

MARRET ENHANCED TACTICAL FIXED INCOME FUND

Weekly Commentary | July 13, 2021 | Series F, CAD

WEIGHTS	
Cash	47%
Commercial Paper	6%
Govt. Bonds	-5%
IG Bonds	10%
HY Bonds	35%
Bank Loans	3%
Equities	0%

YIELD INFORMATION	
Yield to Maturity	1.54%
Current Yield	1.84%
Yield to Worst	0.92%
Average Duration	0.55 Years

PERFORMANCE	
Since Inception	3.50%
MTD	0.05%
YTD	0.53%
1 YR	2.24%
3 YR	2.82%
5 YR	2.95%
NAV	11.0678
Distribution YTD*	0.0968

*Current Period Distribution: 0.0128
 Date of Inception: November 28, 2014
 Source: Marret Asset Management Inc.,
 July 9, 2021

Government bonds continued their path lower over the past week. Interest rates were lower across the curve in the U.S. Canadian interest rates also fell, except in the very front-end of the curve where they had a small move higher. Equity market were mostly unchanged. Credit spreads backed up from very tight levels, but cash credit posted positive returns as the fall in rates was greater than the increase in spreads. A breakdown in talks among OPEC and its allies caused oil price volatility, but prices ended only marginally lower. Gold prices continued to bounce back from their large post-fed drop.

Market Performance	2-Jul	9-Jul
S&P 500		
Index Level	4,352	4,370
Pct. Chg. (%)		0.40%
BofA Merrill Lynch U.S. High-Yield Index		
Yield	3.84%	3.81%
Yield Δ		-3bps.
Bloomberg Barclays U.S. Aggregate Corporate Index		
Spread	82	84
Spread Δ		+2bps.
UST 10Yr. Yield	1.42%	1.36%
3-Month CAD Bankers' Acceptance	0.19%	0.19%

The Fund generated positive returns over the past week as its corporate positions moved up with the market while its governments hedges offset some of those gains. As previously indicated, the Fund marginally reduced its high yield exposure as yields fell and valuations became less attractive. The Fund maintains its core exposure to credit to take advantage of the improving economic environment and accommodative monetary policy. We are closely monitoring employment and inflation data. Higher than expected data points in either could result in a back up in government bond yields or an increase in volatility. After the recent fall in interest rates, we have slightly increased our treasury hedges. We continue to look for tactical opportunities to make investments with favorable risk-reward characteristics while being cognizant of elevated valuations.

Sources: Marret Asset Management Inc., Bloomberg Finance L.P., July 9, 2021.



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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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Source: Marret Asset Management Inc., July 9, 2021 Publication date: July 14, 2021