

OCP INVESTMENT TRUST

Interim Financial Statements for the period
January 1, 2012 to June 30, 2012

NOTICE TO READER:

These interim financial statements and related notes for the six-month period ended June 30, 2012 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)

As at

	June 30, 2012 \$	December 31, 2011 \$
ASSETS		
Investments held long	222,755,752	188,702,280
Cash	102,224,245	123,819,297
Cash on deposit with broker as collateral	509,424	386,442
Receivable for investments sold	4,394,490	454,250
Accrued interest	902,188	1,148,020
	330,786,099	314,510,289
LIABILITIES		
Investments sold short	35,851,270	32,292,286
Unfunded bank debt commitments	509,604	630,400
Forward contract	7,616,976	4,099,906
Interest payable on short positions	708,234	710,992
Accounts payable and accrued liabilities	460,283	653,426
Redemptions payable	6,000,000	-
Payable for investments purchased	20,363,174	16,008,630
	71,509,541	54,395,640
Net Assets	259,276,558	260,114,649
Number of units outstanding [note 6]	24,146,737	25,511,799
Net assets per unit	\$10.74	\$10.20

See accompanying notes.

OCP INVESTMENT TRUST

STATEMENTS OF OPERATIONS (Unaudited)

For six months ended June 30

	2012 \$	2011 \$
INVESTMENT INCOME		
Interest	5,722,880	3,741,188
Dividend, net of withholding tax	19,549	10,000
	5,742,429	3,751,188
EXPENSES		
Interest expense	1,339,032	1,171,696
Management fees <i>[note 5]</i>	1,238,286	960,952
Harmonized Sales Tax	166,971	146,029
Other administration costs	79,479	97,399
Custodian and valuation fees	27,571	30,258
Audit fees	11,864	6,074
Performance fees <i>[note 5]</i>	16,170	123,554
Independent Review Committee Fees	5,595	5,626
Trustee fees	4,972	5,001
Securityholder reporting costs	2,550	2,016
	2,892,490	2,548,605
Net investment income	2,849,939	1,202,583
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS		
Net realized foreign exchange gain	3,340,848	11,663,820
Net realized gain (loss) from derivatives <i>[note 7]</i>	(292,326)	605,943
Net realized gain (loss) on sale of investments <i>[note 7]</i>	(1,425,246)	686,755
Transaction costs	(40,873)	(19,715)
Net change in unrealized appreciation (depreciation) of investments	9,329,567	(4,186,969)
Net gain on investments	10,911,970	8,749,834
Increase in net assets from operations	13,761,909	9,952,417
Increase in net assets from operations per unit	\$0.55	\$0.52

See accompanying notes.

OCP INVESTMENT TRUST

STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

For six months ended June 30

	2012 \$	2011 \$
Increase in net assets from operations	13,761,909	9,952,417
Capital unit transactions <i>[note 6]</i>		
Subscriptions received	-	83,250,720
Redemption of units	(14,600,000)	(12,300,000)
	(14,600,000)	70,950,720
Increase (decrease) in net assets for the period	(838,091)	80,903,137
Net assets, beginning of period	260,114,649	197,188,655
Net assets, end of period	259,276,558	278,091,792

See accompanying notes.

OCP INVESTMENT TRUST

SCHEDULE OF INVESTMENTS (Unaudited)

