OCP CREDIT STRATEGY FUND

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 CREDIT STRATEGY FUND

STATEMENTS OF NET ASSETS (Unaudited)

As at

	June 30, 2012 $	December 31, 2011 $
ASSETS		
Forward Agreement *[Note 6]*	**259,289,240**	260,140,282
Receivable from counterparty under Forward Agreement *[Note 6]*	**6,000,000**	–
Cash	**520,373**	7,153,386
	265,809,613	267,293,668
LIABILITIES		
Accounts payable and accrued liabilities *[Note 5]*	**656,082**	641,739
Distributions payable *[Note 4]*	**5,253,612**	5,316,356
	5,909,694	5,958,095
Net Assets	**259,899,919**	261,335,573
Number of units outstanding *[Note 7]*	**30,020,640**	30,379,175
Net Assets per unit	**$8.66**	$8.60

See accompanying notes.

OCP CREDIT STRATEGY FUND

STATEMENTS OF OPERATIONS (Unaudited)

For the six months ended June 30,

	2012 **$**	2011 $
INVESTMENT INCOME		
Interest	**9,710**	14,427
EXPENSES		
Dealer service fee *[Note 5]*	**528,906**	412,130
Management fees *[Note 5]*	**413,208**	321,976
Harmonized Sales Tax	**99,577**	80,256
Securityholder reporting costs	**38,606**	41,459
Custodian and valuation fees	**21,480**	19,197
Legal fees	**14,837**	21,151
Audit fees	**11,864**	6,074
Independent Review Committee fees	**23,398**	19,679
Trustee fees	**4,972**	5,001
	1,156,848	926,923
Net investment loss	**(1,147,138)**	(912,496)
REALIZED AND UNREALIZED GAIN (LOSS) ON FORWARD AGREEMENT AND TRANSACTION COSTS		
Net realized gain on partial settlements of Forward Agreement	**1,236,634**	1,471,829
Transaction costs *[Notes 2 and 6]*	**(330,015)**	(255,943)
Net change in unrealized appreciation on Forward Agreement	**12,512,324**	8,467,058
Net gain on Forward Agreement	**13,418,943**	9,682,944
Increase in net assets from operations	**12,271,805**	8,770,448
Increase in net assets from operations per unit	**$0.41**	$0.41

See accompanying notes.

OCP CREDIT STRATEGY FUND

STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

For the six months ended June 30,

	2012 **$**	2011 $
Increase in Net Assets from operations	**12,271,805**	8,770,448
Distributions to unitholders *[Note 4]*		
Return of capital	**(10,562,968)**	(8,742,016)
Capital unit transactions *[Note 7]*		
Subscriptions received	**–**	87,032,000
Redemption of units	**(2,771,646)**	(1,979,655)
Units purchased for cancellation	**(372,845)**	–
Agents' fees and expenses of issue *[Note 1]*	**–**	(3,781,280)
	(3,144,491)	81,271,065
Increase (decrease) in Net Assets for the period	**(1,435,654)**	81,299,497
Net Assets, beginning of period	**261,335,573**	197,102,753
Net Assets, end of period	**259,899,919**	278,402,250

See accompanying notes.

OCP CREDIT STRATEGY FUND

SCHEDULE OF FORWARD AGREEMENT (Unaudited)

As at June 30, 2012

Number of Shares or Par Value (US$)	Description	Maturity Date	Average Cost $	Fair Value $
Investments held in OCP Investment Trust				
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
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

SCHEDULE OF FORWARD AGREEMENT (Unaudited) continued

As at June 30, 2012

Number of Shares or Par Value (US$)	Description	Maturity Date	Average Cost $	Fair Value $
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
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 know 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 know 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
985,500	Cengage Learning Acquisitions, Inc., Incremental Term Loan	July 15, 2017	883,940	861,936
8,660,000	Cheasapeake 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

SCHEDULE OF FORWARD AGREEMENT (Unaudited) continued

As at June 30, 2012

Number of Shares or Par Value (US$)	Description	Maturity Date	Average Cost $	Fair Value $
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., Extented 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
OPTIONS				
1,575	SPY Put @ USD $130 – August 18, 2012		333,437	218,237
Total Options			333,437	218,237
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

OCP CREDIT STRATEGY FUND

SCHEDULE OF FORWARD AGREEMENT (Unaudited) continued

As at June 30, 2012

Number of Shares or Par Value (US$)	Description	Maturity Date	Average Cost $	Fair Value $
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
Total Long positions			**217,939,957**	**222,755,752**
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)
(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)
Total Short Positions			**(36,897,084)**	**(35,851,270)**

