

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

The MM Fund invests utilizing a "core and more" approach. The core portfolio consists of sustainable 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" consists of equity and debt, plus potentially warrants, small and micro capitalization stocks, that will likely have more volatility but a higher potential for capital gains. We will focus on 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, for instance, earnings, politics, war, famine, scandal, seasonality, apathy, etc.

Investments will mostly be made in Canadian equity securities and, to a lesser extent, debt securities and U.S. equity securities. The holdings in the core portfolio will typically be held for longer periods.

Monthly Performance¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	TSX
2019	+7.98%	+7.53%	+4.11%	+0.81%	-4.35%	+1.08%	+0.93%	-4.74%	+1.47%	+1.74%	+3.40%	+1.89%	23.19%	+22.88%
2018	+0.18%	-2.09%	-1.89%	+1.97%	+1.52%	-0.24%	+0.27%	-1.27%	-1.31%	-9.60%	-4.81%	-6.09%	-21.54%	-8.89%
2017	-0.75%	+1.52%	+0.66%	+5.43%	+4.21%	+0.77%	-1.67%	-0.69%	+1.43%	+2.36%	+2.77%	+0.59%	+17.69%	+9.10%
2016	-7.00%	+5.44%	+4.12%	+0.65%	+3.51%	+0.48%	+0.95%	+5.75%	+3.49%	+3.15%	+1.04%	+1.67%	+25.13%	+21.08%
2015							-2.26%	-7.10%	-4.19%	+7.05%	+4.11%	+1.13%	-1.95%	-9.93%

Statistics

Cumulative Return (since inception)	39.56%	33.20%
Annualized Compound Return	7.76%	6.64%
1-Year Return	23.19%	22.88%
Sharpe Ratio	0.61	0.74
Avg. Monthly Gain	2.63%	1.89%
Avg. Monthly Loss	-3.53%	-2.08%
Max. Drawdown	21.68%	11.64%
Annualized Std. Deviation	12.82%	8.91%
% of Winning Months	68.52%	66.67%
Correlation	0.66	

MM Fund TSX

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Fund Information

RSP Eligible?	Yes
Minimum Investment	\$500
Invest/Redeem Frequency	Weekly
Short Term Trading Fee	2% if < 30 days
Redemption Notice	1 day
'A' Class Fees (SPA520)	2.00% pa
'D' Class Fees (SPA522)	1.25% pa
'F' Class Fees (SPA521)	1.00% pa
Incentive Fee	10%
Hurdle	TSX Total Return Index

Service Providers

Advisor	Spartan Fund Management Inc.
Custodian	Laurentian Bank Securities
Auditor	Deloitte LLP
Administrator	SGGG Fund Services
Legal Counsel	Borden Ladner Gervais
NAV/Unit	
- Class A	134.9732
- Class D	139.5638
- Class F	142.2190

¹ Performance numbers are net of management and performance fees for the period commencing July 15, 2015 for the Class D units, but do not take into account early redemption fees if investments are held less than 1 year. Returns and statistics for other classes are available on request. "Monthly" returns are simple returns and are not annualized. "Annualized Std. Deviation" is the standard deviation, which measures the amount of variability of returns that has historically occurred relative to the average return. "Max. Drawdown" is the maximum percentage decline, from the highest point to the lowest point. "Sharpe Ratio" is the Annualized Compound Return divided by the Annualized Std. Deviation, both measured since inception. "Correlation" measures the degree to which two securities move in relation to each other.

Monthly Commentary

Stocks started 2020 off with a bang, as China cuts its reserve ratio by 50 bps to stimulate an economy that has been hurt by the US-China trade war. However, these gains were unwound the next day following the U.S. air strikes on the Iranian general. The risk of military conflict in the Middle East or North Korea are one of our main concerns for this new year, followed by the U.S. election that will become the focus for investors mid-year.

We think 2020 will likely be another positive year for stocks, although not as good as the rebound year of 2019, as long as yields remain low. The Federal Reserve is on the sidelines after cutting rates 3 times in 2019. Bond yields in Canada and the US remain below 2% as they are pulled lower by negative rates in Japan and Europe. Growing stock yields of 1.8% make stocks a better investment than fixed income bonds and cash.

We always emphasize to MM unitholders that the MM Fund is not a TSX index fund. For instance, the energy weight is only 9% versus 16% for the TSX. The Fund has no pure Canadian energy companies because the lack of new pipelines means that Canadian producers continue to receive a significant discount from the world oil price.

In financials, the TSX has a 33% weight whereas the Fund only has 18.5%, of which only 12% of this weight is in Canada and MM owns no Canadian banks. In Canada we own asset managers and brokers, plus we have a 3.3% financial weighting in the US and 3.2% in Europe. The MM Fund has a 5.3% materials weight in packaging and chemicals companies versus 10.9% for the TSX. The Fund also has an industrial/forestry company which is classified as an industrials stock.

MM benefits from lower bond yields as 42% of the portfolio yields more than 4%. We are "paid to wait" as the MM portfolio has an attractive 4% yield, over double the Canada ten-year bond yield of 1.5%. Continued low rates should continue to benefit real estate investments (7% vs 3.6% TSX). The MM portfolio benefits from lower European bond yields and a higher Euro as 2.9% of the portfolio is in high yielding European REITs. The ECB is still a long way from raising rates so these REITs can still get mortgages for less than 2%.

