MARRET HIGH YIELD STRATEGIES FUND

2012 Interim Management Report of Fund Performance

MARRET ASSET MANAGEMENT INC.

MARRET HIGH YIELD STRATEGIES FUND

This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the Fund. The interim and annual financial statements are in a separate booklet. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by collect calling 416-214-5800, by sending a request to Investor Relations, Marret Asset Management Inc., 200 King Street West, Suite 1902, Toronto, ON M5H 3T4, or by visiting our website at www.marret.com or the SEDAR website, at www.sedar.com.

You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The Fund

Marret High Yield Strategies Fund (the "**Fund**") is a closed-end investment fund managed by Marret Asset Management Inc. ("**Marret**" or the "**Manager**"). The units of the Fund trade on the Toronto Stock Exchange under the symbol MHY.UN. Through a forward agreement (the "**Forward Agreement**") between the Fund and Bank of Nova Scotia (the "**Counterparty**"), the Fund is exposed to a portfolio of securities (the "**Portfolio**") held by Marret HYS Trust. The Portfolio is comprised primarily of debt securities and term loans that are generally rated at or below BB+ from Standard & Poor's, or Ba1 or less from Moody's Investor Services, Inc., or a similar rating from a qualified rating agency. The Counterparty has agreed to pay the Fund on May 30, 2014, the economic return provided by the Portfolio. The Manager intends to make a proposal in the fall of 2012 to extend the term of the Fund for five years from the date in 2012 specified in such proposal. In the event the term extension is approved, the Fund will terminate in 2017. The Portfolio is managed by the Manager.

Investment Objective and Strategies

The Fund was created to achieve the following investment objectives: (i) to maximize total returns for holders of units of the Fund, consisting of both tax-advantaged distributions and capital appreciation, while attempting to reduce risk, and (ii) to provide holders of units of the Fund with attractive monthly tax-advantaged cash distributions by obtaining exposure to the Portfolio, which is focused primarily on high yield debt. The specific strategy employed by the Manager from time to time in managing the Portfolio will depend on the phase of the credit cycle.

The return to investors of the Fund is dependent on the return of Marret HYS Trust's portfolio pursuant to the Forward Agreement. As a result, this management report of fund performance includes discussion of the performance of Marret HYS Trust, where applicable.

Risk

Risks associated with an investment in the units of the Fund are discussed in the Fund's prospectus dated May 28, 2009 (the "**Prospectus**"), which is available on the Fund's website at www.marret.com or on SEDAR at www.sedar.com. There has been no change in the Fund's stated investment strategy, and no changes to the Fund in the first six months of 2012 that have materially affected the risks associated with an investment in the units of the Fund.

Leverage

Through the Forward Agreement, the Fund is exposed to leverage in Marret HYS Trust. Leverage did not cause a material change in the risk associated with an investment in units of the Fund. An increase in leverage may cause an investment in units to become more risky should any event adversely affect the value of an investment held by the Portfolio as the impact would be magnified to the extent leverage is employed. The leverage of the Fund during the period was below the threshold as stated in the prospectus and did not result in a change in suitability of the investment from what was previously disclosed in the Prospectus.

As indicated in the Fund's Prospectus, the net exposure of Marret HYS Trust will not exceed 135%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by the net asset value of Marret HYS Trust. At June 30, 2012, the Portfolio's net exposure was 41.7% of the net asset value of Marret HYS Trust.

Figures presented in this management report of fund performance are generally based on the Fund's calculation of its weekly net asset value ("**Net Asset Value**"), in accordance with the Fund's Prospectus which may be calculated on a basis different from the application of Canadian Institute of Chartered Accountants ("**CICA**") Section 3855. In accordance with National Instrument 81-106—*Investment Fund Continuous Disclosure* ("**NI 81-106**"), certain figures are derived from the financial statements' calculation of net assets ("**Net Assets**") and are noted as such.

