



Spartan
Fund Management

ELEVENFUND

May 2018

Spartan Overview

Spartan, established in 2006, is a Toronto-based investment management company that specializes in niche investment strategies managed by experienced investment managers with proven track records. 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

ElevenFund is a short term momentum fund focused on the Canadian equity market. ElevenFund targets superior risk-adjusted returns compared to the TSX, as measured by the Sharpe and MAR ('gain-to-pain') ratios. We expect to outperform the TSX in neutral-to-down markets and to capture a significant portion of the gains in strong up markets, with lower volatility and with smaller drawdowns than the TSX. The Fund places significant emphasis on liquidity, capital preservation and on crystallizing open profit positions. The Fund uses no leverage and does not invest in private securities.

Monthly Performance

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | TSX |
|------|--------|--------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| 2018 | -1.08% | -2.95% | -0.16% | +2.12% | +2.07% ^e | | | | | | | | -0.09% | -0.91% |
| 2017 | +0.96% | -0.54% | +1.09% | +0.05% | -1.02% | -0.78% | -0.50% | -0.47% | +2.40% | -0.07% | +0.83% | +1.44% | +3.37% | +6.03% |
| 2016 | -1.96% | +2.45% | +3.04% | +3.50% | +2.02% | -0.01% | +3.21% | -1.74% | +0.30% | -1.68% | +1.40% | +1.38% | +12.33% | +17.51% |
| 2015 | +1.21% | +1.65% | -0.75% | +0.98% | -0.89% | -3.06% | -2.49% | -3.97% | -2.51% | +3.32% | -0.85% | -1.89% | -9.11% | -11.09% |
| 2014 | +0.80% | +1.97% | +1.47% | +0.18% | -0.40% | +1.86% | +1.35% | +3.89% | -2.14% | -2.92% | +0.85% | -0.50% | +6.40% | +7.42% |
| 2013 | +1.72% | +0.74% | -0.13% | -1.45% | +1.38% | -1.63% | +1.00% | +0.55% | +0.67% | +2.06% | +0.97% | +0.63% | +6.64% | +9.55% |
| 2012 | +2.81% | +2.95% | +0.02% | -0.73% | -3.45% | +0.80% | +0.02% | +1.44% | +2.85% | +0.83% | -0.66% | +0.82% | +7.76% | +4.00% |
| 2011 | | | | | | | | | | | +0.31% | +7.06% | +7.39% | -2.42% |

^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.

Statistics

| | ElevenFund | TSX |
|-------------------------------------|------------|--------|
| Cumulative Return (since inception) | 38.46% | 31.09% |
| Annualized Compound Return | 5.07% | 4.20% |
| Sharpe Ratio | 0.77 | 0.54 |
| Avg. Monthly Gain | 1.61% | 1.71% |
| Avg. Monthly Loss | -1.40% | -1.95% |
| Max. Drawdown | 15.06% | 17.94% |
| Annualized Std. Deviation | 6.59% | 7.80% |
| % of Winning Months | 60.76% | 63.29% |
| Correlation | 0.73 | |

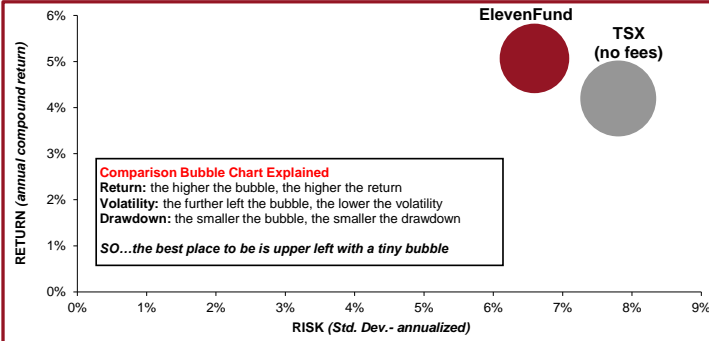
Fund Information

| | |
|-------------------------|----------------|
| RSP Eligible? | Yes |
| Min. Investment | C\$25,000 |
| Invest/Redeem Frequency | Monthly |
| Lock-up Period | None |
| Early Redemption Fee | None |
| Redemption Notice | 7 days |
| 'A' Class Fees (SPA400) | 2% + 20% |
| 'F' Class Fees (SPA410) | 1% + 20% |
| Highwater Mark | Yes, no resets |