As at June 30, 2012

Number of shares, units, par value	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
LONG POSITIONS					
BONDS					
6,586,169	ACST Pass Through Trust Floating Rate	June 14, 2037	5,809,527	5,905,078	
50,000	Ally Financial (formerly known as GMAC Inc.), 6.20%	November 15, 2013	45,004	50,485	
100,000	Ally Financial (formerly known as GMAC Inc.), 6.375%	August 01, 2013	88,860	101,280	
105,000	Ally Financial (formerly known as GMAC Inc.), 7.00%	January 15, 2013	100,238	107,244	
96,000	Ally Financial (formerly known as GMAC Inc.), 7.00%	November 15, 2012	91,054	97,941	
120,000	Ally Financial (formerly known as GMAC Inc.), 7.10%	January 15, 2013	114,010	121,896	
30,000	Ally Financial (formerly known as GMAC Inc.), 7.10%	January 15, 2013	27,548	30,560	
100,000	Ally Financial (formerly known as GMAC Inc.), 7.125%	August 15, 2012	97,055	101,875	
135,000	Ally Financial (formerly known as GMAC Inc.), 7.25%	August 15, 2012	131,025	137,351	
1,000,000	Ally Financial (formerly known as GMAC Inc.), 7.50%	August 15, 2017	854,728	995,570	
194,000	Ally Financial (formerly known as GMAC Inc.), 7.75%	October 15, 2017	163,666	194,768	
175,000	Ally Financial (formerly known as GMAC Inc.), 7.875%	November 15, 2012	164,353	178,563	
90,000	Ally Financial (formerly known as GMAC Inc.), 8.00%	October 15, 2017	75,689	90,597	
2,562,062	American Airline Inc. PT TRS 11-2, 8.625%	April 15, 2023	2,745,921	2,740,872	
5,340,000	American Airlines Inc., 10.50%	Defaulted	5,156,648	5,807,896	
1,436,000	Arvin Meritor, Inc., 8.125%	September 15, 2015	1,337,550	1,541,707	
3,503,000	Arvin Meritor, Inc., Floating Rate, 4.625%	March 01, 2026	3,194,661	3,100,592	
412,000	Avaya Inc., 7.00%	April 01, 2019	386,340	389,333	
7,200,000	Beazer Homes USA, 6.875%	July 15, 2015	5,941,368	7,042,282	
860,000	Beazer Homes USA, 8.125%	June 15, 2016	709,203	838,971	
3,000,000	Capmark Financial Group, 6.30%	Defaulted	31,641	38,207	
1,177,488	Capmark Financial Group B, 9.00% Floating Rate	September 30, 2015	1,206,876	1,200,432	
1,350,000	Ceva Group PLC, 11.50%	April 01, 2018	1,272,554	1,258,533	
1,800,000	Ceva Group PLC, 8.375%	December 01, 2017	1,782,138	1,778,910	
2,715,524	CityCenter Holdings LLC, 10.75%	January 15, 2017	2,814,234	3,050,296	
7,750,762	Edison Mission Energy, 7.00%	May 15, 2017	5,845,342	4,422,238	
7,595,000	Harbinger Group Inc., 10.625%	November 15, 2015	7,510,694	8,067,028	

