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These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject certain exemptions, will not be offered or sold within the United States or to U.S. persons.

PROSPECTUS

Initial Public Offering

May 28, 2009



MARRET HIGH YIELD STRATEGIES FUND

**Maximum \$250,000,000 Units
(Maximum 25,000,000 Units)**

Marret High Yield Strategies Fund (the “**Fund**”) is a closed-end investment fund established under the laws of the Province of Ontario. The Fund proposes to offer units (the “**Units**”), each at a price of \$10.00 per Unit (the “**Offering**”).

Investment Rationale and Strategy

Recent market events highlight the need for investment strategies focused on preserving capital in market downturns and participating fully in rising markets. The Fund will obtain exposure to a portfolio (the “**Portfolio**”) focused primarily on High Yield Debt (as defined herein). The Portfolio will be held by Marret HYS Trust (described below), and will be actively managed by Marret Asset Management Inc. (in such capacity, “**Marret**”) using specialized High Yield Debt strategies designed to maximize risk-adjusted returns and preserve capital in each phase of the credit cycle. Over the course of a credit cycle, the goal is to generate returns consistent with the long-term performance of equity indices, but with the volatility and risk characteristics consistent with 10-year U.S. Treasury notes.

Marret will employ hedging strategies, including shorting securities and holding cash, designed to generate positive returns and/or protect the Portfolio against the risk of losses from currency fluctuations, interest rate changes and market declines. It is intended that the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies will be hedged to the Canadian dollar.

Investment Objectives

The Fund will seek to achieve the following investment objectives:

- (i) to maximize total returns for holders of Units (“**Unitholders**”), consisting of both tax-advantaged distributions and capital appreciation, while reducing risk; and
- (ii) to provide Unitholders with attractive monthly tax-advantaged cash distributions, initially targeted to be 8.00% per annum on the original issue price of \$10.00 per Unit;

by obtaining exposure to the Portfolio, which is focused primarily on High Yield Debt.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. The Fund will be managed by Marret Asset Management Inc. (in such capacity, the “**Manager**”). Commencing in September 2009, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager’s estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year.

Dedicated High Yield Manager

The Portfolio will be actively managed by Marret. Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately \$2.0 billion in High Yield Debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income and, particularly, in High Yield Debt strategies.

Credit spreads of High Yield Debt are near historically high levels. On April 6, 2009, the credit spread on the Merrill Lynch High Yield Master II Index (the “**Index**”) was 1,643 basis points, translating into a yield of 18.35%. In prior recessions, high yield credit spreads peaked at 1,000 to 1,100 basis points. Marret believes that the market may provide in the near term exceptional opportunities to generate very attractive investment returns for the Portfolio by investing in High Yield Debt.

Portfolio Investment Process and Risk Management

Marret will select, monitor and manage the High Yield Debt in the Portfolio utilizing both:

- (i) top-down macroeconomic analysis involving the assessment of economic, political and market trends; and

- (ii) bottom-up company and security level analysis to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on a company's industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices.

Portfolio risk management is an important part of Marret's investment process. The foundation for Marret's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and the credit analysts give company and security updates are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration.

Marret believes that the credit cycle is in the late stages of Phase III and will enter into Phase I in the near future (see "The Offering — Investment Rationale"). **As a result, the portfolios of Marret High Yield Hedge Limited Partnership ("Marret LP") and Marret Fund Ltd. (see "The Portfolio – Portfolio Composition") have a significant allocation to cash and a current cash yield of approximately 5.24% per annum. In order for the Fund to pay distributions on the Units of 8.00% per annum, funded by partial presettlements of the Forward Agreement (discussed below), while maintaining a stable Net Asset Value, the Portfolio would be required to generate additional returns of approximately 5.22% in excess of its current cash yield of the portfolios of Marret LP and Marret Fund Ltd. through the sale of securities or other returns assuming (i) an aggregate size of the Offering of \$100 million; (ii) fees and expenses described under "Fees and Expenses"; and (iii) no defaults in securities included in the Portfolio. The total return required to meet such distributions is 10.46% (the aggregate of the current cash yield of 5.24% and the aforementioned 5.22% additional return required to be generated).**

Commencing in September 2009, the Fund will determine and announce each quarter the amount to be distributed during the following quarter based upon the Manager's estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year. The Manager intends to manage the Fund and determine the amount of distributions so that the aggregate amount of distributions paid to Unitholders up to the Termination Date does not exceed the total return on the Portfolio, to which the Fund has exposure by virtue of the Forward Agreement, over that period. See "Distributions".

The return to the Unitholders and the Fund will be based upon the return on the units of Marret HYS Trust by virtue of a forward purchase and sale agreement (the "**Forward Agreement**") with the Counterparty (as defined below). The Fund will use the net proceeds of the Offering for the pre-payment of its purchase obligations under the Forward Agreement, pursuant to which the Counterparty has agreed to deliver to the Fund, on the Termination Date (as defined below), the Canadian Securities Portfolio (as defined below) with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret HYS Trust, net of any amount owing by the Fund to the Counterparty. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret HYS Trust under the Forward Agreement will not be less than the net proceeds of the Offering. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. See "Overview of the Investment Structure — The Forward Agreement".

Marret HYS Trust will be a newly created investment trust established prior to the Closing (as defined herein) for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret HYS Trust is expected to be the Counterparty or an affiliate. On the Closing Date (as defined herein), the Counterparty or one of its affiliates may subscribe for units of Marret HYS Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the Forward Agreement. Marret HYS Trust will use any subscription proceeds to acquire the Portfolio. See "Overview of the Investment Structure – Marret HYS Trust".

Price: \$10.00 per Unit

	Price to the Public	Agents' Fee	Net Proceeds to the Fund ⁽²⁾
Per Unit	\$10.00	\$0.525	\$9.475
Minimum Total Offering ⁽³⁾⁽⁴⁾	\$90,000,000	\$4,725,000	\$85,275,000
Maximum Total Offering ⁽⁴⁾	\$250,000,000	\$13,125,000	\$236,875,000

Notes:

- (1) The terms of the Offering were established through negotiation between the Agents and the Manager on behalf of the Fund.
- (2) Before deducting the expenses of the Offering, estimated to be \$700,000 (but not to exceed 1.5% of the gross proceeds of the Offering) which, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering.
- (3) There will be no Closing unless a minimum of 9,000,000 Units are sold. If subscriptions for a minimum of 9,000,000 Units have not been received within 90 days after a final receipt for this prospectus is issued, the Offering may not continue without the consent of the Canadian Securities Administrators and those who have subscribed for Units on or before such date.
- (4) The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to offer additional Units in an amount up to 15% of the Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be \$287,500,000, \$15,093,750 and \$272,406,250, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Beginning on the Annual Redemption Date (as defined herein) in July, 2011, Units will be redeemable at the option of Unitholders at Net Asset Value in each year on the Annual Redemption Date if and only if the Annual Redemption Condition (as defined herein) has been met in such year. See “Redemption of Units”. The Units will be redeemed by the Fund for a cash amount equal to 100% of Net Asset Value per Unit (as defined herein) on May 30, 2014 (the “Termination Date”). Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension.

Units may be redeemed at the option of Unitholders on a Monthly Redemption Date (as defined herein), subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date (as defined herein), subject to the Manager’s right to suspend redemptions in certain circumstances. Unitholders surrendering a Unit for redemption will receive a redemption price equal to the lesser of (i) 94% of the Market Price (as defined herein) of a Unit, and (ii) 100% of the Closing Market Price (as defined herein) of a Unit on the applicable Monthly Redemption Date, less, in each case, any costs associated with the redemption (the “**Monthly Redemption Amount**”). See “Redemption of Units” and “Risk Factors — Significant Redemptions”.

There is no guarantee that an investment in the Fund will earn any positive return in the short or long term, nor is there any guarantee that the Net Asset Value per Unit will appreciate or be preserved. An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in Units including general risks of investing in High Yield Debt, the use of short selling and derivatives, foreign currency exposure and the use of leverage. There is no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. The TSX has conditionally approved the listing of the Units subject to the Fund fulfilling all of the requirements of the TSX on or before August 26, 2009. See “Risk Factors”.

On Closing, the Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank affiliate of one of the Agents. Accordingly, the Fund may be considered to be a “connected issuer” of such Agent. The Manager is entitled to receive certain fees. See “Organization and Management of the Fund — The Manager of the Fund” and “Plan of Distribution”.

RBC Dominion Securities Inc., GMP Securities L.P., CIBC World Markets Inc., Scotia Capital Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Manulife Securities Incorporated, Wellington West Capital Markets Inc. and Research Capital Corporation, as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Fund by McMillan LLP and on behalf of the Agents by Stikeman Elliott LLP.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. All prospective purchasers will be entitled to withdraw their purchase on or before midnight on the second Business Day after receipt or deemed receipt of the final prospectus and any amendment in accordance with applicable securities laws. See “Purchasers’ Statutory Rights of Withdrawal and Rescission”. The Agents may over-allot or effect transactions as described under “Plan of Distribution”. Registrations of interests in and transfers of Units will be made only through the book-entry only system administered by CDS Clearing and Depository Services Inc. (“CDS”). Book-entry only certificates representing the Units will be issued in registered form only to CDS or its nominee and will be deposited with CDS on the date of Closing, which is expected to occur on or about June 17, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Units.

Although units of Marret HYS Trust are not being offered to the public, the Fund has agreed to obtain a receipt for a prospectus of Marret HYS Trust from each of the Autorité des marchés financiers and the Ontario Securities Commission. The Fund has also agreed to deliver a copy of such prospectus to purchasers of Units in the Province of Québec prior to the purchase of Units by any person in the Province of Québec.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain capitalized terms used, but not defined, in this summary are defined in the "Glossary of Terms".

THE FUND

Marret High Yield Strategies Fund is a closed-end investment fund established under the laws of the Province of Ontario. See "Overview of the Investment Structure".

PRODUCT OVERVIEW AND INVESTMENT RATIONALE

Recent market events highlight the need for investment strategies focused on preserving capital in market downturns and participating fully in rising markets. The Fund will obtain exposure to a portfolio (the "**Portfolio**") focused primarily on High Yield Debt (as defined herein). The Portfolio will be held by Marret HYS Trust (described below), and will be actively managed by Marret Asset Management Inc. ("**Marret**") using specialized high yield debt strategies designed to maximize risk-adjusted returns and preserve capital in each phase of the credit cycle. Over the course of a credit cycle, the goal is to generate returns consistent with the long-term performance of equity indices, but with the volatility and risk characteristics consistent with 10-year U.S. Treasury notes.

Credit spreads of High Yield Debt are near historically high levels. On April 6, 2009, the credit spread on the Merrill Lynch High Yield Master II Index (the "**Index**") was 1,643 basis points, translating into a yield of 18.35%. In prior recessions, high yield credit spreads peaked at 1,000 to 1,100 basis points. Marret believes that the market may provide in the near term exceptional opportunities to generate very attractive investment returns for the Portfolio by investing in High Yield Debt. See "Investment Objectives and Rationale".

THE OFFERING

The Offering: The Fund is offering one class of Units. See "Plan of Distribution".

Price: \$10.00 per Unit.

Minimum and Maximum Issue: A minimum of \$90,000,000 (9,000,000) Units and a maximum of \$250,000,000 (25,000,000) Units.

Investment Objectives: The Fund will seek to achieve the following investment objectives:

- (i) to maximize total returns for holders of Units ("**Unitholders**"), consisting of both tax-advantaged distributions and capital appreciation, while reducing risk; and
- (ii) to provide Unitholders with attractive monthly tax-advantaged cash distributions, initially targeted to be 8.00% per annum on the original issue price of \$10.00 per Unit;

by obtaining exposure to the Portfolio, which is focused primarily on High Yield Debt.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Commencing in September 2009, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year. See "Distributions".

Investment Rationale:

Marret’s investment strategy for the Portfolio is designed to produce attractive risk-adjusted returns in each phase of the credit cycle. Over the course of the credit cycle, the investment strategy seeks to generate returns consistent with the long-term performance of equity indices, and with volatility and risk characteristics consistent with 10-Year U.S. Treasury notes. See “Investment Objectives and Rationale”.

Attractive Opportunity in High Yield Debt Market

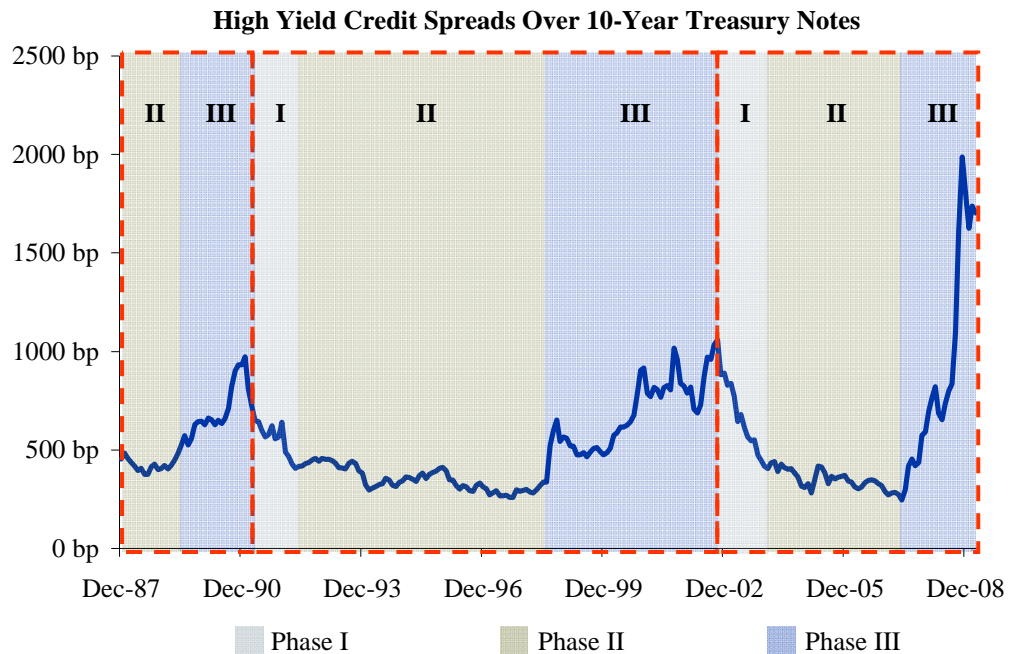
Marret views the credit cycle as consisting of three phases:

- **Phase I** represents the “bull market” for credit. It begins as the economy exits recession, with credit spreads initially at very high levels, then narrowing or reducing throughout Phase I;
- **Phase II** represents a “neutral market” for credit, in which credit spreads and their volatility remain generally low; and
- **Phase III** represents the “bear market” for credit, as the economy enters recession and credit spreads widen rapidly to reflect increased default risk.

Marret believes that the market is currently in the late stages of Phase III of the credit cycle, as indicated by the current wide credit spreads in the High Yield Debt market. The percentage of companies defaulting on High Yield Debt obligations slowly increased throughout 2008 and the first quarter of 2009. The trailing twelve month speculative grade default rate as a percentage of U.S. issuers was 7.4% at the end of March, according to Moody’s Investor Services, Inc. See “The Portfolio – High Yield Debt Market” for additional information on credit spreads and default rates in the High Yield Debt market.

As a result, the portfolios of Marret High Yield Hedge Limited Partnership (“**Marret LP**”) and Marret Fund Ltd. (see “The Portfolio – Portfolio Composition”) have a defensive position, with a significant allocation to cash. Marret believes that the credit cycle will enter Phase I in the second or third quarter of 2009. The highest returns accruing from Marret’s strategy are expected in Phase I, the period of credit spread rallying or narrowing. As Marret sees signals that indicate a shift into Phase I of the credit cycle, it will begin reallocating cash in the Portfolio to long positions in High Yield Debt.

The following chart shows the historical credit spreads since December 1987 of the Merrill Lynch High Yield Master II Index over the yield on the U.S. 10-year Treasury note and highlights the three phases of the Credit Cycle.



Source: Bloomberg

Investment Strategy:

The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio.

The specific strategy employed by Marret from time to time in managing the Portfolio will depend on the phase of the credit cycle. In Phase I, Marret HYS Trust would adopt a long bias, with the return expectations being the greatest. In Phase II, Marret HYS Trust would have a neutral bias, with capital structure arbitrage (long debt/short equity) becoming the dominant strategy. Finally, in Phase III, Marret HYS Trust would be expected to have a greater allocation to cash, with derivative and shorting strategies being used to generate positive returns. In Phase III, Marret may short CDX North America High Yield Indices, which are liquid index derivative instruments widely used to hedge High Yield Debt portfolios.

Through all phases of the credit cycle, Marret will employ hedging strategies designed to generate positive returns and/or protect the Portfolio against the risk of losses from currency fluctuations, interest rate changes and market declines. Marret intends to hedge the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies to the Canadian dollar.

Marret HYS Trust will also engage in short selling of securities that Marret believes to be overvalued, thereby offering the potential for gains as well as limiting the overall credit risk exposure of the Portfolio investments. The degree of short selling will depend on the phase of the credit cycle. In some cases, the equity securities of a company may be sold short to hedge a long position of the same company's High Yield Debt. Marret believes that this is an effective hedging strategy, since deteriorating company fundamentals hurt the equity securities of a company more than the High Yield Debt, which tend to be protected by legal covenants and have a more senior claim on the company's assets. The Net Short Exposure (as defined herein) of Marret HYS Trust will not exceed 50% determined on a daily marked-to-market basis.