Results of Operations from January 1, 2012 to June 30, 2012

Risk markets finished strongly in June on optimism that the EU Summit would produce definitive responses to stem the European sovereign debt crisis along with the expectation of further coordinated global monetary easing. This optimism was in spite of meaningful deterioration in global growth, putting the economic recovery at risk.

Markets began the year sharply higher on the belief that strong economic growth had resumed and perhaps was more sustainable this time around. Strong returns in equity and high yield markets were driven by improved U.S. economic data, accommodative monetary policy from central banks around the world, including the ECB's Long Term Refinancing Operations (LTROs) and China reducing the reserve requirement for its banking system, and reduced uncertainty from an agreement that was reached with respect to the restructuring of Greece's sovereign debt.

As the year progressed, it was apparent that global growth was decelerating in most parts of the world, while earlier strength in the U.S. appears to have been influenced more by mild seasonal weather than a revived economy. The weak economic growth has resulted in a return of volatility and a clear flight to safety bid into the U.S. dollar as well as U.S. government debt, driving 10 year Treasury yields to all-time lows. Economic weakness was especially pronounced in Europe as growth turned negative for many Eurozone countries putting further pressure on deficit funding requirements for those with high debt to GDP ratios. Spanish sovereign yields rose dramatically as investors increasingly focused on the solvency of the Spanish banking system and the implications a bailout could have on Spain's debt levels. Uncertainty continued to plague Greece on fears a new government would renege on previous agreements or potentially leave the Eurozone. Despite all this, optimism had returned by quarter end as Greek elections passed with no material impact, followed by a plan initiated at the EU Summit to ease funding pressures for both banks and sovereigns.

The high yield market followed a similar pattern with spreads rallying to approximately 580bps in mid-March and widening to approximately 720bps in mid June before closing at 650bps. High yield returns have been driven by strong demand as investors searched for yield in an environment where central banks are determined to keep interest rates low. Excess spreads (the spread less expected loss due to defaults) remained at attractive levels given default rates were relatively low at around 2%, well below their 4% historical average, while yields have fallen to 7.4%. For the six month period ended June 30, 2012, the BofA Merrill Lynch Master U.S. High Yield Master II Index (hedged to CAD) returned 7.3% while the Fund returned 0.4%.

Despite recently renewed optimism that policy response will be enacted, the reality is that the economy is fragile and debt levels across many Western nations are too high. While Europe is moving in the right direction, progress is often slow and uneven. Due to these macro concerns, we continued to keep cash balances at relatively high levels, while maintaining relatively low net exposure to high yield over the period given the risks of significant spread widening in a global sovereign debt crisis. We added some exposure to U.S. and CAD Intermediate term Governments and reduced government hedges on our high grade corporate bond positions over the period, as we were focused on preserving capital while generating some yield. Our yield exposure continued to be conservatively positioned focusing on higher quality corporate bonds as well as shorter duration high yield bonds, while maintaining some exposure to total return opportunities that are believed to have favorable risk/reward characteristics. During the first half of the year, the fund benefitted from its core high yield portfolio, which generated positive returns, as well as its capital structure arbitrage positions, which also contributed positively to returns predominantly due to the yield underlay. The portfolio gained from its tactical long positions in Markit CDX North American High Yield Index ("**CDX**"), while additionally generating positive returns on its investment grade bond positions net of government hedges. The Fund underperformed its benchmark primarily due to its low net exposure to the market over the period. The fund was also negatively impacted by its short equity positions and its precious metals exposure which were used to protect the portfolio from a major market sell-off. We believe that future volatility will present attractive buying opportunities in high yield credit over the coming quarters which we are well positioned to take advantage of.

Recent Developments

Looking forward, we expect that Europe will make progress. The Eurozone will eventually end up with fewer members, will have to endure 3-4 defaults and or restructurings and must achieve fiscal unity. As with most things, the theory is relatively straight forward and the execution very difficult. The markets are perpetually hopeful around summits and meetings and generally disappointed afterwards. A solution appears to be many months away and those months are likely to be volatile for markets.