OCP INVESTMENT TRUST

SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2012

Number of shares, units, par value	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
3,600,000	International Automotive Components Group Ltd., 9.125%	June 01, 2018	3,310,520	3,346,918	
23,200	K Hovnanian Enterprises, 6.50%	January 15, 2014	18,530	18,792	
6,053,926	K Hovnanian Enterprises, 7.50%	May 15, 2016	4,696,656	4,040,063	
2,250,000	Lehman Brothers Holdings, Floating Rate	Defaulted	474,091	515,792	
2,250,000	Lehman Brothers Holdings, Floating Rate	Defaulted	471,598	512,927	
645,000	Lehman Brothers Holdings, 3.60%	Defaulted	120,428	149,503	
900,000	Lehman Brothers Holdings, 6.20%	Defaulted	195,011	212,621	
27,750,000	Lehman Brothers Holdings, 6.875%	Defaulted	5,157,953	6,573,484	
48,790,000	Lehman Brothers Treasury Co. BV, 7.585%	Defaulted	1,333,546	1,437,790	
3,803,500	Penson Worldwide Inc., 12.50%	May 15, 2017	3,689,591	503,775	
900,000	Realogy Corporation, 10.50%	April 15, 2014	879,352	916,964	
1,003,343	Realogy Corporation, 11.00%	April 15, 2014	980,324	1,022,255	
2,000,000	Smurfit-Stone Container Corporation, 8.375%	Defaulted	-	40,754	
29,000	Tulsa Municipal Airport Trust Trustees/OK, 7.35%	Defaulted	21,591	29,566	
450,000	USG Corporation, 7.875%	March 30, 2020	446,644	474,529	
Total Bonds			69,493,762	69,186,238	38.70%
BANK DEBT					
5,458,360	Alon USA Energy, Inc., Term Loan	August 02, 2013	5,092,092	5,338,794	
2,617,787	Altegrity, Inc., Term Loan B	February 21, 2015	2,501,733	2,513,769	
3,150,000	Apollo Management Holdings LP., Term Loan	January 03, 2017	2,885,245	2,920,530	
4,029,750	ATP Oil & Gas Corporation, Term Loan	January 15, 2015	3,947,803	3,931,213	
1,029,761	Avaya Inc., Term Loan	October 26, 2017	944,461	925,310	
364,038	Avaya Inc., Non-Extended, Term Loan	October 26, 2014	350,451	348,772	
1,821,538	Boyd Gaming Corporation, Term Loan	December 17, 2015	1,745,905	1,828,034	
748,600	Brand Energy & Infrastructure Services, Inc., Term Loan	February 07, 2014	669,979	712,657	
6,598,093	Caesars Entertainment Operating Co. Inc. (formerly known as Harrah's Operating Company Inc.), Term Loan B3	January 28, 2015	5,596,958	6,232,680	
2,937,332	Caesars Entertainment Operating Co. Inc. (formerly known as Harrah's Operating Company Inc.), Term Loan B4	October 31, 2016	3,040,253	3,021,875	
17,707,000	Capmark Financial Group Inc.	Defaulted	183,595	225,509	

OCP INVESTMENT TRUST

SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2012

Number of shares, units, par value	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
985,500	Cengage Learning Acquisitions, Inc., Incremental Term Loan	July 15, 2017	883,940	861,936	
8,660,000	Chesapeake Energy Corporation, Term Loan	December 02, 2017	8,656,558	8,739,136	
3,183,615	CMA CGM Container	February 09, 2017	2,391,874	2,302,972	
2,215,447	DS Waters of America Inc., Term Loan	July 30, 2017	2,165,274	2,217,705	
4,672,249	Dynegy Midwest Generation, LLC, Term Loan	July 29, 2016	4,708,848	4,855,521	
3,428,095	Dynegy Power, LLC, Term Loan	July 29, 2016	3,394,895	3,587,789	
10,312,944	Federal Mogul Corporation, Term Loan	December 27, 2014	9,410,837	9,986,345	
1,960,000	First Data Corporation, Term Loan B1	September 24, 2014	1,785,916	1,911,824	
2,280,000	First Data Corporation, Term Loan B3	September 24, 2014	2,178,772	2,224,611	
12,650,000	GGP Term Loan A Stub	Defaulted	-	289,990	
16,790,413	Glitnir Bank HF (USD) Claim	Defaulted	4,693,608	4,683,011	
1,440,000	Glitnir Bank HF (EUR) Claim	Defaulted	474,527	508,849	
2,250,000	Kaupthing Bank HF Claim	Defaulted	776,912	755,141	
15,468,000	Lehman Brothers Specialty Finance Claim	Defaulted	3,030,376	4,294,478	
10,900,000	Level 3 Financing Inc., Term Loan	March 13, 2014	10,196,186	10,869,460	
2,473,362	LifeCare Holdings Inc., Term Loan	February 01, 2016	2,312,558	2,293,183	
5,792,492	LightSquared LP, Term Loan	Defaulted	3,447,759	3,968,875	
6,619,341	Mach Gen LLC, Term Loan	February 15, 2015	4,997,397	4,619,713	
1,200,000	NewPage Corporation, Term Loan	March 07, 2013	1,194,810	1,231,788	
4,324,065	Realogy Corporation, Term Loan	October 10, 2016	4,079,915	4,141,233	
8,182,000	Springleaf Financial Funding Company, Term Loan	May 10, 2017	7,357,073	7,834,555	
5,070,918	Tervita Corporation (formerly known as CCS Inc.), Term Loan	November 14, 2014	4,602,439	4,990,838	
11,262,384	Texas Competitive Electric Holdings Company, Non-Extending Term Loan	October 10, 2014	8,258,109	7,182,096	
460,000	Travelport Inc., 1.5L, Term Loan	November 22, 2015	443,257	466,913	
1,318,722	Travelport Inc., Extended Term Loan	August 23, 2015	1,195,099	1,227,454	
6,945,415	Tribune Company Revolving Commitment	Defaulted	4,879,407	4,915,097	
3,110,000	Tribune Incremental, Term Loan B	Defaulted	1,900,497	2,107,132	
672,449	United Airlines Inc., N769UA Term Loan	September 30, 2013	598,891	582,355	
986,853	United Airlines Inc., N768UA term Loan	September 30, 2013	859,823	854,636	
1,619,584	Willbros United States Holdings Inc., Term Loan	June 30, 2014	1,607,004	1,639,798	
846,126	Woodside PH Holdings	December 31, 2012	840,214	840,522	
923,080	W.R. Grace Strip 5-year RC and 364 Day RC	Defaulted	1,649,910	1,763,104	
Total Bank Debt			131,931,160	136,747,203	76.49%

