

MARRET ENHANCED TACTICAL FIXED INCOME FUND

Weekly Commentary | June 17, 2022 | Series F, CAD

WEIGHTS	
Cash	23%
Commercial Paper	0%
Govt. Bonds	12%
IG Bonds	29%
HY Bonds	31%
Bank Loans	5%
Equities	0%

YIELD INFORMATION	
Yield to Maturity	3.93%
Current Yield	2.76%
Yield to Worst	3.93%
Average Duration	1.95 Years

PERFORMANCE	
Since Inception	2.63%
MTD	-1.37%
YTD	-3.38%
1 YR	-2.83%
3 YR	0.89%
5 YR	1.52%
NAV	10.5305
Distribution YTD*	0.0992

*Current Period Distribution: 0.0160
 Date of Inception: November 28, 2014
 Source: Marret Asset Management Inc.,
 June 17, 2022

The Fed, prompted by strong inflation data from the prior week, raised rates by 75bps at their Wednesday meeting, after a leak on Monday morning gave advance warning such a hike was likely. As a result, markets traded off sharply on Monday as the more front-loaded tightening effort by the Fed weighed on all asset classes. Equities suffered significant losses, credit spreads widened, and government bonds yields moved higher. Corporate bonds experienced losses due to widening spreads and rising interest rates. Oil prices took a large step back on growth concerns while gold also moved lower.

Market Performance	10-Jun	17-Jun
S&P 500		
Index Level	3,901	3,675
Pct. Chg. (%)		-5.79%
BofA Merrill Lynch U.S. High-Yield Index		
Yield	7.81%	8.53%
Yield Δ		+72bps.
Bloomberg Barclays U.S. Aggregate Corporate Index		
Spread	135	144
Spread Δ		+9bps.
UST 10Yr. Yield	3.16%	3.23%
3-Month CAD Bankers' Acceptance	2.12%	2.25%

The Fund suffered a loss as fixed income assets were weaker across the board. The Fund reduced some of its government bond duration at the start of the week and added some high yield exposure in the post Fed sell-off. We continue to position the Fund conservatively to deal with elevated market volatility while central bankers tighten monetary policy to reduce persistently high levels of inflation. The market sentiment will likely swing rapidly as investors worry that the front loading of monetary tightening could push the economy into a recession. We do not expect to position the Fund more aggressively until there are clear signs that monetary policy tightening is coming to an end. In the meantime, the Fund will make smaller, tactical shifts to take advantage of market volatility and enhance returns.

Sources: Marret Asset Management Inc., Bloomberg Finance L.P., June 17, 2022.

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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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