

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% | +6.18% | -2.52% | -6.53% | +8.34% | +0.98% | | -4.08% | -1.00% |
| 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% |

Statistics¹

Cumulative Return (since inception) 116.52%
 Annualized Compound Return 7.82%
 Last 12 Months Return 2.04%
 Sharpe Ratio 0.59
 Avg. Monthly Gain 3.66%
 Avg. Monthly Loss -4.17%
 Max. Drawdown 31.03%
 Annualized Std. Deviation 18.67%
 % of Winning Months 66.29%
 Correlation 0.81

MM Fund

116.52%
7.82%
2.04%
0.59
3.66%
-4.17%
31.03%
18.67%
66.29%
0.81

TSX

74.20%
7.82%
2.04%
0.59
2.58%
-3.00%
22.25%
13.18%
66.29%
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
 '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 199.9655
 - Class F 216.5161

¹ Performance numbers are net of management and performance fees for the period commencing July 15, 2015 for the Class F 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 S&P 500 had 2 positive months in a row for the first time in 2022. When this happened for the first time in 2019 and 2020 the bottoms were in and prices continued moving higher during the next several months.

Despite a steep rise this year in the short-term Fed Funds borrowing rate from 0.25% to 3.75% to slow inflation, the U.S. economy continue to create more jobs than expected - 263,000 jobs were created in November vs. 200,000 expected, and unemployment stayed steady at 3.7%. Wages were up 0.6% for the month (7.2% annualized), double the 0.3% expected which is not good news for the Fed as wage inflation spreads through the economy and only a sharp recession can knock it down. The only sign of weakness, was the 0.1 hour decline in the workweek to 34.4 hours.

The ISM manufacturing index fell below zero to 49, suggesting contraction in US manufacturing. However, the more important ISM services index defied expectations and rose to 56.5 from 54.4 in October, suggesting the much larger services side of the economy is still having a nice post-pandemic bounce.

The 72 bps plunge in bond yields over the last month, coincident with Fed hiking, suggests that the bond markets think the Fed has tightened enough to quell inflation in 2023, so that we've seen a top in yields at 4.25%. Markets cheered at the beginning of December when Fed Chair Powell said that they have made substantial progress towards sufficiently restrictive policy, suggesting the pace of rate hikes can

downshift from the aggressive 75 bps per meeting trajectory that we've been on since June.

Falling yields in the U.S. meant that U.S. treasuries were less attractive, causing the U.S. dollar to have its worst month in over a decade, tumbling 5%. A falling U.S. dollar generally means higher commodity prices, as commodities are priced in U.S. dollars. Gold and copper ended a run of 7 consecutive monthly declines - MM owns two gold producers and one copper producer.

OPEC+ has extended production cuts of 2 million barrels a day initially agreed to in October, a move which will allow the group time to assess the market impact of the price cap on Russian oil. We believe the management of production to match demand by OPEC+, which supplies about half the world's oil and controls 90% of proven reserves, should at a minimum keep a floor of around \$80 on oil prices. Protests in China around severe Covid restrictions seem to have been the long-needed catalyst for more practical relaxed restrictions. The Chinese economy has been throttled by its zero-Covid policy, and normalization of health policy should mean higher growth in China, and higher energy demand. Energy is the largest sector in the Fund at 29.3%.

We continue to see steady gains from some of our small capitalization "orphans" and we think that it is still possible to eke out a positive 2022, especially if commodities continue to strengthen further. We wish our dear investors a wonderful holiday, and good fortune and health in 2023.

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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.