

2021 Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2021



Marret Multi-Strategy Income Fund

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This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 416-214-5800, by writing to us at Marret Asset Management Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 or by visiting our website at www.marret.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

To request an alternate format of this document, please contact us at service@ci.com or 1-800-792-9355.

RESULTS OF OPERATIONS

As at June 30, 2021 and December 31, 2020, the Fund's net assets were \$0.8 million. The Fund paid distributions totalling \$0.1 million while the portfolio's performance increased assets by \$0.1 million. Class A units returned 14.6% after fees and expenses for the six-month period ended June 30, 2021. Over the same time period, the Fund's benchmarks returned 17.3% and 12.2%. The benchmarks are the S&P/TSX Composite Total Return Index and the S&P 500 Total Return Index (the Benchmarks or the Indices), respectively.

As previously announced, the Fund has continued in order to hold private positions (the Private Portfolio). Marret's intention is to distribute the net proceeds from the Private Portfolio when the holdings are sold and the proceeds are received by the Fund. No ongoing management fee or other fees will be charged by Marret for overseeing the liquidation of the Private Portfolio.

The value of the Private Portfolio consists of equity and bonds issued by Cline Mining Corp. (Cline).

RECENT DEVELOPMENTS

At the beginning of the period, as a result of Allegiance Coal Limited's (Allegiance) purchase of all the shares in New Elk Coal Company, LLC ("NECC"), Cline held US\$35,120,670.84 principal of a secured note issued by NECC ("NECC Note"). The NECC Note is to be repaid as follows:

- o US\$3 million paid in cash on the release of the NECC reclamation bonds held by the Colorado Division of Reclamation, Mining and Safety from the current bonds of approximately US\$5.5M (Allegiance has secured up to US\$10 million of insurance mine reclamation bonding to replace the existing bonds); the cash release is expected within 90 days of closing;
- o US\$6 million upon the commencement of commercial production by NECC or by December 1, 2021, whichever is earlier;
- o The remainder of the NECC Note to be repaid by Cline receiving 60% of NECC's retained earnings after NECC makes prudent provision for any preferred debt payments and obligations, and sustaining and working capital, until the NECC Note is paid in full, but in any event within 10 years of closing. The NECC Note will not bear interest.

In January, NECC repaid US\$3 million of the NECC Note after the release of NECC's reclamation bonds held by the Colorado Division of Reclamation, Mining and Safety. As a result, the Fund paid a distribution in the amount of \$0.03420 per unit on March 1, 2021 to unitholders of record on February 22, 2021.

After a 1 for 5 reverse split on May 5, 2021, Cline holds 14,130,281 shares of Allegiance as a result Allegiance's purchase of all the shares in NECC. Allegiance shares had split adjusted closing price of \$A0.40 on December 31, 2020 and a closing price of \$A0.71 on June 30, 2021.

Allegiance completed several capital raises in the first half of the period to fund the reopening of NECC's metallurgical coal mine near Trinidad, Colorado ("NECC Mine"). They raised \$A2 million through the issuance of convertible notes in late January, \$A15 million through a private placement of equity in late February, \$A10 million through a placement to sophisticated investors in early March, and just over \$A3 million through a share purchase plan for eligible shareholders in late March.

The capital raises allowed Allegiance to commence coal production at the NECC Mine on May 21, 2021. Allegiance entered into several forward sales contracts for the coal produced from the NECC Mine. Allegiance expects to commence a second production unit at the NECC Mine in August 2021.

Primarily because of the increase in Allegiance's share price, but also positively affected by Allegiance's capital raises and progress made to restart the NECC Mine, the Fund took an 8.87% write-up in the value of the securities held in Cline on April 16, 2021.

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Registered office address

Effective on or about August 1, 2021, the Fund's registered office address changed from 2 Queen Street East, Twelfth Floor, Toronto, Ontario, M5C 3G7 to 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

RELATED PARTY TRANSACTIONS

Independent Review Committee

The Fund has received standing instructions from the Fund's Independent Review Committee (IRC) to make or hold an investment in the security of an issuer related to the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager advise the IRC of any material breach of such policies. The standing instructions also require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Quarterly, the IRC reviews reports which assess compliance with applicable CI policies. Annually, the IRC reviews reports describing each instance that the Manager acted in reliance on the standing instructions noted above.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended June 30, 2021.

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FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six periods.