One important change in our view relates to overall market positioning. The sovereign debt problems of Europe and the U.S. are not improving. There is more government debt today than last year and there will be more every month for many months to come. The political process to retard and reverse the rising debt is progressing but it is painfully slow and uneven. The economic fundamentals are not improving either. Data points in Europe are clearly recessionary, U.S. data is deteriorating at a modest rate and is very close to being consistent with recessionary periods, and China is slowing at an indeterminate rate. Yet markets seem stuck in fairly tight ranges with a minor bias to rise around hopes for policy breakthrough in Europe.

We believe this is a direct result of market positioning. The market is not "positioned for perfection" as often is the case when fundamentals are being ignored. Financial leverage is very low right now, hedge fund net exposure is at decade lows, dealer inventories are non-existent, pension funds have high quality yield oriented portfolios and banks worldwide are still shrinking their balance sheets. The one group that is increasing leverage is the worlds' Central Banks. In this environment, it is difficult for markets to crash as everybody is waiting to deploy capital on market declines.

We believe that there is more risk than reward in the world but central bank policies and market positioning are Insulating markets from major sell-offs. Europe is making progress but still has a ways to go and it is unlikely that the solutions will come without material market volatility. At some point, likely in 2013, sovereign debt problems will spread to the U.S. We believe this will lead to a sharp rise in U.S. Treasury yields, a weaker U.S. dollar, higher gold prices and lower equity prices. It is likely this will coincide with declining corporate profits and margins. As a result, we continue to focus on risk adjusted returns, and are inclined to remain conservative rather than take larger risks with more downside than upside.

On May 8, 2012, the Fund announced that the TSX had accepted its notice of intention to make a normal course issuer bid ("**NCIB**"). The NCIB commenced on May 10, 2012 and will expire on May 9, 2013. Under the NCIB, the Fund purchased 21,200 units at an average price of $9.81 per unit.

On June 12, 2012, Marret also announced that it had reduced the Fund's monthly distribution rate from $0.067 per unit to $0.05 per unit, effective July 31, 2012. The revised monthly distribution rate represents a current yield of 6.19% per annum based on the closing price of the units on the TSX on June 11, 2012. The revised distribution rate will apply for the monthly payment dates in the quarter ended September 30, 2012. Marret decided to reduce the distribution rate based on its outlook for the high yield market and for markets generally. Marret has lowered its return expectations for the near term as a result of the continued risks associated with high levels of sovereign debt and the anticipated effects of deleveraging on world economies. In addition, the current high yield environment is not conducive to meeting a higher distribution rate. In accordance with past practice, the monthly distribution rates applicable in subsequent quarters will be announced by Marret prior to the beginning of the relevant quarter.

On August 1, 2012, Marret announced that 9,204,598 units of the Fund (representing 11.4% of the outstanding units of the Fund) were submitted for redemption on the annual redemption date of July 31, 2012. Unitholders who tendered units for redemption were entitled to receive $9.8164 per unit, the net asset value per unit on the annual redemption date. Redeeming unitholders were also entitled to receive the previously announced monthly distribution for July of $0.05 per unit. Payments were to be made on or about August 13, 2012.

International Financial Reporting Standards

At the December 12, 2011 meeting, the Canadian Accounting Standards Board ("**AcSB**") decided to extend the mandatory International Financial Reporting Standards ("**IFRS**") changeover date for Canadian investment companies by an additional year. This is the third such deferral for investment companies. Accordingly, the new mandatory IFRS changeover date for these entities is January 1, 2014. The AcSB issued the amendment to the Introduction to Part I of the CICA Handbook in March 2012.