SCHEDULE OF FORWARD AGREEMENT (Unaudited) continued

As at June 30, 2012

Number of Shares or Par Value (US$)	Description	Maturity Date	Average Cost $	Fair Value $
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)**
FORWARD CONTRACTS				
	United States Dollars			
	Forward currency contract 10/31/2012		–	(7,616,976)
Total Forward Contracts			**–**	**(7,616,976)**
Adjustment for transactions costs			(24,566)	–
Total Investments			**180,492,335**	**178,777,902**
Other Assets and Liabilities held in OCP Investment Trust				
	Cash			102,224,245
	Cash on deposit with broker as collateral			509,424
	Receivable for investments sold			4,394,490
	Accrued interest			902,188
	Interest payable on short positions			(708,234)
	Accounts payable and accrued liabilities			(460,283)
	Redemptions payable			(6,000,000)
	Payable for investments purchased			(20,363,174)
	Section 3855 valuation adjustment *[Note 6]*			12,682
Forward Agreement				**259,289,240**

[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.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2012

1. THE FUND

OCP Credit Strategy Fund (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 completed an initial public offering of 20,000,000 units at $10 per unit. On December 3, 2009, an over-allotment option granted to agents was exercised for 780,000 units at $10 per unit. Agents' fees and expenses of issue relating to the initial public offering of units totaled $11,771,048. On June 21, 2011, a follow-on offering was completed for 8,600,000 units at $10.12 per unit. On July 7, 2011, an over-allotment option granted to agents was exercised for 1,240,000 units at $10.12 per unit. Agents' fees and expenses of issue relating to these offering of units were $4,317,206.

The Fund is designed to provide unitholders with exposure to the performance of an actively managed, diversified portfolio (the ''Portfolio'') comprised primarily of 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 offerings 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 20, 2014 (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 Investment 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 period. 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 Statements of Operations under ''Net change in unrealized appreciation on Forward Agreement''. Trade date accounting is used.

Transaction costs

Portfolio transaction costs are expensed and are included in ''Transaction costs'' in the Statements of Operations. Transaction costs are fees incurred in conjunction with the Fund's Forward Agreement.

Income and expense recognition

The accrual method of recording income and expenses is followed.

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.

Valuation of fund units for transaction purposes

Net asset value per unit 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.

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.

NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments of the Fund include cash, receivable from Counterparty under Forward Agreement, accounts payable and accrued liabilities and distributions payable. 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 currently targeted to be $0.175 per unit ($0.70 per annum to yield 7.0% on the initial 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 0.3125% based on the net asset value of the Fund, as well as an annual fee of 0.9375% based on the net asset value of the Trust (total overall management fee of 1.25%). 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 weekly and paid quarterly in arrears.

In addition, the Manager is entitled to an annual performance fee (the ''Performance Fee'') from the Trust once a unitholder of OCP Investment Trust 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 OCP Investment Trust 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. Furthermore, the Manager, at its own discretion, has determined that the performance fee will also be subject to the unitholders of the Fund receiving a preferred return of 8%. The Threshold Amount is the greatest of: (i) the net asset value per unit of OCP Investment Trust immediately following the closing of the initial offering; (ii) the net asset value per unit of OCP Investment Trust on the Determination Date for the previous fiscal year (after payment of such Performance Fee); and (iii) the net asset value per unit of OCP Investment Trust on the Determination Date in the last fiscal year in which a Performance Fee was paid (after payment of such Performance Fee).

During 2012, the Trust incurred a performance fee of $16,170 (2011 – $12,269) and no amount was owing as at 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. 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 20, 2014, 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 Investment Trust, net of any amount owing by the Fund to the Counterparty. The Fund will partially settle the Forward Agreement 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. Under the Forward Agreement, the Fund pays to the counterparty an annual fee of 0.25% of the notional amount of the Forward Agreement (being equal to the net asset value of the Trust), calculated weekly and paid quarterly in arrears.

