

MM Fund



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 |
|------|--------|--------|---------|---------|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| 2022 | -1.14% | +2.95% | +2.21% | -4.78% | +0.92% | -9.33% | | | | | | | -9.37% | -9.87% |
| 2021 | +7.45% | +6.55% | +0.57% | +1.94% | -0.44% | -1.26% | -1.95% | +1.25% | -1.02% | +3.58% | -3.25% | +1.29% | +15.09% | +25.09% |
| 2020 | +0.30% | -7.54% | -23.34% | +19.79% | +11.07% | +4.95% | +8.08% | +3.50% | -2.21% | +2.85% | +10.98% | +11.25% | +37.90% | +5.60% |
| 2019 | +8.01% | +7.55% | +4.14% | +0.83% | -4.33% | +1.10% | +0.95% | -4.72% | +1.49% | +1.76% | +3.43% | +1.91% | +23.54% | +22.88% |
| 2018 | +0.20% | -2.07% | -1.86% | +1.99% | +1.54% | -0.22% | +0.29% | -1.24% | -1.29% | -9.57% | -4.79% | -6.07% | -21.32% | -8.89% |
| 2017 | -0.72% | +1.54% | +0.68% | +5.44% | +4.30% | +1.41% | -1.65% | -0.67% | +1.45% | +2.38% | +2.80% | +0.61% | +18.79% | +9.10% |
| 2016 | -6.98% | +5.47% | +4.15% | +0.68% | +3.53% | +0.50% | +0.97% | +5.78% | +3.49% | +3.17% | +1.08% | +1.73% | +25.52% | +21.08% |
| 2015 | | | | | | | -2.26% | -7.08% | -4.17% | +7.06% | +3.69% | +1.56% | -1.87% | -9.93% |

Statistics

| | |
|-------------------------------------|---------|
| Cumulative Return (since inception) | 104.58% |
| Annualized Compound Return | 10.83% |
| Last 12 Months Return | -9.60% |
| Sharpe Ratio | 0.58 |
| Avg. Monthly Gain | 3.57% |
| Avg. Monthly Loss | -4.14% |
| Max. Drawdown | 31.03% |
| Annualized Std. Deviation | 18.66% |
| % of Winning Months | 66.67% |
| Correlation | 0.81 |

MM Fund

| | |
|-------------------------------------|--------|
| Cumulative Return (since inception) | 58.58% |
| Annualized Compound Return | 6.85% |
| Last 12 Months Return | -3.87% |
| Sharpe Ratio | 0.52 |
| Avg. Monthly Gain | 2.44% |
| Avg. Monthly Loss | -3.00% |
| Max. Drawdown | 22.25% |
| Annualized Std. Deviation | 13.07% |
| % of Winning Months | 66.67% |
| Correlation | 0.81 |

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 | 189.7513 |
| - Class D | 0.0000 |
| - Class F | 204.5762 |

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

The Federal Reserve raised the target for the Fed Funds rate by 75 bps during its June 2022 meeting, the third consecutive rate hike and the biggest rise in borrowing costs since 1994. The Fed is aggressively but unfortunately belatedly tightening monetary policy, aiming to tackle soaring inflation. CPI inflation hit a 40 year high of 8.6% in May and is likely to push higher with recent increases in food and gasoline prices.

The Fed's tightening to fight inflation is certainly slowing the economy, but it still has not had the expected effect of reducing inflation. The ISM manufacturing index fell to 53 from 56.1 in May, while new orders plunged to 49.2 from 55.1 suggesting future contraction of manufacturing.

But most of all the Fed's tightening is affecting the investing world negatively, by raising borrowing costs and making cash more attractive. It was the worst first half for bonds since 1788, and the worst for stocks since 1962. In the first half of 2022, the S&P 500 has fallen 20.5%, the Nasdaq 29.5% and bonds, which are normally negatively correlated safe havens, have fallen 9.4%. In June alone, the S&P 500 fell 8.4% and the TSX tumbled 9.0%.

MM increased our weighting in preferred shares and convertibles, where we are "paid to wait", by 1.4% in June, so it is now a record 11.2%, up from 7.4% at year-end 2020.

The "core" portfolio has almost doubled to 57.3% from 29.2% at year-end 2020. The core portfolio consists of sustainable high yielding or dividend paying equities, and to a lesser extent, real estate investment trusts, convertibles, debt securities, preferred shares and U.S. equity securities that we hope to hold for many years, as long as our investment thesis holds true. The "more" consists of more "speculative" equity and debt, plus securities like warrants and small and micro capitalization stocks, that will likely have more

volatility but a higher potential for capital gains in bull markets, so we want to aggressively increase the "more" again, once we believe a new bull market has started.