The Fund has been monitoring developments in the IFRS conversion program and has been assessing the likely impacts on implementation decisions, internal controls, information systems and training. In May 2011, the International Accounting Standards Board issued IFRS 13 Fair Value Measurement, which defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. It only applies when other IFRSs require or permit fair value measurement. If an asset or a liability measured at fair value has a bid price and an ask price, it requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. It allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. This may result in elimination of the differences between the Net Assets per unit and Net Asset Value per unit at the financial statements reporting dates.

Based on the Fund's current assessment of the differences between Canadian GAAP and IFRS, other than the impact due to IFRS 13 noted above, it is not expected that there would be any other impact on the Funds' Net Asset Value per unit or Net Assets per unit. Management has presently determined that the impact of IFRS to the financial statements would be limited to additional note disclosures and potential modifications to presentation including unitholders' equity. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

Related Party Transactions

Related party transactions consist of services provided by the Manager to the Fund. Pursuant to the management agreement, the Manager receives a management fee from the Fund equal to 0.25% per annum of the net asset value of the Fund (or 1.00% in total when combined with the management fee received from Marret HYS Trust), calculated and payable monthly in arrears, plus applicable taxes. The management fee is in consideration for providing management, portfolio management, and administrative services and facilities to the Fund. In addition to the management fee, the Manager receives a service amount calculated and paid as soon as practicable after the end of each calendar quarter, equal to 0.40% per annum of the Net Asset Value attributable to the units of the Fund. The service amount is paid to brokers based on the number of units of the Fund held by clients of such brokers at the end of the relevant quarter.

For the six months ended June 30, 2012, the management fee, inclusive of applicable taxes, earned was $1,026,718 ($4,191,305 in total when combined with the management fee earned from Marret HYS Trust). The service amount paid/payable from the Fund, inclusive of applicable taxes, for the six months ended June 30, 2012 was $1,642,715.

The Manager also receives a performance fee from Marret HYS Trust (the "**Performance Fee**"). The Performance Fee is determined as of December 31 of each year and for each year is an amount for each unit of Marret HYS Trust then outstanding equal to 15% of the amount by which the sum of (i) the net asset value of such unit (without taking into account the Performance Fee), and (ii) the distributions paid on such unit during the previous 12 months, exceeds 106.35% of the "Threshold Amount". For years ending after December 31, 2009, the Threshold Amount is the greater of (i) the net asset value per unit of the Fund immediately following June 17, 2009, which was $10.00, (ii) the net asset value per unit of Marret HYS Trust on December 31 for the previous fiscal year (after payment of the Performance Fee), and (iii) the net asset value per unit of the Fund on December 31 in the last fiscal year in which a Performance Fee was paid (after payment of the Performance Fee). There was no Performance Fee accrued for the six months ended June 30, 2012.

Forward-Looking Statement

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as **"may"**, **"will"**, **"should"**, **"could"**, **"expect"**, **"anticipate"**, **"intend"**, **"plan"**, **"believe"**, or **"estimate"** or other similar expressions. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest, and the risks detailed from time to time in the fund's simplified prospectus. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND PERIODS ENDED DECEMBER 31, 2009 TO DECEMBER 31, 2011

The following tables show selected key financial information about the Fund that are intended to help you understand the Fund's financial performance for the six months ended June 30, 2012 and for the past three periods ended December 31, as applicable. The inception of the Fund was June 17, 2009. In the year a fund is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31.

