M$M Fund

Annual Management Report of Fund Performance

June 30, 2017

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling collect 1-416-591-5923, writing to us at 2101 – 100 Wellington Street West, Toronto, ON M5K 1J3, by e-mailing us at admin@spartanfunds.ca or by visiting our website at www.spartanfunds.ca or SEDAR at www.sedar.com .

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

The management discussion of fund performance for the MM Fund (the "Fund") is an analysis and explanation of the Fund's position and financial results for the period from January 1, 2017 to June 30, 2017.

Spartan Fund Management Inc. (the "Manager") is the trustee, investment fund manager and portfolio manager of the Fund.

Investment Objective and Strategies

The Fund's investment objective is to outperform the broad Canadian equity market, as measured by the S&P/TSX Composite Total Return Index, over the long term of 5+ years, providing investors with long-term capital appreciation.

The Fund utilizes a "core and more" approach. The "core" portfolio consists primarily of high yielding or dividend paying Canadian equity securities and, to a lesser extent, real estate investment trusts, convertibles, debt securities, preferred shares and U.S. equity securities.

The "more" portfolio consists of securities that will likely have more volatility but a higher potential for capital gains. The Fund focuses on securities we consider to be inexpensive secular growth securities or beaten down stocks that have turnaround potential, because of new management, or because of an improvement in their macro-economic factors. We may also look to shorter-term event driven trading opportunities around economic and global events.

The investment team thoroughly analyzes current economic conditions and trends in North American and global economies and positions the portfolio accordingly. As a result, sector allocations may vary significantly over time and may result in portfolio weightings that differ substantially from the weightings of the S&P/TSX Composite Total Return Index.

Risk

The overall risk of investing in the Fund remains as described in the most recent prospectus.

Accordingly, the Fund remains suitable for medium to long term investors that are seeking to outperform the S&P/TSX Composite Total Return Index over the long term.

Results of Operations

Despite the drama, and lack of progress on major legislation in Washington (tax cuts, health care, infrastructure), stock markets continued creeping steadily higher and had a good first half. The Dow and the S&P 500 have gained around 10% with dividends, the Nasdaq soared 14%, and with nary a correction this year, the VIX volatility index has fallen to below ten and sits at a 24 year low. The TSX was one of the worst performing global markets, returning only 0.74%, and out-performed only other oil producers Brazil, Qatar, and Russia.

In our U.S. post-election commentary, we predicted that any Trump related market decline would be a buying opportunity, and that markets would ultimately come to like tax cuts and fiscal stimulus. As we commented the morning after the election “Since when do investors look at tax cuts and fiscal stimulus negatively? We look at any election related decline as an opportunity for investors.”

President Trump’s first 100 days were busy with executive orders (immigration, deregulation, Keystone), but he failed to deliver anything legislatively (tax cuts, Obamacare repeal and replace, infrastructure) despite benefitting from a sympathetic Republican Congress and Senate. Still, pro-business Presidential rhetoric seems to have been enough for a monster stock rally: the fourth best rally for a first term President from the election through the first 100 days.

The Fund struggled in early 2017, as one new investment had very weak earnings and required restructuring of operations. Also, a merger arbitrage deal fell apart, during the transition of US Presidents. January 2017 was our first down month (-0.75%) in a year.

We bought a beaten down gambling stock, and a high yielding chemical stock in January. In February, the Fund initiated a position in a Western Canadian lumber stock, and a small capitalization high growth technology company. The MM Fund now has two high yielding Canadian forestry stocks, and despite the imposition of countervailing duties by the U.S. in the softwood lumber dispute, the Fund has made money on the forestry stocks.

In April, the Fund benefitted from two takeovers, as well as stocks that gained post March earnings releases. International Road Dynamics, the Fund’s second largest position, received a takeover offer at a 50% premium to April trading. The Fund ended up more than tripling its original investment. Canam Manac was a loser for the Fund (down 30%), until it received an offer that was double April’s trading price. On May 1, Veresen received a takeover offer at a 22% premium, and we plan to roll our Veresen position into high yielding Pembina(4.8%). In mid-May, Brightpath received a cash takeover offer at a 30% premium to recent trading.

