M$M Fund

Amended Annual Management Report of Fund Performance

December 31, 2016

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the 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 interim or annual financial report, 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, 2016 to December 31, 2016.

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

After a tough 2015 (-10% TSX), 2016 was a good year for equity investors as the TSX returned 21%, its best year since 2009. The TSX was one of the best equity markets globally, trumping both the MSCI Global (+5.6%), and the S&P 500 (+12%). US bonds returned only 0.8%. Most of the US gains were since the election, as the much predicted "Trump Crash" lasted only through the night of the election, and the "Trump Rally" has seen the S&P 500 rise an astounding 5% in the month after the election, and 9.2% through early 2017, with both the Dow and S&P 500 hitting new all-time records.

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."

Deregulation will help some companies cut unnecessary costs, but all companies will benefit from the promise to cut US corporate taxes. If corporate tax rates fall from 35% (one of the highest tax rates in the world) to 20%, this alone could boost profits for the S&P 500 by at least 10%.

Instead of a stock crash, bonds crashed as investors anticipated that Trump's plans to cut regulations and taxes, while ramping up infrastructure spending, will boost economic growth from Obama's 2.1%, to the 3-4% range. President Obama averaged 2.1% GDP growth over 8 years, the fourth-lowest growth rate of any president's and below the postwar average of 2.9%. Because of the anemic economic recovery, the Fed is only now normalizing monetary policy, in the ninth year of the economic recovery.

Bond yields soared an incredible 66 bps to 2.43% in the month after the election, and the spike in bond yields meant losses of over $2 trillion in the global bond market, offsetting the gains of $2 trillion in stocks. These are the largest one month losses on record for bonds.

Unfortunately the Fund did not move aggressively enough into the "Trump Trade", by reducing interest sensitivities like REITS, and buying banks and insurance companies which are thought to benefit from rising yields.

Still, the Fund gained 25.13% in 2016, outperforming the TSX by 4%. After a tough January, we were most happy that the Fund was up the next eleven months in 2016. The Fund did not outperform the TSX as much as in 2015 (+8%), a down year for the TSX, because of its defensive nature. Also the Fund was hurt by negligible exposure to the energy and materials sectors in 2016, and little financial exposure.

The Fund's largest sector weighting is industrials with a 42.2% weighting. This includes a 10.3% weighting in TSX aerospace stocks and a 11.7% weighting in engineering stocks. Profitability for these companies continues to benefit from the low Canadian dollar, as most of their operations are in Canada, while they have material U.S. dollar revenues. The Fund's industrial weighting also includes an 11.8%

airline weight consisting of one US and two Canadian airlines as we expect airline profitability to continue to benefit from relatively low oil prices, a strong North American economy, fuller planes, and increased auxiliary fees.

Our two health care positions were the worst Fund performers in 2016, and one was sold for a tax loss late in the year. The other has doubled in the first quarter of 2017.

The MM Fund has a 14.9% weighting in the consumer discretionary sector, although only one of the stocks, an auto company, is really discretionary and cyclical. There are also two top line Canadian fast food royalty stocks that steadily increase their distributions, and a day care company. The Fund also owns bonds in a hotel company, whose fortunes are very tied to the energy industry. They have recovered strongly and are now near par. The 14.8% IT weighting consists of a high yielding computer reseller, and two growing niche TSX technology companies. The Fund also has a 13.7% REIT weighting, consisting of TSX companies with US or European real estate assets, and an Eastern Canadian office REIT.

Our year end US holdings (6.7% of portfolio weight) consist of an airline, an auto company, and an insurance company. The Fund's 13.9% credit weight, consists of two high yielding convertible positions, and one high yielding preferred position for an industrial/aerospace company.

51.8% of the MM portfolio has a yield greater than 4%, giving it yield protection in down markets as we are "paid to wait". 29.6% of the Fund has a yield greater than 8%. We believe these dividends are sustainable and so far we have not suffered any dividend cuts, or bankruptcies in the high yield portion of our portfolio.

Recent Developments

Bond yields have doubled from a low of 1.32% in mid-2016, to 2.64% recently, and Q4 was the worst for bonds since 1994.

While the US remains sharply divided politically, there are enough consumers, and certainly businesses that are feeling better about the economy. US consumer confidence spiked to 114.8 in February from 111.6 in January, the highest level since July 2001. Small business confidence has soared to the highest level since 2004.

The US non-manufacturing ISM increased to 57.6% in February, 1.1% higher than January. Moreover, the New Orders index soared to 61.2, 2.6% higher. The less important manufacturing ISM increased 1.7% to 57.7% while the New Orders Index spiked to 65.1 percent, an increase of a whopping 4.7%.

