

2022 Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2022



Marret High Yield Strategies Fund

Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2022

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 fund. 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., 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.

RESULTS OF OPERATIONS

The Fund's net assets increased by \$0.8 million to \$14.3 million from December 31, 2021 to June 30, 2022. The Fund had net sales of \$0.8 million for the period. Fund returned 6.2% after fees and expenses for the six-month period ended June 30, 2022. Over the same time period, the Fund's benchmarks returned are -13.7%, -9.9% and -18.6%. 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

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:

- 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;
- US\$6 million upon the commencement of commercial production by NECC or by December 1, 2021, whichever is earlier;
- 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.

To date, NECC has repaid US\$9 million of the NECC Note. US\$3 million after the release of NECC's reclamation bonds held by the Colorado Division of Reclamation, Mining and Safety. US\$6 million after reaching the December 1, 2021 outside date.

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 \$A0.48 on June 30, 2022.

Allegiance announced a new CEO, Jon Romcke, who started with the company in May. Mr. Romcke's experience operating mines is expected to be an asset to Allegiance as New Elk moves past its start-up phase and Black Warrior ramps up.

New Elk production increased in the first quarter of 2022, most notably in the month of March. Management expected production to more than double in the second quarter. New Elk continues to make progress in increasing its skilled workforce, optimising production, and negotiating additional sales agreements.

Allegiance raised A\$42.9 million through a secured convertible note in May 2022. The note allowed Allegiance to refinance some outstanding debt, pre-fund interest payments, and fund future working capital needs.

Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2022

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 Marret policies. Annually, the IRC reviews reports describing each instance that the Manager acted in reliance on the standing instructions noted above.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended June 30, 2022.

Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2022

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 six periods.

NET ASSETS PER UNIT ⁽¹⁾⁽²⁾⁽⁷⁾

Class A Commencement of operations June 17, 2009	Six Months Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Jun. 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
	\$	\$	\$	\$	\$	\$
Net assets at the beginning of period ⁽²⁾	0.37	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 period	-	-	-	-	-	-
Unrealized gains (losses) for the period	0.02	0.05	-	(0.26)	-	-
Total increase (decrease) from operations ⁽²⁾	0.02	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 period shown ⁽²⁾	0.39	0.37	0.46	0.46	0.72	0.73
Ratios and Supplemental Data						
Total net assets (\$) ⁽⁷⁾	14,321,550	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	36,729,002
Portfolio turnover rate (%) ⁽⁵⁾	-	-	-	-	-	-
Trading expense ratio (%) ⁽⁶⁾	-	-	-	-	-	-
Management expense ratio after taxes (%) ⁽⁴⁾	0.83	0.85	0.28	0.30	0.34	0.37
Closing market price	0.19	0.26	0.10	0.14	0.05	0.14

(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 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 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, 2022 and the years ended December 31.

Marret High Yield Strategies Fund

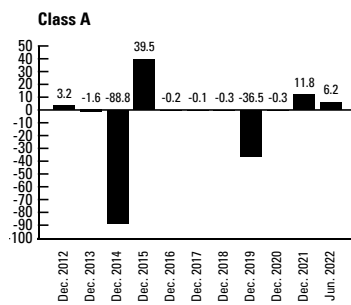
Management Report of Fund Performance for the period ended June 30, 2022

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.



Marret High Yield Strategies Fund

Management Report of Fund Performance for the period ended June 30, 2022

SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2022

Category	% of Net Assets	Category	% of Net Assets	Top Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	98.9	Canadian Corporate Bonds	98.9	Cline Mining Corp., Floating Rate, 2030/07/08	90.8
Other Assets, Less Liabilities	1.1	Other Assets, Less Liabilities	1.1	Cline Mining Corp., Floating Rate, 2030/07/08	8.1
		Canadian Equities	0.0	Cline Mining Corp., Convertible	0.0
				Total Net Assets (in \$)	\$14,321,550

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.