The Fund has a US housing play that is continuing to benefit from stronger US housing prices. Our REITS are high yielding, so we are paid to wait as we collect our dividends. We have two high yielding European office rates, that can take out mortgages at low European borrowing rates; moreover, those rates are expected to stay low for years while bond yields rise in the US and Canada. Our two restaurant royalty stocks continue to benefit from rising same store sales in Canada.

Two of our high yielding (+4%) stocks have sizeable US businesses, and have benefitted from continuing business success. One increased distributions by 18% in Q1, while the other sports a 7.3% yield.

Our four convertible and preferred positions are also high yielding, and two have benefitted greatly from company specific improvements.

We are paid 3.9% and 5.5% with our Transcanada and Veresen positions, and we believe these companies will benefit from President Trump's pro-pipeline, pro-energy views and executive orders supporting energy development. The MM Fund also owns a gasoline retailer but overall the MM Fund benefitted from a low energy and materials weight. The energy sector was the worst performing TSX sector in the first half.

Low oil prices are hurting TSX profitability, but helping the airline industry as oil is the second largest variable cost, behind wages. A strong economy and range bound oil prices, is helping airline profitability (9% of MM) - Air Canada has moved to all-time highs, while American Airlines is at two-year highs.

Our biggest position (5.3%) continues to be an urban engineering company (IBI Group).

The MM Fund is not an index fund – we are a concentrated focused fund, with only 38 conviction positions, and just a 0.5 correlation with the TSX. We expect the Fund to perform differently than the TSX over time, hopefully mainly with a positive divergence. The Fund is currently positioned with only a 5.7 % energy weight, versus 21% for the TSX, and a 24.3% financials weight versus 34% for the TSX. It is also underweight materials (5.9% vs 12%), with no gold or metals, but positions in chemicals, packaging, and forestry.

Recent Developments

According to Thomson Reuters, second quarter earnings are expected to increase 8.5% from Q2 2016, however this is down from 14.5% yoy growth in Q1. Excluding the energy sector, the earnings growth estimate growth declines to 5.7%.

The major developments in markets in June were in the fixed income world. The Fed raised rates for a second time, the ECB hinted at pulling back on quantitative easing (QE), and even the Bank of Canada raised rates for the first time since 2010 on July 12th.

This sea change in central bank guidance is significant because most central banks have now signaled the end of "easy money", which has been goosing asset prices to record levels, after seven years of "money printing" and "bond purchases". This global tightening helped cause the US dollar to fall 4%, gold prices to fall $90 (8%), oil prices to fall $8 to $44, and U.S. bond yields to rise 30 bps to 2.4%. The MM Fund continues to have near zero exposure to commodities, with the exception of two pipeline companies (Trump trades), and a chemical company, and two forestry companies.

The Fed raised interest rates in June for the second time in 2017, and is now hinting that its next moves will be to reduce its balance sheet by selling long bonds. The shift in tightening from raising short rates, to selling long bonds (rising long rates) is actually more positive for banks and insurance companies, as they benefit from higher bond yields, and are no longer pressured by a flattening bond curve (short rates up, long bond yields down).

After months of discussion, the Republican party has failed to pass a new health care bill to replace Obamacare, even though they control all 3 houses of the U.S. government. Investors are now wondering if President Trump's agenda of tax cuts, and infrastructure spending is also at risk.

However, the real earthquake in markets was in European fixed income markets where German bund yields spiked from 0.15% in April to 0.58% currently. Europe is still far from raising rates, and even at 0.58%, bond yields there are still ¼ of US bonds. That is why we continue to own and buy TSX REITs with European operations, where mortgage rates are still comparatively low, moreover these REITs are benefitting from the accelerating European economic recovery.

June was a busy month for MM, as we generally forgo dramatic changes, and stick with long-standing positions. We initiated positions in European banks (French, German, Spanish), as recent elections in Germany and France decrease the risk of disruption there. President Macron has a strong mandate for reform in France, and changes are badly needed in its sclerotic economy. Euro banks and insurers should-benefit as bond yields move higher from near zero levels to higher**,** more normal levels.

We also bought Citibank and increased our position in US insurer AIG. These US financials should continue to benefit from rising US bond yields. It's been only a month but so far, we are up on all our Euro and US financials.

We opportunistically bought Home Capital around $9 when it was trading at a severe discount to book, and have been selling our position at double that amount, after the shares surged on the announcement of Warren Buffett's investment. We also bought Callidus Capital, a financial in the midst of a privatization process.