OCP INVESTMENT TRUST

SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2012

Number of shares, units, par value	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
OPTIONS					
1,575	SPY Put @ USD \$130 – August 18, 2012		333,437	218,237	
Total Options			333,437	218,237	0.12%
CREDIT DEFAULT SWAPS					
6,000,000	CDX HY 16, 1.00%	June 20, 2016	(22,518)	(9,943)	
4,600,000	Best Buy 5 Yr 5.00%	June 01, 2017	279,206	423,214	
6,831,000	CDX HY 18, 5.00%	June 20, 2017	544,852	233,910	
Total Credit Default Swaps			801,540	647,181	0.36%
EQUITIES AND WARRANTS					
180,000	Air Canada, Class B		220,716	176,400	
303,449	Capmark Financial Group Inc.		4,120,009	7,110,878	
56,824	CIT Group Inc.		1,836,232	2,066,275	
74,973	Delphi Automotive PLC		1,625,543	1,946,319	
82,129	General Motors Corporation		2,744,021	1,649,274	
65,525	General Motors Corporation, Warrants A July 10, 2016		1,400,679	736,363	
65,525	General Motors Corporation, Warrants B July 10, 2019		1,080,723	451,298	
18,095	Motors Liquidation Company GUC Trust		-	225,842	
60,160	ProShares UltraShort Euro ETF		1,068,427	1,283,495	
286,000	Smurfit-Stone Container Corporation Escrow		-	-	
122,000	USPower Generating Company		1,283,708	310,749	
Total Equities and Warrants			15,380,058	15,956,893	8.93%
Total Long positions			217,939,957	222,755,752	124.60%
SHORT POSITIONS					
BONDS					
(920,000)	Alpha Natural Resources, Inc. 6.00%	June 01, 2019	(834,147)	(799,083)	
(1,380,000)	Arch Coal, Inc., 7.00%,	June 15, 2019	(1,194,782)	(1,188,079)	
(3,170,000)	Arch Coal, Inc., 7.25%	June 15, 2021	(3,056,774)	(2,704,916)	
(2,400,000)	Spanish Government Bonds, 3.30%	October 31, 2014	(3,211,834)	(3,007,861)	
(4,800,000)	Spanish Government Bonds, 4.25%	January 31, 2014	(6,579,965)	(6,176,819)	
(2,730,000)	Spanish Government Bonds, 4.25%	October 31, 2016	(3,454,628)	(3,339,051)	
(1,440,000)	Italian Government Bonds, 3.75%	December 15, 2013	(1,933,929)	(1,868,656)	
(1,440,000)	Italian Government Bonds, 4.25%	August 01, 2013	(1,964,254)	(1,875,686)	
(1,350,000)	Cenveo Inc., 8.875%	February 01, 2018	(1,265,385)	(1,231,024)	
(2,250,000)	Chesapeake Energy Corporation, 6.775%	March 15, 2019	(2,245,502)	(2,235,099)	