While the Portfolio will consist primarily of High Yield Debt, Marret may also purchase additional securities which may include, but are not limited to, equity securities, securities of income trusts and exchange-traded funds. The Portfolio may from time to time also include a significant amount of cash and/or cash equivalents.

The Manager:

Marret Asset Management Inc. (the "**Manager**") will administer the Fund.

See "Organization and Management of the Fund — The Manager of the Fund".

Marret:

The Portfolio will be actively managed by Marret. Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately \$2.0 billion in High Yield Debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income and, particularly, in High Yield Debt strategies. Mr. Allan has more than 25 years of investment experience that spans all areas of fixed income investing, including analysis and management of High Yield Debt.

In addition to Barry Allan, Marret's investment team includes the following credit analysts:

<u>Name</u>	<u>Industry Specialization</u>
David Gluskin	Special Situations
Laurence Cashin, CA, CFA	Telecommunications, cable, media and technology sectors
Dorothea Mell, CFA	Energy, gaming and homebuilders sectors
Adrian Prenc, CFA, FRM	Industrial products, aerospace and forest products sectors
Randy Steuart	Retail, consumer products and mining sectors

Investment Process:

Marret will select, monitor and manage the Portfolio investments in the following manner and subject to the investment restrictions.

Top Down Macroeconomic Analysis

In selecting High Yield Debt, Marret will perform a fundamental analysis of economic, political and market trends. This analysis identifies sectoral trends that provide a template which shapes the Portfolio through the credit cycle. Next, Marret will attempt to determine the point in, and duration of, the current credit cycle in order to evaluate the relative attractiveness of industries and sectors. Finally, Marret will identify sectors that will experience positive and negative cash flow trends as the cycle evolves.

Bottom Up Company and Security Level Analysis

Company fundamentals will be reviewed to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices. The ultimate goal of this process is to identify High Yield Debt trading at levels inconsistent with Marret's analysis of potential return and underlying risk. In selecting High Yield Debt for the Portfolio, Marret will take into consideration industry, maturity, level of liquidity and security diversification. Marret will seek to acquire High Yield Debt that offers attractive risk/return characteristics and has protection against the debt instruments being called by their issuers for an initial period (generally two to three years) and security backing.

Risk Management: Portfolio risk management is an important part of Marret's investment process. The foundation for Marret's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and the credit analysts give company and security updates are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration. Marret also employs a relative value benchmarking system: each company is assigned a peer group and analyzed relative to its peers, rather than absolutely, or in isolation.

Leverage: Marret HYS Trust may utilize various forms of borrowing, including a loan facility and margin purchases, up to 35% of the net asset value of Marret HYS Trust at the time of the borrowing. Accordingly, the maximum amount of leverage that Marret HYS Trust could employ is 1.35:1.

In addition, the net exposure of Marret HYS Trust will not exceed 135%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by Net Asset Value of Marret HYS Trust.

Currency Hedging: Marret HYS Trust will enter into currency hedging to reduce the effects on the Portfolio of changes in the values of foreign currencies relative to the Canadian dollar. Marret intends for the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies to be hedged to the Canadian dollar.

Distributions: The Fund initially intends to pay monthly distributions on all Units in an amount equal to \$0.067 per Unit, representing a yield of 8.00% per annum on the issue price. The initial distribution is payable to Unitholders of record on June 30, 2009 and will be paid no later than July 15, 2009. The initial distribution will be pro-rated to reflect the period from the Closing Date to June 30, 2009.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital (which are not immediately taxable, but which reduce the adjusted cost base of a Unitholder's Unit). See "Canadian Federal Income Tax Considerations".

Marret believes that the credit cycle is in the late stages of Phase III and will enter into Phase I in the near future (see "The Offering — Investment Rationale"). As a result, the portfolios of Marret LP and Marret Fund Ltd. (see "The Portfolio – Portfolio Composition") have a significant allocation to cash and a current cash yield of approximately 5.24% per annum. In order for the Fund to pay distributions on the Units of 8.00% per annum, funded by partial presettlements of the Forward Agreement (discussed below), while maintaining a stable Net Asset Value, the Portfolio would be required to generate additional returns of approximately 5.22% in excess of its current cash yield of the portfolios of Marret LP and Marret Fund Ltd. through the sale of securities or other returns assuming (i) an aggregate size of the Offering of \$100 million; (ii) fees and expenses described under "Fees and Expenses"; and (iii) no defaults in securities included in the Portfolio. The total return required to meet such distributions is 10.46% (the aggregate of the current cash yield of 5.24% and the aforementioned 5.22% additional return required to be generated).

Commencing in September 2009, the Fund will determine and announce each quarter the amount to be distributed during the following quarter based upon the Manager's estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year. The Manager

intends to manage the Fund and determine the amount of distributions so that the aggregate amount of distributions paid to Unitholders up to the Termination Date does not exceed the total return on the Portfolio, to which the Fund has exposure by virtue of the Forward Agreement, over that period.

The Forward Agreement:

The return to the Unitholders and the Fund will be based upon the return on the units of Marret HYS Trust by virtue of the Forward Agreement. The Fund will use the net proceeds of the Offering for the pre-payment of its purchase obligations under the Forward Agreement, pursuant to which the Counterparty has agreed to deliver to the Fund on May 30, 2014, being the Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret HYS Trust, net of any amount owing by the Fund to the Counterparty. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret HYS Trust under the Forward Agreement will not be less than the net proceeds of the Offering. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. See “Overview of the Investment Structure — The Forward Agreement”.

Marret HYS Trust:

Marret HYS Trust will be a newly created investment trust established prior to the Closing (as defined herein) for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret HYS Trust is expected to be the Counterparty or an affiliate. On the Closing Date (as defined herein), the Counterparty or one of its affiliates may subscribe for units of Marret HYS Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the Forward Agreement. Marret HYS Trust will use any subscription proceeds to acquire the Portfolio. See “Overview of the Investment Structure – Marret HYS Trust”.

Redemption Privileges:

Annual Conditional Redemption Right: Units may be redeemed at the option of Unitholders on the Annual Redemption Date (as defined herein) of each year, commencing in July, 2011, if and only if the Annual Redemption Condition, described below, has been met in such year. Units so redeemed will be redeemed at a redemption price equal to the Net Asset Value per Unit on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. The Units must be surrendered for redemption at least ten Business Days prior to the Annual Redemption Date. Payment of the proceeds of redemption will be made on or before the 15th Business Day of the following month.

Annual Redemption Condition: Units may only be redeemed on an Annual Redemption Date if the average of the Net Asset Values of the Units on the first four Valuation Dates occurring in the month of May preceding the Annual Redemption Date is less than \$10.00. On the first business day following the fourth such Valuation Date, the Manager will issue a press release stating the average Net Asset Value and whether or not the Annual Conditional Redemption Right has been triggered. See “Redemption of Units” and “Risk Factors – Significant Redemptions”.

Monthly Redemption Right: Units may be redeemed at the option of Unitholders on a Monthly Redemption Date, subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date, subject to the Manager’s right to suspend redemptions in certain circumstances. Unitholders surrendering a Unit for redemption will receive a redemption price equal to the lesser of (i) 94% of the Market Price of a Unit, and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date, less in each case any costs associated with the redemption (the “Monthly Redemption Amount”). See “Redemption of Units” and “Risk Factors — Significant Redemptions”.

The Net Asset Value per Unit will vary depending on a number of factors. See “Calculation of Net Asset Value”, “Redemption of Units” and “Risk Factors”.

Termination of the Fund:

The Units will be redeemed by the Fund for a cash amount equal to 100% of the Net Asset Value per Unit on the Termination Date. Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension.

See “Termination of the Fund”.

Use of Proceeds: The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents’ fee and the expenses of the Offering are estimated to be \$236,175,000 (\$84,575,000 if the minimum number of Units are issued). The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of Marret HYS Trust. The Fund may also directly hold a small amount of the same securities as are held in the Portfolio. See “Use of Proceeds”.

Repurchase of Units: The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager’s assessment that such purchases are accretive to Unitholders. See “Description of the Units — Purchase for Cancellation”.

Risk Factors: An investment in Units is subject to certain risk factors, including: (i) that there is no assurance that the Fund or Marret HYS Trust will be able to achieve their investment objectives; (ii) the fact that Units may trade in the market at a discount to the Net Asset Value per Unit; (iii) the possible loss of investment; (iv) risk of exposure to investments in High Yield Debt; (v) fluctuations in the value of Portfolio securities; (vi) recent global financial developments; (vii) the use of short selling; (viii) Counterparty unsecured credit risk related to the Forward Agreement; (ix) risks relating to the composition of the Portfolio; (x) interest rate fluctuations; (xi) illiquid securities; (xii) the use of derivatives; (xiii) a prime broker holding certain assets of Marret HYS Trust; (xiv) risks relating to securities lending; (xv) risks relating to the use of leverage; (xvi) risks relating to foreign currency; (xvii) reliance on the Manager and Marret; (xviii) risks relating to taxes; (ix) no ownership of the Portfolio securities by the Fund; (xx) changes in legislation; (xxi) the status of the Fund under Canadian securities laws; (xxii) risks relating to significant redemptions; (xxiii) the Fund’s lack of operating history; (xxiv) the fact that the Fund is not a trust company and (xxv) the nature of the Units. See “Risk Factors”.

Canadian Federal Income Tax Considerations: The Fund intends to distribute a sufficient amount of its income for each taxation year so that it will generally not be liable for income tax under the Tax Act. A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The Fund intends to make designations so that the portion of net realizable taxable capital gains of the Fund that are distributed to Unitholders will be treated as taxable capital gains to Unitholders. Distributions by the Fund to a Unitholder in excess of the Unitholder’s share of the Fund’s net realized capital gains and other net income will reduce the adjusted cost base of the Unitholder’s Units. Upon the disposition of Units held as capital property, Unitholders will realize capital gains or capital losses. **Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon their own particular circumstances.** See “Canadian Federal Income Tax Considerations”.

Eligibility for Investment: In the opinion of McMillan LLP, counsel for the Fund, and Stikeman Elliott LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. See “Canadian Federal Income Tax Considerations”.

Organization and Management of the Fund: *The Manager and Promoter:* Marret Asset Management Inc. (the “**Manager**”) will be the manager of the Fund and will provide all administrative services required by the Fund. The Manager may be considered to be a promoter of the Fund within the meaning of the securities legislation of certain provinces of Canada. The Manager’s head office is located at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Marret: Marret Asset Management Inc. (“**Marret**”) will be the manager of Marret HYS Trust and will provide all administrative services required by Marret HYS Trust. Marret will be responsible for acquiring the securities comprising the Portfolio and maintaining the Portfolio in accordance with the

investment objectives of Marret HYS Trust. Marret's head office is located at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Trustee of the Fund: Equity Transfer & Trust Company will act as Trustee of the Fund. The Trustee's office is located in Toronto, Ontario.

Trustee of Marret HYS Trust: Marret will act as trustee of Marret HYS Trust.

Marret HYS Trust: Marret HYS Trust will be a newly created investment trust established prior to the Closing Date pursuant to Marret HYS Declaration of Trust for the purpose of acquiring the Portfolio. The registered office of the Trustee of Marret HYS Trust is located in Toronto, Ontario.

Prime Broker: Scotia Capital Inc. will act as the prime broker of Marret HYS Trust, to facilitate short selling. The Prime Broker is located in Toronto, Ontario.

Auditor: The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

Custodian: CIBC Mellon Trust Company will act as custodian of the assets of the Fund. The Custodian is located in Toronto, Ontario.

Custodian of Marret HYS Trust: CIBC Mellon Trust Company will act as custodian of the assets of Marret HYS Trust. The Custodian is located in Toronto, Ontario.

Registrar and Transfer Agent: Computershare Investor Services Inc., at its office in Toronto, Ontario, will maintain the securities registers of the Units and register transfers of Units.

Agents:

RBC Dominion Securities Inc., GMP Securities L.P., CIBC World Markets Inc., Scotia Capital Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Manulife Securities Incorporated, Wellington West Capital Markets Inc. and Research Capital Corporation, as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement.

The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to offer additional Units in an amount up to 15% of the Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be \$287,500,000, \$15,093,750 and \$272,406,250, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

<u>Agents' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	3,750,000 Units	Within 30 days following the Closing Date	\$10.00 per Unit

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund, Marret HYS Trust and the Manager, which will therefore reduce the value of a Unitholder's investment in the Fund. For further particulars, see "Fees and Expenses".

Fees and Expenses of the Fund

<u>Type of Fee</u>	<u>Amount and Declaration</u>
Agents' Fees:	\$0.525 per Unit (5.25%) .
Expenses of the Offering:	The expenses of the Offering are estimated to be \$700,000 (but not to exceed 1.5% of the gross proceeds of the Offering) which, together with the Agents' fee, will be paid by the Fund.
Management Fee:	The Manager will receive a Management Fee from the Fund equal to 0.25% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus applicable taxes, plus an amount calculated and paid as soon as practicable after the end of each calendar quarter, equal to 0.40% per annum of the Net Asset Value attributable to the Units (the " Service Amount ") plus applicable taxes. See "Fees and Expenses — Management Fee".
Counterparty Fees:	The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated weekly and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of Marret HYS Trust). See "Fees and Expenses — Counterparty Fees".
Ongoing Expenses of the Fund:	The Fund will pay for all of its expenses incurred in connection with its operation and administration, estimated to be \$225,000 per annum (assuming an aggregate size of the Offering of approximately \$100 million). The Fund will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time. See "Fees and Expenses — Ongoing Expenses of the Fund".

Fees and Expenses of the Manager

<u>Type of Fee</u>	<u>Amount and Declaration</u>
Service Fee:	The Manager will pay a service fee (the " Service Fee ") in an amount comparable to the Service Amount, plus applicable taxes to brokers based on the number of Units held by clients of such brokers at the end of the relevant quarter. See "Fees and Expenses — Service Fee".

Fees and Expenses of Marret HYS Trust

Marret HYS Trust Management Fee:	Marret will receive a Marret HYS Trust Management Fee from Marret HYS Trust equal to 0.75% of the net asset value of Marret HYS Trust, calculated and payable monthly in arrears, plus applicable taxes. See "Fees and Expenses — Marret HYS Trust Management Fee".
Performance Fee:	Marret will also receive, for each fiscal year of Marret HYS Trust, a performance fee (the " Performance Fee "). The Performance Fee shall be calculated and accrue monthly and be paid annually. The amount of the Performance Fee shall be determined as of December 31 of each year (the " Determination Date "). The Performance Fee for a given year will be an amount for each unit of Marret HYS Trust then outstanding equal to 15% of the amount by which the sum of (i) the net asset value of such unit (calculated without taking into account the Performance Fee), and (ii) the distributions paid on such unit during the previous 12 months, exceeds 106.35% of the Threshold Amount. On December 31, 2009, the Threshold Amount is the Net Asset Value per unit of Marret HYS Trust, immediately following the closing

of the Offering. Thereafter, the Threshold Amount is the greater of (i) the net asset value per unit of Marret HYS Trust immediately following the closing of the Offering, (ii) the net asset value per unit of Marret HYS Trust on the Determination Date for the previous fiscal year (after payment of such Performance Fee); and (iii) the net asset value per unit of Marret HYS Trust on the Determination Date in the last fiscal year in which a Performance Fee was paid (after payment of such Performance Fee). See “Fees and Expenses — Performance Fee”.

Ongoing Expenses of Marret HYS Trust:

Marret HYS Trust will pay for all of its expenses incurred in connection with its operation and administration, estimated to be \$50,000 per annum (assuming an aggregate size of the Offering of approximately \$100 million). Marret HYS Trust will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time. See “Fees and Expenses — Ongoing Expenses of Marret HYS Trust”.

GLOSSARY OF TERMS

In this prospectus, the following terms have the meanings set forth below, unless otherwise indicated.

“Additional Distribution” means a distribution that, if necessary, will be made in each year to Unitholders of record on December 31 in order that the Fund will generally not be liable to pay income tax, as described under “Distributions”.

“Agency Agreement” means the agency agreement dated as of May 28, 2009 among the Fund, the Manager, and the Agents.

“Agents” means, collectively, RBC Dominion Securities Inc., GMP Securities L.P., CIBC World Markets Inc., Scotia Capital Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Manulife Securities Incorporated, Wellington West Capital Markets Inc. and Research Capital Corporation.

“Annual Redemption Condition” means where the average of the Net Asset Values of the Units on the first four Valuation Dates occurring in the month of May preceding the Annual Redemption Date is less than \$10.00.

“Annual Redemption Date” means the last Business Day in July of each year beginning in 2011.

“Approved Rating” means the long-term debt rating of the Counterparty or each successor counterparty of at least A by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., or an equivalent rating from DBRS Limited, Moody’s Investors Service, Inc., Fitch Ratings, or any of their respective successors.

“Book-Entry Only System” means the book-entry only system administered by CDS.