All told these moves increased our financial exposure to 24.3% from 7.1% in May. Financials and industrials (airlines, student busing, aerospace manufacturing, engineering) are now the largest MM sectors. We also increased our cash position to 11.2% from 0.1%, our US portfolio position to 16.4% from 5.1%, and decreased our MM "more" from 52.8% to 42.3% of the portfolio. We see these as defensive moves, after a solid first half of gains, in an environment that is getting more precarious with global central bank tightening.

46.7% of the portfolio yields more than 4%, with an average yield of 4.4%. The 24.3% financial weight should help the portfolio as interest rates rise with global tightening. Higher rates in the US and Europe give banks the opportunity to gain a spread between their short term deposits, and long term lending. As markets continue to rise, we plan to trim positions in some of our more cyclical names (airlines, forest products), as they hit our target prices. We are also expecting cash for Brightpath (2.4% weight) in coming weeks when the acquisition closes.

In July, we initiated new positions on a TSX REIT with US hotel operations, a TSX U.S. apartment REIT, and a merger arbitrage play. We have been reducing our Air Canada position above $20, after a 71% gain, and are selling our lumber stock after a 20% gain.

As we enter the summer, historically one of the weakest seasons for stocks, we have become more defensive, rolling some of our “more” gains into core REITs, convertible bonds and financials.

MM Fund has been positive in 16 of the last 17 months, and we would like to continue to post steady monthly gains.

Related Party Transactions

The Fund engages arms-length 3rd party service providers for services such as fund valuation, unitholder recordkeeping, independent review committee, audit, tax and legal advice. The Fund also trades with arms-length 3rd party brokers.

For the provision of management services, the Manager received management fees from the Fund, based on the Net Asset Values of the respective series. The management fees paid are disclosed in the financial statements.

The Fund’s operating expenses have been voluntarily capped at 0.50% pa of the Fund’s Net Asset Value so that while the Fund is in its early, growth phase the expenses borne by the investor are reasonable. The Manager has decided that as of July 1, 2017, operating expenses will no longer be capped as the Fund has grown to sufficient size that a cap is no longer necessary.

The decision to cap operating expenses is reviewed periodically and determined at the discretion of the Manager without notice to securityholders.

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 2 years.

The Fund's Net Assets per Unit ($) [1]

Series A	12/31/2016	06/30/2017
Net Assets, beginning of year - (adjusted)	97.04	121.21
Increase/(decrease) from operations:		
Total Revenue	3.84	1.75
Total Expenses (excl. distributions)	-3.42	-6.29
Realized Gains/(Losses) for the period	0.71	9.38
Unrealized Gains/(Losses) for the period	22.97	7.15
Total increase/(decrease) from operations [2]	24.10	12.00
Distributions:		
From net investment income (excl. dividends)	NA	NA
From dividends	NA	NA
From capital gains	NA	NA
Return of capital	NA	NA
Total Distributions [3]	NA	NA
Net assets at Date shown	**121.21**	**135.90**

Series D	12/31/2016	06/30/2017
Net Assets, beginning of year - (adjusted)	97.72	122.69
Increase/(decrease) from operations:		
Total Revenue	3.89	2.18
Total Expenses (excl. distributions)	-2.72	-6.05
Realized Gains/(Losses) for the period	0.40	11.05
Unrealized Gains/(Losses) for the period	23.79	6.24
Total increase/(decrease) from operations [2]	25.37	13.42
Distributions:		
From net investment income (excl. dividends)	NA	NA
From dividends	-0.46	NA
From capital gains	NA	NA
Return of capital	NA	NA
Total Distributions [3]	-0.46	NA
Net assets at Date shown	**122.69**	**137.77**

Series F	12/31/2016	06/30/2017
Net Assets, beginning of year - (adjusted)	97.42	123.17
Increase/(decrease) from operations:		
Total Revenue	3.88	2.05
Total Expenses (excl. distributions)	-2.45	-3.62
Realized Gains/(Losses) for the period	0.19	11.89
Unrealized Gains/(Losses) for the period	26.66	6.89
Total increase/(decrease) from operations[2]	28.28	17.20
Distributions:		
From net investment income (excl. dividends)	NA	NA
From dividends	-0.99	NA
From capital gains	NA	NA
Return of capital	NA	NA
Total Distributions[3]	-0.99	NA
Net assets at Date shown	**123.17**	**139.41**

[1] This information is derived from the Fund's unaudited semi-annual financial statements. The net assets per unit presented in the financial statements does not differ from the net asset value calculated for fund pricing purposes.