OCP INVESTMENT TRUST

SCHEDULE OF INVESTMENTS (Unaudited) continued

As at June 30, 2012

Number of shares, units, par value	Description	Maturity Date	Average cost \$	Fair value \$	% of Portfolio
(1,350,000)	HD Supply Inc., 11.00%	April 15, 2020	(1,377,123)	(1,480,323)	
(820,000)	J Crew Group, 8.125%	March 01, 2019	(789,052)	(862,608)	
(2,050,000)	Lender Processing Services Inc., 8.125%	July 01, 2016	(2,065,530)	(2,177,407)	
(2,200,000)	US Treasury Note, 2.00%	November 15, 2021	(2,275,048)	(2,325,697)	
(2,150,000)	USG Corporation, 9.75%	January 15, 2018	(2,305,721)	(2,300,051)	
(2,300,000)	Visteon Corporation, 6.750%	April 15, 2019	(2,343,410)	(2,278,910)	
Total Bonds			(36,897,084)	(35,851,270)	(20.05)%
Total Short Positions			(36,897,084)	(35,851,270)	(20.05)%
UNFUNDED BANK DEBT COMMITMENTS					
(1,639,923)	Tribune Company Revolving Commitment	Defaulted	(525,972)	(509,604)	
Total Unfunded Bank Debt Commitments			(525,972)	(509,604)	(0.29)%
FORWARD CONTRACTS					
United States Dollars					
	Forward currency contract				
	10/31/2012 ⁽¹⁾		-	(7,616,976)	
Total Forward Contracts			-	(7,616,976)	(4.26)%
Adjustment for transactions costs			(24,566)	-	
Total Investments			180,492,335	178,777,902	100.00%

⁽¹⁾ Sold 207,000,000 United States dollars for Canadian dollars at a rate of 0.98481. The counterparty is rated A – by Standard & Poor's.

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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 period. Significant estimates include the valuation of investments, forward contract and unfunded bank debt commitments. 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 (including unfunded bank debt commitments), 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 "Net change in unrealized appreciation (depreciation) of investments" in the Statements of Operations. Average cost is used to determine the gain or loss on investments sold. Investment transactions are recorded on the trade date.

Derivative financial instruments such as credit default 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. Cash on deposit with broker as collateral is noted in the Statements of Net Assets. Derivative financial instruments are recorded at their respective fair values. Realized gains and losses on credit default swaps, options and forward contracts are included in the Statements of Operations under "Net realized gain (loss) from derivatives" and "Net realized foreign exchange gain" respectively.

Short selling

When the Fund sells a security short, it will borrow that security from a broker to complete the sale. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closes out its short position by buying that security. The Fund will realize a gain if the security declines in price between those dates. The gain or loss that would be realized if, on the valuation date, the position were to be closed out is reflected in the Statements of Operations in "Net change in unrealized appreciation (depreciation) of investments". When the short position is closed out, the gain or loss is realized and included in the Statements of Operations in "Net realized gain (loss) on sale of investments".

There can be no assurance that the Fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain a margin account with the prime broker containing cash and liquid securities such that the amount deposited as margin will be more than the current market value of the security sold short.

Income and expense recognition

The accrual method of recording income and 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 investment transactions, realized gain or loss on forward contracts and unrealized foreign exchange gains and losses on other net assets are included in the Statements of Operations in "Net realized foreign exchange gain". Unrealized foreign currency gains and losses on investments are included in the Statements of Operations in "Net change in unrealized appreciation (depreciation) of investments".

Increase (decrease) in net assets from operations per unit

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

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS continued

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.

