



MARQUEST GLOBAL BALANCED FUND

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended June 30, 2017

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 interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Marquest Global Balanced Fund (the "Fund"). You can get a copy of the interim financial statements at your request, and at no cost, from 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

Results of Operations

As at June 30, 2017, the Fund's total NAV was \$15,315,628, a decrease of 20.39% since the prior year end (December 2016: \$19,237,773). The change is primarily due to distribution to unitholders and net redemptions of \$522,343 and \$3,639,171, respectively.

Over the past six months, the Fund's Class A units gained 0.89%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other classes, which may vary because of differences in management fees and expenses.

The Class F units returned 1.46% for 1st half of 2017. The Fund outperformed in the first quarter but underperformed in the second quarter due to relatively less exposure to Technology and more exposure to Financial Services, Healthcare and Energy than the category average. The Fund's Investment Objectives require the portfolio manager to invest primarily in dividend-yielding, large capitalization securities with a history of and prospects for increasing dividends. Most Technology stocks do not meet these criteria. The drivers behind the performance of the S&P 500 were Amazon, Facebook, Netflix, Alphabet and Apple. Only Apple pays a dividend. Banks in Canada and the US do meet these criteria and had attractive valuations. A number of large pharmaceutical companies in the US, such as Pfizer and Johnson & Johnson, meet these criteria and had attractive valuations.

The Fund's equity portfolio is at a lower price/prospective earnings than the benchmark and the category average. It also has higher long term and historical earnings growth, higher long term revenue growth and higher book value growth. We believe this gives the Fund more fundamental strength in an environment of momentum-driven markets where valuations are somewhat excessive. The Fund's Energy positions held back performance. West Texas Intermediate (WTI) fell 14.3% and Natural Gas Futures fell 18.5% in the first half and energy stocks fell with the commodity prices.

The Fund continued to hedge the currency exposure in fixed income and a portion of its currency exposure in equity positions. The C\$ rose 4.5% in the first half and a one cent move on the C\$ affected performance by about 0.5%.

US and International stocks rose while Canadian stocks underperformed. The US market reached new highs despite expensive stock valuations and tepid economic data. For the S&P 500, the Shiller P/E ratio, which uses the 10-year average of inflation-adjusted earnings, is around 30, a level seen in 1929 and 1999 (before the internet bubble burst). The primary drivers of the US market were technology stocks with extremely high valuations and generally without dividends. At the same time, the US 10-year Treasury yield fell about 45 basis points and the US Dollar Index fell about 5%. This indicates that bond investors did not share the confidence shown by equity investors. International markets were strong, bolstered by positive political developments, better corporate earnings growth and economic growth. In Canada, falling commodity prices (WTI fell 14.3%) held stock prices back. The S&P/TSX returned -0.7%.

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Recent Developments

The portfolio manager's view on global asset markets has not changed substantially since the start of the year. Canadian and US central bankers are slowly beginning to raise interest rates as economic conditions normalize. The yield curve is quite flat consistent with battered commodity prices and modest economic growth expectations. Distended stock valuations mute potential returns.

Related Party Transactions

Marquest Asset Management Inc. is the Manager ("the Manager") of the Fund. The Manager of the Fund has engaged Cassels Investment Management Inc. as the Investment Manager for the Fund, at its own cost.

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 period, \$187,246 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 \$97,113.

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 period the Manager absorbed \$16,119 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 and the most recent interim period. The information is derived from the Fund's unaudited interim and audited annual financial statements.

Marquest Global Balanced Fund (Class A)**						
Net Assets per Unit (\$) ⁽¹⁾						
	2017*	2016	2015	2014	2013	2012
Net assets, beginning of the year ⁽²⁾	17.34	17.35	17.45	17.41	15.45	15.52
Increase (decrease) from operations:						
Total revenue	0.24	0.63	(0.02)	6.41	0.12	0.10
Total expenses (excluding distributions)	(0.31)	(0.61)	(0.65)	(0.71)	(0.70)	(0.66)
Realized gains (losses) for the year	0.14	1.39	0.14	0.28	1.46	2.55
Unrealized gains (losses) for the year	0.17	(0.38)	1.21	(4.97)	2.09	(1.03)
Total increase (decrease) from operations ⁽²⁾	0.24	1.03	0.68	1.01	2.97	0.96
Distributions:						
From net investment income (excluding dividends)	(0.54)	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Total annual distributions ⁽³⁾	(0.54)	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Net assets at December 31st of year shown	16.96	17.34	17.35	17.45	17.41	15.42

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim 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.

