

2018 Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2018



Marret High Yield Strategies Fund

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment trust. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 416-214-5800, by writing to us at Marret Asset Management Inc., 2 Queen Street East, Twelfth Floor, Toronto, Ontario M5C 3G7 or by visiting our website at www.marret.com or SEDAR at www.sedar.com.

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

Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2018

RESULTS OF OPERATIONS

The net asset value of the Fund decreased by \$0.1 million to \$26.6 million from December 31, 2017 to June 30, 2018. The portfolio's performance decreased assets by \$0.1 million. The Fund returned -0.2% after fees and expenses for the six-month period ended June 30, 2018. Over the same time period, the Fund's benchmark returned 0.1%. The benchmark is the ICE Bank of America Merrill Lynch U.S. High Yield Total Return Index.

As previously announced, the Fund has continued to hold private positions (the "Private Portfolio"). 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. No ongoing management fee or other fees will be charged by Marret for overseeing the liquidation of the Private Portfolio.

The value of the Private Portfolio consists of equity and bonds issued by Cline Mining Inc. ("Cline"). Cline holds various mineral assets, including the New Elk Coal Mine in Colorado, which has almost 630 million tonnes of in-place coal.

RECENT DEVELOPMENTS

Cline Mining

The first half of 2018 saw some volatility in the price of metallurgical coal. After starting the year at ~\$260/tonne, prices ranged between \$180 and \$200 in April to June 2018. Prices have remained relatively high due to increased Chinese demand, supply disruptions in Australia, producer supply discipline and environmental group pressure limiting supply.

Cline continues to be engaged with multiple parties in exploring fresh capital and perhaps new ownership for Cline. The visions for Cline are extremely varied, as are these parties' perception of value. These negotiations are complicated and have proven to be protracted in the past. Overall, the prospects for a liquidity event have improved, yet are far from certain. Cline will face more challenging liquidity issues if a transaction is not completed in the near term.

RELATED PARTY TRANSACTIONS

Independent Review Committee

The Fund received standing instructions from the Independent Review Committee ("IRC") with respect to the following Related Party Transactions: trades in securities of CI Financial Corp. and Marret Resource Corp.

The applicable standing instructions require that Related Party Transactions be conducted in accordance with the Manager's policies and procedures. The Manager is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decisions in respect to Related Party Transactions (a) are made by the Manager free from any influence by any entities related to the Manager and without taking into account any consideration to any affiliate of the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (c) are made in compliance with the Manager's policies and procedures. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding Related Party Transactions during this reporting period.

Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2018

FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past six periods.

NET ASSETS PER UNIT ^(1,2,7)

Class A	Six Months Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Jun. 30, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Commencement of operations June 17, 2009	\$	\$	\$	\$	\$	\$
Net assets at the beginning of period ⁽¹⁾	0.73	0.73	0.73	0.99	9.00	9.75
Increase (decrease) from operations:						
Total revenue	-	-	-	0.16	-	-
Total expenses (excluding distributions)	-	-	-	-	(0.04)	(0.10)
Realized gains (losses) for the period	-	-	-	0.37	0.73	0.63
Unrealized gains (losses) for the period	-	-	-	(0.08)	(0.96)	(0.73)
Total increase (decrease) from operations ⁽²⁾	-	-	-	0.45	(0.27)	(0.20)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	(0.70)	(7.74)	(0.60)
Total distributions ^{(2),(3)}	-	-	-	(0.70)	(7.74)	(0.60)
Net assets at the end of the period shown ⁽¹⁾	0.73	0.73	0.73	0.73	0.99	9.00
Ratios and Supplemental Data						
Total net assets (\$) ⁽⁴⁾	26,639,278	26,681,504	26,708,027	26,764,866	36,180,984	331,011,022
Number of units outstanding ⁽⁵⁾	36,729,002	36,729,002	36,729,002	36,729,002	36,729,002	36,789,967
Portfolio turnover rate (%) ⁽⁶⁾	-	-	2.47	81.78	0.01	-
Trading expense ratio (%) ⁽⁶⁾	-	-	-	-	0.01	2.80
Management expense ratio after taxes (%) ⁽⁴⁾	0.36	0.37	0.35	0.12	0.93	2.80
Closing market price (\$)	0.08	0.14	0.14	0.045	0.11	8.00

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

(4) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) of the Fund for June 30, 2018, December 31, 2017, 2016 and 2015 and of the Fund and Marret HYS Trust for the prior periods, including interest expense and issuance costs, and is expressed as an annualized percentage of daily average Net Asset Value of the period.

(5) 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 period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period. 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.

(6) 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.

(7) This information is provided for the period ended June 30, 2018 and the years ended December 31.

Marret High Yield Strategies Fund

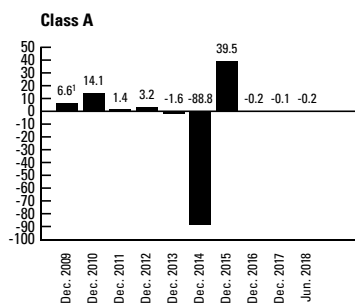
Management Report of Fund Performance for the period ended June 30, 2018

PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the Fund's semi-annual and annual performance for each of the periods shown and illustrates how the Fund's performance has changed from period to period. In percentage terms, the chart shows how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



¹ 2009 return is for the period from June 17, 2009 to December 31, 2009.

