

## Spartan Overview

Established in 2006, Spartan Fund Management is an asset manager that specializes in providing, through pooled funds, a broad selection of alternative investment solutions that meet a variety of investment needs. We believe that niche, non conventional investment strategies tend to outperform more traditional strategies and/or add needed diversity. We also believe that alternative investment strategies provide better risk-return opportunities for investors than do conventional strategies. Spartan accesses alternative investment strategies through internal investment teams or by way of feeder fund arrangements with external registrants.

## 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 Performance<sup>1</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	TSX
2024	4.92%	2.96%	9.00%	0.15%	1.33%	-3.66%	5.50%	-2.01%	2.20%	1.86%			23.90%	18.24%
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%

## Statistics<sup>1</sup>

Cumulative Return (since inception)	204.58%	118.90%
Annualized Compound Return	12.73%	8.79%
Last 12 Months Return	32.58%	32.06%
Sharpe Ratio	0.72	0.68
Avg. Monthly Gain	3.60%	2.74%
Avg. Monthly Loss	-3.88%	-2.91%
Max. Drawdown	31.03%	22.25%
Annualized Std. Deviation	17.69%	12.99%
% of Winning Months	66.96%	65.18%
Correlation	0.80	

## MM Fund

## TSX

## 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	275.8019
- Class F	304.5796

<sup>1</sup> 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

Trump had a historic comeback victory, bringing back the free-market attitude as embodied by lower taxes and less regulation which is promising for the economy and markets.

However, Trump also won a somewhat poisoned chalice, as the economy is near stall speed, and is supported by unsustainable deficits of \$2 trillion per year (7.2% of GDP). Total debt for the US is \$36 trillion or 134% of GDP, a level that is associated with default or hyper-inflation, so spending reductions are necessary. Even with the pandemic, it's shocking that debt soared \$13 trillion over the last 4 years.

US October New Jobs fell to their worst levels since the pandemic in 2020: a measly 12K jobs versus 254K in September. If Elon Musk implements the Department of Government Efficiency to cut trillions from Federal government spending, the new administration will start with the economy in recession.

The Fed cut rates again in November and is likely to keep cutting if inflation is stable and the economy weak. However, the bond market is pushing back against easy money, as bond yields have soared 70 bps since the bazooka 50 bps rate cut in September.

Higher yields pressured stock valuations and the S&P 500's 5-month winning streak ended in October. However, the surprise Trump landslide, with a strong mandate versus a contested election, means at a minimum the extension of Trump tax cuts, and the slashing of growth killing regulations.

The S&P 500 had its best post-election day in history. Even the lagging small-cap Russell 2000 hit new highs, having its best week in 4½ years, gaining almost twice as much as the S&P 500. This bodes well for the small-cap stocks MM is invested in; 46.4% of the MM fund is invested in small and mid-cap stocks.

Seasonally we are entering the best 6 months of the year: buy in the scary season, sell in May, and go away. Since 1950 the S&P 500 has gained 7.1% on average in the November-April period and is up 77% of the time. May-October averages a loss of 1.7% but is still up 65% of the time.

The Fund increased its debt portfolio by 1.3% to 10.5% post-election, with the purchase of a high yielding convertible bond. The Fund also purchased Citibank in the US, with the premise that US banks will benefit from deregulation.

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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](http://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.