

## MARRET ENHANCED TACTICAL FIXED INCOME FUND

Weekly Commentary | November 23, 2021 | Series F, CAD

WEIGHTS	
Cash	36%
Commercial Paper	6%
Govt. Bonds	-6%
IG Bonds	20%
HY Bonds	36%
Bank Loans	5%
Equities	0%

YIELD INFORMATION	
Yield to Maturity	1.95%
Current Yield	2.25%
Yield to Worst	1.59%
Average Duration	0.92 Years

PERFORMANCE	
Since Inception	3.33%
MTD	0.02%
YTD	0.67%
1 YR	1.03%
3 YR	2.69%
5 YR	2.78%
NAV	11.0015
Distribution YTD*	0.1788

\*Current Period Distribution: 0.0040  
 Date of Inception: November 28, 2014  
 Source: Marret Asset Management Inc.,  
 November 19, 2021

Concerns about elevated inflation and uncertainty regarding President Biden's choice for Federal Reserve Chair caused volatility in government bond yields last week. Credit spreads widened amid high dealer inventories and new issue supply. Even though interest rates were volatile, they ended mostly unchanged. Wider spreads and unchanged interest rates resulted in flat returns for investment grade bonds and losses for high yield. A push for oil consuming nations to release crude from their reserves drove oil prices lower. Gold prices also fell after a couple weeks of strength. Equities were flat to weaker.

Market Performance	12-Nov	19-Nov
<b>S&amp;P 500</b>		
Index Level	4,683	4,698
Pct. Chg. (%)		0.32%
<b>BofA Merrill Lynch U.S. High-Yield Index</b>		
Yield	4.26%	4.39%
Yield Δ		+13bps.
<b>Bloomberg Barclays U.S. Aggregate Corporate Index</b>		
Spread	87	91
Spread Δ		+4bps.
<b>UST 10Yr. Yield</b>	1.56%	1.55%
<b>3-Month CAD Bankers' Acceptance</b>	0.26%	0.26%

The Fund suffered a small loss over the past week as gains from our government bond positions could not fully offset high yield's losses. The Fund made a small addition to its investment grade exposure as spreads widened and reduced some of its call constrained term loans. We maintain a core exposure to corporate debt to benefit from a growing economy and improving credit fundamentals. Valuations are not yet favorable enough to move away from a defensive stance as central banks become less accommodative and inflation remains stubbornly high. The Fed could be challenged to reign in inflation expectations without hurting economic growth and the reduction of monetary support may reset asset valuations. The Fund remains ready to take advantage of any increased volatility by tactically adding risk and duration as valuations further improve.

Sources: Marret Asset Management Inc., Bloomberg Finance L.P., November 19, 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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