



ELEVENFUND



Spartan
Fund Management

October 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%	-0.11%	+0.23%	-1.15%	-0.78%	-4.89%e			-6.69%	-7.29%
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)	29.32%	22.65%
Annualized Compound Return	3.74%	2.96%
Sharpe Ratio	0.56	0.37
Avg. Monthly Gain	1.58%	1.69%
Avg. Monthly Loss	-1.44%	-2.04%
Max. Drawdown	15.06%	17.94%
Annualized Std. Deviation	6.74%	8.05%
% of Winning Months	58.33%	61.90%
Correlation	0.75	

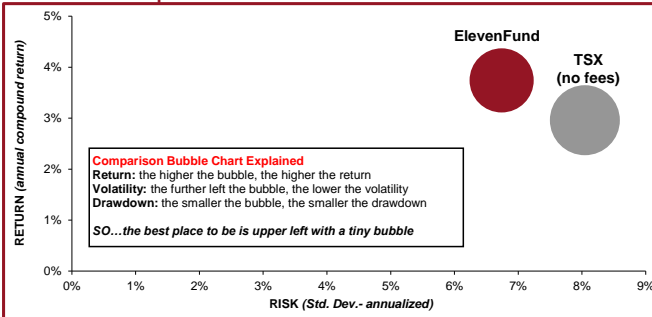
Fund Information

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

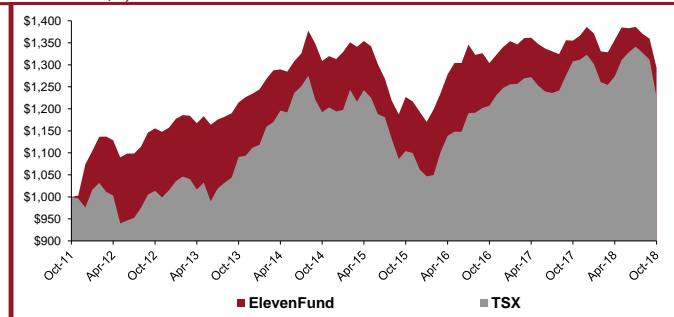
Service Providers

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

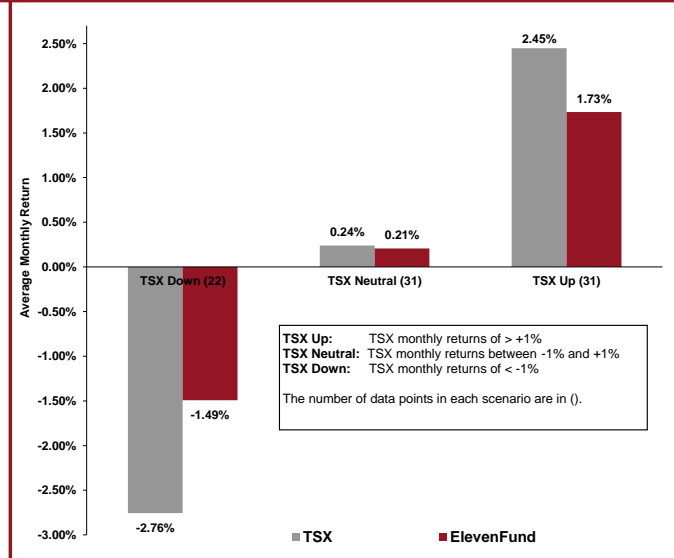
In a month of very difficult trading, the TSX Composite was -6.51% vs. -4.89%e for ElevenFund. While we are never happy losing money, we take some comfort in the fact that our defensive positioning and conservative investment strategy reduced the loss by 1.62% in comparison to the market. Since inception in November 2011, ElevenFund has now produced cumulative returns of +29.32%e vs. +22.65% for the TSX.

October brought extreme volatility to equities due to the uncertainty over the speed of interest rate hikes in Canada and the US, the trade war with China, and the mid-term elections in the US. It was the perfect storm and the flushing out of equities only stopped when we got to correction levels (down 10%) and technical support levels.

We had anticipated this, knowing what October can bring but this downdraft came at us in three waves over the course of the month, which we didn't anticipate. We started deploying our high cash levels after the first down wave, thinking this was going to be it for October, as being mindful that October traditionally presents the opportunity to position the portfolio for the strong seasonality into year end. But then came an aggressive second wave of selling, with a pause so we put more money to work thinking it was the end and then came the third wave, which was volatile and flushed out even more equity investors.

We managed to mitigate the downturns as best we could and feel we have positioned ourselves well heading into year end. We will likely increase cash levels in front of the mid-term elections so that there is no element of surprise, and then get more aggressive afterwards as we feel valuations in Canada are cheap (P/E's are currently 13x vs. the long term average of 15x). We're comfortable with our cash levels, which will allow us to seize opportunities, and are confident in our equity positions heading into November and year end.

Up-Neutral-Down Chart



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The above returns are net of management and performance fees for the 'A' series of units, but do not take into account early redemption fees if investments are held less than 1 year. Please review the most recent offering memorandum for a detailed description of the Fund's strategy, objectives and risk factors. The above is provided for informational purposes only and is qualified in its entirety by way of the most recent offering memorandum, which is only available to qualified investors. Prospective investors should consult with a professional financial advisor before investing. Past performance cannot predict future results. Share value and yields will fluctuate. There can be no assurance that any of the Fund's objectives will be met. See Terms and Conditions of our website (www.spartanfunds.ca) for important information and qualifications regarding the use of benchmarking and indices. The index above was chosen as it is a widely used benchmark of the Canadian equity market. While the Fund uses this index for long-term performance comparisons, it is not managed relative to the composition of the index. There are differences which include security holdings, geographic and sector allocation which impact comparability. As a result, the Fund may experience periods when its performance differs materially from the index.