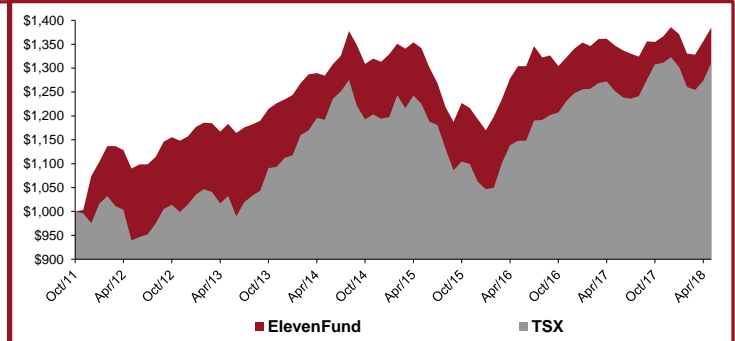
Service Providers

| | |
|---------------|------------------------------|
| Advisor | Spartan Fund Management Inc. |
| Prime Broker | CIBC |
| Auditor | Deloitte LLP |
| Administrator | SGGG Fund Services |
| Legal Counsel | McMillan LLP |

Risk-Return Comparison



Growth of \$1,000



Commentary

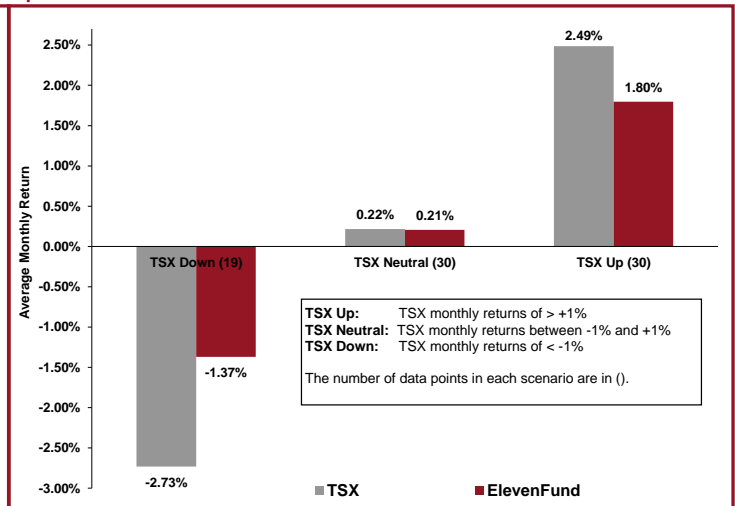
ElevenFund posted its 2nd consecutive 2+ month with a return of +2.07% in May. The Fund continues to outperform the TSX this year, as well as on a longer term basis since inception, and equally as importantly, has done so with less risk than the market, whether measured by volatility or by drawdown.

Good thing that we didn't listen to the old adage "sell in May and go away" and stuck to our guns and rotated into stocks that have been lagging, like the energy and oil services sector. The cannabis sector was also traded well. Looking forward, the energy sector had a large percentage gain, therefore we expect a correction. On the other hand, the gold sector now looks to be breaking out due to the numerous geo-political issues that are percolating – the Trump government's trade tactics, election and pipeline issues in Canada and further Euro-uncertainty in Italy.

Markets will hang on every trade headline with China and NAFTA. As an investor we should be worried about NAFTA because this affects the supply chain and will have ripple effects to our economies. Short-term, all this good economic news is good for the market but how sustainable is it long-term with trade and tariff issues? The FOMC meets June 12-13th. Rates are expected to rise and the accompanying notes released by the Fed could cause havoc for the markets.

Like a tug of war, we will trade back and forth to capture returns and keep our high cash balances overnight to keep our risk levels low.

Up-Neutral-Down Chart



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