



Dorset Fund



Spartan
Fund Management

May 2017

Corporate Overview

Spartan, established in 2006, is a Toronto-based investment management company that specializes in boutique investment strategies managed by experienced investment managers. Spartan's infrastructure adheres to institutional standards with independent risk management and compliance, and well-known third party service providers. This allows our investment management teams to focus on investing and provides investors with the comfort that their money is being managed to the same standard as larger funds.

Fund Overview, Objectives and Strategy

Dorset is a discretionary quantitative CTA. The Fund's objectives are to generate consistent capital appreciation, to have a low correlation with traditional asset classes and to serve as a vehicle for sophisticated investors to diversify their portfolio. The principle strategies employed by the Fund are equity index arbitrage and volatility arbitrage. Dorset intends to capture short and mid-term market inefficiencies, which will be identified utilizing quantitative and behavior analysis, as well as proprietary models and sentiment and technical indicators to identify which instruments offer the best investment opportunities. The Fund trades futures and options on futures on global equity indices, as well as highly liquid commodities, such as gold and crude oil. Dorset's Portfolio Manager, Huakun Ding, holds a Masters in Mathematics from Memorial University and a Masters in Mathematical Finance from the University of British Columbia.

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Barclay BTOP50 Index	S&P 500
2017	-0.07%	-6.22%	+7.09%	+4.73%	+0.55%								+5.69%	-2.30%	+7.73%
2016	+2.82%	+0.51%	-1.70%	+4.06%	+2.74%	-1.05%	-0.07%	+0.32%	+0.69%	+1.07%	+1.17%	+1.29%	+12.33%	-4.45%	+9.54%
2015	-0.69%	+4.16%	+6.27%	+1.22%	-0.70%	-0.86%	+2.59%	-7.40%	+9.61%	+0.52%	+0.94%	+1.39%	+17.32%	-0.92%	-0.73%
2014	-0.20%	-0.61%	+3.48%	+1.22%	+0.87%	+0.06%	-1.78%	+1.58%	+5.17%	-10.90%	+0.19%	+8.63%	+6.73%	+12.34%	+11.39%
2013											+2.07%	+2.76%	+4.89%	+1.90%	+5.23%

'e' refers to estimated returns, as opposed to final returns. The estimated returns for the current month are included in the calculation of all other returns and statistics. Commencing January 2017 the Fund started trading using up to 2 times leverage.

	Dorset	Barclay BTOP50 Index	S&P 500
Statistics			
Cumulative Return (since inception)	55.91%	5.88%	37.30%
Annualized Compound Return	13.20%	1.61%	9.25%
Sharpe Ratio	1.03	0.23	0.92
Avg. Monthly Gain	2.66%	1.73%	2.44%
Avg. Monthly Loss	-2.48%	-1.50%	-2.02%
Max. Drawdown	10.90%	11.89%	8.89%
Annualized Std. Deviation	12.75%	6.93%	10.02%
% of Winning Months	69.77%	51.16%	62.79%
Correlation to Dorset		0.11	-0.09

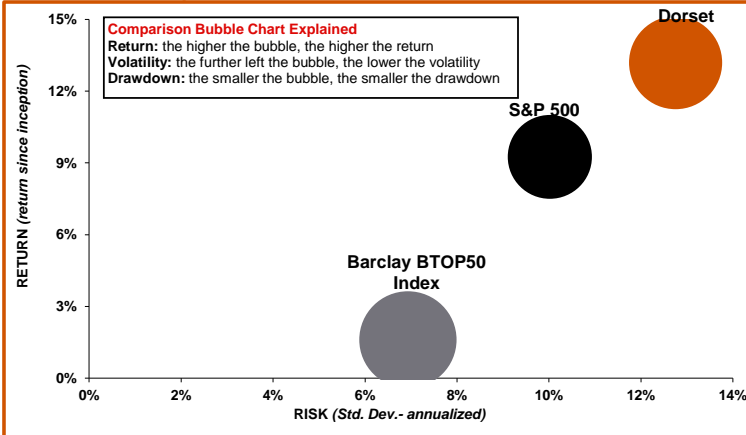
Fund Information

RSP Eligible?	No
Min. Invest./Subsequent US\$	100,000/50,000
Invest/Redeem Frequency	Monthly
Lock-up Period	None
Early Redemption Fee	None
Redemption Notice	15 days
Management Fee	2%
Performance Fee	20%
Highwater Mark	Yes, no resets

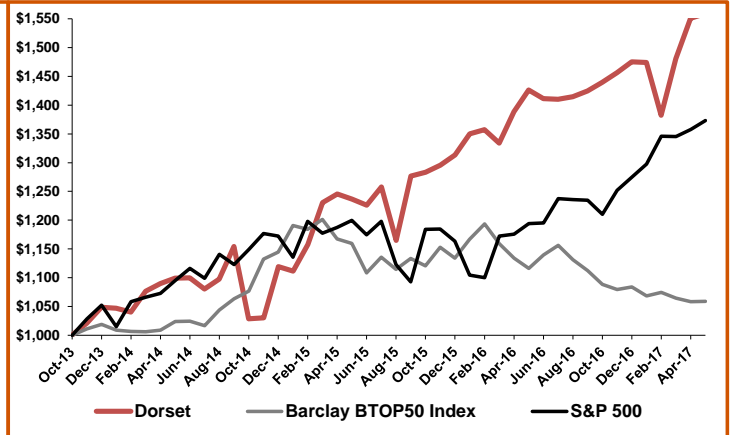
Service Providers

Fund Manager	Spartan Fund Management Inc.
Advisor	Goldenwise Capital Management
Prime Broker	Interactive Brokers
Administrator	Spartan (Cayman) Ltd.

Risk-Return Comparison



Growth of \$1,000



Commentary

The month of May was disturbed by the news on the probe into Trump's connections with Russia. On May 17th, VIX soared from mid-10 to mid-15 in one day. This level of spike has not been seen for a long time. The S&P 500 slumped by almost 2% on the news, which brought concerns over the current valuations of the stock market.

US equity markets, however, seemed to be still quite positive after the large drawdown. Starting on May 18th the market started to recover from the sell-off, which in fact only took 4 days to reach a new high, and VIX moved back to the 10 area.

We built positions to exploit the volatility market mispricing after the Trump event. The results matched with what our model indicated and, as a result, we finished the month up 0.55%. Dorset is now +5.69%e for the first 5 months of the year and +55.91%e since inception over 3 1/2 years ago.

As suggested by a few analysts and economists, the market will start to experience higher volatility in the near future. Our model will continue to monitor the volatility mispricing opportunities as they arise.

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