*The financial information is for the six-month period ending June 30, 2017.

**Class A units were first issued on October 31, 2006.

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Financial Highlights (continued)

Marquest Global Balanced Fund (Class F)**						
Net Assets per Unit (\$) ⁽¹⁾						
	2017*	2016	2015	2014	2013	2012
Net assets, beginning of the year ⁽²⁾	20.15	19.77	19.53	19.16	16.72	16.55
Increase (decrease) from operations:						
Total revenue	0.28	0.72	(0.04)	6.90	0.15	0.44
Total expenses (excluding distributions)	(0.25)	(0.48)	(0.50)	(0.56)	(0.58)	(0.49)
Realized gains (losses) for the year	0.15	1.44	0.14	0.34	1.54	1.36
Unrealized gains (losses) for the year	0.09	(0.18)	1.63	(5.22)	2.42	(0.20)
Total increase (decrease) from operations ⁽²⁾	0.27	1.50	1.23	1.46	3.53	1.11
Distributions:						
From net investment income (excluding dividends)	(0.54)	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Total annual distributions ⁽³⁾	(0.54)	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Net assets at December 31st of year shown	19.91	20.15	19.77	19.53	19.16	16.69

Notes:

⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim 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.

*The financial information is for the six-month period ending June 30, 2017.

**Class F units were first issued on September 7, 2006.

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Financial Highlights (continued)

Ratios and Supplemental Data						
Class A**	2017*	2016	2015	2014	2013	2012
Total net asset value (000's) ⁽¹⁾	\$ 12,271	\$ 16,207	\$ 19,280	\$ 13,912	\$ 11,724	\$ 9,790
Number of units outstanding ⁽¹⁾	723,372	934,666	1,111,480	797,341	673,233	633,810
Management expense ratio ⁽²⁾	3.41%	3.39%	3.40%	3.41%	3.57%	3.41%
Management expense ratio before waivers or absorption ⁽⁵⁾	3.61%	3.61%	3.78%	3.62%	3.68%	3.69%
Trading expense ratio ⁽³⁾	0.05%	0.08%	0.06%	0.05%	-	0.01%
Portfolio turnover rate ⁽⁴⁾	13.89%	58.64%	51.40%	120.71%	32.48%	19.53%
Net asset value per unit ⁽¹⁾	\$ 16.96	\$ 17.34	\$ 17.35	\$ 17.45	\$ 17.41	\$ 15.45
Class F***	2017*	2016	2015	2014	2013	2012
Total net asset value (000's) ⁽¹⁾	\$ 3,045	\$ 3,031	\$ 2,173	\$ 1,806	\$ 1,489	\$ 1,287
Number of units outstanding ⁽¹⁾	152,920	150,425	109,886	92,436	77,733	76,999
Management expense ratio ⁽²⁾	2.30%	2.28%	2.29%	2.43%	2.50%	2.35%
Management expense ratio before waivers or absorption ⁽⁵⁾	2.43%	2.43%	2.54%	2.58%	2.58%	2.54%
Trading expense ratio ⁽³⁾	0.05%	0.08%	0.06%	0.05%	-	0.01%
Portfolio turnover rate ⁽⁴⁾	13.89%	58.64%	51.40%	120.71%	32.48%	19.53%
Net asset value per unit ⁽¹⁾	\$ 19.91	\$ 20.15	\$ 19.77	\$ 19.53	\$ 19.16	\$ 16.72

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.

*The financial information is for the six-month period ending June 30, 2017.