The Fed raised rates again in March, and is sticking firm to its forecast of 3 rate hikes for the year as economic data continues to strengthen. 2017 finally looks to be the year of monetary policy normalization, 9 years into the economic expansion. However, we'd point out they were expecting 4 rate increases for 2016, but only increased rates once in December.

U.S. treasury bond yields are likely to continue rising to 3% in 2017.

While rising yields are a sign of accelerating economic and earnings growth, that should "make stocks great again", investors should be careful of too much of a good thing. Rising yields will dampen corporate and consumer borrowing. Interest rate divergence, with higher US rates, combined with other countries like Canada staying at or near zero, also likely means a higher US dollar, which likely pressures commodity prices, and the profitability of US multinationals. A higher US dollar would also counter President Trump's efforts to bring manufacturing state-side again. Rising yields could nip the Trump rally in the bud, although we think yields can still rise to over 3% before we would think about raising the yellow flag.

Our worry regarding aggressive Fed rate increases after eight years at zero, combined with aggressive QE (balance sheet expansion) is the effect that higher rates would now have on interest sensitive sectors like utilities, and housing. We believe the Fund's focused interest sensitive "core" is well positioned for rising rates, as some of these positions have rallied strongly since the election and the Fund is now up on all these positions. While the MM Fund is heavily invested in real estate (13.5%), all of our REITS, save one, yield at least 8%, so they are not bond proxy's and are in our opinion less vulnerable to rising yields. More than half of our real estate weighting is exposed to Europe, where rates are expected to remain low well into the future, so these securities should not be hurt operationally by rising yields in the U.S. There is also an investment in a central Canadian office REIT, and a US housing rental stock.

Our two high yielding (+5%) stocks have sizeable US businesses, and have benefitted from continuing business success. One just increased distributions by 18%, while the other sports a 7.9% yield. Our three convertible and preferred positions are also high yielding, and have benefitted from company specific improvements. Finally we are paid 4.1% and 7.4% with our Transcanada and Veresen positions, and we believe these companies will benefit from President Trump's pro-pipeline, pro-energy views.

Our two restaurant royalty stocks continue to benefit from rising same store sales in Canada. With rising rates we are happy not to have exposure to overheated Canadian housing, as Canadian mortgage rates will continue to rise with rising US bond yields.

The S&P 500 is up 11.4% since the election. But the risk for markets is that they have become so tied to the success of this new bombastic and unpredictable President. We charitably believe this is part of his negotiating style, to be unpredictable and keep people off balance. For the President it becomes much more difficult now, because if he is to deliver on his agenda of tax cuts, infrastructure spending, and Obama Care "repeal and replace", he will have to herd the individuals and egos in the US Congress and Senate to actually come up with bills that he can sign. This will be tough with slim Republican majorities, unless he can coax some Democrats for bipartisan support. The art of a deal indeed!

The Fund has struggled in early 2017, as one new investment had very weak earnings and requires restructuring of operations. Also, a merger deal fell apart during the transition of US Presidents. Some of the Fund's larger positions continue to post improving financial performance but their shares have stalled out, hopefully temporarily. However, despite these challenges the Fund has benefitted from mainly avoiding the TSX energy sector (-9.7% ytd through March 17) with the exception of two high yielding pipeline companies, and a high yielding chemical company, that have been flattish while the Fund collects an attractive dividend.

The Fund initiated a position in a TSX gambling company in January, and in February it 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.

In down markets, we are "paid to wait", with a 4.07% portfolio yield. We continue to like the yield protection, especially given the usual mid-year seasonal weakness in markets, and the uncertainties surrounding the implementation of the Trump agenda.

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 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 periods indicated.

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

	Class A Dec 31/16	Class D Dec 31/16	Class F Dec 31/16
Net Assets, beginning of year - (adjusted)	97.04	97.72	97.42
Increase/(decrease) from operations:			
Total Revenue	3.84	3.89	3.88
Total Expenses (excl. distributions)	-3.42	-2.72	-2.45
Realized Gains/(Losses) for the period	0.71	0.40	0.19
Unrealized Gains/(Losses) for the period	22.97	23.79	26.66
Total increase/(decrease) from operations[2]	24.10	25.37	28.28
Distributions:			
From net investment income (excl. dividends)	NA	NA	NA
From dividends	NA	-0.46	-0.99
From capital gains	NA	NA	NA
Return of capital	NA	NA	NA
Total Distributions[3]	NA	-0.46	-0.99
Net assets at Dec 31st of year shown	**121.21**	**122.69**	**123.17**

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 were reinvested in additional units of the Fund.

