



MARQUEST MONEY MARKET FUND

MARQUEST MONEY MARKET FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended December 31, 2016

A NOTE ON FORWARD-LOOKING STATEMENTS

This report contains forward looking statements. These statements primarily relate to assessments of future economic and market conditions. Such information has been included to assist readers with assessing recent developments in the Fund's operating climate and possible future developments that may affect Fund performance. All forward looking statements are based on management's current beliefs and assumptions which are subject to numerous risks and uncertainties. Statements with respect to future economic and market conditions are based on management's beliefs and assumptions with respect to a range of factors, including market conditions generally and within the sectors in which the Fund's investments operate. While management considers such beliefs and assumptions to be reasonable based on information currently available to it, no assurance can be given that such beliefs and assumptions will prove to be correct. As a result, these forward looking statements would typically include words such as "anticipates, believes, intended or estimated". Events or circumstances may cause actual results to differ materially from those expressed or implied by such forward looking statements as a result of numerous known and unknown risks and uncertainties, including, but not limited to, those associated with economic and market conditions, political stability and other risks identified in the Fund's prospectus. Most of these factors are beyond the control of the Fund and its Manager. Neither the Fund nor its Manager assumes any obligation to update any of the forward looking statements made in this report.

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Marquest Money Market Fund (the "Fund"). You can get a copy of the annual financial statements at your request, and at no cost, from the manager Marquest Asset Management Inc. (the "Manager") by calling 1-888-964-3533, by writing to us at Suite 4420, 161 Bay Street, PO Box 204, Toronto, Ontario, M5J 2S1 or by visiting our website at www.marquest.ca or SEDAR at www.sedar.com.

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

Management Discussion of Fund Performance

Investment Objectives and Strategies

Investment Objectives

The Fund seeks to produce high interest income while maintaining safety of principal and liquidity by investing in high quality short-term debt securities of Canadian governments and companies, such as treasury bills, bankers' acceptances of major banks and commercial paper.

Investment Strategies

In order to achieve the Fund's objective, investments are made in securities offering good relative value based on analysis of yield curve. Investments are made in a number of different issuers in order to reduce credit risk, and in securities rated R1 or A or better by Dominion Bond Rating Service or the equivalent ratings used by other rating agencies. Investments are held on an average term to maturity of less than 90 days, although this term is adjusted from time to time to take advantage of actual and anticipated changes in interest rates. The Fund may enter into securities lending transactions.

Risks

There are risks associated with investing in the Fund. There have been no changes to the Fund which affected the risks associated with investing in the Fund during the year. Specific risk information can be found in the Fund's prospectus available through our website at www.marquest.ca or at SEDAR's website www.sedar.com.

Results of Operations

As at December 31, 2016, the Fund's total NAV was \$2,496,903, an increase of 6.20% since the prior year end (December 2015: \$2,351,091). The change is primarily due to net subscriptions of \$145,812.

Over the past year, the Fund's Class A units gained 0.3%, which underperformed the 0.5% rise in the CIBC WM 91 Day Treasury Bill CAD Index. The Fund's return is after the deduction of fees and expenses, while the benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the returns of any class, which may vary because of differences in management fees and expenses.

Canada continued to maintain an accommodative monetary policy in 2016 and rates remained at 0.50% for the whole year. A decrease in the unemployment rate, continued strength in the housing sector and a rebound in oil prices helped to increase economic growth, however, the current inflation levels are still short of the Bank of Canada's target rate.

The Fund's significant commitment to high quality commercial paper and banker's acceptances helped boost the Fund's overall yield during another year of low interest rates. As of December 31, 2016, the Fund composition was made up as follows: 42.02% Bankers Acceptances, 32.81% Commercial Paper, 25.02% Canada Treasury Bills. In the current low interest rate environment, we expect to maintain an overweighting in high quality Corporate Notes in order to provide an attractive yield to investors.

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Recent Developments

The recovery in commodity prices as well as a weakening currency is spurring growth and tightening labor conditions. However, current inflation levels are below the Bank of Canada's target rate and current forecasts are indicating that they are expected to remain below this level for 2017. Furthermore, a potentially protectionist stance with the new government in the US, may dampen current growth within Canada. We expect benchmark interest rates to remain on hold for 2017, however, with the US beginning to normalize their interest rates, we expect Canada to also begin their tightening policy in late 2017. The Fund will continue to be focused on money-market securities that offer higher yields.