“Business Day” means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

“Canadian Securities Portfolio” means a specified portfolio of securities of Canadian public issuers that are: (i) “Canadian securities”, as defined in subsection 39(6) of the Tax Act; and (ii) listed on the TSX.

“CDS” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

“CDS Participant” means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for the Units deposited with CDS.

“Closing” means the issuance of Units pursuant to this prospectus on the Closing Date.

“Closing Date” means the date of the Closing, which is expected to be on or about June 17, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued.

“Closing Market Price” in respect of a security on a Monthly Redemption Date means (i) the closing price of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was a trade on the Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was trading on the Monthly Redemption Date and the market provides only the highest and lowest prices of the security traded on a particular day; or (iii) the average of the last bid and the last asking prices of the security on the TSX on such Monthly Redemption Date (or such other stock exchange on which the security is listed) if there was not trading on the applicable Monthly Redemption Date.

“Conversion Date” means the first Business Day of a month.

“Corporate Bonds” means Bonds that are not Government Bonds which, for the avoidance of doubt, includes (i) debt securities issued by North America issuers and (ii) Canadian or United States dollar denominated debt securities issued by non-North American issuers.

“Counterparty” means The Bank of Nova Scotia and/or such other Canadian financial institutions or their affiliates as the Fund may approve.

“CRA” means the Canada Revenue Agency.

“**Custodian**” means CIBC Mellon Trust Company, in its capacity as custodian under the Custodian Agreement.

“**Custodian Agreement**” means the custodian agreement to be entered into on or about the Closing Date between the Fund, Marret HYS Trust and the Custodian, as it may be amended from time to time.

“**Declaration of Trust**” means the declaration of trust governing the Fund dated as of May 28, 2009, as it may be amended from time to time.

“**Extraordinary Resolution**” means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Forward Agreement**” means the forward purchase and sale agreement between the Fund and the Counterparty, as it may be amended from time to time.

“**Fund**” means Marret High Yield Strategies Fund, an investment trust established under the laws of the Province of Ontario and governed by the Declaration of Trust.

“**Government Bonds**” means debt securities issued by the U.S. Treasury or the Bank of Canada.

“**High Yield Debt**” means debt securities and term loans that are generally rated at or below BB+ from Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., or Ba1 or less from Moody’s Investor Services, Inc., or a similar rating from a qualified rating agency.

“**Management Agreement**” means the management agreement to be dated on or about the closing date between the Manager and the Fund, as it may be amended from time to time.

“**Management Fee**” means the management fee payable to the Manager by the Fund and as more fully described under “Fees and Expenses — Management Fee”.

“**Manager**” means the manager and administrator of the Fund and Marret HYS Trust, namely Marret Asset Management Inc., and, if applicable, its successor.

“**Market Price**” in respect of a security on a Monthly Redemption Date means the weighted average trading price on the TSX (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date.

“**Marret HYS Declaration of Trust**” means the declaration of trust governing Marret HYS Trust, as it may be amended from time to time.

“**Marret HYS Management Agreement**” means the management agreement to be dated on or about the closing date between the Manager and Marret HYS Trust, as it may be amended from time to time.

“**Marret HYS Trust**” means a newly created investment trust that will be established under the laws of the Province of Ontario prior to the Closing.

“**Marret HYS Trust Management Fee**” means the management fee payable to Marret by Marret HYS Trust and as more fully described under “Fees and Expenses — Management Fee”.

“**Meeting**” means a meeting of Unitholders called in accordance with the Declaration of Trust.

“**Monthly Redemption Amount**” means the redemption price per Unit equal to the lesser of: (i) 94% of the Market Price of a Unit and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date, less in each case any costs associated with the redemption, including brokerage costs.

“**Monthly Redemption Date**” means the second last Business Day of each month other than July in a year where the Annual Redemption Condition has been met.

“**Net Asset Value of the Fund**” means the net asset value of the Fund as determined by subtracting the aggregate liabilities of the Fund from the aggregate value of the assets of the Fund on the date on which the calculation is being made, as more fully described under “Calculation of Net Asset Value”.

“**Net Asset Value of Marret HYS Trust**” means the net asset value of Marret HYS Trust as determined by subtracting the aggregate liabilities of Marret HYS Trust, as applicable, from the aggregate value of the assets of Marret HYS Trust on the date on which the calculation is being made, as more fully described under “Calculation of Net Asset Value”.

“**Net Asset Value per Unit**” means the Net Asset Value of the Fund divided by the total number of Units outstanding on the date on which the calculation is being made.

“**Net Short Exposure**” means the quotient (expressed as a percentage) determined by dividing (i) the amount by which the absolute value of the aggregate short positions held by Marret HYS Trust exceeds the value of the aggregate long positions in securities (excluding cash and cash equivalents) held by Marret HYS Trust, by (ii) Net Asset Value of Marret HYS Trust.

“**NI 81-102**” means National Instrument 81-102 — *Mutual Funds* of the Canadian Securities Administrators, as amended from time to time.

“**NI 81-107**” means National Instrument 81-107 — *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators, as amended from time to time.

“**Non-Resident Unitholder**” means a Unitholder who, for the purposes of the Tax Act, and at all relevant times, is not resident in Canada and is not deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, Units in, or in the course of carrying on business in, Canada, and is not an insurer who carries on an insurance business in Canada and elsewhere.

“**Offering**” means the offering of Units at a price of \$10.00 per Unit, and the offering of additional Units under the Over-Allotment Option, all pursuant to this prospectus.

“**Ordinary Resolution**” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Over-Allotment Option**” means the option granted by the Fund to the Agents, exercisable for a period of 30 days from the Closing Date, to offer additional Units at \$10.00 per Unit in an amount up to 15% of the Units sold on Closing, solely to cover over-allotments, if any.

“**Portfolio**” means the portfolio comprising primarily High Yield Debt acquired and held by Marret HYS Trust from time to time.

“**Prime Broker**” means Scotia Capital Inc., in its capacity as prime broker to Marret HYS Trust.

“**Redemption Payment Date**” means the 10th Business Day of the month immediately following a Monthly Redemption Date.

“**Registered Plan**” means a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan, and a tax-free savings account.

“**SIFT Rules**” means the provisions of the Tax Act, including those contained in sections 104, 122 and 122.1 of the Tax Act, which apply to the taxation of a “specified investment flow through trust” and its unitholders.

“**SIFT Trust**” means a specified investment flow-through trust for the purposes of the Tax Act.

“**Tax Act**” means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

“**Tax Proposals**” means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

“**Termination Date**” means May 30, 2014.

“**Trustee**” means Equity Transfer & Trust Company, in its capacity as trustee under the Declaration of Trust.

“**TSX**” means the Toronto Stock Exchange.

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state thereof, and the District of Columbia.

“**Unitholders**” means the owners of the Units.

“**Units**” means the Units issued by the Fund pursuant to the Offering.

“**Valuation Date**” means, at a minimum, Thursday of each week, or if any Thursday is not a Business Day, the immediately preceding Business Day, and the last Business Day of each month, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit.

“**Yield to Maturity**” is the yield to the holder on the assumption that the fixed coupon security is held to maturity, that all coupon and principal payments will be made and coupon payments are reinvested. It is a measure of the return.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

Marret High Yield Strategies Fund is a closed-end investment fund established under the laws of the Province of Ontario. Marret Asset Management Inc. is the Manager of the Fund. The Fund's principal office is 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9. The fiscal year-end of the Fund is December 31.

The beneficial interests in the net assets and net income of the Fund are divided into Units. The Fund is authorized to issue an unlimited number of Units.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to mutual funds under such legislation.

INVESTMENT OBJECTIVES AND RATIONALE

The Fund will seek to achieve the following investment objectives:

- (i) to maximize total returns for Unitholders, consisting of both tax-advantaged distributions and capital appreciation, while reducing risk; and
- (ii) to provide Unitholders with attractive monthly tax-advantaged cash distributions, initially targeted to be 8.00% per annum on the original issue price of \$10.00 per Unit;

by obtaining exposure to the Portfolio, which is focused primarily on High Yield Debt.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Commencing in September 2009, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year. See "Distributions".

Recent market events highlight the need for investment strategies focused on preserving capital in market downturns and participating fully in rising markets. The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio, focussed primarily on High Yield Debt. The Portfolio will be held by Marret HYS Trust and Marret will manage the Portfolio using specialized high yield debt strategies designed to maximize risk-adjusted returns and preserve capital in each phase of the credit cycle. Over the course of a credit cycle, the goal is to generate returns consistent with the long-term performance of equity indices, but with the volatility and risk characteristics consistent with 10-year U.S. Treasury notes.

Attractive Investment Opportunity in High Yield Debt Market

Marret views the credit cycle as consisting of three phases:

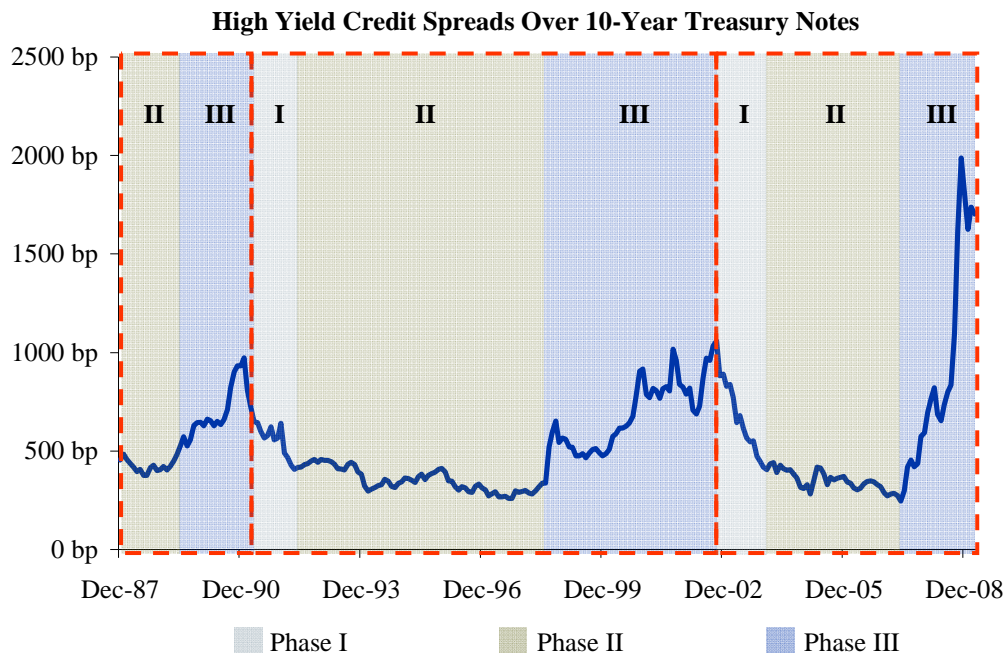
- **Phase I** represents the "bull market" for credit. It begins as the economy exits recession, with credit spreads initially at very high levels, then narrowing or reducing throughout Phase I;
- **Phase II** represents a "neutral market" for credit, in which credit spreads and their volatility remain generally low; and
- **Phase III** represents the "bear market" for credit, as the economy enters recession and credit spreads widen rapidly to reflect increased default risk.

Marret believes that the market is currently in the late stages of Phase III of the credit cycle, as indicated by the current wide credit spreads in the High Yield Debt market. The percentage of companies defaulting on High Yield Debt obligations slowly increased throughout 2008 and the first quarter of 2009. The trailing twelve month speculative grade default rate as a percentage of U.S. issuers was 9.24% at the end of April, according to Moody's Investor Services, Inc. See "The Portfolio – High Yield Debt Market" for additional information on credit spreads and default rates in the High Yield Debt market.

Marret High Yield Hedge Limited Partnership ("**Marret LP**"), established in November, 2002, has substantially the same investment strategy as Marret HYS Trust. Marret HYS Trust is subject to the investment restrictions set out under the heading "Overview of the Investment Structure — Investment Restrictions of Marret HYS Trust", and Marret LP is not subject to those restrictions. At present, Marret LP is in a defensive position, with a significant allocation to cash. Marret

believes that the credit cycle will enter Phase I in the second or third quarter of 2009. The highest returns accruing from Marret's strategy are expected in Phase I, the period of credit spread rallying or narrowing. As Marret sees signals that indicate a shift into Phase I of the credit cycle, it will begin reallocating cash in the Portfolio to long positions in High Yield Debt.

The following chart shows the historical credit spreads since December 1987 of the Merrill Lynch High Yield Master II Index over the yield on the U.S. 10-year Treasury note and highlights the three phases of the credit cycle.



Source: Bloomberg

THE PORTFOLIO

Investment Strategy

The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio.

The specific strategy employed by Marret from time to time in managing the Portfolio will depend on the phase of the credit cycle. In Phase I, Marret HYS Trust would adopt a long bias, with the return expectations being the greatest. In Phase II, Marret HYS Trust would have a neutral bias, with capital structure arbitrage (long debt/short equity) becoming the dominant strategy. Finally, in Phase III, Marret HYS Trust would be expected to have a greater allocation to cash, with derivative and shorting strategies being used to generate positive returns. In Phase III, Marret may short CDX North America High Yield Index, which is widely used to hedge High Yield Debt portfolios.

Through all phases of the credit cycle, Marret will employ hedging strategies designed to protect the Portfolio against the risk of losses from currency fluctuations, interest rate changes and market declines. In addition, Marret may employ derivative strategies to invest indirectly in securities or financial markets, provided the investment is consistent with Marret HYS Trust's investment objectives. Marret intends to hedge the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies to the Canadian dollar.

Marret HYS Trust will also engage in short selling of securities that Marret believes to be overvalued, thereby offering the potential for gains as well as limiting the overall credit risk exposure of the Portfolio investments. The degree of short selling will depend on the phase of the credit cycle. In some cases, the equity securities of a company may be sold short to hedge a long position of the same company's High Yield Debt. Marret believes that this is an effective hedging strategy, since deteriorating company fundamentals hurt the equity securities of a company more than the High Yield Debt, which tend to be protected by legal covenants and have a more senior claim on the company's assets. The Net Short Exposure of Marret HYS Trust will not exceed 50% determined on a daily marked-to-market basis.

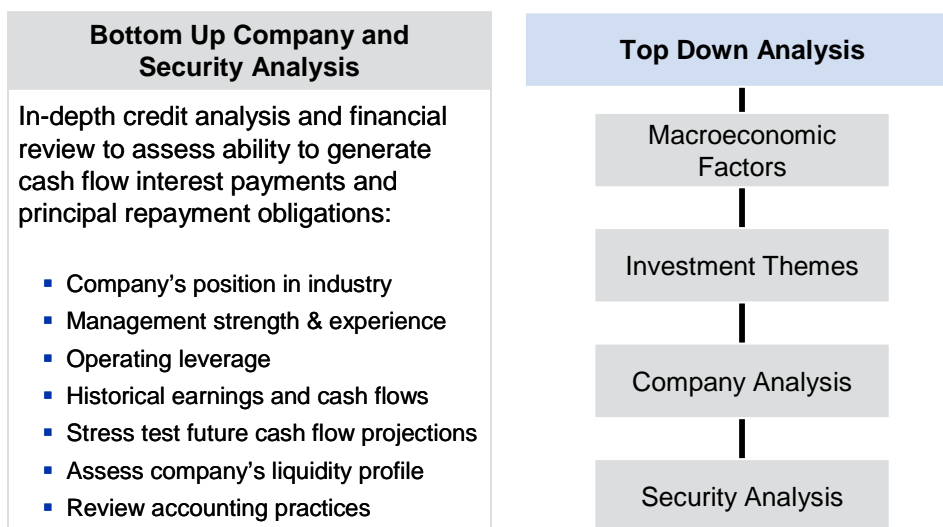
While the Portfolio will consist primarily of High Yield Debt, Marret may also purchase additional securities which may include, but are not limited to, equity securities, securities of income trusts and exchange-traded funds. The Portfolio may from time to time also include a significant amount of cash and/or cash equivalents.

Investment Process

Marret will select, monitor and manage the Portfolio investments in the following manner and subject to the investment restrictions.

Top Down Macroeconomic Analysis: In selecting High Yield Debt, Marret will perform a fundamental analysis of economic, political and market trends. This analysis identifies sectoral trends that provide a template which shapes the Portfolio through the credit cycle. Next, Marret will determine the point in, and duration of, the current credit cycle in order to evaluate the relative attractiveness of industries and sectors. Finally, Marret will identify sectors that will experience positive and negative cash flow trends as the cycle evolves.

Bottom-up Company and Security Analysis: Company fundamentals will be reviewed to assess a company’s ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices. The ultimate goal of this process is to identify High Yield Debt trading at levels inconsistent with Marret’s analysis of potential return and underlying risk. In selecting High Yield Debt for the Portfolio, Marret will take into consideration industry, maturity, level of liquidity and security diversification. Marret will seek to acquire High Yield Debt that offers attractive risk/return characteristics and has protection by their issuers for an initial period (generally two to three years) and security backing.



Risk Management

Portfolio risk management is an important part of Marret’s investment process. The foundation for Marret’s approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends, and the credit analysts give company and security updates, are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration. Marret also employs a relative value benchmarking system: each company is assigned a peer group and analyzed relative to its peers, rather than absolutely, or in isolation.