The Fund's Net Assets per Unit (1)

	Six months ended June 30, 2012	Period ended Dec 31, 2011	Period ended Dec 31, 2010	Period ended Dec 31, 2009 (2)
Net Assets, beginning of period	$ 10.14	$ 10.79	$ 10.20	$ 10.00
Issue expense (3)	$ -	$ -	$ -	$ (0.56)
Net Assets, beginning of period (net of issue expense)	$ 10.14	$ 10.79	$ 10.20	$ 9.44
Increase / (decrease) from operations:				
Total revenue	$ -	$ -	$ -	$ -
Total expenses	$ (0.05)	$ (0.11)	$ (0.11)	$ (0.06)
Realized gains / (losses) for the period	$ 0.04	$ 0.14	$ 0.12	$ 0.03
Unrealized gains / (losses) for the period	$ 0.02	$ 0.02	$ 1.38	$ 1.23
Total increase / (decrease) from operations (4)	$ 0.01	$ 0.05	$ 1.39	$ 1.20
Distributions:				
From income	$ -	$ -	$ -	$ -
From dividends	$ -	$ -	$ -	$ -
From capital gains	$ -	$ -	$ -	$ -
Return of capital	$ 0.40	$ 0.80	$ 0.80	$ 0.43
Total Distributions (5)	$ 0.40	$ 0.80	$ 0.80	$ 0.43
Net Assets, end of period	$ 9.78	$ 10.14	$ 10.79	$ 10.20

(1) This information is derived from the Fund's audited annual and unaudited interim financial statements. The Net Assets per unit presented in the financial statements differs from the Net Asset Value calculated for weekly Net Asset Value purposes. The Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities on that date and includes the valuation of securities at bid prices for securities held long and at ask prices for securities held short divided by the number of units then outstanding.
(2) Information presented is for the period from June 17, 2009 to December 31, 2009.
(3) Issue expenses of $9,323,787 were paid by participants of the offering of 21,085,000 units ($0.44 per unit) in February 2012. Issue expense of $9,770,324 were paid by participants of an offering of 21,275,000 units ($0.46 per unit) in September 2011. Issue expense of $7,409,106 were paid by participants of an offering of 15,666,109 units ($0.47 per unit) in October 2010. These amounts have been excluded from the table above as they did not impact existing unitholders.
(4) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the period.
(5) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

Ratios and Supplemental Data (based on Net Asset Value)

	Six months ended June 30, 2012	Period ended Dec 31, 2011	Period ended Dec 31, 2010	Period ended Dec 31, 2009 (1)
Total Net Asset Value	$ 789,888,629	$ 605,283,673	$ 414,311,288	$ 231,901,872
Number of Units Outstanding	80,734,909	59,671,109	38,396,109	22,730,000
Management Expense Ratio ("MER") (2)	4.34%	4.81%	6.46%	9.06%
Trading Expense Ratio (3)	0.02%	0.03%	0.04%	0.05%
Portfolio Turnover Rate (4)	4.46%	8.31%	8.12%	3.74%
Net Asset Value per Unit	$ 9.78	$ 10.14	$ 10.79	$ 10.20
Closing Market Price	$ 9.70	$ 11.06	$ 11.31	$ 10.68

(1) Information presented is for the period from June 17, 2009 to December 31, 2009.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) of the Fund and Marret HYS Trust for the stated period, including interest expense and issuance costs, and is expressed as an annualized percentage of daily average Net Asset Value of the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager 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 the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period. The portfolio turnover ratio for Marret HYS Trust for the period ended June 30, 2012 was 398.69% (2011—311.87%, 2010—240.37% and 2009—40.01%)