Ratios and Supplemental Data

	Class A Dec 31/16	Class D Dec 31/16	Class F Dec 31/16
Total net asset value ($000's)	27.23	627.95	7,531.25
Number of units outstanding (rounded)	225	5,118	61,146
Management expense ratio[1]	3.15%	2.52%	2.23%
Management expense ratio before waivers or absorptions	5.15%	4.55%	4.14%
Trading expense ratio[2]	0.68%	0.60%	0.54%
Portfolio turnover rate[3]		7.10%	
Net asset value per unit	121.21	122.69	123.17

1 Management expense ratio is based on total expenses (excluding 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 The 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.

3 The Fund's 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.

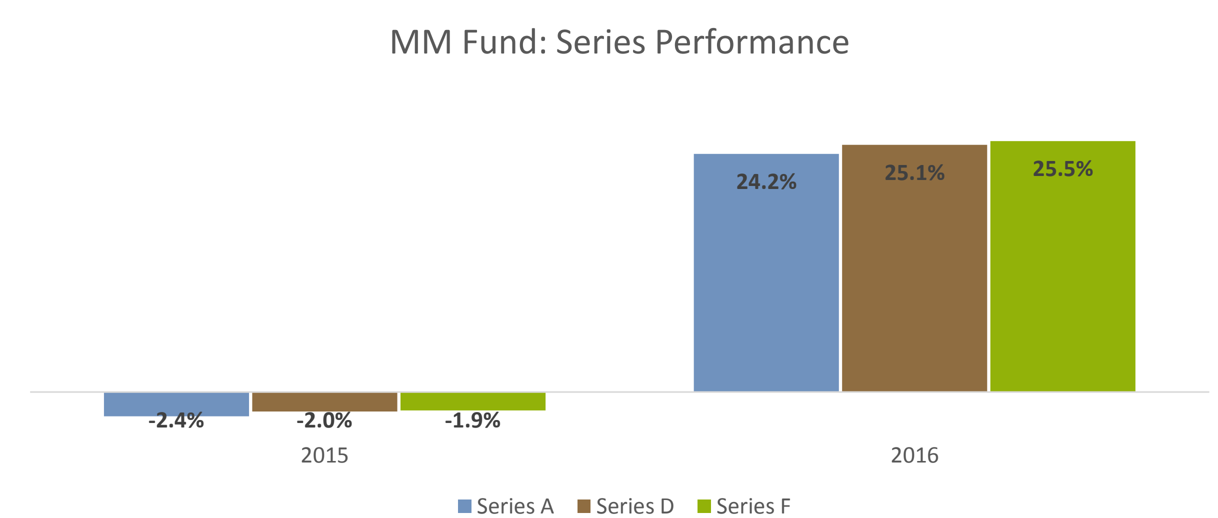
Management Fees

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

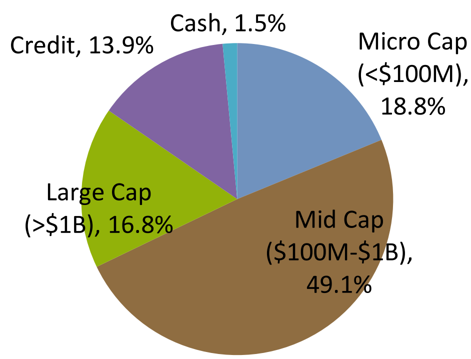


M$M Fund

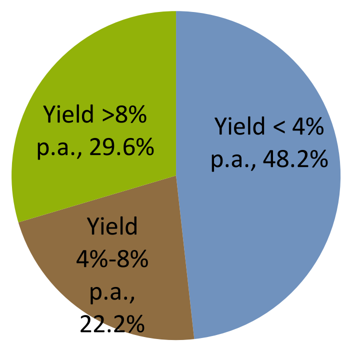
Summary of Investment Portfolio (as at Dec 31, 2016)

