

2021 Annual Management Report of Fund Performance

for the year ended December 31, 2021



Marret High Yield Strategies Fund

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 416-214-5800, by writing to us at Marret Asset Management Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 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 fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

To request an alternate format of this document, please contact us at service@ci.com or 1-800-792-9355.

INVESTMENT OBJECTIVE AND STRATEGIES

The Marret High Yield Strategies Fund (the Fund) is currently terminating pursuant to its Declaration of Trust which provides that, to the extent that the affairs of the Fund have not been completely wound up and all of the assets distributed to unitholders on or prior to the termination date (May 30, 2014), the Declaration of Trust shall continue in force and effect to the extent necessary or desirable to permit the Trustee to complete the winding up of the affairs of the Fund and distribute the remaining assets to unitholders as soon as practicable and, in such event, the Trustee shall carry on no activities on behalf of the Fund except for the purpose of winding up the affairs of the Fund. Previously, and up until the termination date, the Fund was created to achieve the following investment objectives: (i) to maximize total returns for unitholders, consisting of both tax advantaged distributions and capital appreciation and reducing risk, and (ii) to provide unitholders with attractive monthly tax advantaged cash distributions, initially targeted to be 8.00% per annum on the original issue price of \$10.00 per unit by obtaining exposure to the Portfolio, which is focused primarily on high yield debt.

RISK

The risks of investing in the Fund remain as discussed in its Initial Public Offering Prospectus. There can be no assurance that the Fund will be able to achieve its objectives of monthly distributions, preservation of capital and enhancing long-term total return. Investing in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

RESULTS OF OPERATIONS

The Fund's net assets decreased by \$3.3 million to \$13.5 million from December 31, 2020 to December 31, 2021. The Fund paid distributions totalling \$5.2 million while the portfolio's performance increased assets by \$1.9 million. The Fund returned 11.8% after fees and expenses for the one-year period ended December 31, 2021. Over the same time period, the Fund's benchmarks returned are 5.4%, 25.1% and 27.9%. The benchmarks are the ICE BofAML U.S. High Yield Total Return Index, the S&P/TSX Composite Total Return Index and the S&P 500 Total Return Index (the Benchmarks or the Index), respectively.

As previously announced, the Fund has continued in order 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 Corp. (Cline).

RECENT DEVELOPMENTS

At the beginning of the year, as a result of Allegiance Coal Limited's (Allegiance) purchase of all the shares in New Elk Coal Company, LLC ("NECC"), Cline held US\$35,120,670.84 principal of a secured note issued by NECC ("NECC Note"). The NECC Note is to be repaid as follows:

- o US\$3 million paid in cash on the release of the NECC reclamation bonds held by the Colorado Division of Reclamation, Mining and Safety from the current bonds of approximately US\$5.5M (Allegiance has secured up to US\$10 million of insurance mine reclamation bonding to replace the existing bonds); the cash release is expected within 90 days of closing;
- o US\$6 million upon the commencement of commercial production by NECC or by December 1, 2021, whichever is earlier;
- o The remainder of the NECC Note to be repaid by Cline receiving 60% of NECC's retained earnings after NECC makes prudent provision for any preferred debt payments and obligations, and sustaining and working capital, until the NECC Note is paid in full, but in any event within 10 years of closing. The NECC Note will not bear interest.

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In January, NECC repaid US\$3 million of the NECC Note after the release of NECC's reclamation bonds held by the Colorado Division of Reclamation, Mining and Safety. As a result, the Fund paid a distribution in the amount of \$0.04636 per unit on March 1, 2021 to unitholders of record on February 22, 2021.

In December, NECC repaid US\$6 million of the NECC Note as per the schedule above. As a result, the Fund paid a distribution in the amount of \$0.0952 per unit on December 31, 2021 to unitholders of record on December 23, 2021.

After a 1 for 5 reverse split on May 5, 2021, Cline holds 14,130,281 shares of Allegiance as a result Allegiance's purchase of all the shares in NECC. Allegiance shares had split adjusted closing price of \$A0.40 on December 31, 2020 and a closing price of \$A0.49 on December 31, 2021.

Allegiance completed several capital raises during the year. They raised \$A2 million through the issuance of convertible notes in late January, \$A15 million through a private placement of equity in late February, \$A10 million through a placement to sophisticated investors in early March, just over \$A3 million through a share purchase plan for eligible shareholders in late March, and \$A30 million through a placement with institutional and professional shareholders in October.