2016 was a turning point for the economy as global growth reaccelerated in mid- year. This improvement in economic growth has had a significant impact on the capital markets. Interest rates, in the United States, turned up in the second half of the year as witnessed by the 84 bp increase in US 10 Year Treasury yields in the fourth quarter closing the year at 2.27%. The improved economic outlook and the strong employment conditions have given a green light to monetary authorities to finally begin normalizing monetary policy by increasing interest rates. We expect to see a series of rate hikes over the next year. The rising interest rate environment will be a challenge for bond investors.

Related Party Transactions

Marquest Asset Management Inc. is the Manager ("the Manager") of the Fund.

The Manager of the Fund is responsible for managing all of the Fund's activities, including investment advisory and portfolio management services under a Management Agreement. The Management Agreement is subject to automatic renewal for additional one year terms. The Management Agreement may be terminated during its term if the Manager defaults in its performance of any of its duties or obligations thereunder and if the holders pass a resolution at a meeting of holders terminating the Management Agreement as a result of such default. Further, the holders of a Fund may, by resolution passed at a meeting of holders at least 180 days before the end of the initial term or each anniversary thereof, elect not to renew the Management Agreement, whereupon the Management Agreement will not be renewed beyond its existing term. The Manager must give the holders and the Trustee at least 180 days' notice of its intention not to renew a Management Agreement. Management fees are paid by each class at the rates set out under "Management Fees" below.

During the year, \$7,441 in management fees (including HST) was paid to the Manager. The Manager is also the trustee of the Fund and is responsible for certain aspects of the day-to-day administration. The Fund reimbursed the Manager for operating costs (including HST) incurred in administering the Fund of approximately \$2,485.

As disclosed in the Fund's prospectus, the Manager may voluntarily waive, absorb or pay a portion of the Fund's fees and expenses, at its discretion. During the year the Manager absorbed \$121,888 in expenses of the Fund.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. The information is derived from the Fund's audited annual financial statements.

| Marquest Money Market Fund (Class A)* | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Net Assets per Unit (\$) ⁽¹⁾ | | | | | |
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Net assets, beginning of the year ⁽²⁾ | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.08 | 0.08 | 0.12 | 0.12 | 0.11 |
| Total expenses (excluding distributions) | (0.05) | (0.04) | (0.04) | (0.05) | (0.05) |
| Realized gains (losses) for the year | - | - | - | - | - |
| Unrealized gains (losses) for the year | - | - | - | - | - |
| Total increase (decrease) from operations ⁽²⁾ | 0.03 | 0.04 | 0.08 | 0.07 | 0.06 |
| Distributions: | | | | | |
| From net investment income (excluding dividends) | (0.03) | (0.04) | (0.08) | (0.07) | (0.06) |
| From dividends | - | - | - | - | - |
| From capital gains | - | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions ⁽³⁾ | (0.03) | (0.04) | (0.08) | (0.07) | (0.06) |
| Net assets at December 31st of year shown | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. Periods beginning on or after January 1, 2013 follow International Financial Reporting Standards (IFRS) and prior to January 1, 2013 follow Canadian Generally Accepted Accounting Principles (Canadian GAAP). The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

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

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*Class A units were first issued on August 10, 1987.

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Financial Highlights (continued)

| Marquest Money Market Fund (Class F)* | | |
|---|---------------|---------------|
| Net Assets per Unit (\$) ⁽¹⁾ | | |
| | 2016 | 2015 |
| Net assets, beginning of the year ⁽²⁾ | 10.00 | 10.00 |
| Increase (decrease) from operations: | | |
| Total revenue | 0.08 | 0.07 |
| Total expenses (excluding distributions) | (0.04) | (0.02) |
| Realized gains (losses) for the year | - | - |
| Unrealized gains (losses) for the year | - | - |
| Total increase (decrease) from operations ⁽²⁾ | 0.04 | 0.05 |
| Distributions: | | |
| From net investment income (excluding dividends) | (0.04) | (0.75) |
| From dividends | - | - |
| From capital gains | - | - |
| Return of capital | - | - |
| Total annual distributions ⁽³⁾ | (0.04) | (0.75) |
| Net assets at December 31st of year shown | 10.00 | 10.00 |

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The net assets attributable to holders of redeemable units per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements, if applicable.