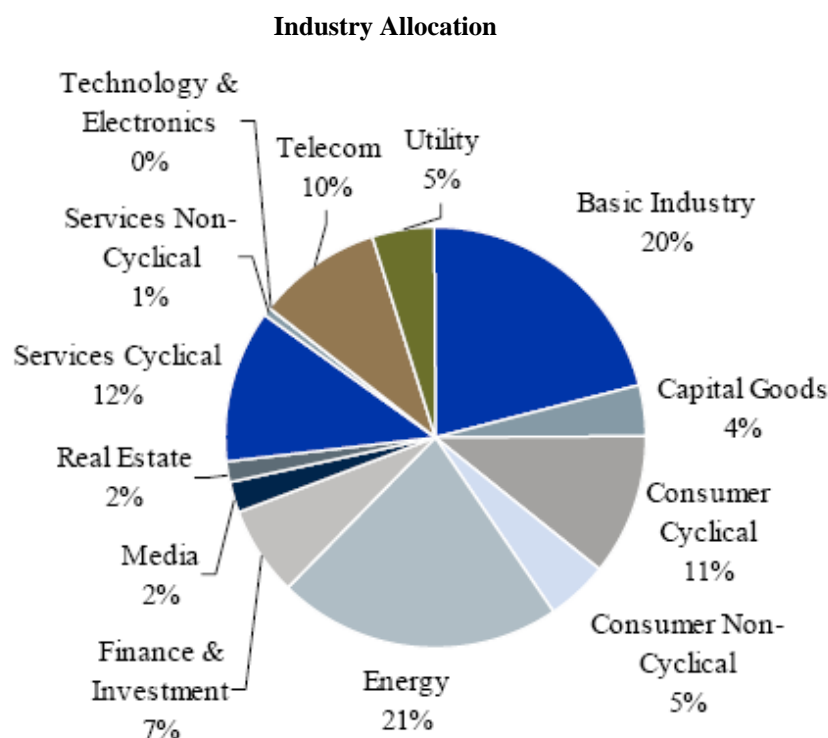
Portfolio Composition

Marret will select securities for the Portfolio based on its assessment of the credit quality and total return expectations of such securities. The Portfolio composition will vary depending on the phase of the credit cycle. Marret believes that the credit cycle will enter Phase I in the near term.

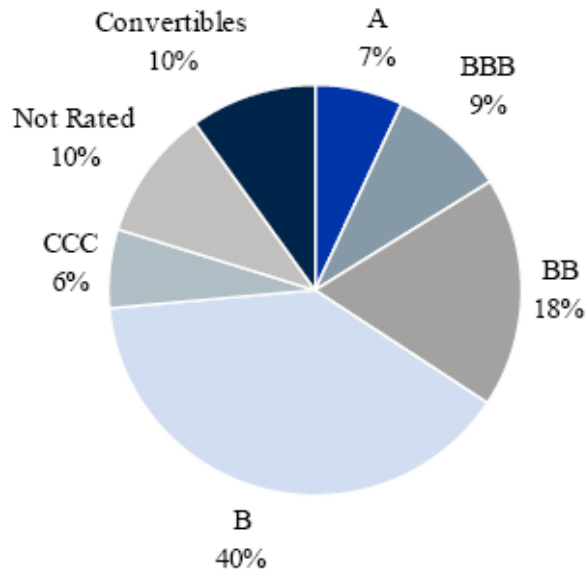
The following table sets forth the various asset classes which comprise the portfolio as of May 25, 2009 of Marret LP, which has substantially the same investment strategy as Marret HYS Trust, as well as an indicative Portfolio that Marret believes would exist in the early stages of Phase I in the credit cycle. Marret HYS Trust is subject to the investment restrictions set out under the heading “Overview of the Investment Structure — Investment Restrictions of Marret HYS Trust”, and Marret LP is not subject to those restrictions.

Asset Class	Portfolio Net Exposure	
	Current	Phase I Indicative
High Yield Debt	42.6%	80.0%
CDX North America High Yield Index	-4.5%	25.0%
Senior Bank Loans	4.1%	20.0%
Convertible Debt	6.2%	10.0%
U.S. Treasury Notes	9.2%	-25.0%
Equities	-1.0%	-5.0%
Exchange Traded Funds	1.2%	5.0%
Income Trusts	2.5%	10.0%
Portfolio net exposure to market	60.2%	120.0%
Cash	32.8%	10.0%

The portfolio of Marret LP is diversified by industry and the High Yield Debt is diversified by credit rating as follows:



Current Ratings Mix



Corporate Debt

Corporate debt is issued by companies to finance operations and refinance existing debt maturities. This debt generally pays interest quarterly or semi-annually and repays principal on the maturity date. Independent credit ratings help investors analyze credit risk and also contribute to market efficiencies by providing credible and independent assessments of credit risk. Corporate debt securities which are rated below BBB- (a Standard & Poor’s rating category) or below Baa3 (a Moody’s Investor’s Services rating category) are classified as High Yield Debt (or speculative grade). A lower credit rating suggests a greater risk of default. According to S&P’s rating definitions, a company rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments. Debt rated BB, B, and CCC is regarded as having speculative characteristics. BB indicates the least degree of speculation and CCC a higher degree. High Yield Debt also includes debt not formally rated by an “approved rating organization” as defined in NI 81-102, but bearing yields equivalent to comparable rated securities.

	Moody’s	Standard & Poor’s
Investment Grade	Aaa	AAA
	Aa	AA
	A	A
	Baa	BBB
High Yield	Ba	BB
	B	B
	Caa	CCC
	Ca	CC
	C	C
	D	D

High Yield Debt Market

The High Yield Debt market has traditionally involved transactions among corporate issuers and institutional and other sophisticated investors. Many of these transactions are completed on an exempt basis without any public distribution or listing of the offered securities. Opportunities for individual Canadian investors seeking direct High Yield Debt investments have been limited. Even where such opportunities have been made available, the number of such opportunities has been so few that investors have generally been unable to achieve the benefits of portfolio diversification. Marret expects that Marret HYS Trust will participate in both the private and public markets for High Yield Debt.

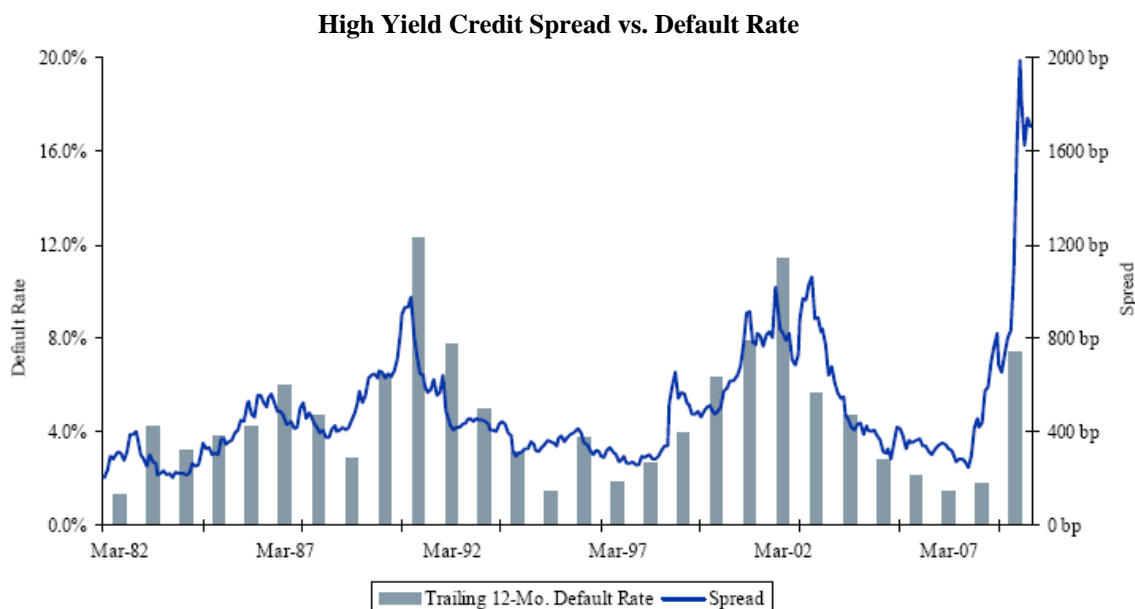
The prices at which High Yield Debt trade vary over time based on such factors as term to maturity, interest and currency rate fluctuations, the liquidity of the security, underlying changes in the risks associated with the issuer of the securities (such as business changes affecting a corporate issuer), investor demand, and general economic trends. The yield of a High Yield Debt at a specific time is typically calculated on a “yield-to-maturity” basis (the return to be earned on the security if held to maturity, taking into account the discounted value of the future interest and principal payments). The price of High Yield Debt varies inversely with yields available in the market, which, in turn, reflect the changes in spreads over U.S. Treasury notes and yields on U.S. Treasury notes.

High Yield Debt is a distinct asset class which Marret believes possesses attractive risk/return characteristics. A proxy for the High Yield Debt market is the Merrill Lynch U.S. High Yield Master II Index which, as of March 31, 2009, had a par value of approximately U.S.\$738 billion, representing over 1,000 issuers, including U.S. dollar High Yield Debt issued by Canadian issuers. As of April 9, 2009, this index had a Yield to Maturity of approximately 18.1% and a duration of approximately 3.9 years. Credit spreads on the Index peaked at a historically wide spread of 2,182 basis points over 10-Year U.S. Treasury notes on December 15, 2008. This represented an unprecedented widening of 1,941 basis points from the historically low spread of 241 basis points on June 5, 2007. In prior recessions, high yield credit spreads peaked at 1,000 to 1,100 basis points. For the 12 years ended December 30, 2008, the average spread on the Index was approximately 495 basis points. The longer term historical average spread is considered to be approximately 450 basis points, taken from over two decades of data from January 1980 to December 2008.

High Yield Debt includes the risk of default in the payment of periodic interest and/or principal upon maturity or other amortization period. The Moody’s Investor Services, Inc. (“**Moody’s**”) speculative grade default rate averaged 3.8% over the past 30 years. The percentage of companies defaulting on debt obligations slowly increased throughout 2008 and the first quarter of 2009. The trailing twelve month speculative grade default rate as a percentage of U.S. issuers was 7.4% at the end of March, according to Moody’s. Moody’s forecasts that the default rate will peak at 14.6% in the fourth quarter of 2009. In the two most recent recessions, as depicted in the graph below, the trailing twelve month default rate peaked at 13% in June 1991 and 11.59% in January 2002. In the Great Depression, the default rate peaked at 15.4% in 1933, according to Moody’s.

The loss from default is not normally the total amount of the debt because there is normally a partial recovery of principal after the default event. Defaulted debt normally continues to trade after the event of default as buyers anticipate the restructuring of the company’s capital structure and the potential assets or other value that will accrue to holders of the defaulted bonds, often in the form of newly issued securities. According to Moody’s, the recovery rate for senior unsecured speculative grade bonds was 36.4%, or \$36.40 per \$100 of par or face value of the debt, over the period from 1982 to 2008, based on 30-day post-default market prices. In 2008, the recovery rate was 33.8%.

The following chart shows the trailing 12-month speculative grade default rates according to Moody’s, as well as historical credit spreads of the Merrill Lynch High Yield Master II Index over the yield on the U.S. 10-year Treasury note, from January 1982 through March 2009.



Use of Derivatives

Marret HYS Trust may invest in or use derivative instruments, other than commodity derivatives, for hedging or investment purposes consistent with its investment objectives and subject to the investment restrictions of Marret HYS Trust, including the restriction on net exposure.

For example, Marret HYS Trust may use derivatives with the intention of offsetting or reducing risks associated with losses from currency fluctuations, interest rate changes and market risks. No assurance can be given that the Portfolio will be hedged from any particular risk from time to time. In addition, Marret may employ derivative strategies in the Portfolio to invest indirectly in, or gain exposure to, securities or financial markets.

Derivative instruments employed may include, but are not limited to, swaps, forward contracts, and futures contracts.

A swap agreement is an instrument that effects the exchange of a sequence of cash flows that derive from two different financial instruments.

Forward contracts (over-the-counter) and futures contracts (exchange-traded) are contracts to exchange (buy or sell) an underlying instrument for a fixed price at a specific, future delivery date.

Currency Hedging

Marret intends to protect returns on the Portfolio from currency fluctuations by hedging foreign currency exposure to the Canadian dollar. Marret intends that the majority (and not less than 75%) of Portfolio investments denominated in foreign currencies will be hedged to the Canadian dollar.

Leverage

Marret HYS Trust may utilize various forms of borrowings, including a loan facility and margin purchases, up to 35% of the net asset value of Marret HYS Trust at the time of the borrowing. Accordingly, the maximum amount of leverage that Marret HYS Trust could employ is 1.35:1.

In addition, the net exposure of Marret HYS Trust will not exceed 135%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by Net Asset Value of Marret HYS Trust.

Securities Lending

In order to generate additional returns, Marret HYS Trust may lend securities included in the Portfolio to securities borrowers acceptable to Marret HYS Trust pursuant to the terms of a securities lending agreement between Marret HYS Trust and such borrower. Under any such securities lending agreement: (i) the borrower will pay to Marret HYS Trust a negotiated securities lending fee and will make compensatory payments to Marret HYS Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) Marret HYS Trust will receive collateral security.

Capital Structure Arbitrage

Capital structure trade ideas are discovered through fundamental bottom-up research. A capital structure arbitrage trade combines a long position in an issuer’s senior debt (the senior part of the capital structure) with a short position in its common equity (the junior, more risky part of the capital structure) using a hedge ratio. The common equity is sold short to hedge a long bond position of the same issuer. Marret believes that this is an effective hedging strategy, since deteriorating company fundamentals generally hurt the equity securities of a company more than they do its High Yield Debt, which tend to be protected by legal covenants. Equity ranks lower in the capital structure of a company, and has a junior claim on a company’s assets, as compared to debt. Optimal hedge ratios are calculated using regression analysis on the historical trading prices of the debt and equity over a number of time periods. The price volatility of a typical issuer’s equity is four times the price volatility of its debt securities. Therefore, the typical hedge ratio is 25 per cent — for every \$1,000 of debt held, the short position is \$250 of the common equity. A capital structure trade can be characterized as being long the inexpensive part of the company’s capital structure and short the expensive part. The equity may appear very expensive given the debt leverage on the balance sheet. The coupon on the debt security gives the trade a yield and the short stock position hedges potential deterioration in the issuer’s credit quality. The coupon and the hedge ratio also provide protection if the equity valuation increases. For example, assuming a typical hedge ratio of 25 per cent and a twelve per cent yield on

the debt portion of the capital structure, the equity trading price can increase 48 per cent without impacting the price in the debt and the trade will remain break even over a one-year measurement period.

OVERVIEW OF THE INVESTMENT STRUCTURE

Marret HYS Trust

Marret HYS Trust will be a newly created investment trust established prior to the Closing. Marret HYS Trust will be established for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret HYS Trust is expected to be the Counterparty or an affiliate. On the Closing Date, the Counterparty or one of its affiliates may subscribe for units of Marret HYS Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the Forward Agreement. Marret HYS Trust will use any subscription proceeds to acquire the Portfolio.

Units of Marret HYS Trust will be redeemable at the demand of its unitholders. On redemption, a Marret HYS Trust unitholder will receive for each unit of Marret HYS Trust redeemed an amount equal to the Net Asset Value per unit of Marret HYS Trust. The Net Asset Value per unit of Marret HYS Trust will be equal to the amount by which the total assets of Marret HYS Trust exceed its total liabilities on a per unit basis.

Marret HYS Trust will generally receive interest income from the High Yield Debt included in the Portfolio. The net income of Marret HYS Trust will consist primarily of interest income, less expenses of Marret HYS Trust. Marret HYS Trust will distribute all of its net income and net realized capital gains earned in each fiscal year to ensure that it is not liable for tax under Part I of the Tax Act. To the extent that Marret HYS Trust has not distributed in cash the full amount of its net income in any year, the difference between such amount and the amount actually distributed by Marret HYS Trust will be paid through the issuance of additional units. Immediately after any such distribution of units, the number of outstanding units of Marret HYS Trust will be consolidated such that each unitholder of Marret HYS Trust (including the Counterparty or an affiliate, for so long as it is a unitholder) will hold after the consolidation the same number of units of Marret HYS Trust as it held before the distribution of additional units.