[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. As such, this table is not a reconciliation of beginning to ending net assets per share.

[3] Distributions, if any, were reinvested in additional units of the Fund.

Ratios and Supplemental Data

Series A	12/31/2016	06/30/2017
Total net asset value ($000's)	27.23	53.15
Number of units outstanding (rounded)	225	391
Management expense ratio before incentive fees[1]	3.15%	1.41%
Incentive fee ratio[2]	NA	3.58%
Management expense ratio after incentive fees[3]	3.15%	4.98%
Management expense ratio before waivers or absorptions[4]	5.15%	5.26%
Trading expense ratio[5]	0.68%	0.09%
Portfolio turnover rate[6]	7.10%	14.14%
Net asset value per unit	**121.21**	**135.90**

Series D	12/31/2016	06/30/2017
Total net asset value ($000's)	627.95	2,529.29
Number of units outstanding (rounded)	5,118	18,359
Management expense ratio before incentive fees[1]	2.52%	0.97%
Incentive fee ratio[2]	NA	3.77%
Management expense ratio after incentive fees[3]	2.52%	4.74%
Management expense ratio before waivers or absorptions[4]	4.55%	5.03%
Trading expense ratio[5]	0.60%	0.06%
Portfolio turnover rate[6]	7.10%	14.14%
Net asset value per unit	**122.69**	**137.77**

Series F	12/31/2016	06/30/2017
Total net asset value ($000's)	7,531.25	17,648.84
Number of units outstanding (rounded)	61,146	126,598
Management expense ratio before incentive fees[1]	2.23%	0.83%
Incentive fee ratio[2]	NA	1.97%
Management expense ratio after incentive fees[3]	2.23%	2.80%
Management expense ratio before waivers or absorptions[4]	4.14%	3.10%
Trading expense ratio[5]	0.54%	0.05%
Portfolio turnover rate[6]	7.10%	14.14%
Net asset value per unit	**123.17**	**139.41**

1 'Management expense ratio before incentive fees' is based on total expenses (excluding incentive fees, distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

2 'Incentive fee ratio' is the total incentive fees paid for the stated period expressed as an annualized percentage of average weekly net asset value during the period.

3 'Management expense ratio after incentive fees' is based on total expenses (excluding distributions, commissions and other portfolio transaction costs), including incentive fees, for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

[4] The Fund's operating expenses have been voluntarily capped at 0.50% pa of the Fund's Net Asset Value so that while the Fund is in its early, growth phase the expenses borne by the investor are reasonable. The Manager has decided that as of July 1, 2017, operating expenses will no longer be capped as the Fund has grown to sufficient size that a cap is no longer necessary.

[5] 'Trading expense ratio' represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

[6] '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.

Management Fees

The Manager provides investment and administrative services to the Fund. In consideration of these services, the Fund pays the Manager a fee equal to 1.00% per annum of the Net Asset Value of Series A, Series D and Series F, calculated weekly and paid monthly in arrears. The Fund also pays to the Manager a service fee of 1.00% per annum for Series A and 0.25% per annum for Series D which the Manager remits to dealers as consideration for administering its assets held by those dealers. The service fees are calculated weekly and paid quarterly in arrears based on the assets that each dealer has invested in Series A or Series D, as the case may be, as at the close of each date that the Fund is valued. There is no service fee paid in respect of Series F.