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

⁽³⁾ Distributions were paid in cash or re-invested in additional units of the Fund, or both.

*Class F units were first issued on March 3, 2015 @ \$10.00

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Financial Highlights (continued)

| Ratios and Supplemental Data | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Class A* | 2016 | 2015 | 2014 | 2013 | 2012 |
| Total net asset value (000's) ⁽¹⁾ | \$ 2,478 | \$ 2,346 | \$ 3,125 | \$ 4,388 | \$ 6,382 |
| Number of units outstanding ⁽¹⁾ | 247,790 | 234,598 | 312,482 | 438,780 | 638,149 |
| Management expense ratio ⁽²⁾ | 0.44% | 0.44% | 0.41% | 0.44% | 0.44% |
| Management expense ratio before waivers or absorption ⁽⁵⁾ | 5.81% | 6.50% | 6.50% | 4.92% | 3.41% |
| Trading expense ratio ⁽³⁾ | - | - | - | - | - |
| Portfolio turnover rate ⁽⁴⁾ | - | - | - | - | - |
| Net asset value per unit ⁽¹⁾ | \$ 10.00 | \$ 10.00 | \$ 10.00 | \$ 10.00 | \$ 10.00 |
| Class F** | 2016 | 2015 | | | |
| Total net asset value (000's) ⁽¹⁾ | \$ 19 | \$ 5 | | | |
| Number of units outstanding ⁽¹⁾ | 1,899 | 510 | | | |
| Management expense ratio ⁽²⁾ | 0.35% | 0.29% | | | |
| Management expense ratio before waivers or absorption | 4.61% | 4.24% | | | |
| Trading expense ratio ⁽³⁾ | - | - | | | |
| Portfolio turnover rate ⁽⁴⁾ | - | - | | | |
| Net asset value per unit ⁽¹⁾ | \$ 10.00 | \$ 10.00 | | | |

Notes:

⁽¹⁾ The information is provided as at December 31st of the year shown.

⁽²⁾ Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

⁽⁵⁾ Waivers and absorption of certain expenses associated with the Fund are at the Manager's discretion and may be terminated at any time.

*Class A units were first issued on August 10, 1987.

**Class F units were first issued on March 3, 2015.

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Management Fees

The Management fees for each applicable class are calculated daily and are based on the Fund's ending total NAV per class; cumulative daily totals are then paid on a weekly basis. The Manager uses these management fees to pay sales and trailing commissions to registered dealers on the distribution of the Fund units, as well as for the general investment management expenses.

| | Maximum Annual Management Fee Rate (%) | As a percentage of Management fees | |
|---------------|--|------------------------------------|---|
| | | Sales & Trailer Commissions (%) | Investment Advisory and Portfolio Management Services (%) |
| Class A Units | 0.50% | 28.47% | 71.53% |
| Class F Units | 0.20% | 0.00% | 100.00% |

During the year ended December 31, 2016, the Fund Manager chose to charge Marquest Money Market Fund a 0.30% management fee.

