

MARRET ENHANCED TACTICAL FIXED INCOME FUND

Weekly Commentary | July 20, 2021 | Series F, CAD

WEIGHTS

Cash	44%
Commercial Paper	9%
Govt. Bonds	-5%
IG Bonds	12%
HY Bonds	34%
Bank Loans	3%
Equities	0%

YIELD INFORMATION

Yield to Maturity	1.59%
Current Yield	1.83%
Yield to Worst	0.99%
Average Duration	0.54 Years

PERFORMANCE

Since Inception	3.49%
MTD	0.05%
YTD	0.52%
1 YR	2.02%
3 YR	2.81%
5 YR	2.91%
NAV	11.0674
Distribution YTD*	0.0968

*Current Period Distribution: 0.0128

Date of Inception: November 28, 2014

Source: Marret Asset Management Inc.,
July 16, 2021

Despite inflation data that was higher than expected, medium and long term government bond yields moved lower. Equity markets fell as investors worried about economic growth prospects amid mounting COVID restrictions in several areas. High yield credit spreads backed up, leading to small losses in high yield debt. Investment grade bonds registered gains as falling interest rates more than offset wider credit spreads. Oil prices dropped even though OPEC and its allies had failed to come to an agreement on increasing supply.

Market Performance	9-Jul	16-Jul
S&P 500		
Index Level	4,370	4,327
Pct. Chg. (%)		-0.97%
BofA Merrill Lynch U.S. High-Yield Index		
Yield	3.81%	3.92%
Yield Δ		+11bps.
Bloomberg Barclays U.S. Aggregate Corporate Index		
Spread	84	86
Spread Δ		+2bps.
UST 10Yr. Yield	1.36%	1.29%
3-Month CAD Bankers' Acceptance	0.19%	0.20%

The Fund was essentially flat on the week as no asset class generated more than nominal gains or losses. The Fund used some of its cash to purchase additional commercial paper and investment grade bonds. Its other asset allocations were mostly unchanged. The Fund continues to hold a core exposure to credit to take advantage of the improving economic environment and accommodative monetary policy. After the recent fall in interest rates, we have slightly increased our treasury hedges as we expect rates to drift higher over the remainder of the year. We are closely monitoring inflation and employment data because we believe higher than expected data points in either would increase volatility. We remain ready to take advantage of tactical opportunities or more compelling valuations as they arise.

Sources: Marret Asset Management Inc., Bloomberg Finance L.P., July 16, 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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