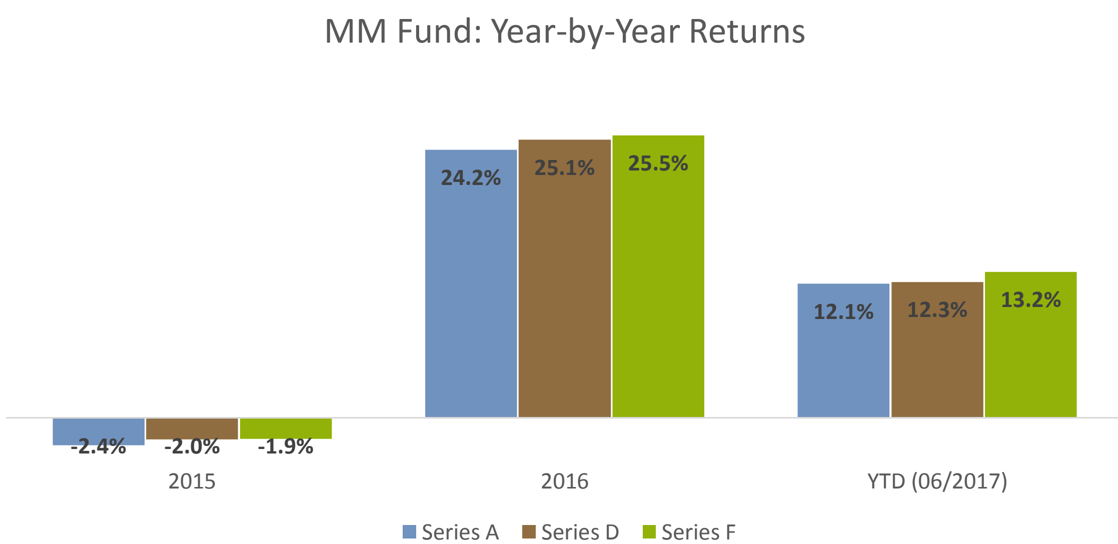
The following is a breakdown of major services received by the Fund in consideration of the management fees for the period, as a percentage of the management fee:

Series	Service Fees	Other
A	50%	50%
D	20%	80%
F	0%	100%

Past Performance

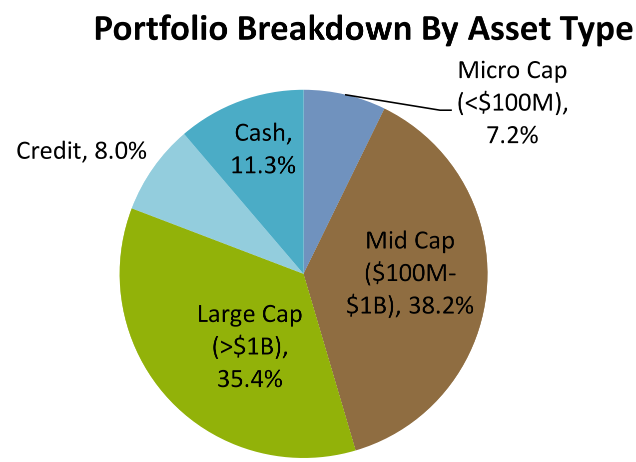
The bar chart below shows the Fund's annual performance for each of the years shown below and illustrates how the Fund's performance has changed from year to year.

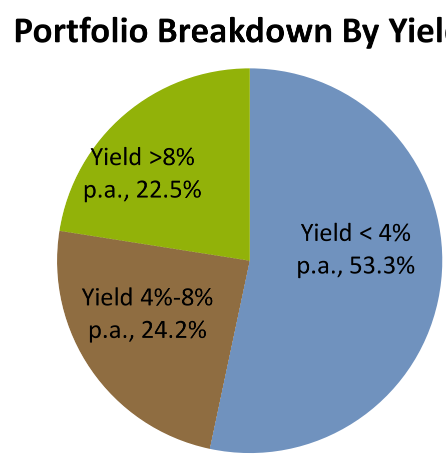
The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Summary of Investment Portfolio (as at June 30, 2017)