**Class A units were first issued on October 31, 2006.

***Class F units were first issued on September 7, 2006.

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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	2.10%	100.00%	0.00%
Class F Units	1.10%	0.00%	100.00%

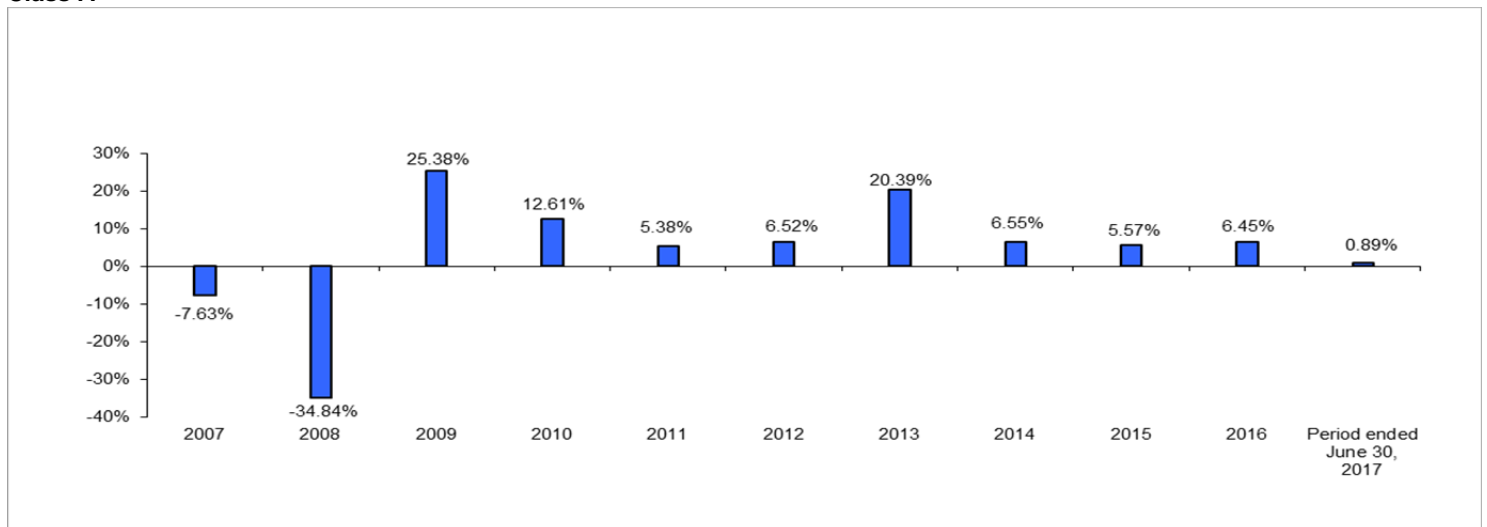
Past Performance

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 charts show the Fund's annual Class A and Class F unit's 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



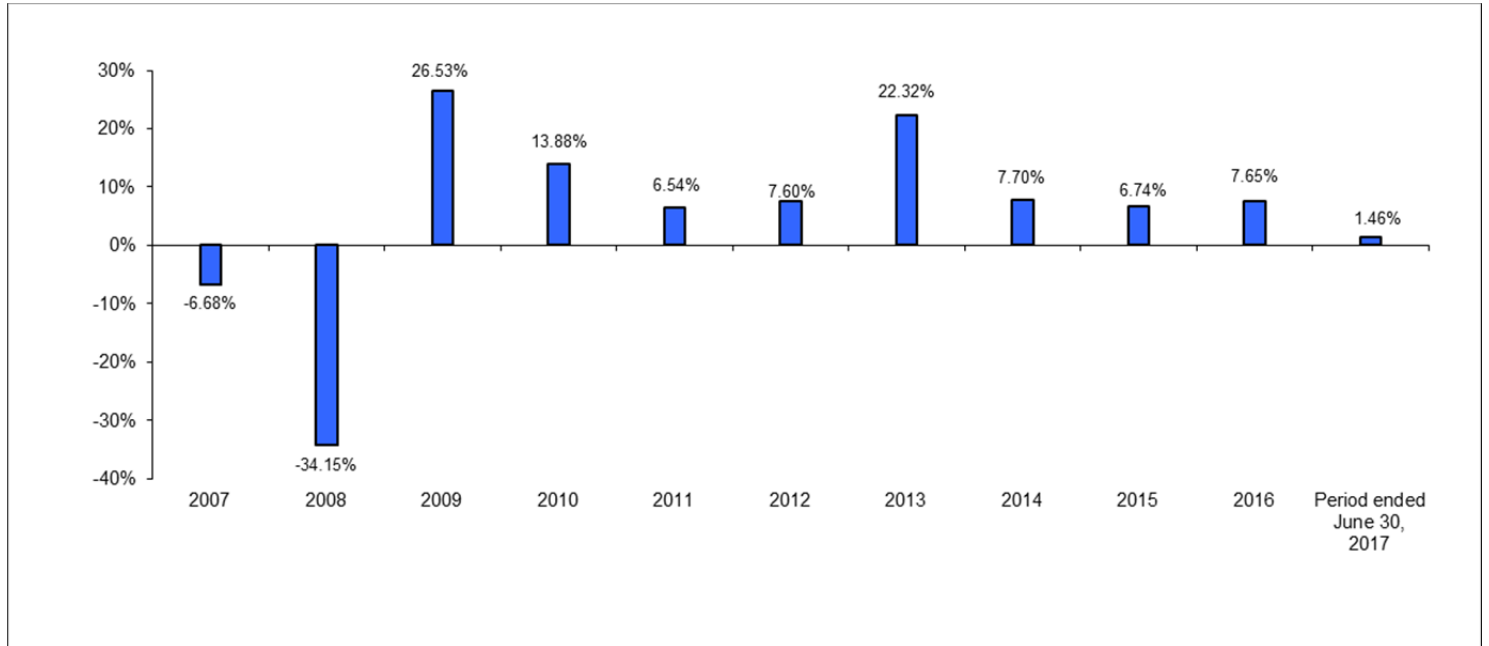
* Inception date for Class A units was September 7, 2006.