NET ASSETS PER UNIT ^{(1)(2)(7)*}

Class A	Six Months Ended Jun. 30, 2021	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016
Commencement of operations March 18, 2011	\$	\$	\$	\$	\$	\$
Net assets at the beginning of period ⁽²⁾	0.23	0.25	0.46	0.48	0.50	0.53
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	-	-	-	-	-	-
Unrealized gains (losses) for the period	0.04	-	(0.19)	-	-	-
Total increase (decrease) from operations ⁽²⁾	0.03	(0.01)	(0.21)	(0.02)	(0.03)	(0.03)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.03)	-	-	-	-	-
Total distributions ⁽²⁾⁽³⁾	(0.03)	-	-	-	-	-
Net assets at the end of the period shown ⁽²⁾	0.23	0.23	0.25	0.46	0.48	0.50
Ratios and Supplemental Data						
Total net assets (\$) ⁽⁷⁾	755,127	766,271	812,420	1,506,171	1,573,803	1,663,923
Number of units outstanding ⁽⁷⁾	3,301,850	3,301,850	3,301,850	3,301,850	3,301,850	3,301,850
Portfolio turnover rate (%) ⁽⁵⁾	-	-	-	-	-	-
Trading expense ratio (%) ⁽⁶⁾	-	-	-	-	-	-
Management expense ratio after taxes (%) ⁽⁴⁾	9.26	5.93	4.69	4.42	5.83	5.49
Closing market price	0.03	0.02	0.06	0.02	0.09	0.07

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

NET ASSETS PER UNIT ⁽¹⁾⁽²⁾⁽⁷⁾

Class F	Six Months Ended Jun. 30, 2021	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016
Commencement of operations March 18, 2011	\$	\$	\$	\$	\$	\$
Net assets at the beginning of period ⁽²⁾	0.25	0.26	0.49	0.51	0.54	0.57
Increase (decrease) from operations:						
Total revenue	-	-	-	-	-	-
Total expenses (excluding distributions)	(0.01)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	-	-	-	-	-	-
Unrealized gains (losses) for the period	0.04	-	(0.21)	-	-	-
Total increase (decrease) from operations ⁽²⁾	0.03	(0.02)	(0.23)	(0.02)	(0.03)	(0.03)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.03)	-	-	-	-	-
Total distributions ⁽²⁾⁽³⁾	(0.03)	-	-	-	-	-
Net assets at the end of the period shown ⁽²⁾	0.25	0.25	0.26	0.49	0.51	0.54
Ratios and Supplemental Data						
Total net assets (\$) ⁽⁷⁾	70,232	70,580	74,831	139,426	145,615	153,855
Number of units outstanding ⁽⁷⁾	285,992	285,992	285,992	285,992	285,992	285,992
Portfolio turnover rate (%) ⁽⁵⁾	-	-	-	-	-	-
Trading expense ratio (%) ⁽⁶⁾	-	-	-	-	-	-
Management expense ratio after taxes (%) ⁽⁴⁾	9.27	5.93	5.02	4.38	5.77	5.43

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

(4) Management expense ratio is based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net asset value for the period.

(5) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value of the Fund during the period.

(7) This information is provided for the period ended June 30, 2021 and the years ended December 31.

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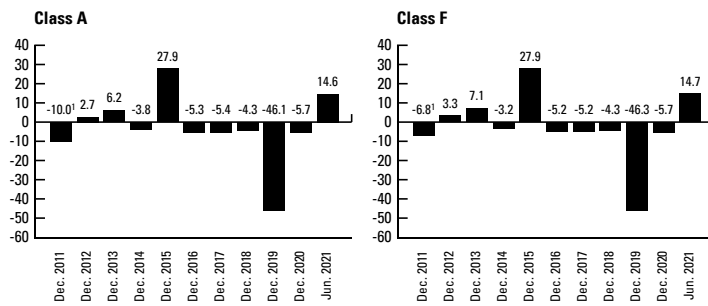
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PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant Class of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following charts show the Fund's semi-annual and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. In percentage terms, the charts show how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



¹ 2011 return is for the period from March 18, 2011 to December 31, 2011.

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SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2021

Category	% of Net Assets	Category	% of Net Assets	Top Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	148.8	Canadian Corporate Bonds	148.8	Cline Mining Corp., Floating Rate, 2022/07/08	137.0
Other Assets, Less Liabilities	(48.8)	Canadian Equities	0.0	Cline Mining Corp., Floating Rate, 2022/07/08	11.8
		Other Assets, Less Liabilities	(48.8)	Cline Mining Corp., Convertible	0.0
				Total Net Assets (in \$)	\$825,359

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause

actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.