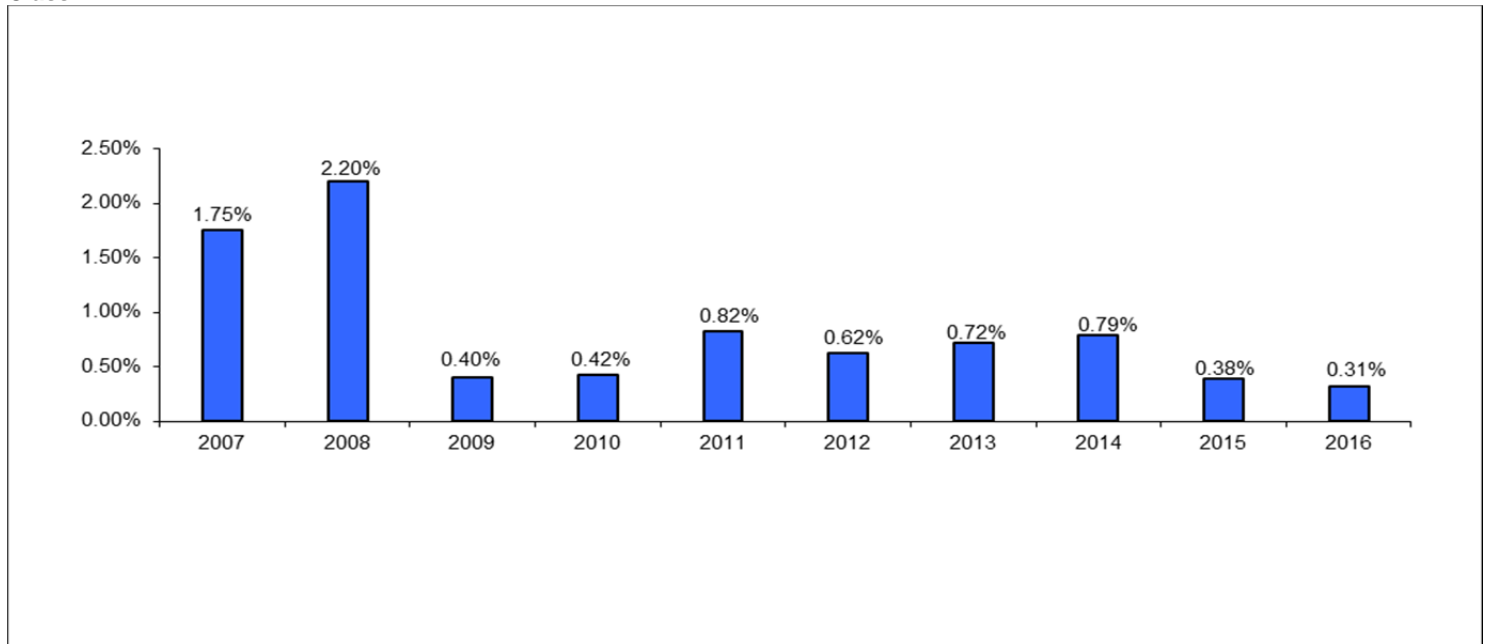
Past Performance

The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. Performance differences between classes of units are mainly attributable to management fees charged to each class.

Year-by-Year Returns

The following bar chart shows the Fund's annual Class A units performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Class A



* Inception date for Class A units was August 10, 1987.

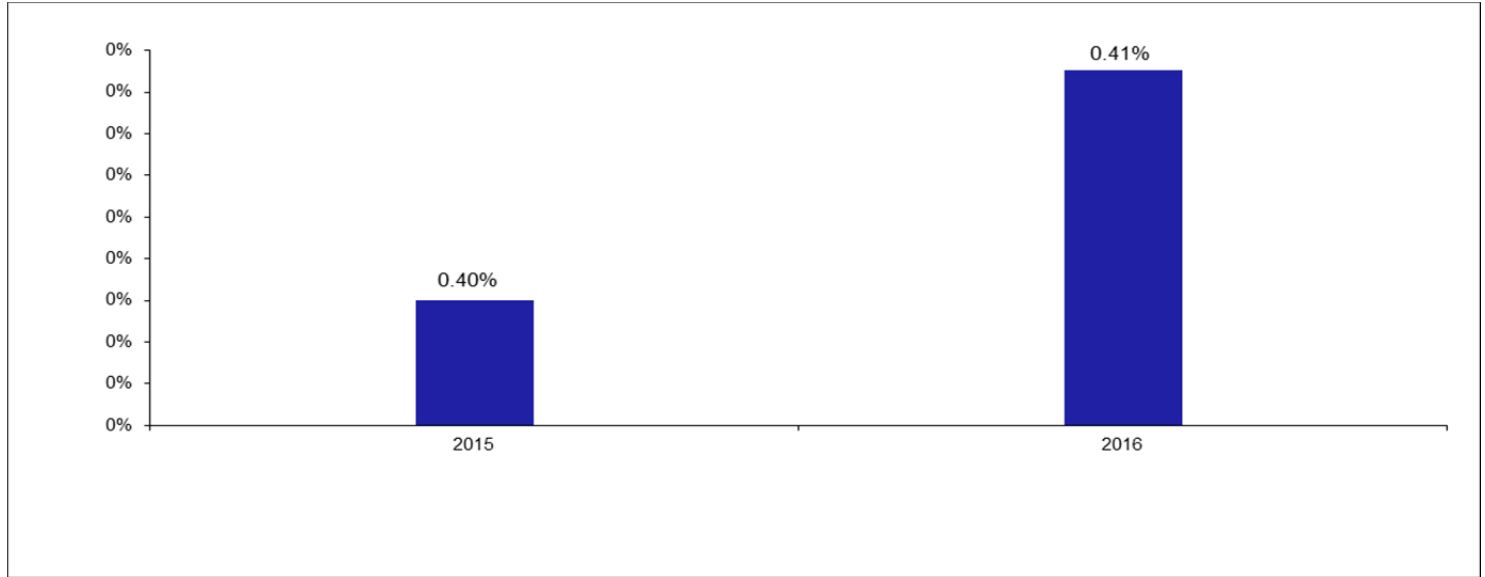
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* Inception date for Class A units was August 10, 1987.