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Past Performance (continued)

Class F



* Inception date for Class F units was September 7, 2006.

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Summary of Investment portfolio as at June 30, 2017

Total Net Asset Value: \$ 15,315,628

Portfolio Allocation

	% of Fund's Net Asset Value
United States Equities	51.89%
Canadian Equities	19.79%
United States Bonds	16.08%
Canadian Bonds	7.00%
Net Other Assets (Liabilities)	3.92%
Cash	1.32%
	<hr/>
	100.00%

Top 25 Holdings

	% of Fund's Net Asset Value
1 HDFC Bank Ltd.	4.06%
2 HCA Holdings Inc.	3.48%
3 Celgene Corp.	3.30%
4 Calpine Corp., 5.75%, 15/01/2025	3.20%
5 UnitedHealth Group Inc.	3.14%
6 Royal Bank of Canada	3.14%
7 JPMorgan Chase & Co.	3.10%
8 Canadian National Railway Co.	2.82%
9 Siemens AG	2.70%
10 Cascades Inc., 5.50%, 15/07/2022	2.61%
11 The Toronto-Dominion Bank	2.54%
12 Shire PLC	2.52%
13 The Bank of Nova Scotia	2.50%
14 Diageo PLC	2.34%
15 Pfizer Inc.	2.28%
16 Keyera Corp.	2.25%
17 Johnson & Johnson	2.24%
18 Time Warner Inc.	2.13%
19 Home Depot Inc.	2.08%
20 Crown Cork & Seal Co., Inc., 7.38%, 15/12/2026	1.97%
21 Bank of America Corp.	1.85%
22 Roche Holding AG	1.83%
23 First Data Corp., 7.00%, 01/12/2023	1.81%
24 Post Holdings Inc., 6.00%, 15/12/2022	1.80%
25 NRG Yield Inc., 5.38%, 15/08/2024	1.79%
	<hr/>
	63.48%

The investments and percentages shown may change from time to time due to the ongoing portfolio transactions of the Fund. The weightings of the positions are calculated based on the total net asset value of the Fund as at June 30, 2017. The Fund does not hold short positions. To obtain a copy of the most recent annual report, semi-annual report, quarterly report or simplified prospectus of the Fund, please contact a member of our client services team or visit our website at www.marquest.ca or SEDAR at www.sedar.com.

TORONTO

161 Bay Street
Suite 4420, P.O. Box 204
Toronto, ON M5J 2S1
Phone 416.777.7350
Toll Free 1.877.777.1541

MONTREAL

1155 Robert-Bourassa Boulevard
Suite 905
Montreal, QC H3B 3A7
Phone 514.227.0666
Toll Free 1.866.687.9363

VANCOUVER

1055 West Hastings
Suite 300
Vancouver, BC V6E 2E9
Phone 604.895.7281

CLIENT SERVICES

Phone 416.365.4077
Toll free 1.888.964.3533
clientservices@marquest.ca

WWW.MARQUEST.CA