

Marret Enhanced Tactical Fixed Income Fund | Class F, CAD

Weekly Commentary | June 4, 2019

FUND STATISTICS

Date of Inception	Nov. 28, 2014
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WEIGHTS

Cash	12%
Govt. Bonds	16%
IG Bonds	26%
HY Bonds	49%
Equities	(3%)
Derivative Contra	0%
	100%

YIELD INFORMATION

Yield to Maturity	3.38%
Current Yield	3.62%
Yield to Worst	3.07%
Average Duration	0.85 Years

PERFORMANCE AS AT MAY 31, 2019

Since Inception	3.7%
MTD	0.18%
YTD	1.84%
1 YR	2.60%
3 YR	3.26%
5 YR	NA
NAV	10.9704
Distribution YTD*	0.1455

*Current Period Distribution: 0.0291

Source: Marret Asset Management Inc.
May 31, 2019

Escalating trade tension and the newly proposed tariffs on imports from Mexico into the U.S., pushed risk assets lower over the course of last week. The S&P 500 lost another 2.6%, down ~6.5% in May, and the TSX lost 1.2% week over week. The risk sell-off was also evident in credit markets with the high yield market yields rising by 17bps. to 6.68%, BofA Merrill Lynch US High-Yield Index (HOO). IG spreads were also wider, +6bps. w/w (Barclays US Aggregate). U.S. Treasury yields moved lower by an impressive 20bps. (10yr.) to 2.12% on the “risk-off” trade as market expectations for Fed. rate cuts increase. Volatility (VIX index) moved higher to 18.71 from 15.85.

The U.S. Dollar was relatively flat w/w, up 0.14% to 97.75 (DXY). Oil was again down sharply, -8.75% w/w to \$53.50/bbl (WTI), driven by continued fear of a global slowdown. Gold was up 1.6%, finishing at \$1,305/oz.

We opportunistically reduce the fund’s HY exposure by a modest amount over the course of the week. The portfolio duration and yield moved slightly higher w/w.

Sources: Marret Asset Management Inc., Bloomberg L.P.



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The indicated rates of return are the historical annual compound total returns net of fees (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns.

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