building Products	(0.71)
Telecom	(0.68)
Retail	(0.60)
Media	(0.24)
Independent Power Producers	(0.01)

Portfolio composition	% of Net Asset Value
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Long Positions

Cash ⁽¹⁾	47.75
Bank Debt	39.82
Bonds	27.29
Equities	4.86
Warrants	0.50
Credit Default Swaps	0.07

Short Positions

Bonds	(12.40)
Unfunded Bank Debt Commitment	(0.24)
Equities	(0.01)

⁽¹⁾ Cash, net of amounts receivable for investments sold and payable for investments purchased, short proceeds received and other miscellaneous items is 27.17%.

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