The difference between net asset value for pricing purposes and net assets for financial reporting purposes results solely from investments traded on a public exchange, which are valued at their closing sale price for purpose of determining net asset value. As at June 30, 2012 and December 31, 2011, the bid price of these investments has less than a 1% variance with their closing sale price, and therefore, a reconciliation between net assets and net asset value has not been presented.

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 Statements 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, cash on deposit with broker as collateral, receivable for investments sold, accrued interest, interest payable on short positions, accounts payable and accrued liabilities, redemptions payable and payable for investments purchased. There are no significant differences between the carrying values of these financial instruments and their fair value. Investments, forward contract, and unfunded bank debt commitments are carried at their fair values as described in Note 2 above.

The following tables show financial instruments 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).

As at June 30, 2012

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities and warrants	15,646,144	310,749	-	15,956,893
Bonds	-	69,186,238	-	69,186,238
Bank debt	-	136,747,203	-	136,747,203
Options	218,237	-	-	218,237
Credit default swaps	-	647,181	-	647,181
	15,864,381	206,891,371	-	222,755,752
Financial liabilities				
Bonds sold short	-	35,851,270	-	35,851,270
Unfunded bank debt commitment	-	509,604	-	509,604
Forward contract	-	7,616,976	-	7,616,976
	-	43,977,850	-	43,977,850

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS continued

As at December 31, 2011

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities and warrants	13,297,919	640,858	-	13,938,777
Bonds	-	70,992,873	-	70,992,873
Bank debt	-	103,581,343	-	103,581,343
Credit default swaps	-	189,287	-	189,287
	13,297,919	175,404,361	-	188,702,280
Financial liabilities				
Equities sold short	25,936	-	-	25,936
Bonds sold short	-	32,266,350	-	32,266,350
Unfunded bank debt commitment	-	630,400	-	630,400
Forward contract	-	4,099,906	-	4,099,906
	25,936	36,996,656	-	37,022,592

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.

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 daily 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. The Threshold Amount is the greatest of: (i) the net asset value per unit of the Fund immediately following the closing of the initial 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).

During the six month period ended June 30, 2012, the Fund incurred a performance fee of \$16,170 (2011 - \$12,269) and no amount was payable as of June 30, 2012 (June 30, 2011 - \$111,285).

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.

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS continued

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

	2012 #	2011 #
Units outstanding, beginning of period	25,511,799	19,094,689
Issuance of units	-	7,774,803
Units redeemed during the period	1,365,062	(1,139,812)
Units outstanding, end of period	24,146,737	25,729,680

7. 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, 2012 was \$13,696,595 (December 31, 2011 – \$16,207,830) representing 5.28% (December 31, 2011 – 6.23%) of the net assets of the Fund.

As at June 30, 2012 and December 31, 2011 direct exposure to debt securities by credit rating as follows:

Credit rating	As a % of net assets	
	2012	2011
AAA	-	(2.67)
AA	(0.90)	-
A	2.28	(2.35)
BBB	(3.77)	2.78
BB	3.10	0.87
B	28.15	32.09
CCC	10.81	5.99
CC	2.51	1.15
D	0.01	-
Not rated*	23.21	16.61

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

OCP INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS 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.

The Fund has financial liabilities outstanding, including investments sold short, unfunded bank debt commitments, forward contract, interest payable on short positions, accounts payable and accrued liabilities, redemptions payable and payable for investments purchased. These financial liabilities are all current and due within 12 months. The Fund has sufficient cash on hand to settle these financial liabilities.

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 is not expected to have a significant impact on their fair values or 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 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 periods ended June 30, 2012 and December 31, 2011, 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 of equities 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, 2012 and December 31, 2011.

8. 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. Restrictions and specific requirements on the redemption of units are described in Note 6. The Statements 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.

9. 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 be subject to income taxes. If the Fund distributes more than it earns, the 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.

As of December 31, 2011, the Fund has accumulated \$6,667,392 of non-capital losses which may be carried forward to reduce future taxable income for up to twenty years.

10. 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.

NOTES TO FINANCIAL STATEMENTS continued

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.

11. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the current period's presentation.

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