Management Expense Ratio

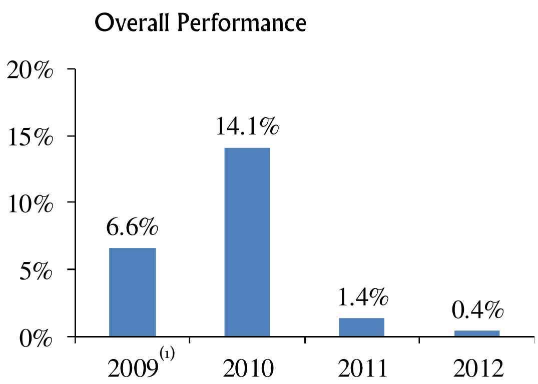
The MER for the period after adjusting for one-time issue expenses which were paid by the participants of the new issue was 3.10% (2011 – 2.77%, 2010 – 3.82%; 2009 – 3.46%). The calculation of the MER requires that all items included in the expenses, as presented in the statement of operations of the Fund and Marret HYS Trust, be included in this calculation. As Marret HYS Trust invests both long and short, the expenses in the statement of operations include interest expense (on cash borrowings), security borrowing fees, interest expense on short positions, and dividend expense on short positions. These expenses (collectively "execution expenses") relate to execution of the investment strategy, not the administrative efficiency of the Fund, and increase the MER relative to funds that invest long only. The MER for the Fund excluding one time issue expenses and execution expenses for the period was 1.85% (2011 – 1.88%, 2010 – 3.53%; 2009 – 3.11%). The MER also includes performance fees in years that a performance fee was earned by the Manager. The MER for the period excluding one time issue expenses, execution expenses and performance fees was 1.85% as there were no performance fees earned (2011 – 1.88%, 2010 - 1.87%; 2009 – 1.87%).

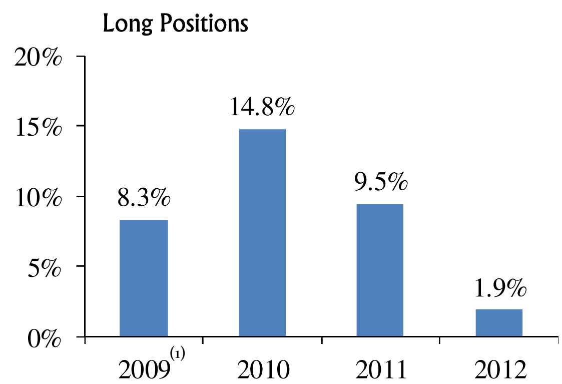
PAST PERFORMANCE

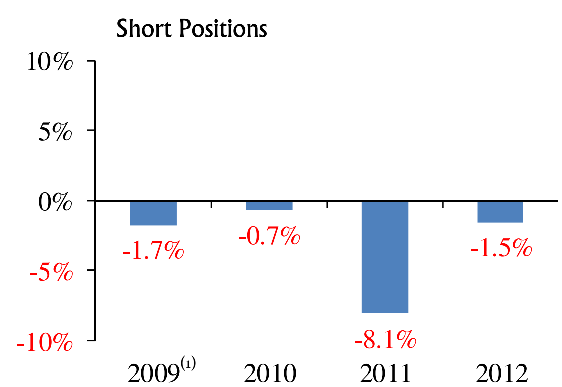
This section shows the historical performance for the Fund for the six months ended June 30, 2012 and each of the previous periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar charts show the Fund's total return for the overall Portfolio, long Portfolio positions and short Portfolio positions for the periods from inception to June 30, 2012. The charts show, in percentage terms, how an investment held on the first day of each period would have changed by the last day of the period.







(1) Period from June 17, 2009 (Fund inception) to December 31, 2009.

Benchmark Indices

BofA Merrill Lynch U.S. High Yield Master II Index hedged to CAD ("**High Yield Index**"), the S&P/TSX Composite Total Return Index ("**TSX**") and the S&P 500 Total Return Index hedged to CAD ("**S&P 500**"). The High Yield Index is a broad-based index that tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The TSX tracks the performance of approximately 300 large-cap stocks listed on the TSX and the S&P 500 tracks 500 large-cap U.S. stocks representing all major industries.