Investment Restrictions of Marret HYS Trust

Marret HYS Trust will be subject to certain investment restrictions, which are set out in the Marret HYS Declaration of Trust. The investment restrictions of Marret HYS Trust provide that Marret HYS Trust will not:

- (a) have Net Short Exposure exceeding 50% determined on a daily marked-to-market basis;
- (b) have net exposure exceeding 135%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by Net Asset Value of Marret HYS Trust;
- (c) make borrowings, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 35% of the Net Asset Value of Marret HYS Trust;
- (d) invest more than 10% of its net assets in the securities of any single issuer (as determined at the time of purchase), other than securities issued or guaranteed by the Government of Canada, the Government of the United States or a province, state or territory thereof;
- (e) invest more than 10% of its net assets in illiquid securities (which for these purposes means securities the resale of which is restricted by a representation, undertaking or agreement by Marret HYS Trust (or by Marret HYS Trust's predecessor in title) or by law;
- (f) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, Marret HYS Trust would be required to make a take-over bid that is a "formal bid" for the purposes of applicable securities laws;
- (g) with the exception of securities of Marret HYS Trust's own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with Marret or any of their respective affiliates, any officer, director or shareholder of any of them, any person, trust, firm or corporation managed by Marret or any of their respective affiliates or any firm or corporation in which any officer, director or shareholder of Marret may have a material interest (which, for these purposes, includes

beneficial ownership of more than 10% of the voting securities of such entity) unless such transaction complies with NI 81-107;

- (h) make or hold any investments in entities that would be “foreign affiliates” of Marret HYS Trust for purposes of the Tax Act;
- (i) make or hold any securities in any non-resident trusts, other than “exempt foreign trusts” as defined in proposed subsection 94(1) of the Tax Act as set forth in former Bill C-10, which was before the 2nd session of the 39th Parliament (or pursuant to any amendments to such proposals, subsequent provisions enacted into law, or successor provisions thereto);
- (j) at any time, hold any property that is a “non-portfolio property” for the purposes of the SIFT Rules; or
- (k) make or hold any investments that could require Marret HYS Trust to include any material amount in its income pursuant to proposed sections 94.1 or 94.3 of the Tax Act, or require Marret HYS Trust to mark the investment to market in accordance with proposed section 94.2 of the Tax Act, all as set forth in Bill C-10, which was before the 2nd session of the 39th Parliament (or pursuant to any amendments to such proposals, subsequent provisions as enacted into law, or successor provisions thereto).

In the event that the percentage restriction in paragraph (a) is exceeded, Marret HYS Trust will sell Portfolio securities in an orderly manner and use the proceeds therefrom to reduce the outstanding short position.

The Forward Agreement

The Fund will use the net proceeds of the Offering for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. The Fund may also directly hold a small number of the same securities as are held in the Portfolio. Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about the Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret HYS Trust net of any amount owing by the Fund to the Counterparty. Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that the Counterparty’s settlement obligations under the Forward Agreement will be discharged by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund.

The terms of the Forward Agreement will provide that the Forward Agreement may, in certain circumstances, be settled prior to the Termination Date at the request of the Fund. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. Pursuant to the terms of the Forward Agreement, the Counterparty will, in connection with a requested partial settlement, deliver to the Fund securities of certain of the issuers in the Canadian Securities Portfolio based on the partial settlement amount. It is intended that any capital gain or income realized by the Fund on the sale of such securities to fund a redemption will generally be allocated to the redeeming Unitholder.

The Forward Agreement may be terminated prior to the Termination Date in certain circumstances, including if an event of default or a termination event occurs with respect to the Fund or the Counterparty under the Forward Agreement.

The following constitute events of default under the Forward Agreement: (i) failure by a party to make a payment or perform an obligation when due under the Forward Agreement, which is not cured within any applicable grace period; (ii) a party makes a representation which is incorrect or misleading in any material respect; (iii) a party defaults in respect of a specified transaction having a value in excess of a specified threshold, which default is not cured within any applicable grace period; (iv) certain events related to the bankruptcy or insolvency of a party; and (v) a party consolidates, amalgamates or merges with or into, or transfers substantially all its assets to, another entity and the resulting, surviving or transferee entity fails to assume the obligations of such party under the Forward Agreement.

Termination events under the Forward Agreement include the following: (i) it becomes unlawful for a party to perform its obligations under, or comply with any material provisions of, the Forward Agreement; (ii) certain tax events occur which require a party to indemnify the other party in respect of certain taxes or reduce the amount that a party would otherwise have been entitled to receive under the Forward Agreement; (iii) failure of Marret HYS Trust to comply with its governing documents; or (iv) certain regulatory, credit or legal events occur which affect a party.

The obligations of the Counterparty to the Fund under the Forward Agreement will be determined by reference to the Net Asset Value of Marret HYS Trust which, in turn, is subject to the performance of the Portfolio. The Counterparty may hedge its exposure under the Forward Agreement to the economic performance of Marret HYS Trust. There is no

assurance that the Counterparty will maintain a hedge or will do so with respect to the full amount or term of the Forward Agreement. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret HYS Trust under the Forward Agreement will be not less than the net proceeds of the Offering. The Fund is fully exposed to the unsecured credit risk associated with the Counterparty in respect of the Forward Agreement. Upon entering into the Forward Agreement, the long-term debt of the Counterparty must have an Approved Rating.

If the Forward Agreement is terminated prior to the Termination Date for any reason, it is anticipated that the Forward Agreement will be settled by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund after payment of any amounts owing to the Counterparty. In the event of a termination prior to the Termination Date, the Manager may, in its discretion, enter into a replacement forward agreement on terms satisfactory to the Manager in its sole discretion, or the Manager may terminate the Fund and may take such other action as it considers necessary under the circumstances.

FEES AND EXPENSES

Fees and Expenses of the Fund

Initial Fees and Expenses

The expenses of the Offering (including the costs of creating and organizing the Fund, the costs of printing and preparing this prospectus, legal expenses, marketing expenses and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses), which are estimated to be \$700,000 (but not to exceed 1.5% of the gross proceeds of the Offering), will be paid out of the gross proceeds of the Offering. In addition, the Agents' fee will be paid to the Agents from the gross proceeds as described under "Plan of Distribution".

Management Fee

The Manager will receive a Management Fee from the Fund equal to 0.25% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus applicable taxes, plus a Service Amount calculated and paid as soon as practicable after the end of each calendar quarter, equal to 0.40% per annum of the Net Asset Value attributable to the Units plus applicable taxes.

Trustee Fee

The Trustee is entitled to receive a fee from the Fund, currently \$5,000 per annum, plus applicable taxes.

Counterparty Fees

The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated daily and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of Marret HYS Trust).

Ongoing Expenses of the Fund

The Fund will pay for all of its expenses incurred in connection with its operation and administration, estimated to be \$225,000 per annum (assuming an aggregate size of the Offering of approximately \$100 million). The Fund will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time.

Additional Services

Any arrangements for additional services between the Fund and the Manager, or any affiliate thereof, that have not been described in this prospectus will be on terms that are no less favourable to the Fund than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Fund will pay all expenses associated with such additional services.

Fees and Expenses of the Manager

Service Fee

The Manager will pay a service fee (the “**Service Fee**”) in an amount comparable to the Service Amount, plus applicable taxes to brokers based on the number of Units held by clients of such brokers at the end of the relevant quarter.

Fees and Expenses of Marret HYS Trust

Marret HYS Trust Management Fee

Marret will receive a Marret HYS Trust Management Fee from Marret HYS Trust equal to 0.75% of the net asset value of Marret HYS Trust, calculated and payable monthly in arrears, plus applicable taxes. For as long as Marret is both the manager and trustee of Marret HYS Trust, it is not entitled to receive any fees in addition to the Marret HYS Trust Management Fee for its duties as trustee.

Performance Fee

Marret will also receive, for each fiscal year of Marret HYS Trust, a Performance Fee. The Performance Fee shall be calculated and accrue monthly and be paid annually. The amount of the Performance Fee shall be determined as of December 31 of each year (the “**Determination Date**”). The Performance Fee for a given year will be an amount for each unit of Marret HYS Trust then outstanding equal to 15% of the amount by which the sum of (i) the net asset value of such unit (calculated without taking into account the Performance Fee), and (ii) the distributions paid on such unit during the previous 12 months, exceeds 106.35% of the Threshold Amount. On December 31, 2009, the Threshold Amount is the Net Asset Value per unit of Marret HYS Trust, immediately following the closing of the Offering. Thereafter, the Threshold Amount is the greater of (i) the net asset value per unit of Marret HYS Trust immediately following the closing of the Offering, (ii) the net asset value per unit of Marret HYS Trust on the Determination Date for the previous fiscal year (after payment of such Performance Fee); and (iii) the net asset value per unit of Marret HYS Trust on the Determination Date in the last fiscal year in which a Performance Fee was paid (after payment of such Performance Fee).

Ongoing Expenses of Marret HYS Trust

Marret HYS Trust will pay for all of its expenses incurred in connection with its operation and administration, estimated to be \$50,000 per annum (assuming an aggregate size of the Offering of approximately \$100 million). Marret HYS Trust will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time.

Additional Services

Any arrangements for additional services between Marret HYS Trust and Marret, or any affiliate thereof, that have not been described in this prospectus will be on terms that are no less favourable to Marret HYS Trust than those available from arm’s length persons (within the meaning of the Tax Act) for comparable services Marret HYS Trust will pay all expenses associated with such additional services.

RISK FACTORS

Certain risk factors relating to the Fund, Marret HYS Trust and the Units are described below. As a result of the Forward Agreement, Unitholders are exposed to risks relating to Marret HYS Trust. Additional risks and uncertainties not currently known to the Manager or Marret, or that are currently considered immaterial, may also impair the operations of the Fund or Marret HYS Trust. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund, and the ability of the Fund to make distributions on the Units, could be materially adversely affected.

No Assurance in Achieving Investment Objectives or Making Distributions

There is no assurance that the Fund or Marret HYS Trust will be able to achieve their respective investment objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value of the Fund will appreciate or be preserved. By virtue of the Forward Agreement, changes in the relative weightings between the various types of securities making up the Portfolio can affect the overall yield to Unitholders.

Trading Price of Units

The Units may trade in the market at a discount to the Net Asset Value per Unit and there can be no assurance that the Units will trade at a price equal to the Net Asset Value per Unit.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

General Risks of Investing in Bonds

Generally, Bonds will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of Marret HYS Trust will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of Bonds is also affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness. Corporate Bonds may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the Bonds that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced a significant repricing in recent months that has contributed to a reduction in liquidity and the availability of credit enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Risks of Investing in High Yield Debt

High Yield Debt involves greater risks than investment grade debt, including risks of default in the payment of interest and principal, lower recovery rates on a Bond that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Such securities can be regarded as predominantly speculative, and involve certain risk exposure to adverse conditions and may be subject to substantial price volatility, especially during times of economic change. Lower rated debt may be less liquid than investment rated securities. During periods of thin trading, the spread between bid and ask prices is likely to increase significantly and Marret may have difficulty selling such securities. There are no formal exchanges on which such High Yield Debt trades. Accordingly, there may be limited liquidity for holders of such High Yield Debt.

Fluctuation in Value of Portfolio Securities

The value of the Units will vary according to the value of the securities included in the Portfolio by virtue of the Forward Agreement. The value of the securities included in the Portfolio will be influenced by factors which are not within the control of Marret HYS Trust or Marret, including the financial performance of the respective issuers, operational risks relating to the specific business activities of the respective issuers, quality of assets owned by the respective issuers, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation, credit markets and other financial market conditions. As a result of its exposure to the Portfolio, the Fund will also be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which Marret HYS Trust invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

Recent Global Financial Developments

Global financial markets have experienced a sharp increase in volatility during recent months. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not materially and adversely affect economies around the world in the near to medium term. Some of these economies may experience significantly diminished growth or a recession. These market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of Marret HYS Trust and the value of the securities included in the Portfolio.

Use of Short Selling

Selling securities short may result in the loss of an amount greater than the amount invested since there is theoretically no limit to the price to which the securities that have been sold short may rise before the short position is closed out. In addition, the supply of securities which can be borrowed in order to maintain short positions fluctuates from time to time. There is no assurance that the lender of securities or financial instruments will not require the security to be repaid before Marret wishes to do so, thereby requiring Marret HYS Trust to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that any borrowing fee will not increase during the borrowing period, adding to the expense of a short sale strategy. In addition, there is no assurance that a security sold short can be repurchased due to supply and demand constraints in the marketplace.

Forward Agreement Counterparty Risk

In entering into the Forward Agreement, which will be the sole material asset of the Fund, the Fund is exposed to the unsecured credit risk associated with the Counterparty. The Counterparty may have relationships with any or all of the issuers whose securities are included in the Portfolio which could conflict with the interests of the Fund. In addition, the possibility exists that the Counterparty will default on its payment obligations under the Forward Agreement or that the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third-party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of Marret HYS Trust or the Counterparty and the Counterparty is not responsible for the returns of the Portfolio.

Composition of Portfolio

The composition of the securities included in the Portfolio taken as a whole may vary widely from time to time and may be concentrated by commodity, industry or geography, resulting in the securities included in the Portfolio being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that Marret HYS Trust will suffer a loss because of declines in the prices of securities in those sectors or industries.

Interest Rate Fluctuations

It is anticipated that the market price for the Units at any given time will be affected by the level of interest rates prevailing at such time by virtue of the Forward Agreement. A rise in interest rates may have a negative effect on the market price of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

Illiquid Securities

There is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or net asset values.

Use of Derivatives

Marret HYS Trust may invest in and use derivative instruments for hedging purposes to the extent considered appropriate by Marret taking into account factors including transaction costs. There can be no assurance that Marret HYS Trust's hedging strategies will be effective. Marret HYS Trust is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by Marret HYS Trust of margin deposits in the event of the bankruptcy of the dealer with whom Marret HYS Trust has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of Marret HYS Trust to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If Marret HYS Trust is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on Marret HYS Trust's ability to use derivative instruments to effectively hedge the Portfolio.

Use of a Prime Broker to Hold Assets

Some or all of the assets of Marret HYS Trust may be held in one or more margin accounts due to the fact that Marret HYS Trust will sell securities short. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the assets of Marret HYS Trust in such accounts, which may result in a potential loss of such assets. As a result, the assets of Marret HYS Trust could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, Marret HYS Trust may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Fund.

Securities Lending

Marret HYS Trust may engage in securities lending. Although Marret HYS Trust will receive collateral for the loans and such collateral will be marked-to-market, Marret HYS Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral proves to be insufficient to reconstitute the portfolio of loaned securities.

Use of Leverage

Marret HYS Trust may utilize a loan facility or other forms of leverage in order to implement its investment strategy. While leverage may increase the potential for total returns, it may also potentially increase losses. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of Marret HYS Trust's net assets will decrease. Any event which adversely affects the value of an investment held by Marret HYS Trust will be magnified to the extent leverage is employed. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading at times or prices that are disadvantageous to Marret HYS Trust and which could result in a loss for Marret HYS Trust.

Currency Exposure

As the Portfolio will be invested in securities traded in United States dollars, the Net Asset Value of the Fund, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the United States dollar relative to the Canadian dollar. Marret HYS Trust may not be fully hedged at all times. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent Marret's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Reliance on Marret and the Manager

Marret will manage the portfolio held by Marret HYS Trust in a manner consistent with the investment objectives and the investment restrictions of Marret HYS Trust and is also the manager of the Fund and Marret HYS Trust. The officers of Marret who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios, however, there is no certainty that such individuals, including Barry Allan, will continue to be employees of Marret until the termination of Marret HYS Trust.

Taxation of the Fund

In determining its income for tax purposes, the Fund will not treat the acquisition of Canadian Securities Portfolio securities under the Forward Agreement as a taxable event and will treat gains or losses on any disposition of Canadian Securities Portfolio securities acquired under the Forward Agreement as capital gains and capital losses for the purposes of the Tax Act. No advance income tax ruling has been requested or obtained from the CRA regarding the timing or characterization of the Fund's income, gains or losses. If, contrary to the advice of counsel to the Fund or as a result of a change of law, the acquisition of Canadian Securities Portfolio securities under the Forward Agreement was a taxable event or if gains realized on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement were treated other than as capital gains on the sale of such securities, after-tax returns to Unitholders would be reduced.

On October 31, 2003 the Department of Finance (Canada) announced a Tax Proposal relating to the deductibility of losses under the Tax Act. Under this Tax Proposal, a taxpayer will be considered to have a loss from a business or property

for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If the Tax Proposal were to apply to the Fund or Marret HYS Trust, deductions that would otherwise reduce the Fund's or Marret HYS Trust's taxable income could be denied, with after-tax returns to the Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace this Tax Proposal would be released for comment. No such alternative proposal has been received to date. There can be no assurance that such alternative proposal will not adversely affect the Fund.

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own the securities held by the Fund or Marret HYS Trust.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or Unitholders.

Conflicts of Interest — the Fund

The Manager and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund and the Manager.

Conflicts of Interest — Marret HYS Trust

Marret and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of Marret HYS Trust. Although none of the directors or officers of Marret will devote his or her full time to the business and affairs of Marret HYS Trust, each director and officer of Marret will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Marret HYS Trust and Marret.

Status of the Fund

As the Fund is not a mutual fund as defined under Canadian securities laws, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds.

Significant Redemptions

The purpose of the annual redemption right is to reduce the extent to which Units trade at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity (commencing in July 2011) provided the Annual Redemption Condition is met, there can be no assurance that it will reduce trading discounts. Furthermore, if a substantial number of Units are redeemed, the number of Units outstanding could be significantly reduced with the effect of decreasing liquidity of the Units in the market. In addition, the expenses of the Fund would be spread among fewer Units resulting in a lower Net Asset Value per Unit than if there were fewer redemptions. If, as a result of significant redemptions, the Manager determines that it is in the best interests of Unitholders to terminate the Fund, the Manager could terminate the Fund without Unitholder approval. See "Redemption of Units" and "Termination of the Fund."

Other closed-end funds with annual redemption rights similar to the redemption rights in respect of the Units, although without the Annual Redemption Condition, have experienced significant redemptions on annual redemption dates in the past.