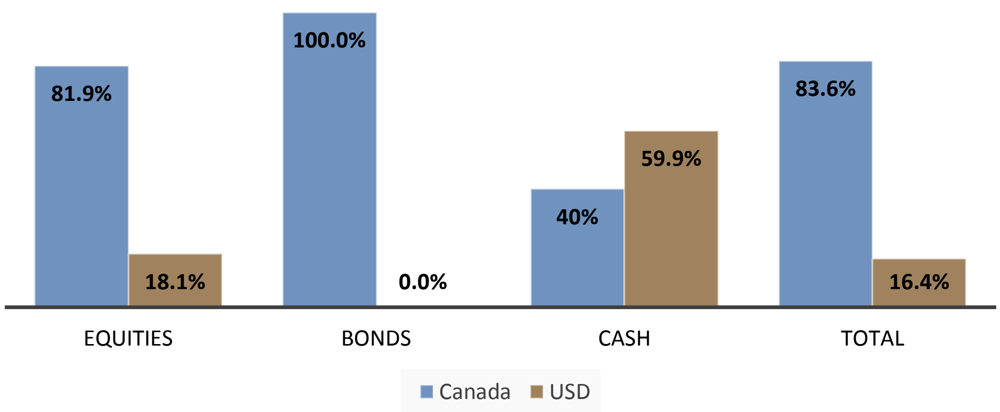
Security Name	% of NAV
A and W Revenue Royalties Income Fund	0.6%
AIR Canada	3.1%
Avcorp Industries Inc	0.3%
Amaya Inc	1.9%
BCE Inc	0.3%
BrightPath Early Learning Inc	2.4%
Brick Brewing Co. Ltd	2.3%
Callidus Capital Corp	3.9%
Chemtrade Logistics Income Fund	1.2%
Chorus Aviation Inc	1.9%
CanWel Building Materials Group Ltd	2.9%
DATA Communications Management Corp	1.6%
Dream Global REIT	3.2%
Firan Technology Group Corp	2.6%
Home Capital Group Inc	4.5%
American Hotel Income Properties REIT LP	2.9%
IBI Group Inc	5.3%
LOGiQ Asset Management Inc	0.3%
Inovalis Real Estate Investment Trust	2.6%
Patient Home Monitoring Corp	0.2%
Photon Control Inc	2.8%
Parkland Fuel Corp	1.4%
Parkland Fuel Restricted	0.7%
Pivot Technology Solutions Inc	4.0%
Pizza Pizza Royalty Corp	1.8%
Richards Packaging Income Fund	3.0%
Slate Office REIT	2.2%
Student Transportation Inc	1.8%
Tricon Capital Group Inc	0.5%
TransCanada Corp	0.6%
Veresen Inc	2.4%
Western Forest Products Inc	1.1%
American Airlines Group Inc	1.9%
American International Group Inc	3.4%
Banco Bilbao Vizcaya Argentaria S.A.	1.9%
Citigroup Inc	2.8%
Deutsche Bank AG	3.4%
Ford Motor Co	0.4%
Rite Aid Corp	0.7%
LOGiQ Asset 7.00% 30Jun18	1.2%
TEMPLE HOTELS INC 7.25% 30Sep17	0.8%
TEMPLE HOTELS INC 7.0% 31Mar18	0.6%
Bombardier Inc. PFD 2.85%	1.5%
Bombardier Inc. PFD 3.134%	1.1%
Bombardier Inc. PFD 6.25%	0.2%
GoEASY 5.750 07/31/22 CVT	2.4%
CASH	11.3%
TOTAL	100.0%



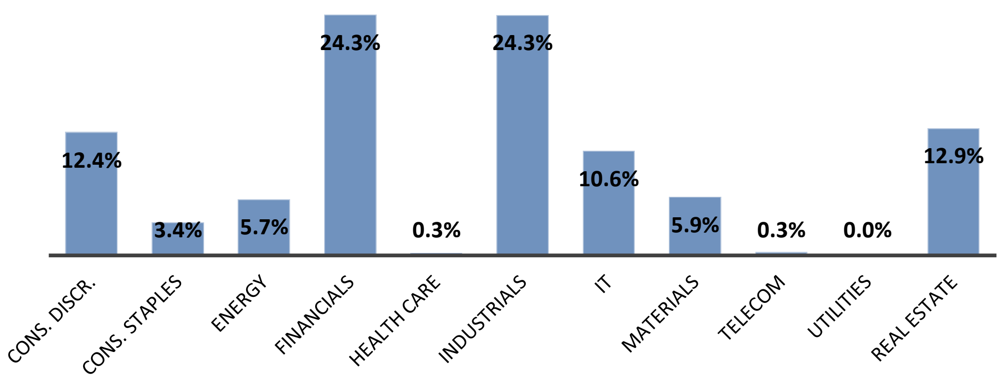


The investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the investment portfolio are available on request.

Geographic/Asset Allocation



Sector Allocation



M$M Fund

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Forward-Looking Statements

This management report of fund performance may contain forward-looking statements which reflect the current expectations of the Manager (or, where indicated, the Portfolio Manager) regarding the Fund's future growth, results of operations, performance and business prospects and opportunities. These statements reflect the current beliefs of the person to which the statements are attributed with respect to future events and are based on information currently available to that person. Forward looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward- looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, changes in government regulations or in tax laws. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.