Compound Returns

The following table shows the Fund's compound return for each period indicated, compared with the High Yield Index, TSX and S&P 500. The High Yield Index, TSX and S&P 500 are calculated without the deduction of fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Six months ended June 30, 2012	Since Inception (1)
Marret High Yield Strategies Fund - Overall (2)	0.4%	7.3%
Long positions	*1.9%*	*19.4%*
Short positions (3)	*-1.5%*	*-12.1%*
BofA Merrill Lynch U.S. High Yield Master II Index (4)	7.3%	15.5%
S&P/TSX Composite Total Return Index	-1.5%	6.9%
S&P 500 Total Return Index (4)	9.7%	16.4%

(1) Period from June 17, 2009 (Fund inception) to June 30, 2012.
(2) Based on Net Asset Value per unit and assuming that distributions made by the Fund on its units in the periods shown were reinvested (at Net Asset Value per unit) in additional units of the Fund.
(3) Annual compound return for short positions does not include foreign currency hedging gains/losses.
(4) Hedged to the Canadian dollar.

SUMMARY OF INVESTMENT PORTFOLIO
AS AT JUNE 30, 2012

Portfolio Composition [1]

Category	Percentage of Net Asset Value
High Grade Corporate Debt Long	27.1%
High Yield Corporate Debt Long	21.4%
Government Debt Long	8.6%
Capital Structure Arbitrage - Debt Long vs Debt Short	3.4%
ETFs Long	3.1%
Capital Structure Arbitrage - Debt Long vs Equity Short	1.9%
Equities Long	1.5%
Convertible Debt Long	1.5%
Bank Loans Long	0.8%
Business Trusts Long	0.0%
Capital Structure Arbitrage - Equity Long vs Debt Short	-0.0%
Business Trusts Short	-0.7%
Equities Short	-0.8%
ETFs Short	-3.5%
High Yield Corporate Debt Short	-10.9%
Government Debt Short	-11.3%
Cash and Cash Equivalents	59.7%
Other assets (liabilities)	-1.8%
Total Net Asset Value (in $ millions)	789.9

Top 25 Holdings [2]

Security Name	Percentage of Net Asset Value
Long Positions	
Cash and Cash Equivalents	59.1%
US Treasury N/B 0.625% 31May2017	5.0%
Procter & Gamble Co/The 5.55% 05Mar2037	4.4%
Cline Mining Corp 10% 27Feb2014	4.0%
Johnson & Johnson 4.85% 15May2041	3.6%
Canada Government 0.875% 14Feb2017	3.6%
McDonald's Corp 6.3% 01Mar2038	3.5%
Johnson & Johnson 4.5% 01Sep2040	3.0%
Microsoft Corp 5.3% 08Feb2041	2.5%
Data & AV Ent Holdings 15% 25Sep2018	2.0%
MGM Resorts Intl 6.75% 01Sep2012	1.9%
Procter & Gamble Co/The 4.7% 15Feb2019	1.9%
Microsoft Corp 3% 01Oct2020	1.9%
SPDR Gold Trust	1.8%
EV Energy Partners/Finan 8% 15Apr2019	1.7%
Berkshire Hathaway Inc 3.4% 31Jan2022	1.6%
Wal-Mart Stores Inc 5% 25Oct2040	1.5%
Inmet Mining Corp 8.75% 01Jun2020 144A	1.5%
New Gold Inc 5% 29Jun2014	1.4%
MGM Resorts Intl 13% 15Nov2013	1.3%
Ford Motor Credit Co LLC 7% 01Oct2013	1.2%
Short Positions	
US Treasury N/B 3.125% 15Feb2042	-7.3%
US Treasury N/B 1.75% 15May2022	-3.7%
iShares S&P/TSX Capped REIT	-1.6%
SPDR S&P Retail ETF	-1.4%
Total Portfolio Longs	70.3%
Total Portfolio Shorts	-28.6%

(1) Through the Forward Agreement, the Fund is exposed to the value of the investment portfolio of Marret HYS Trust. A summary of the investment portfolio of Marret HYS Trust is included above.

(2) The top 25 holdings of Marret HYS Trust, as a percentage of the Net Asset Value of Marret HYS Trust, have been presented in accordance with NI 81-106.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Updates will be available on a quarterly basis.

The prospectus and other information about the Fund are available on the internet at www.sedar.com and at www.marret.com.

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