Security Name	% of NAV
A and W Revenue Royalties Income Fund	1.6%
AIR Canada	3.9%
Avcorp Industries Inc	0.9%
BCE Inc	0.7%
BrightPath Early Learning Inc	2.1%
Chorus Aviation Inc	3.3%
CanWel Building Materials Group Ltd	3.0%
Directcash Payments Inc	5.3%
Dream Global REIT	3.5%
Firan Technology Group Corp	4.4%
IBI Group Inc	11.6%
Inovalis Real Estate Investment Trust	5.9%
International Road Dynamics Inc	6.5%
Patient Home Monitoring Corp	0.2%
Pivot Technology Solutions Inc	3.6%
Pizza Pizza Royalty Corp	4.7%
Richards Packaging Income Fund	2.4%
Slate Office REIT	3.5%
Student Transportation Inc	3.9%
Tricon Capital Group Inc	0.6%
TransCanada Corp	1.5%
American Airlines Group Inc	4.5%
American International Group Inc	1.0%
Ford Motor Co	1.2%
Brick Brewing Co. Ltd	4.3%
Bombardier Inc. Pref B	3.1%
Bombardier Inc. Pref D	1.5%
Bombardier Inc. Pref C	0.5%
LOGiQ Asset Management Inc	1.2%
LOGiQ Asset 7.00% 30Jun18	3.0%
TEMPLE HOTELS INC 7.75% 30Jun17	1.6%
TEMPLE HOTELS INC 7.25%30Sep17	2.0%
TEMPLE HOTELS INC 7.00% 31Mar18	1.4%
Cash	1.5%
TOTAL	100.0%

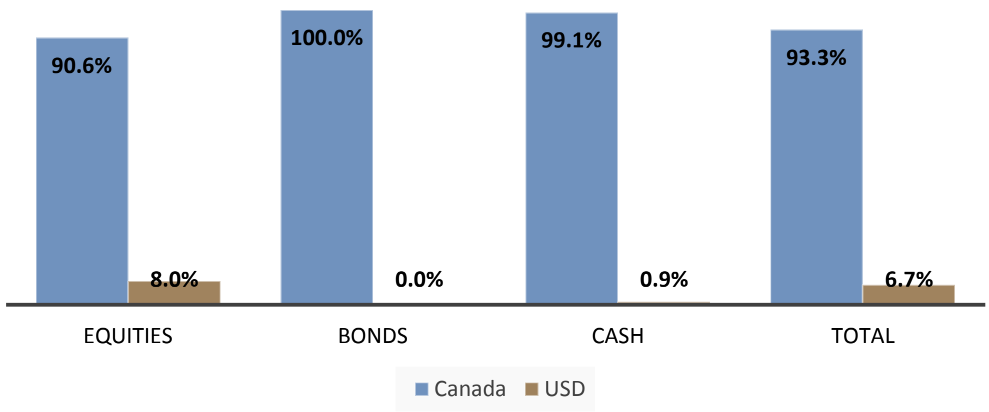
Portfolio Breakdown By Asset Type



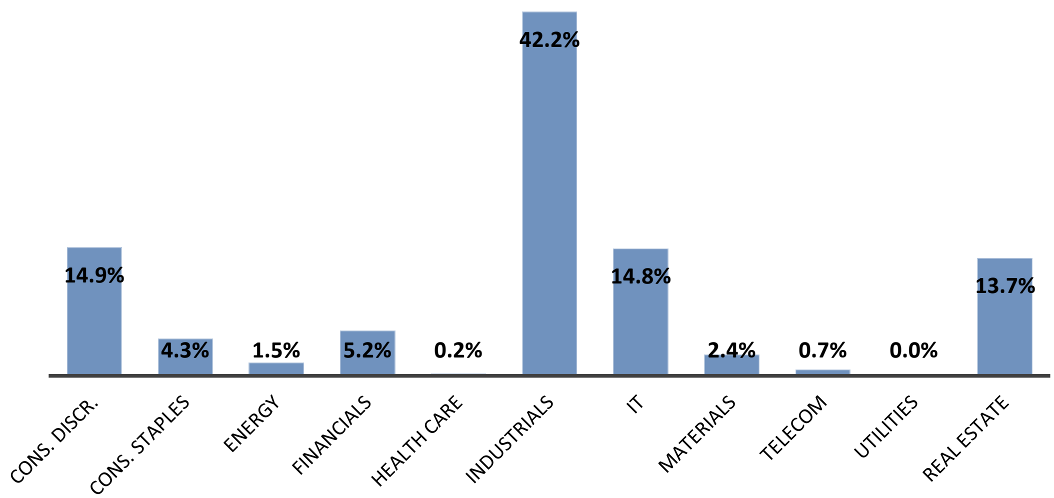
Portfolio Breakdown By Yield



Geographic/Asset Allocation



Sector Allocation



M$M Fund

Spartan Fund Management Inc.
2101 – 100 Wellington Street West
Toronto, Ontario
M5K 1J3
www.spartanfunds.ca

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.