Past Performance (continued)

Class F



* Inception date for Class F units was July 17, 2015.

Annual Compound Returns

The table below compares the annual compounded performance of the Class A and F units of the Fund against the CIBC WM 91 Day Treasury Bill CAD index. This index measures the daily return on a series of investments in current three-month Government of Canada Treasury Bills.

As the index is made up of a group of short-term securities with various durations and terms to maturity, it does not share the same holdings or the same weighted proportions as the Fund and compounded total returns between the two may differ. For greater in-depth discussion regarding the Fund's asset class holdings and performance over the year please see the "Results of Operations – Investment Portfolio" section of the MRFP.

| | 1 Year % | 3 Years % | 5 Years % | 10 Years % | Since Inception % |
|---|----------------|-----------------|-----------------|------------------|-------------------------|
| Class A | 0.3% | 0.5% | 0.6% | 1.0% | 3.8% |
| CIBC WM 91 Day Treasury Bill CAD | 0.5% | 0.7% | 0.8% | 1.3% | 4.2% |
| Class F | 0.4% | - | - | - | 0.3% |
| CIBC WM 91 Day Treasury Bill CAD | 0.5% | - | - | - | 0.7% |

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Summary of Investment portfolio

The tables below provide information about the investment portfolio of the Fund, including a breakdown of the Fund's portfolio into subgroups and the Top 25 positions held by the Fund as a percentage of NAV. The Fund held less than 25 holdings as at the end of the year.

Total Net Asset Value: \$ 2,496,903

Portfolio Allocation

| | % of Fund's Net Asset Value |
|--------------------------------|--------------------------------|
| Discount Commercial Paper | 32.79% |
| Bankers Acceptance | 26.59% |
| Treasury Bills | 25.00% |
| Bearer Deposit Notes | 8.59% |
| Cash | 6.94% |
| Net Other Assets (Liabilities) | 0.09% |
| | <hr/> 100.00% |

Top 25 Holdings

| | % of Fund's Net Asset Value |
|--|--------------------------------|
| 1 Canadian Treasury Bill, 0.46%, 12/01/2017 | 11.00% |
| 2 Canadian Treasury Bill, 0.48%, 23/02/2017 | 10.20% |
| 3 The Toronto-Dominion Bank, 0.77%, 07/02/2017 | 9.79% |
| 4 Daimler Canada Finance Inc., 0.92%, 17/01/2017 | 9.59% |
| 5 Enbridge Pipelines Inc., 0.80%, 09/01/2017 | 8.81% |
| 6 Manulife Bank of Canada, 0.80%, 14/02/2017 | 8.59% |
| 7 Gaz Métro Inc., 0.80%, 18/01/2017 | 7.20% |
| 8 National Bank of Canada, 0.77%, 28/02/2017 | 7.20% |
| 9 Hydro One Inc., 0.85%, 17/01/2017 | 7.19% |
| 10 Cash | 6.94% |
| 11 Canadian Imperial Bank of Commerce, 0.76%, 13/01/2017 | 6.40% |
| 12 Canadian Treasury Bill, 0.48%, 23/03/2017 | 3.80% |
| 13 Royal Bank of Canada, 0.82%, 09/02/2017 | 3.20% |
| | <hr/> 99.91% |

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund and a quarterly update is available at www.marquest.ca. The weightings of the positions are calculated based on total NAV of the portfolio as at December 31, 2016. The Fund does not hold short positions. The prospectus and other information of Marquest Money Market Fund are available on the internet www.sedar.com.

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