



# ELEVENFUND

Spartan  
Fund Management

December 2017

## Corporate 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
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)	38.58%	32.30%
Annualized Compound Return	5.43%	4.64%
Sharpe Ratio	0.83	0.60
Avg. Monthly Gain	1.59%	1.69%
Avg. Monthly Loss	-1.40%	-1.97%
Max. Drawdown	15.06%	17.94%
Annualized Std. Deviation	6.57%	7.80%
% of Winning Months	62.16%	64.86%
Correlation	0.71	

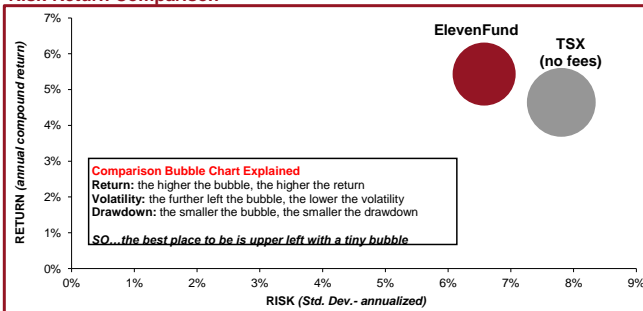
## Fund Information

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

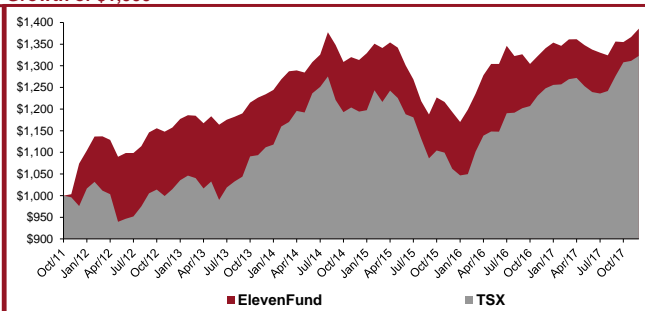
## Service Providers

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

For the month of December, ElevenFund was +1.44% vs. +0.88% for the TSX, outperforming the index by +0.56%, which follows +0.59% outperformance last month as well. Since inception in November 2011, the Fund is now +38.58% vs. +32.30% for the TSX – 17% higher returns with 16% less risk, in terms of both drawdown and volatility.

The first week of December didn't start off well as energy and precious metal names plummeted due to tax loss selling. We recovered nicely in the last three weeks of the month and traded very well to generate a respectable positive risk-adjusted return (our monthly goal).

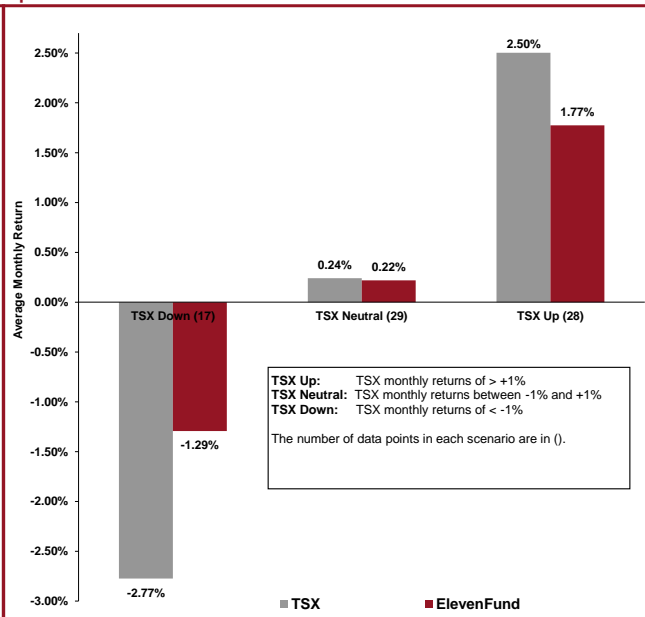
Overall, it wasn't a great year for investors in the Canadian market, which was the second worst performing market in the world behind only Russia. Looking forward, the global synchronized recovery continues and analysts and portfolio managers all over the world are telling investors to add commodities to their portfolios as base metal stocks are relatively cheap in historical terms. Oil continues to act well and many expect OPEC to maintain its current path ahead of the Saudi Aramco deal. It's also time to look at natural gas, especially Canadian gas names in light of what climate change has delivered to the east so far this winter – record cold temperatures and a bomb cyclone. This could bold well for us in 2018 as the reflation theme will be a story and the TSX, which has been sideways for ten years, could see a 10-20% return.

If the EV (electric vehicle) trade continues cobalt, lithium, and nickel will do well. Fertilizers and uranium will be a trade later in the year but in the meantime, we will continue to accumulate and trade. Financials should do better with rates moving higher. We also expect infrastructure to be a theme in the first quarter of 2018. Now you see why we like the TSX in 2018.

But this of course will come with corrections, which is where we will try to maximize those all important risk-adjusted returns.

A Happy Healthy and Prosperous New Year!

## 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 assurances 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.