Operating History

The Fund is a newly organized investment trust with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market for the Units will develop or be sustained after completion of the Offering.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

Nature of Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

DISTRIBUTIONS

The Fund initially intends to pay monthly distributions on all Units in an amount equal to \$0.067 per Unit, representing a yield of 8.00% per annum on the issue price. The initial distribution is payable to Unitholders of record on June 30, 2009 and will be paid no later than July 15, 2009. The initial distribution will be pro-rated to reflect the period from the Closing Date to June 30, 2009.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital (which are not immediately taxable, but which reduce the adjusted cost base of a Unitholder’s Unit). See “Canadian Federal Income Tax Considerations”.

Marret believes that the credit cycle is in the late stages of Phase III and will enter into Phase I in the near future (see “The Offering — Investment Rationale”). As a result, the portfolios of Marret LP and Marret Fund Ltd. (see “The Portfolio – Portfolio Composition”) have a significant allocation to cash and a current cash yield of approximately 5.24% per annum. In order for the Fund to pay distributions on the Units of 8.00% per annum, funded by partial presettlements of the Forward Agreement, while maintaining a stable Net Asset Value, the Portfolio would be required to generate additional returns of approximately 5.22% in excess of its current cash yield of the portfolios of Marret LP and Marret Fund Ltd. through the sale of securities or other returns assuming (i) an aggregate size of the Offering of \$100 million; (ii) fees and expenses described under “Fees and Expenses”; and (iii) no defaults in securities included in the Portfolio. The total return required to meet such distributions is 10.46% (the aggregate of the current cash yield of 5.24% and the aforementioned 5.22% additional return required to be generated).

Commencing in September 2009, the Fund will determine and announce each quarter the amount to be distributed during the following quarter based upon the Manager’s estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year. The Manager intends to manage the Fund and determine the amount of distributions so that the aggregate amount of distributions paid to Unitholders up to the Termination Date does not exceed the total return on the Portfolio, to which the Fund has exposure by virtue of the Forward Agreement, over that period.

The Fund will be subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. To ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Declaration of Trust provides that, if necessary, an Additional Distribution will be automatically payable in each year to Unitholders of record on December 31, based on the Net Asset Value. The Additional Distribution may be necessary where the Fund realizes income for tax purposes which is in excess of the monthly distributions paid or made payable to Unitholders during the year. In the event that the Fund must pay an Additional Distribution, such Additional Distribution may, at the option of the Manager, be satisfied by the issuance of Units. Following such issue of additional Units, the outstanding Units will be automatically consolidated on a basis such that each Unitholder of the Fund will hold after the consolidation the same number of Units of the Fund as it held before the distribution of additional Units, except in the case of

a Non-Resident Unitholder if tax was required to be withheld in respect of the distribution. See “Canadian Federal Income Tax Considerations”.

REDEMPTION OF UNITS

Annual Redemptions

Annual Conditional Redemption Right: Units may be redeemed at the option of Unitholders on the Annual Redemption Date of each year, commencing in July, 2011, if and only if the Annual Redemption Condition, described below, has been met in such year. Units so redeemed will be redeemed at a redemption price equal to the Net Asset Value per Unit on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. The Units must be surrendered for redemption at least ten Business Days prior to the Annual Redemption Date. Payment of the proceeds of redemption will be made on or before the 15th Business Day of the following month.

Annual Redemption Condition: Units may only be redeemed on an Annual Redemption Date if the average of the Net Asset Values of the Units on the first four Valuation Dates occurring in the month of May preceding the Annual Redemption Date is less than \$10.00. On the first business day following the fourth such Valuation Date, the Manager will issue a press release stating the average Net Asset Value and whether or not the Annual Conditional Redemption Right has been triggered.

Monthly Redemptions

Units may be redeemed at the option of Unitholders on a Monthly Redemption Date, subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date, subject to the Manager’s right to suspend redemptions in certain circumstances.

Unitholders surrendering a Unit for redemption will receive a redemption price equal to the lesser of (i) 94% of the Market Price of a Unit and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, being the Monthly Redemption Amount.

Pre-Settling the Forward Agreement

The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date in order to fund redemptions. The value of the Forward Agreement on a Monthly Redemption Date and, accordingly, the Net Asset Value per Unit on a Monthly Redemption Date and the redemption price will be dependent upon the performance of Marret HYS Trust and the Net Asset Value of Marret HYS Trust units.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges must do so by causing the CDS Participant through which he or she holds his or her Units to deliver to CDS at its office in the City of Toronto on behalf of the Unitholder, a written notice of the Unitholder’s intention to redeem Units by no later than 5:00 p.m. (Toronto time) on the applicable notice date described above. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in advance of the Monthly Redemption Date deadline so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the notice date described above.

By causing a CDS Participant to deliver to CDS a notice of the Unitholder’s intention to redeem Units, the Unitholder will be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that the Manager may from time to time prior to the Monthly Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Fund. Any expense associated with the preparation and delivery of the redemption notice will be for the account of the Unitholder exercising the redemption privilege.

Any redemption notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the redemption privilege to which it relates will be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with a Unitholder's instructions will not give rise to any obligations or liability on the part of the Fund, the Trustee or the Manager to the CDS Participant or the Unitholder.

Suspension of Redemptions

The Fund may suspend the redemption of Units or payment of redemption proceeds (a) for the whole or any part of a period during which normal trading is suspended on one or more exchanges on which more than 50% of the securities included in the Canadian Securities Portfolio (by value) are listed and traded, and if the securities are not traded on any other exchange that represents a reasonable, practical alternative for the Fund or (b) for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension, but for which payment has not been made, as well as to all requests received while the suspension is in effect. In such circumstances all Unitholders will have, and will be advised that they have, the right to withdraw their requests for redemption. The suspension will terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager will be conclusive.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to the Fund, and Stikeman Elliott LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Fund, and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making an election in accordance with the Tax Act. This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" for purposes of the Tax Act and that the Fund will elect in accordance with the Tax Act to have each of its Canadian securities treated as capital property.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current published administrative policies and assessing practices of the CRA, and the Tax Proposals. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or provinces in which the investor resides or carries on business. Counsel expresses no views herein in respect of the deductibility of interest on any funds borrowed by a Unitholder to purchase Units. **This summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.**

Status of the Fund

This summary is based on the assumptions that the Fund will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act and that the Fund will elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units. Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. Counsel has been advised that the Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its income, including its net realized capital gains as described under “Distributions”, it will generally not be liable in such year for income tax under Part I of the Tax Act, subject to the possible application of the SIFT Rules as discussed below.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a “capital gains refund”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of Canadian Securities Portfolio securities acquired by the Fund under the Forward Agreement in connection with a redemption of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days.

The Fund will not realize any income, gain or loss as a result of entering into the Forward Agreement and no amount will be included in computing the Fund’s income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. Provided the Fund elects in accordance with the Tax Act to have each of its “Canadian securities” treated as capital property, gains or losses realized by the Fund on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses.

On October 31, 2003 the Department of Finance announced a Tax Proposal relating to the deductibility of losses under the Tax Act. Under this Tax Proposal, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If such Tax Proposal were to apply to the Fund, deductions that would otherwise reduce the Fund’s taxable income could be denied, with after-tax returns to the Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the Tax Proposals of October 31, 2003 would be released for comment. To date, no such alternative proposal has been released.

Recent amendments to the Tax Act impose tax on certain income earned by a SIFT Trust. Provided the Fund complies with its investment restrictions, it will not be liable for tax pursuant to the SIFT Rules.

Taxation of Unitholders

Subject to the possible application of the SIFT Rules described above, a Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The non-taxable portion of the Fund’s net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder’s income for the year. Any other amount in excess of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed gain. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholders’ proceeds of disposition (net of any reasonable costs of disposition) exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is

acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property that were acquired before that time. For this purpose, the cost of Units that have been issued as an Additional Distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder in Units.

One-half of any capital gain (“taxable capital gain”) realized on the disposition of Units will be included in the Unitholder’s income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Unitholder’s liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains distributed by the Fund to a Registered Plan are generally not taxable under Part I of the Tax Act while retained in the Registered Plan, provided that the Units are qualified investments under such a Registered Plan. Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, if the Units are “prohibited investments” for the purposes of a tax-free savings account, a Unitholder will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit of a trust which does not deal at arm’s length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of the Fund’s outstanding units by the holder, either alone or together with persons with whom the holder does not deal at arm’s length. Unitholders are advised to consult their own tax advisors in this regard.

Taxation Implications of the Fund’s Distribution Policy

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder’s share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. Since the Fund makes monthly distributions, as described under “Distributions”, the consequences of acquiring Units late in a calendar year will generally depend on the amount of the monthly distributions throughout the year and whether an Additional Distribution is necessary late in the calendar year to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel for the Fund, and Stikeman Elliott LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans. See “Canadian Federal Income Tax Considerations”.

ORGANIZATION AND MANAGEMENT OF THE FUND

The Manager of the Fund

Marret Asset Management Inc. will be the manager of the Fund and will provide all administrative services required by the Fund. The Manager was incorporated under *Business Corporations Act* (Ontario) on November 14, 2000. The Manager’s head office is located at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately \$2.0 billion in High Yield Debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income and, particularly, in High Yield Debt strategies.

Director and Officers of the Manager

The Board of Directors of the Manager currently consists of three members. The name, municipality of residence and office with the Manager of each director and senior officer is set out below. The directors do not have a fixed term of office.

<u>Name</u>	<u>Municipality of Residence</u>	<u>Office with the Manager</u>
Barry Allan	Toronto	President and Director
David Gluskin	Toronto	Vice President and Director
Laurence Cashin	Toronto	Vice President, Chief Financial Officer and Director
Dorothea Mell	Toronto	Vice President and Corporate Secretary
Adrian Prenc	Toronto	Vice President
Paul Sandhu	Toronto	Vice President

For a description of the principal occupations of the directors and officers of the Manager during the last five years, see “Organization and Management of the Fund – Portfolio Advisor”.

Duties and Services to be Provided by the Manager

Pursuant to the Declaration of Trust and the Management Agreement, the Manager has exclusive authority to manage the business and affairs of the Fund, to make all decisions regarding the business of the Fund and has authority to bind the Fund. The Manager may delegate certain of its powers to third parties at no additional cost to the Fund where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust and Management Agreement provide that the Manager will not be liable in any way for any default, failure or defect of the assets of the Fund if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence or breach of its duties or standard of care, diligence and skill. Among other restrictions imposed on the Manager, it may not dissolve the Fund or wind up the affairs of the Fund except if, in its opinion, it would be in the best interests of the Unitholders to terminate the Fund or otherwise in accordance with the provisions of the Declaration of Trust.

Under the terms of the Declaration of Trust and the Management Agreement, the Manager is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to the Fund, including, without limitation (a) entering into, on behalf of the Fund, the Forward Agreement and administering the Forward Agreement; (b) authorizing and paying expenses incurred on behalf of the Fund; (c) appointing the Custodian, registrar and transfer agent, auditors, legal counsel and other organizations or professionals serving the Fund; (d) providing office space and facilities; (e) preparing accounting, management and other reports, including such interim and annual reports to Unitholders, financial statements, tax reporting to Unitholders and income tax returns as may be required by applicable law; (f) monitoring the ability of the Fund to pay distributions; (g) communicating with Unitholders; (h) ensuring that the Net Asset Value per Unit is calculated and published; (i) ensuring that the Fund complies with all regulatory requirements and applicable stock exchange listing requirements; (j) calling meetings of Unitholders as required; and (k) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund.

In consideration for these services, the Fund will pay to the Manager the Management Fee and reimburse the Manager for all reasonable costs and expenses incurred by the Manager on behalf of the Fund. See “Fees and Expenses — Management Fee”. The Manager and each of its directors, officers, employees, consultants and agents are indemnified and will be reimbursed by the Fund to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Fund, and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the services provided to the Fund described herein or as a director, officer, employee, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the manager, the portfolio manager, trustee or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from the person’s wilful misconduct, bad faith, negligence, breach of their duties or standard of care, diligence and skill or material breach or default of their obligations under the Declaration of Trust or Management Agreement.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager until the termination of the Fund. The Manager may resign if the Fund is in breach or default of the provisions of the Declaration of Trust and the Management Agreement and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to the Fund. The Manager is deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for purposes of the Tax Act. The Manager may not be removed other than by an Extraordinary Resolution of the Unitholders. In the event the Manager is in material breach or default of the provisions of the Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to the Manager, the Trustee shall give notice thereof to Unitholders and Unitholders may direct the Trustee by Ordinary Resolution to remove the Manager and appoint a successor Manager.

The services of the Manager and the officers and directors of the Manager are not exclusive to the Fund. The Manager and its affiliates and associates may, at any time, engage in any other activity including the administration of any other fund or trust.

Portfolio Advisor

The Manager is also the portfolio advisor to the Fund and Marret HYS Trust. Pursuant to the Declaration of Trust and the Management Agreement, the Manager is responsible for executing the Fund’s investment strategy, which includes entering into the Forward Agreement.

Barry Allan is the founder of the Manager and leads the investment team. Mr. Allan has over 25 years of investment experience and spent the six years prior to founding the Manager as a high yield portfolio manager at Altamira Financial Services Limited (“Altamira”), a prominent employee-owned firm that was later sold to a Canadian chartered bank. Prior to Altamira, Mr. Allan was on the trading desks at Nesbitt Thompson and Company and a Canadian chartered bank.

The investment team includes five other industry-specialized credit professionals. David Gluskin has over 35 years of investment experience including 10 years as a high yield trader at Goldman Sachs Canada Inc. Laurence Cashin, CA, CFA, entered the high yield market a decade ago as an analyst at Deans Knight Capital Management Ltd. in Vancouver. He joined the Manager in 2004 and covers the telecommunications, cable, media and technology sectors. Dorothea Mell, CFA, has spent the last decade as a high yield analyst at Altamira Financial Services Limited and the Manager and also spent five years at MetLife. She joined the Manager in 2002 and covers the energy, gaming and homebuilders sectors. Adrian Prenc, CFA, FRM spent three years at Altamira Financial Services Limited before joining the Manager in 2003 as a high yield analyst covering the industrial products, aerospace and forest products sectors. Randy Steuart, B. Comm., is a recent graduate of the UBC Portfolio Management Foundation program and joined the Manager in 2007 as a high yield analyst covering the retail, consumer products and mining sectors.

Marret’s investment team includes the following credit analysts:

<u>Name</u>	<u>Industry Specialization</u>
David Gluskin	Special Situations
Laurence Cashin, CA, CFA	Telecommunications, cable, media and technology sectors
Dorothea Mell, CFA	Energy, gaming and homebuilders sectors
Adrian Prenc, CFA, FRM	Industrial products, aerospace and forest products sectors
Randy Steuart	Retail, consumer products and mining sectors

The investment decisions made by these individuals are not subject to the oversight, approval or ratification of any committee of the Fund. The names and municipalities of residence of the officers of the Manager who will be principally involved in providing the Manager’s portfolio advisory services to the Fund, are set out under “Organization and Management of the Fund – Directors and Officers of the Manager”.

Performance History of Marret High Yield Hedge Limited Partnership and Marret Fund Ltd.

The historical compound annual returns for the Marret High Yield Hedge Limited Partnership and Marret Fund Ltd., which has substantially the same investment strategy and process as Marret HYS Trust are set out below. Marret HYS Trust is subject to the investment restrictions set out under the heading “Overview of the Investment Structure – Investment Restrictions of Marret HYS Trust”, and Marret LP and Marret Fund Ltd. are not subject to those restrictions. Included are returns as of April 30, 2009 for the one, three and five-year periods and since the inception on November 30, 2002 of the Marret High Yield Hedge Limited Partnership and since the inception on August 1, 2004 of Marret Fund Ltd., together with the return on the S&P 500 Index, the S&P/TSX Composite Index and the Merrill Lynch High Yield Master II Index, the most widely referenced index for High Yield Debt, including senior and subordinated notes.