The capital raises allowed Allegiance to commence coal production at the NECC Mine in May. NECC also made its first shipment of coal in November. Allegiance has entered into several forward sales contracts for the coal produced from the NECC Mine.

Registered office address

Effective August 1, 2021, the Fund's registered office address changed from 2 Queen Street East, Twelfth Floor, Toronto, Ontario, M5C 3G7 to 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

RELATED PARTY TRANSACTIONS

Independent Review Committee

The Fund has received standing instructions from the Fund's Independent Review Committee (IRC) to make or hold an investment in the security of an issuer related to the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager advise the IRC of any material breach of such policies. The standing instructions also require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Quarterly, the IRC reviews reports which assess compliance with applicable CI policies. Annually, the IRC reviews reports describing each instance that the Manager acted in reliance on the standing instructions noted above.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting year.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the year ended December 31, 2021.

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FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

NET ASSETS PER UNIT ⁽¹⁾⁽²⁾⁽⁷⁾

Class A	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016
Commencement of operations June 17, 2009	\$	\$	\$	\$	\$	\$
Net assets at the beginning of year ⁽²⁾	0.46	0.46	0.72	0.73	0.73	
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	-	-	-	-	-	-
Realized gains (losses) for the year	-	-	-	-	-	-
Unrealized gains (losses) for the year	0.05	-	(0.26)	-	-	-
Total increase (decrease) from operations ⁽²⁾	0.05	-	(0.26)	-	-	-
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.14)	-	-	-	-	-
Total distributions ⁽²⁾⁽³⁾	(0.14)	-	-	-	-	-
Net assets at the end of the year shown ⁽²⁾	0.37	0.46	0.46	0.72	0.73	
Ratios and Supplemental Data						
Total net assets (\$) ⁽⁷⁾	13,490,604	16,840,014	16,883,214	26,602,821	26,681,504	
Number of units outstanding ⁽⁷⁾	36,729,002	36,729,002	36,729,002	36,729,002	36,729,002	
Portfolio turnover rate (%) ⁽⁵⁾	-	-	-	-	-	-
Trading expense ratio (%) ⁽⁶⁾	-	-	-	-	-	-
Management expense ratio after taxes (%) ⁽⁴⁾	0.85	0.28	0.30	0.34	0.37	
Closing market price	0.26	0.10	0.14	0.05	0.14	

(1) This information is derived from the Fund's audited 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 year.

(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 expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net asset value for the year.

(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 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 year, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the year.

(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 year.

(7) This information is provided for the years ended December 31.

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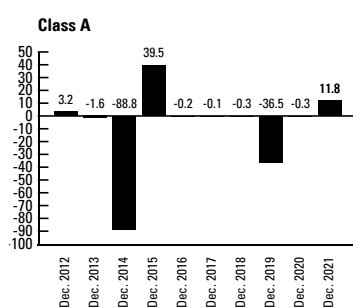
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PAST PERFORMANCE

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



Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the ICE BofAML U.S. High Yield Total Return Index, the S&P/TSX Composite Total Return Index and the S&P 500 Total Return Index.

The ICE BofAML U.S. High Yield Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

The S&P 500 Index is an index composed of 500 stocks weighted by capitalization and representing all major U.S. industries. The Index is a broad measure of the stock performance of the largest U.S. companies with market capitalization in excess of US\$5.3 billion.

A discussion of the performance of the Fund as compared to the benchmarks is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Class A	11.8	(10.9)	(6.8)	(0.3)	n/a
ICE BofAML U.S. High Yield Total Return Index (USD)	5.4	8.8	6.1	6.7	n/a
S&P/TSX Composite Total Return Index	25.1	17.5	10.0	9.1	n/a
S&P 500 Total Return Index	27.9	22.9	17.1	19.1	n/a

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2021

Category	% of Net Assets	Category	% of Net Assets	Top Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	98.5	Canadian Corporate Bonds	98.5	Cline Mining Corp., Floating Rate, 2022/07/08	90.5
Other Assets, Less Liabilities	1.5	Other Assets, Less Liabilities	1.5	Cline Mining Corp., Floating Rate, 2022/07/08	8.0
		Canadian Equities	0.0	Cline Mining Corp., Convertible	0.0
				Total Net Assets (in \$)	\$13,490,604

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause

actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.