June was trending positively for us until oil prices tumbled \$15, with natural gas prices falling even more on a percentage basis. This hurt energy, which is our largest sector at 24.9%. MM Fund has exposure to energy in all forms: pipelines, mid-stream, refining, oil, international, natural gas and energy services. Even with the pullback, prices are still high as drivers can attest, and we believe that the energy sector will continue to show the strongest earnings growth.

Our next largest sector is industrials at 15.4%, a diverse set of companies including an urban engineering company, 2 aerospace companies, and a company making transformers for the electrification of the economy.

The Fund also has large positions in more stable non-cyclical sectors like health care (11.6%), telecom (4.7%) and real estate (3.9%).

It is not easy to invest in a negative environment, but the bear market makes us more excited about our portfolio, as the valuations of our companies are becoming ridiculously cheap, particularly some of our small and micro-cap "orphans". Moreover, most of our companies are executing on business plans and growing revenues and profits. We will be looking to position the portfolio with the companies with the most upside coming out of the bear market, and hopefully we can repeat the performance we saw in past reversals: +15% in 6 months from October 2015, 15.7% from January 2019, and 45% from the pandemic lows in April 2020.

Commentary continued on p. 2 >>>>>

Investor Contacts:

Gary Ostoich
416-601-3171
gostoich@spartanfunds.ca

Ed Sollbach
416-601-5607
esollbach@spartanfunds.ca

Paul Patterson
416-601-3175
ppatterson@spartanfunds.ca

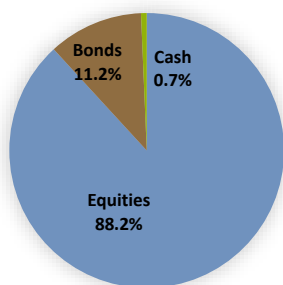
Advisor Contact:

Brent Channell
416-601-3172
bchannell@spartanfunds.ca

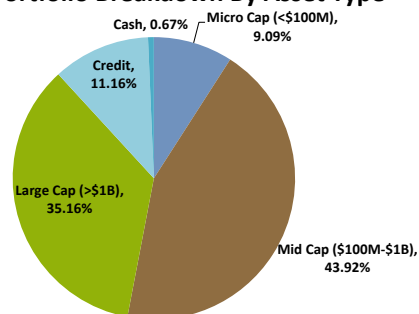
Spartan Fund Management Inc.
100 Wellington St. W., Suite 2101
Toronto, ON M5K 1J3
www.spartanfunds.ca

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.

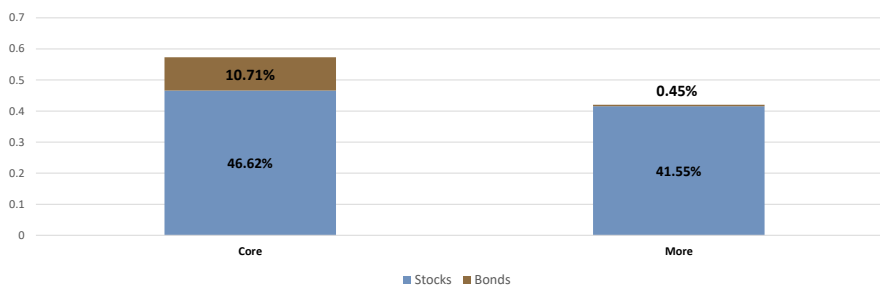
Asset Allocation



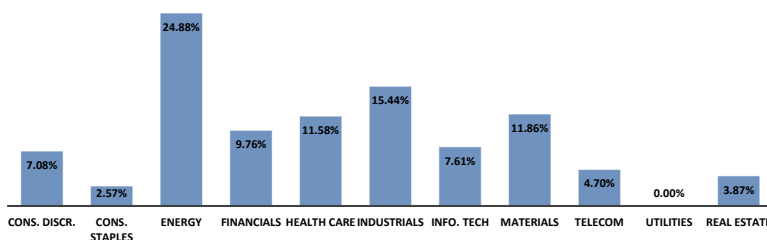
Portfolio Breakdown By Asset Type



Core and More



Sector Allocation



Investor Contacts:
Gary Ostoich
 416-601-3171
gostoich@spartanfunds.ca

Ed Sollbach
 416-601-5607
esollbach@spartanfunds.ca

Paul Patterson
 416-601-3175
ppatterson@spartanfunds.ca

Advisor Contact:
Brent Channell
 416-601-3172
bchannell@spartanfunds.ca

Spartan Fund Management Inc.
 100 Wellington St. W., Suite 2101
 Toronto, ON M5K 1J3
www.spartanfunds.ca

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.

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.