Historical Compound Annual Return to April 30, 2009 ⁽¹⁾				
Fund / Index	1 Year	3 Year	5 Year	Since Inception
Marret High Yield Hedge LP – Net Performance ^{(2) (3)}	5.71%	3.86%	5.53%	10.66%
<i>Volatility (Standard Deviation)</i> ⁽⁴⁾	6.50%	5.38%	4.72%	5.59%
Marret Fund Ltd. – Net Performance ^{(2) (5)}	2.59%	2.38%	N/A	4.28%
<i>Volatility (Standard Deviation)</i> ⁽⁴⁾	6.34%	4.94%	N/A	4.39%
S&P 500 Index	(35.31%)	(10.76%)	(2.70%)	0.87%
<i>Volatility (Standard Deviation)</i>	27.93%	18.66%	15.33%	14.73%
S&P/TSX Composite Index	(30.70%)	(5.93%)	5.04%	8.10%
<i>Volatility (Standard Deviation)</i>	26.86%	18.27%	15.80%	14.71%
Merrill Lynch US High Yield Master II	(14.69%)	(1.67%)	2.01%	6.05%
<i>Volatility (Standard Deviation)</i>	26.45%	15.67%	12.42%	11.43%

As at April 30, 2009

Notes:

- (1) There can be no assurance that the performance of the Fund will equal or exceed the performance of the Marret High Yield Hedge Limited Partnership or Marret Fund Ltd., and the investment objectives, strategies, restrictions, distribution policies and expenses of each issuer differ. Past performance may not be repeated.
- (2) Net of management fees and all other expenses. For Marret High Yield Hedge LP, management fee of 1.25% of net assets per annum plus a performance fee of 20% over a 7% hurdle rate. For Marret Fund Ltd., management fee of 1.5% of net assets per annum plus a 20% performance fee.
- (3) Marret High Yield Hedge LP inception date is November 30, 2002. Denominated in Canadian dollars.
- (4) Standard deviation is a measure of volatility based on the dispersion of the set of data from its mean.
- (5) Marret Fund Ltd. inception date is July 30, 2004. Denominated in U.S. dollars. (2)

Conflicts of Interest

The directors and officers of the Manager may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund or Marret HYS Trust may acquire securities. The Manager and its affiliates or associates may be managers or portfolio managers of one or more issuers in which the Fund or Marret HYS Trust may acquire securities and may be managers or portfolio managers of funds that invest in the same securities as the Fund or Marret HYS Trust. The services of the Manager are not exclusive to the Fund. The Manager may in the future act as the manager or investment advisor to other funds and companies and may in the future act as the manager or investment advisor to other funds which invest in debt securities and which are considered competitors of the Fund or Marret HYS Trust.

The Declaration of Trust acknowledges that the Trustee may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services.

Independent Review Committee

The Manager has appointed the following members to its independent review committee, which will also act as the independent review committee for Marret HYS Trust.

Richard Stone: Mr. Stone has experience involving the creation, promotion, operation and management of a wide variety of investment funds and tax-deferred limited partnerships. He is the President, CEO and a director of Stone Investment Group Limited. Mr. Stone founded Stone & Co. Limited in 1994 and continues to serve as its President, CEO and as a director. Mr. Stone is also the President, CEO and a director of GaleForce and the President, CEO, CIO and a director of Stone Asset Management Limited.

Ross MacKinnon: Mr. MacKinnon was Director of Financial Markets with the Bank of Canada from February 2000 until February 2009. He began employment with Nesbitt Burns in February 1985 and held the position of Senior Vice President and Director from September 1987 until June 1999. Mr. MacKinnon received an Honours Business Administration degree from the University of Western Ontario in 1972.

John Anderson: John R. Anderson, has nearly 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1993. Mr. Anderson is currently the chief financial officer of each of Impax Energy Services Income Trust; Tailwind Financial Inc., which went public in the United States in April 2007 raising

US\$100 million; and LBBP Inc. Mr. Anderson has also held a senior advisory position at MDS Capital Corp, a division of MDS Inc., from 1998 to 2000. Mr. Anderson currently serves as a director of Roots Canada Ltd., chairman of the board of governors of Ridley College, and director and chair of the audit committee, Canadian Medical Discoveries Fund Inc.

The mandate and responsibilities of the independent review committee will be set out in its charter. The independent review committee will be responsible for carrying out those responsibilities required to be undertaken pursuant to NI 81-107, including reviewing each conflict of interest matter referred by the Manager to the independent review committee for its recommendation or approval, conducting regular assessments as required by NI 81-107 and reporting to the Unitholders and Manager on at least an annual basis, as required by NI 81-107.

The independent review committee will prepare a report, at least annually, of its activities for Unitholders which will be available on the Manager's website at www.marret.ca, or at the Unitholder's request at no cost, by contacting the Manager at 416-214-5800.

Remuneration of Directors, Officers and Independent Review Committee Members

The officers of the Manager will receive their remuneration from the Manager. The directors of the Manager do not receive any director fees. Compensation for members of the independent review committee in respect of the Fund is currently \$10,000 per member per annum. The expenses of the directors of the Manager and the premiums for directors' and officers' insurance coverage for the directors and officers of the Manager are paid by the Manager. The fees and other reasonable expenses of members of the independent review committee, as well as premiums for insurance coverage for such members, are paid by the Fund and other applicable investment funds managed by the Manager on a *pro rata* basis. In addition, the Fund has agreed to indemnify the members of the independent review committee against certain liabilities.

The Trustee

Equity Transfer & Trust Company is the trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee is 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

The Trustee or any successor trustee may resign upon 90 days written notice to the Manager or may be removed by an Extraordinary Resolution passed at a meeting of Unitholders called for such purpose. The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Fund or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee is entitled to receive fees from the Fund as described under "Fees and Expenses — Ongoing Expenses of the Fund" and to be reimbursed by the Fund for all expenses which are reasonably incurred by the Trustee in connection with the activities of the Fund.

The Custodian

CIBC Mellon Trust Company at its office in Toronto, Ontario will be separately appointed as the custodian of the assets of the Fund and Marret HYS Trust. The Custodian will be responsible for safekeeping of all the investments and other assets of the Fund and Marret HYS Trust delivered to it (but not those assets of the Fund or Marret HYS Trust not directly controlled or held by the Custodian, as the case may be). The Custodian may employ sub-custodians as considered appropriate in the circumstances. Subject to certain exemptions as set out in the Custodian Agreement, the Custodian is not responsible for any ongoing assessment, adequacy or monitoring of or any liability for any loan or credit facility or any liability for holding or controlling any property of the Fund or Marret HYS Trust pledged to a counterparty and not directly held by the Custodian.

Auditor

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

Transfer Agent and Registrar

Computershare Investor Services Inc. will act as transfer agent and registrar for the Units and will maintain the securities registers at its office in Toronto, Ontario.

The Promoter

The Manager may be considered a promoter of the Fund by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. The Manager will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than amounts paid to the Manager as described under “Fees and Expenses”.

MANAGEMENT OF MARRET HYS TRUST

Marret HYS Trust

Marret HYS Trust will be a newly created investment trust established prior to the Closing Date pursuant to Marret HYS Declaration of Trust for the purpose of acquiring the Portfolio. The registered office of the Trustee of Marret HYS Trust is located in Toronto, Ontario.

Marret HYS Trust will be authorized to issue an unlimited number of transferable, redeemable units, each of which will represent an equal, undivided interest in the net assets of Marret HYS Trust. Each unit of Marret HYS Trust will entitle a holder thereof to the same rights and obligations as a holder of any other unit of Marret HYS Trust and no unitholder of Marret HYS Trust will be entitled to any privilege, priority or preference in relation to any other unitholder. Each unitholder of Marret HYS Trust will be entitled to one vote for each Marret HYS Trust unit held and will be entitled to participate equally with respect to any and all distributions made by Marret HYS Trust. On termination of Marret HYS Trust, all Marret HYS Trust unitholders of record holding outstanding Marret HYS Trust units will be entitled to receive any assets of Marret HYS Trust remaining after payment of all debts, liabilities and liquidation expenses of Marret HYS Trust. All holders of units of Marret HYS Trust must be residents of Canada for purposes of the Tax Act.

Duties and Services Provided to be Provided by the Manager

Pursuant to the Marret HYS Declaration of Trust and the Marret HYS Management Agreement, which is incorporated by reference into the Marret HYS Declaration of Trust while Marret is both trustee and manager, as the trustee and manager, Marret has exclusive authority to manage the business and affairs of Marret HYS Trust, to make all decisions regarding the business of Marret HYS Trust and has authority to bind Marret HYS Trust. Marret may delegate certain of its powers to third parties at no additional cost to Marret HYS Trust where, in the discretion of Marret, it would be in the best interests of Marret HYS Trust to do so. Marret will acquire the securities of the issuers that comprise the Portfolio and will manage the Portfolio, subject to the investment restrictions of Marret HYS Trust.

As manager, Marret is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Marret HYS Trust and to exercise the care, diligence and skill that a reasonably prudent manager would exercise in comparable circumstances. The Marret HYS Declaration of Trust and Marret HYS Management Agreement provide that Marret will not be liable in any way for any default, failure or defect of the assets of Marret HYS Trust or the Portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth above. Marret will incur liability, however, in cases of wilful misconduct, bad faith, negligence or breach of its duties or standard of care, diligence and skill. Among other restrictions imposed on Marret, it may not dissolve Marret HYS Trust or wind up the affairs of Marret HYS Trust except if, in its opinion, it would be in the best interests of the unitholders of Marret HYS Trust to terminate Marret HYS Trust or otherwise in accordance with the provisions of the Marret HYS Declaration of Trust.

Under the terms of the Marret HYS Declaration of Trust and the Marret HYS Management Agreement, Marret is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to Marret HYS Trust, including, without limitation (a) authorizing and paying expenses incurred on behalf of Marret HYS Trust; (b) appointing the Custodian, Prime Broker, auditors, legal counsel and other organizations or professionals serving Marret HYS Trust; (c) providing office space and facilities; (d) preparing accounting, management and other reports, including such interim and annual reports to unitholders, financial statements, tax reporting to unitholders and income tax returns as may be required by applicable law; (e) monitoring the ability of Marret HYS Trust to pay distributions; (f) communicating with unitholders; (g) ensuring that the Net Asset Value per unit is calculated; (h) ensuring that Marret HYS Trust complies with all regulatory requirements; (i) calling meetings of unitholders as required; and (j) providing such other

managerial and administrative services as may be reasonably required for the ongoing business and administration of Marret HYS Trust.

In consideration for these services, Marret HYS Trust will pay to Marret the Marret HYS Trust Management Fee and reimburse Marret for all reasonable costs and expenses incurred by Marret on behalf of Marret HYS Trust. See “Fees and Expenses — Marret HYS Trust Management Fee”. Marret and each of its directors, officers, employees, consultants and agents will be indemnified and will be reimbursed by Marret HYS Trust to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of Marret HYS Trust, and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the services provided to Marret HYS Trust described herein or as a director, officer, employee, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the manager, the portfolio manager, trustee or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from the person’s wilful misconduct, bad faith, negligence, breach of their duties or standard of care, diligence and skill or material breach or default of their obligations under the Marret HYS Declaration of Trust.

Unless Marret resigns or is removed as described below, Marret will continue as manager until the termination of Marret HYS Trust. Marret may resign if Marret HYS Trust is in breach or default of the provisions of the Marret HYS Declaration of Trust and the Marret HYS Management Agreement and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to Marret HYS Trust. Marret is deemed to have resigned if Marret becomes bankrupt or insolvent or in the event Marret ceases to be resident in Canada for purposes of the Tax Act. Marret may not be removed other than by an Extraordinary Resolution of the unitholders of Marret HYS Trust. In the event Marret is in material breach or default of the provisions of the Marret HYS Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to Marret, the Trustee of Marret HYS Trust shall give notice thereof to unitholders and unitholders may direct the Trustee of Marret HYS Trust by Ordinary Resolution to remove Marret and appoint a successor manager.

The services of Marret and the officers and directors of Marret are not exclusive to Marret HYS Trust. Marret and its affiliates and associates may, at any time, engage in any other activity including the administration of any other fund or trust.

The Trustee

Marret is the trustee of Marret HYS Trust. The Trustee of Marret HYS Trust is responsible for certain aspects of the administration of Marret HYS Trust as described in the Marret HYS Declaration of Trust. The address of the Trustee of Marret HYS Trust is 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

The Trustee of Marret HYS Trust or any successor trustee may resign upon 90 days written notice to Marret as manager or may be removed by an Extraordinary Resolution passed at a meeting of unitholders called for such purpose. Any such resignation or removal will become effective only on the appointment of a successor trustee. If, after notice of resignation has been received from the Trustee of Marret HYS Trust, no successor has been appointed within 90 days of such notice, the Trustee of Marret HYS Trust, Marret or any unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee.

The Marret HYS Declaration of Trust provides that the Trustee of Marret HYS Trust will not be liable in carrying out its duties under the Marret HYS Declaration of Trust except in cases where the Trustee of Marret HYS Trust fails to act honestly and in good faith with a view to the best interests of the Marret HYS Trust or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Marret HYS Declaration of Trust contains other customary provisions limiting the liability of the Trustee of Marret HYS Trust and indemnifying the Trustee of Marret HYS Trust in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee of Marret HYS Trust is not entitled to receive fees from Marret HYS Trust so long as the Trustee is also the manager of Marret HYS Trust as described under “Fees and Expenses ” and to be reimbursed by Marret HYS Trust for all expenses which are reasonably incurred by the Trustee of Marret HYS Trust in connection with the activities of Marret HYS Trust.

Conflicts of Interest

The services of Marret are not exclusive to Marret HYS Trust. Marret and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in the promotion or management of any other fund, trust or investment

portfolio. Since Marret will continue to manage the investments of its other clients, Marret may acquire or dispose of the same investment for Marret HYS Trust and for one or more of its other clients. However, because of the different investment policies, Marret may be selling an investment for one client and buying the same investment for another client. Under the Marret HYS Trust Management Agreement, Marret has agreed to allocate opportunities to acquire and dispose of investments fairly among Marret HYS Trust and its other clients.

The primary consideration in all portfolio transactions will be prompt execution of orders in an efficient manner at the most favourable price. In selecting and monitoring dealers, Marret considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to Marret HYS Trust or to Marret or its affiliates. This allows Marret to supplement their own investment research activities and obtain the views and information of others prior to making investment decisions.

Prime Broker

Scotia Capital Inc. at its office in Toronto, Ontario will be appointed as the prime broker of Marret HYS Trust to facilitate short selling of securities pursuant to an agreement between Marret HYS Trust and the Prime Broker.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Manager will calculate the Net Asset Value per Unit as at the close of business on each Business Day. The Manager has applied for discretionary relief from the applicable securities regulators to permit it to calculate Net Asset Value per Unit only on each Valuation Date. At a minimum, the Valuation Date will be Thursday of each week, or if any Thursday is not a Business Day, the immediately preceding Business Day, and the last Business Day of each month, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit. The Fund will make available to the financial press for publication on a weekly basis, the Net Asset Value per Unit. Such amount will also be available on the Manager's website at www.marret.ca.

Valuation Policies and Procedures

For reporting purposes other than financial statements, the Net Asset Value of the Fund or Marret HYS Trust on a particular date will be equal to (i) the aggregate value of the assets of the Fund or Marret HYS Trust less (ii) the aggregate value of the liabilities of the Fund or Marret HYS Trust. The Net Asset Value of Units on a particular date will be equal to the Net Asset Value of the Fund or Marret HYS Trust, including an allocation of any net realized capital gains or other amounts payable to unitholders on or before such date expressed in Canadian dollars at the applicable exchange rate on such date. The Net Asset Value per Unit on any day will be obtained by dividing the Net Asset Value of the Fund on such day by the number of Units then outstanding.

For the purpose of calculating Net Asset Value of the Fund or Marret HYS Trust on a Valuation Date, the value of the aggregate assets, and any short positions, of the Fund or Marret HYS Trust on such Valuation Date will be determined as follows:

- (a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) and interest accrued and not yet received will be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof will be deemed to be such value as the Manager determines to be the fair value thereof;
- (b) the value of any bonds, debentures, other debt obligations and short positions will be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;

- (c) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) will be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest offer price or bid price will be used), as at the Valuation Date on which the value of the assets is being determined, all as reported by any means in common use;
- (d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;
- (e) the value of any security or other asset for which a market quotation is not readily available will be its fair value on the Valuation Date on which the value of the assets is being determined as determined by the Manager (generally the Manager will value such security at cost until there is a clear indication of an increase or decrease in value);
- (f) any market price reported in currency other than Canadian dollars will be translated into Canadian currency at the rate of exchange available from the Custodian on the Valuation Date on which the value of the assets is being determined;
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Manager and investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair value is determined to be appropriate by the Manager;
- (h) the value of the Forward Agreement and any other forward contract will be the value that would be realized by the Fund if, on the date on which the value of the assets is being determined, the Forward Agreement or any other forward contract were closed out in accordance with its terms; and
- (i) the value of any security or property to which, in the opinion of the Manager, the application of the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) will be the fair value thereof determined in good faith in such manner as the Manager from time to time adopts.

The Net Asset Value per Unit is calculated in Canadian dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Fund may obtain. The Net Asset Value per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian generally accepted accounting principles.

For the purposes of calculating the Net Asset Value in connection with a redemption of Units, the value of the Forward Agreement will be determined on the basis of the Net Asset Value of Marret HYS Trust which will be determined on the basis that any bonds, debentures and other debt obligations that are owned by Marret HYS Trust will be valued by taking the bid price on the Valuation Date and any short position of Marret HYS Trust will be valued by taking the ask price on the Valuation Date. Such Net Asset Value will be calculated on a fully diluted basis, if applicable.

Reporting of Net Asset Value

The Net Asset Value per Unit will be available to Unitholders at no cost on the Manager's website at www.marret.ca, posted weekly and displaying the date upon which it was calculated.