The fair value of the Fund's Forward Agreement is equal to the net asset value of the Trust calculated at closing sale prices. As at June 30, 2012, the net asset value of the Trust was $259,289,240. For financial statement reporting purposes, the net assets of the Trust include portfolio securities measured in accordance with Section 3855 of the CICA Handbook, which for publicly listed securities is based on closing bid prices on

NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

long positions and ask prices for short positions on a recognized stock exchange on which the investments are listed or principally traded. The following reconciles the net assets of the Trust to the fair value of the Forward Agreement as at June 30, 2012 and December 31, 2011:

	2012	2011
Net assets of the Trust based on closing bid prices	$259,276,558	$260,114,649
Section 3855 valuation adjustment	12,682	25,633
Forward Agreement, at fair value	$259,289,240	$260,140,282

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 2011, units may be surrendered annually for redemption during the year from the first business day in January until 5:00pm (Toronto time) on January 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 March 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 periods ended June 30 are summarized as follows:

	2012 **#**	2011 #
Units outstanding, beginning of period	30,379,175	20,780,000
Issuance of units	–	8,600,000
Redemption of units	(315,035)	(205,625)
Units purchased for cancellation	(43,500)	–
Units outstanding, end of period	**30,020,640**	**29,174,375**

Under a normal course issuer bid, which will expire on July 16, 2013, the Fund has the ability to repurchase units up to a maximum of 10% of the public float at the time the bid commenced. Under the bid, units were repurchased at their market price through the facilities of the Toronto Stock Exchange (''TSX''). 75,200 units were purchased under the previous normal course issuer bid at an average price of $8.51 per unit.

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 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 the risks and risk management applicable to the Trust and 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 June 30, 2012, the credit exposure is $259,289,240 (December 31, 2011 – $260,140,282) 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

NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

managed by dealing with a counterparty that the Manager believes to be creditworthy and through regular monitoring of credit exposures. As at June 30, 2012, 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. The Trust 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 creditworthiness. This represents the main concentration of credit risk. The fair value of the debt securities held in the Portfolio includes consideration of the creditworthiness of the issuer. The Schedule of Forward Agreement discloses the securities that 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.

Within the Trust's Portfolio, the maximum exposure to any one debt issuer as of June 30, 2012 was $13,696,595 representing 5.28% of the net assets of the Trust (December 31, 2011 – $16,207,830 or 6.23%).

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

	As a % of the Trust's net assets	
Credit Rating	**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.

All transactions executed by the Trust 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 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.

The Fund has financial liabilities outstanding including accounts payable and accrued liabilities and distributions payable. These financial liabilities are all current and due within 12 months. The Fund has sufficient cash and other current assets to settle the 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.

The Fund is exposed to the performance of the Trust, which invests in debt securities which may bear interest. Consequently, the Fund is exposed to interest rate risk on the Portfolio. 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 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

NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

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 significant exposure to foreign exchange risk as substantially all of the Trust'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.

The Fund is exposed to the performance of the Trust, which does not invest substantially in equity securities and as a result, the Fund does not have a significant exposure to other price risk as of June 30, 2012 and December 31, 2011.

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 its most recent Annual Information Form. Restrictions and specific requirements on the redemption of units are described in Note 7. The Statements of Changes in Net Assets and Note 7 outline the relevant changes of the Fund's units for the period.

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 currently targeted to be $0.175 per unit ($0.70 per year to yield 7% per year based on the $10.00 initial 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 refunding provisions contained in the Income Tax Act (Canada) and provincial income tax legislation, as redemptions occur. It is the intention of the Fund to pay all net taxable income and sufficient net taxable gains so that the Fund will not be subject to income taxes. If the Fund distributes more than it earns, this excess distribution is a return of capital and is not taxable to unitholders.

As of December 31, 2011, the Fund has accumulated $8,353,377 of non-capital losses, which may be carried forward to reduce future taxable income and expire in the years indicated:

	Expiration of Non-Capital Losses		
Non-Capital Losses	2029	2030	2031
$8,353,377	$637,867	$3,673,163	$4,042,347

11. 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 has reviewed the existing body of IFRS against its current policies under Canadian GAAP and has noted certain policy differences, the most notable is the requirement to consolidate the financial results of the Fund with the Trust. Currently, investment entities would have to follow the consolidation requirements as set out in IFRS 10 Consolidated Financial Statements because IFRS does not differentiate between them and other entities. As a result, they would have to consolidate their financial statements with that of an entity they are investing in if they control that entity. As part of a project on consolidated financial statements, the IASB published an Exposure Draft (''ED'') for Investment Entities on August 25, 2011, that proposes an exception to the principle in IFRS that an entity consolidates all controlled entities. Instead, the ED would require an entity that meets the criteria to be an investment entity to measure all controlled investments at fair value, with changes recognized in profit or loss. Comments on the ED were due by January 5, 2012. The IASB expects to complete the project in the second half of 2012.

NOTES TO FINANCIAL STATEMENTS (Unaudited) continued

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.

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.

12. RECLASSIFICATION

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

910 Sylvan Avenue, Englewood Cliffs
New Jersey U.S.A. 07632
(647) 260-4055 or (877) 260-4055
www.ocpcreditstrategy.com • info@ocpfunds.com