

## 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%	+3.89%		+28.72%	+25.77%
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) 216.44%  
 Annualized Compound Return 13.07%  
 Last 12 Months Return 31.04%  
 Sharpe Ratio 0.74  
 Avg. Monthly Gain 3.61%  
 Avg. Monthly Loss -3.88%  
 Max. Drawdown 31.03%  
 Annualized Std. Deviation 17.63%  
 % of Winning Months 67.26%  
 Correlation 0.80

**MM Fund** 216.44%  
 13.07%  
 31.04%  
 0.74  
 3.61%  
 -3.88%  
 31.03%  
 17.63%  
 67.26%  
 0.80

## TSX

132.85%  
 9.43%  
 30.69%  
 0.72  
 2.79%  
 -2.91%  
 22.25%  
 13.06%  
 65.49%

## 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 318.0860  
 - Class F 316.4380

<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

The Fund gained 3.9% in November, benefiting from a broad-based rally as markets anticipated that Trump's tax cuts and deregulation would boost economic growth and profitability. We are pleased that our diversified portfolio of stocks, bonds, and preferred shares only had two down months over the past 12-months and outperformed the TSX by almost 3%.

In November, the US created 227K jobs. However, wage growth of 0.4% for the month and 4% year-over-year were well above the Fed's 2% target, indicating that domestic wage growth may keep inflation higher than desired.

US inflation rose slightly to 2.7% in November from 2.6%, while core inflation remained high at 3.3%, far above the 2% target. Post-pandemic, we are seeing deflation in goods prices (-0.6%), but overall inflation continues to run hot due to a 4.6% annual rise in services prices. Additionally, food prices are climbing 4% per year, putting pressure on consumers as elevated food prices become more visible.

The University of Michigan's Consumer Sentiment Index surged from 63.9 to 77, the largest increase since November 1992, when Bill Clinton was elected. However, sentiment was politicized, with Republicans and Independents feeling more optimistic, while Democratic sentiment soured. This suggests a potential surge in relief spending over the next year from the half of the population pleased with the election outcome.

Despite percolating inflation fears, the US Fed is expected to cut rates by 25 bps again on December 18, and two more times in 2025.

MM Fund employs a "core and more" strategy, where core stocks and bonds are designated as stable, long-term holdings, backed by healthy and preferably growing dividends or yields. The overall portfolio has a 3.1% yield, allowing us to be "paid to wait" on the core until more investments take hold.

Following the election, the Fund purchased a US bank, anticipating that financials will benefit from deregulation. We also invested in a small Nevada gold exploration company, which we believe has excellent prospects in a strong jurisdiction.

In the first week of December, the Fund was negatively impacted by falling energy prices, but it rebounded in the second week as gold surged to near-record prices of US\$ 2800. Since the start of the Ukraine war, gold has been supported by central bank buying, especially among BRICS countries.

December tends to be seasonally strong during US election years, with stocks gaining an average of 1.3% and rising in 9 out of the last 10 Decembers, when Santa comes to town.

We wish our dear investors a wonderful holiday, and good fortune and health in 2025.

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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](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.