DESCRIPTION OF THE UNITS

The Units

The beneficial interest in the net assets and net income of the Fund is divided into Units. The Fund is authorized to issue an unlimited number of Units.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units. Each Unitholder is entitled to one vote for each Unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net realized capital gains, if any. On the redemption of Units, however, the Fund may in its sole discretion, designate payable

to redeeming Unitholders, as part of the redemption price, any capital gains realized by the Fund in the taxation year in which the redemption occurred. On termination or liquidation of the Fund, the Unitholders of record are entitled to receive on a *pro rata* basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. Unitholders will have no voting rights in respect of securities held by the Fund.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario) and (ii) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act* (Ontario) and it is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Investment Restrictions of the Fund

The Fund will be subject to the investment restrictions set out below. The investment restrictions of the Fund, which are set forth in the Declaration of Trust, provide that the Fund will not:

- (a) with respect to the securities acquired pursuant to the Forward Agreement, purchase any securities other than “Canadian securities” for the purposes of the Tax Act;
- (b) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, the Fund would be required to make a take-over bid that is a “formal bid” for the purposes of applicable securities laws;
- (c) make or hold any investment that would result in the Fund failing to qualify as a “mutual fund trust” for purposes of the Tax Act and will not acquire any property that would be “taxable Canadian property” of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof); or
- (d) make or hold any investment that would result in the Fund being subject to the tax for SIFT Trusts as provided for in the section 122 of the Tax Act.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to conventional mutual funds under such legislation, including NI 81-102. However, the Fund is subject to certain other requirements and restrictions contained in securities legislation, including National Instrument 81-106 — *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, which governs the continuous disclosure obligations of investment funds, including the Fund.

Purchase for Cancellation

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager’s assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated Net Asset Value per Unit of a Unit immediately prior to the date of any such purchase of Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Units are then listed.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Units and not less than 90% of the aggregate of the Units (but not including any Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Book Entry Only System

Registration of interests in and transfers of the Units will be made only through the Book-Entry Only System. On the Closing Date, the Trustee will deliver to CDS certificates representing the aggregate number of Units then subscribed for under the Offering. Units must be purchased, converted, transferred and surrendered for redemption through a CDS Participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the Unitholder holds such

Units. Upon purchase of any Units, the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the Book-Entry Only System, in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Trustee at any time, and must be convened by the Trustee if requisitioned by Unitholders holding not less than 10% of the then outstanding Units by a written requisition specifying the purpose of the meeting. Notice of all Meetings of Unitholders will be given in accordance with applicable law. The quorum for a meeting of Unitholders is two or more Unitholders present in person or represented by proxy representing not less than 5% of the Units then outstanding. In the event that such quorum is not present within one-half hour after the time called for a meeting, the meeting, if convened upon the request of a Unitholder, shall be dissolved, but in any other case, the meeting shall stand adjourned to such day no later than 14 days later and to such time and place as may be appointed by the chairman of the meeting (which for greater certainty can be at a later time on the date of the originally scheduled meeting), and if at such adjourned meeting the quorum referred to above is not present, the Unitholders present in person or by proxy at such adjourned meeting shall be deemed to constitute a quorum.

The Fund does not intend to hold annual meetings of Unitholders. However, the Fund will undertake to the TSX to hold annual meetings of Unitholders if so instructed by the TSX.

Amendment of Declaration of Trust

Except as provided below, the Declaration of Trust may be amended by an Ordinary Resolution approved at a Meeting duly convened and held in accordance with the provisions in that regard contained in the Declaration of Trust, or by the written consent in lieu of a meeting if there is only one Unitholder.

The following matters may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

- (a) the removal of the Trustee or any of its affiliates as the trustee of the Fund;
- (b) any change in the investment objectives or investment restrictions of the Fund, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (c) any material change in the Management Agreement or a change in the Manager, other than a change in the Manager where the new manager is an affiliate of the Manager;
- (d) any increase in the Management Fee;
- (e) any amendment, modification or variation in the provisions or rights attaching to the Units;
- (f) any change in the frequency of calculating the Net Asset Value per Unit to less often than weekly;
- (g) the issuance of additional Units, including any offering of rights, warrants or options to existing Unitholders to acquire Units, other than: (i) for net proceeds per Unit equal to or greater than 100% of the most recently calculated Net Asset Value per Unit calculated prior to the entering into of the commitment by the subscriber to purchase such Units or prior to the offering, as the case may be; or (ii) by way of Unit distribution;
- (h) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund other than in the ordinary course of business;
- (i) any liquidation, dissolution or termination of the Fund except if it is determined by the Manager, in its sole discretion, to be in the best interest of the Unitholders or otherwise in accordance with the terms of the Declaration of Trust; and

- (j) any amendment to the above provisions except as permitted by the Declaration of Trust.

Notwithstanding the foregoing, the Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders, to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not in the opinion of the Manager adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;
- (d) maintain the status of the Fund as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof;
- (e) provide added protection or benefit to Unitholders; or
- (f) make such modifications as may be necessary or desirable in connection with the termination of the Forward Agreement prior to the Forward Termination Date as a result of the termination of the Fund as described under “Termination of the Fund”.

Reporting to Unitholders

The Fund will make available to Unitholders such financial statements and other continuous disclosure documents as are required by applicable law, including unaudited interim and audited annual financial statements, prepared in accordance with Canadian generally accepted accounting principles. The Fund will provide Unitholders with the option to receive annual and interim financial statements and annual and interim management reports of fund performance for Marret HYS Trust. The Fund will make available to each Unitholder annually and before March 31 of the following year information necessary to enable such Unitholder to complete an income tax return with respect to the amounts payable by the Fund.

TERMINATION OF THE FUND

The Units will be redeemed by the Fund for a cash amount equal to 100% of Net Asset Value per Unit on the Termination Date. Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension. In addition to such termination, the Declaration of Trust also provides that:

- (a) the Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders; and
- (b) the Manager may terminate the Fund in the event of an early termination of the Forward Agreement, provided that the Manager has given Unitholders notice of such termination at least 60 days in advance of such early termination.

In the event the Forward Agreement terminates prior to the termination of the Fund, the Fund may enter into a new forward agreement or amend the Declaration of Trust to permit the Fund to hold the securities that comprise the Portfolio directly. Although these actions do not require Unitholder approval, the Fund will provide at least 30 days notice to Unitholders of any such action by way of press release.

The Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders to do so. The Manager will provide at least 30 days prior notice of such termination to Unitholders by way of press release. Upon such a termination the Fund will pre-settle the Forward Agreement, liquidate the Canadian Securities Portfolio and distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for, and which will include

cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Fund will be dissolved.

The Declaration of Trust provides that prior to the termination of the Fund, the Manager will dispose of all of its assets and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust provides that the Manager may, in its discretion and upon not less than 30 days prior written notice to the Unitholders, postpone any termination date by a period of up to 180 days if the Manager determines that it will be unable to convert all of its assets to cash prior to any termination date and the Manager determines that it would be in the best interests of the Unitholders to do so.

USE OF PROCEEDS

The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be \$236,175,000 (\$84,575,000 if the minimum number of Units are issued). The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of Marret HYS Trust. The Fund may also directly hold a small amount of the same securities as are held in the Portfolio.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement. The Units will be issued at a price of \$10.00 per Unit. The offering price per Unit was determined by negotiation between the Agents and the Manager on behalf of the Fund. In consideration for their services in connection with the Offering, the Agents will be paid a fee of \$0.525 per Unit sold under the Offering and will be reimbursed out of pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund out of the proceeds of the Offering. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold.

The Fund has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing Date and gives the Agents the right to offer additional Units in an amount equal to up to 15% of the aggregate number of Units sold on Closing on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Units will be sold at \$10.00 per Unit and the Agents will be paid a fee of \$0.525 per Unit sold. This prospectus qualifies the grant of the Over-Allotment Option as well as distribution of the Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscription amounts received in trust will be held in segregated accounts with a depository who is a registered dealer, bank or trust company until the minimum amount of subscriptions for Units has been obtained. If subscriptions for a minimum of 9,000,000 Units (or \$90,000,000) have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities regulatory authorities and those who have subscribed for Units on or before such date. In the event such consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers in respect of the Offering will be returned to such purchasers promptly without interest or deduction. The maximum number of Units which will be sold is 25,000,000 Units or \$250,000,000. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about June 17, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued.

On Closing, the Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank affiliate of one of the Agents. In addition, following the Closing. Accordingly, in that event, the Fund may be considered to be a “connected issuer” of such Agents. See “Overview of the Investment Structure — The Forward Agreement”.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Agents may not, throughout the period of distribution under this prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, an Agent may, in connection with these Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

The Manager will pay a Service Fee in an amount comparable to the Service Amount, plus applicable taxes to brokers based on the number of Units held by clients of such brokers at the end of the relevant quarter. See “Fees and Expenses – Service Fee”.

Although units of Marret HYS Trust are not being offered to the public, the Fund has agreed to obtain a receipt for a prospectus of Marret HYS Trust from each of the Autorité des marchés financiers and the Ontario Securities Commission. The Fund has also agreed to deliver a copy of such prospectus to purchasers of Units in the Province of Québec prior to the purchase of Units by any person in the Province of Québec.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager is entitled to receive the Fund Management Fee and Marret is entitled to receive the Marret HYS Trust Management Fee for Marret HYS Trust. See “Organization and Management of the Fund” and “Fees and Expenses”.

PROXY VOTING DISCLOSURE

The Fund does not hold voting securities, but is exposed to securities held in the Portfolio by means of the Forward Agreement. Marret is authorized to exercise all rights and privileges incidental to ownership for the Portfolio. Marret HYS Trust will adopt Marret’s proxy voting policy, which provides general guidance, in compliance with applicable legislation, for the voting of proxies. In connection with any meeting at which Marret HYS Trust as a holder of debt securities is entitled to vote, Marret will retain a third party service provider to provide proxy analysis, vote recommendations and vote execution services on behalf of Marret, all in accordance with the Proxy Voting Policy. However, the ultimate decision as to how to cast a vote rests with Marret, based on what Marret believes to be in the best interest of Marret HYS Trust.

Marret’s Proxy Voting Policy generally provides for voting in favour of management’s recommendations, unless there are specific circumstances for voting against and/or Marret believes that Marret HYS Trust’s best interests would be better served by voting against such recommendations. Marret will also document the reasons for a decision to cast a proxy vote in a manner that deviates from any standing policy. The Proxy Voting Policy includes policies and procedures for dealing with non-routine matters, including corporate restructurings, mergers and acquisitions, proposals affecting security holder rights and executive compensation. These matters will usually be addressed on a case-by-case basis with a focus on the best interests of Marret HYS Trust and the potential impact of the vote on the value of Marret HYS Trust. The Proxy Voting Policy also includes policies and procedures for dealing with potential conflicts of interest, and if required, such matters will be referred to the independent review committee for final determination.

The policies and procedures that Marret HYS Trust follows when voting proxies relating to the Portfolio will be available on request, at no cost, by writing to the Manager at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Marret HYS Trust’s voting record, if any, for the previous year ended June 30 will be available free of charge to any Unitholder of the Fund upon request at any time after August 31 of such year and will be made available on the Manager’s website at www.marret.ca.

MATERIAL CONTRACTS

The only material contracts entered into by the Fund or the Manager or to which either of them will become a party prior to the Closing, other than during the ordinary course of business, are as follows:

- (a) the Declaration of Trust referred to under “Organization and Management of the Fund — Duties and Services to be Provided by the Manager”;
- (b) the Management Agreement referred to under “Organization and Management of the Fund — Duties and Services to be Provided by the Manager”;
- (c) the Custodian Agreement to be entered into on or prior to the Closing Date referred to under “Organization and Management of the Fund — The Custodian”;
- (d) the Agency Agreement referred to under “Plan of Distribution”; and
- (e) the Forward Agreement referred to under “Overview of the Investment Structure — The Forward Agreement”.

Copies of the foregoing documents may be examined during normal business hours at the principal office of the Fund during the period of distribution to the public of the Units offered under the Offering and for a period of 30 days thereafter. Copies of the Declaration of Trust may be obtained at any time from the Manager on written request.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this prospectus will be passed upon on behalf of the Fund by McMillan LLP and on behalf of the Agents by Stikeman Elliott LLP.

The Fund’s auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors’ report dated May 28, 2009 in respect of the Fund’s statement of net assets as at May 28, 2009. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two Business Days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of his or her province of residence for the particulars of these rights or consult with a legal advisor.

In addition, the Trustee has agreed on behalf of the Fund that purchasers in the Province of Québec have the right to withdraw from an agreement to purchase Units which may be exercised within two Business Days after receipt or deemed receipt of a prospectus of Marret HYS Trust.

AUDITORS' CONSENT

We have read the prospectus of Marret High Yield Strategies Fund (the "Fund") dated May 28, 2009 relating to the initial public offering of Units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Unitholder and the Trustee of the Fund on the statement of net assets of the Fund as at May 28, 2009. Our report is dated May 28, 2009.

Toronto, Ontario
May 28, 2009

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

AUDITORS' REPORT

To the Unitholder and the Trustee of Marret High Yield Strategies Fund

We have audited the statement of net assets of Marret High Yield Strategies Fund (the "Fund") as at May 28, 2009. This statement of net assets is the responsibility of the Fund's management. Our responsibility is to express an opinion on this statement of net assets based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the statement of net assets is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of net assets. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of net assets.

In our opinion, this statement of net assets presents fairly, in all material respects, the financial position of the Fund as at May 28, 2009 in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 28, 2009

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

MARRET HIGH YIELD STRATEGIES FUND

STATEMENT OF NET ASSETS

As at May 28, 2009

Assets

Cash \$10

Unitholder's Equity

Unitholder's Equity (Note 1) \$10

The accompanying notes are an integral part of this statement of net assets.

Approved on behalf of Marret High Yield Strategies Fund
By: Marret Asset Management Inc.

(Signed) BARRY ALLAN
Director

(Signed) LAURENCE CASHIN
Director

MARRET HIGH YIELD STRATEGIES FUND

NOTES TO STATEMENT OF NET ASSETS

As at May 28, 2009

1. ORGANIZATION AND UNITHOLDER'S EQUITY

Marret High Yield Strategies Fund (the "**Fund**") is a closed-end investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of May 28, 2009.

The beneficial interest in the net assets and net income of the Fund is divided into one class of units (the "**Units**"). The Fund is authorized to issue an unlimited number of Units. On May 28, 2009, the Fund was settled and issued an initial Unit for cash consideration of \$10 to Marret Asset Management Inc. (the "**Manager**").

2. MANAGEMENT AND SERVICE FEES

The Manager will receive a management fee (the "**Management Fee**") from the Fund equal to 0.25% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus applicable taxes, plus an amount calculated and paid as soon as practicable after the end of each calendar quarter, equal to 0.40% per annum of the Net Asset Value attributable to the Units (the "**Service Amount**") plus applicable taxes.

3. SUBSEQUENT EVENT

- (a) The Fund and the Manager have entered into an agency agreement with RBC Dominion Securities Inc., GMP Securities L.P., CIBC World Markets Inc., Scotia Capital Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Manulife Securities Incorporated, Wellington West Capital Markets Inc. and Research Capital Corporation (collectively, the "**Agents**") dated as of May 28, 2009 pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer for sale to the public a minimum of 9,000,000 Units and a maximum of 25,000,000 Units at \$10 per Unit. In consideration for their services in connection with the offering, the Agents will be paid a fee of \$0.525 per Unit
- (b) As set forth in the initial public offering prospectus dated May 28, 2009, the Fund proposes to issue a minimum of 9,000,000 Units at a price of \$10 per Unit.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: May 28, 2009

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces of Canada.

MARRET HIGH YIELD STRATEGIES FUND
by its Manager, Marret Asset Management Inc.

By: *(Signed)* BARRY ALLAN
President
(signing in the capacity as chief executive officer)

By: *(Signed)* LAURENCE CASHIN
Chief Financial Officer

On behalf of the Board of Directors
of
MARRET ASSET MANAGEMENT INC.

By: *(Signed)* BARRY ALLAN
Director

By: *(Signed)* LAURENCE CASHIN
Director

By: *(Signed)* DAVID GLUSKIN
Director

MARRET ASSET MANAGEMENT INC.
as Manager and Promoter

By: *(Signed)* BARRY ALLAN
President

CERTIFICATE OF THE AGENTS

Dated: May 28, 2009

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces of Canada.

RBC DOMINION SECURITIES INC.

GMP SECURITIES L.P.

CIBC WORLD MARKETS INC.

By: *(Signed)* CHRISTOPHER BEAN

By: *(Signed)* NEIL SELFE

By: *(Signed)* MICHAEL D. SHUH

SCOTIA CAPITAL INC.

By: *(Signed)* BRIAN D. MCCHESENEY

DUNDEE SECURITIES CORPORATION

By: *(Signed)* VILMA JONES

CANACCORD CAPITAL CORPORATION

RAYMOND JAMES LTD.

By: *(Signed)* RON SEDRAN

By: *(Signed)* J. GRAHAM FELL

BLACKMONT CAPITAL
INC.

DESJARDINS
SECURITIES INC.

HSBC SECURITIES
(CANADA) INC.

MANULIFE SECURITIES
INCORPORATED

WELLINGTON WEST
CAPITAL MARKETS
INC.

By: *(Signed)*
CHARLES A.V.
PENNOCK

By: *(Signed)* BETH A.
SHAW

By: *(Signed)* BRENT
LARKAN

By: *(Signed)* DAVID
MACLEOD

By: *(Signed)* SCOTT
LARIN

RESEARCH CAPITAL CORPORATION

By: *(Signed)* DAVID KEATING

