

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 |
|------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| 2024 | 4.92% | | | | | | | | | | | | 4.92% | 0.55% |
| 2023 | 8.37% | -1.63% | 0.54% | 0.14% | -4.57% | 1.09% | 8.38% | -0.71% | -2.92% | 1.32% | 5.11% | 1.80% | 17.27% | 11.75% |
| 2022 | -1.14% | 2.95% | 2.21% | -4.78% | 0.92% | -9.33% | 6.18% | -2.52% | -6.53% | 8.34% | 0.98% | -3.18% | -7.13% | -5.84% |
| 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) | 157.92% |
| Annualized Compound Return | 11.73% |
| Last 12 Months Return | 13.54% |
| Sharpe Ratio | 0.65 |
| Avg. Monthly Gain | 3.64% |
| Avg. Monthly Loss | -3.94% |
| Max. Drawdown | 31.03% |
| Annualized Std. Deviation | 18.06% |
| % of Winning Months | 66.02% |
| Correlation | 0.80 |

MM Fund

| | |
|-------------------------------------|--------|
| Cumulative Return (since inception) | 86.16% |
| Annualized Compound Return | 7.54% |
| Last 12 Months Return | 4.62% |
| Sharpe Ratio | 0.57 |
| Avg. Monthly Gain | 2.73% |
| Avg. Monthly Loss | -2.98% |
| Max. Drawdown | 22.25% |
| Annualized Std. Deviation | 13.29% |
| % of Winning Months | 64.08% |
| Correlation | |

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 | 235.3711 |
| - Class F | 257.9212 |

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 US economy continued to crank out jobs, beating expectations with 353,000 new jobs in January, while unemployment at 3.7% is near 50-year lows. Wages jumped 0.6% in the month, and year-over-year wage growth rose to 4.5% from 4.1% the previous month. A strengthening US economy was also confirmed by the ISM services report (80% of economy) that beat expectations, rising to 53.4 from 50.5 in December.

The long-awaited recession caused by the most aggressive monetary tightening in history is still on the horizon, however, we'd note that the US and Canadian economies would be significantly smaller without massive government deficits. The US deficit is an unsustainable 6.3% of GDP. It is unprecedented and irresponsible to run such large deficits, particularly with unemployment at 3.7%, which is considered inflationary full employment. Another worry is that the US has to sell \$10 trillion in debt this year, to finance and refinance these deficits. Yields could rise further, if buyers balk at this tsunami of bond supply.

Bond yields have plunged 125 bps since October, as the market anticipated that the Fed is about to

pivot and begin lowering rates after an aggressive tightening cycle over the past two years. The markets were pricing in 6 rate cuts in 2024, however on January 31st Fed Chairman Powell suggested that recent economic strength meant it was too early to cut rates in March. Bond yields then soared 30 bps in just 3 days as markets began pricing in higher rates for longer.

Starting the year with new all-time highs on the S&P 500 is historically a positive omen for the year. The market is up 14.6% in the year after an all-time high, versus 11.7% on other days. Moreover, despite everybody's foreboding that the 2024 US election will be a dramatic mess like 2020, historically the S&P 500 always gains in an election year following a +20% gain in a pre-election year, which we saw in 2023.

The MM Fund gained 4.9% in January, helped by small capitalization stocks, large caps, technology, US holdings, financials, healthcare and even energy. The only minor headwind was our gold holdings. We'd note that with the AI bubble, one stock - NVIDIA - is now worth more than the entire S&P 500 energy sector.

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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.