MM also benefits from a lower Canadian dollar, as 72% of the portfolio is invested in US-sensitive companies: 12.2% is invested outside the TSX, 34% is invested in TSX exporters, and 26% is invested in TSX companies with sizeable US and international businesses, like the aforementioned European REITs. However, as we saw in 2018,

when there is a 'flight to safety' trade, it generally pushes all stocks lower, including our US-sensitive holdings, even though the profitability of these companies benefits from the lower loonie that results from the 'flight to safety' trade. On the other hand, a 'risk on' driven rally tends to lift all stocks so the value of all of our holdings increases, despite the negative impact of a rising loonie that the 'risk on' rally creates. Looking ahead, we believe that commodities and emerging markets should both benefit from the current US-China trade détente, aside from aforementioned geopolitical concerns.

With a 23.19% gain, 2019 was a good year for MM, however, with the turning of the new decade, it is a good time to be reflective. Looking at our portfolio results, we believe results could have been better had we been more selective with regards to new issues. We have been more discerning over the last nine months, and while it is early days, so far, the results are encouraging. Also, we believe we need to be more trading orientated, as there can be great volatility among individual names, that is hidden by the relative stability of the indices.

We wish everybody health and good fortune for the 20s.

See p. 2 for Portfolio Analytics >>>>

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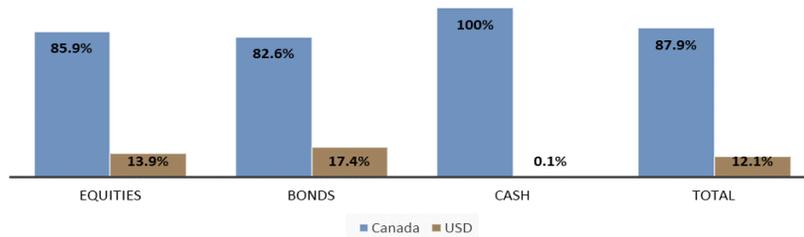
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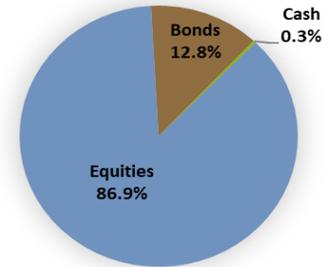
Please review the most recent offering memorandum for a detailed description of the Fund's strategy, objectives and risk factors. The above is provided for informational purposes only and is qualified in its entirety by way of the most recent offering documents, which is only available to qualified investors. 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. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise indicated, rates of return for periods greater than one year are historical annual compound total returns including changes in unit or share value and reinvestment of all distributions, and do not take into account any sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Portfolio Analytics

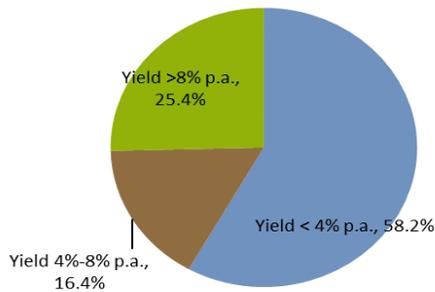
Geographic/Asset Allocation



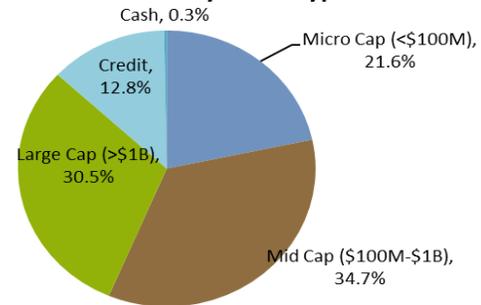
Asset Allocation



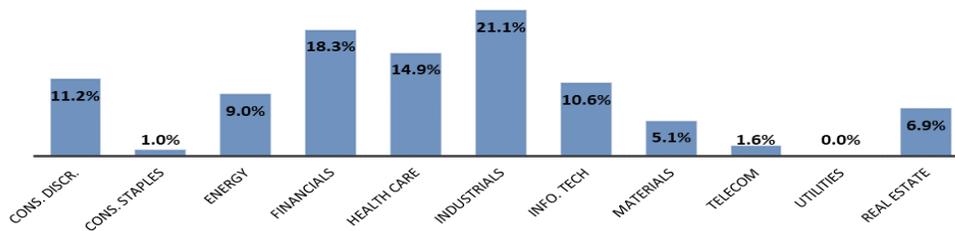
Portfolio Breakdown By Yield



Portfolio Breakdown By Asset Type



Sector Allocation



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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 documents, 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. 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. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise indicated, rates of return for periods greater than one year are historical annual compound total returns including changes in unit or share value and reinvestment of all distributions, and do not take into account any sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The Fund is a related and connected issuer of Spartan Fund Management Inc. Spartan may act as dealer in connection with the distribution of securities of the Fund and will also receive management and performance fees from the Fund.