

## **MATERIAL CHANGE REPORT**

### **Section 11.2 of National Instrument 81-106**

#### **Item 1 – Name and Address of Issuers:**

Marret High Yield Strategies Fund (the “**Fund**”)

c/o Marret Asset Management Inc. (the “**Manager**” or “**Marret**”)  
200 King Street West, Suite 1902  
Toronto, ON M5H 3T4

(416) 214-5800

#### **Item 2 - Date of Material Change:**

May 16, 2014

#### **Item 3 – News Release:**

The news release attached hereto as Schedule “A” was disseminated over Canada NewsWire on May 16, 2014.

#### **Item 4 – Summary of Material Change:**

The Fund will distribute the majority of its net assets to unitholders of record on June 12, 2014. The Fund will continue to hold two private positions until such investments can be liquidated and the net proceeds distributed to unitholders.

#### **Item 5 – Full Description of Material Change:**

##### **5.1 Full Description of Material Change**

The material change is fully described in the press release attached hereto.

##### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

#### **Item 6 – Reliance on subsection 11.2(2) of National Instrument 81-106:**

Not applicable.

#### **Item 7 - Omitted Information:**

Not applicable.

**Item 8 – Officer of the Manager of the Fund:**

Barry Allan

President and Chief Investment Officer  
(416) 214-5800

**Item 9 – Date of Report:**

May 21, 2014

## Schedule A

### **Marret Asset Management provides update on Marret High Yield Strategies Fund**

TORONTO (May 16, 2014) – Marret Asset Management Inc. today issued an update on Marret High Yield Strategies Fund (TSX: MHY.UN).

The majority of the net assets of the fund will be distributed to unitholders of record on June 12, 2014 (“Distribution Record Date”). The fund had been scheduled to terminate on May 30, 2014. Instead, the fund will continue in order to hold two private positions (the “Private Portfolio”). The Toronto Stock exchange has confirmed that the fund will continue to be listed after the Distribution Record Date. Marret’s intention is to distribute the net proceeds from the Private Portfolio when the holdings are sold and the proceeds are received by the fund.

As of April 30, 2014, the Private Portfolio accounted for \$1.18 of the fund’s net asset value per unit of \$8.75 or 13.5%. The remainder of the fund, which accounted for 86.5% or \$7.57 of the net asset value per unit at April 30, 2014, is the liquid portion of the portfolio (the “Liquid Portfolio”) and will be distributed on June 16, 2014 to the fund’s unitholders. The actual distribution per unit will be based on the net asset value of the fund and the value of the Liquid Portfolio on May 30, 2014, which will be announced on or about June 2, 2014.

As previously disclosed, the Private Portfolio consists of bonds issued by Cline Mining Inc. and Data & Audio-Visual Enterprises Holdings Inc. (Mobicity). Cline holds various mineral assets, including the Elk Coal Mine in Colorado, which has almost 620 million tons of in-place coal. The Cline bonds are secured and represented \$0.83 of the fund’s net asset value per unit as at April 30, 2014.

Mobicity owns a mobile communications network, including valuable wireless spectrum licences. The fund holds secured and unsecured bonds issued by Mobicity accounting for \$0.29 and \$0.06, respectively, of the fund’s net asset value per unit as at April 30, 2014.

Marret intends to publish a net asset value for the units on a weekly basis on its website at [www.marret.com](http://www.marret.com) and will provide updates on the status of the Private Portfolio as warranted. No ongoing management or other fees will be charged by Marret for overseeing the liquidation of the Private Portfolio and the winding up of the fund. Normal operating expenses of the fund payable to third parties (for audit, custody, transfer agency services, etc.) will be payable by the fund from the proceeds of the Private Portfolio.

Given that the Fund is maintaining its listing on the TSX, the trust units will be considered to be qualifying securities for registered plans. Unitholders who hold their units within a registered plan will not be subject to tax on the distribution. The fund anticipates that the majority of the distribution(s) received by unitholders who do not hold their units within a registered plan will be received as return of capital. The exact treatment will depend on the unitholder’s own circumstances. Unitholders are encouraged to consult with their own tax advisors.

#### **About Marret Asset Management Inc.**

Marret Asset Management Inc. specializes in fixed income and particularly in high-yield debt strategies. The experienced team of investment professionals is led by Barry Allan, President and Chief Investment Officer. He

founded Marret in 2000, following a career at Altamira, Nesbitt Thomson and a Canadian chartered bank, and has over 30 years of experience in credit and fixed-income markets. Marret is 65% owned by CI Financial Corp.

*For further information:*

Marret Investor Services

416-214-5800 or [investors@marret.com](mailto:investors@marret.com)

*This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions “seeks”, “expects”, “believes”, “estimates”, “will”, “target” and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of Marret and the managers of the underlying portfolios regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements. All forward-looking statements in this press release are qualified by these cautionary statements. Marret believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Marret can give no assurance that the actual results or developments will be realized. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks Factors” in the prospectus. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Marret undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.*