

Spartan Overview

Established in 2006, Spartan Fund Management is an investment fund manager that specializes in providing 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 diversification. We also believe that alternative investment strategies provide better risk-return opportunities for investors than do conventional strategies. Spartan accesses alternative investment strategies either through internal investment teams or by way of feeder funds that invest in existing funds that are managed by external fund managers.

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
2025	+0.10%	-3.72%	-0.98%	-1.01%	+5.58%	+5.79%	+3.44%	+7.49%	+8.27%	+7.85%	0.00%		+37.01%	+29.96%
2024	+4.92%	+2.96%	+9.00%	+0.15%	+1.33%	-3.66%	+5.50%	-2.01%	+2.20%	+1.86%	+3.89%	-1.81%	+26.39%	+21.65%
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%	+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)
Annualized Compound Return
Last 12 Months Return
Sharpe Ratio
Avg. Monthly Gain
Avg. Monthly Loss
Max. Drawdown
Annualized Std. Deviation
% of Winning Months
Correlation

MM Fund	TSX
325.70%	192.70%
14.98%	10.86%
34.53%	25.71%
0.86	0.85
3.72%	2.87%
-3.69%	-2.76%
31.03%	22.25%
17.39%	12.82%
67.20%	65.60%
0.79	

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 381.2275
- Class F 425.7001

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 U.S. government shutdown is over, but investors are still flying with limited visibility. There will be no October jobs report, and the November report is delayed until Tuesday, December 16th, because of the government shutdown.

With this absence of data, the ISM Services Purchasing Managers Index (PMI) is probably the most timely gauge of the broader U.S. economy. The ISM services index climbed again to 52.6, suggesting better growth for the 76% of the U.S. economy that is services.

As always, the outlook for stocks in 2026 is intertwined with the outlook for interest rates. If the U.S. can get their deficit down to a sustainable \$1 trillion per year, where it was before the pandemic, markets would be less worried about the gigantic \$38 trillion in U.S. debt.

Combined with a new dovish Federal Reserve governor, who could be announced any day, interest rates should drop. This would be a beneficial tailwind for markets. Markets are now pricing in a 90% chance of a rate cut on December 10th.

Despite the bubble in AI valuations, AI is ultimately beneficial and deflationary for the rest of the

economy. This should raise productivity, lower inflation and interest rates, and help the non-Magnificent 7 and the broader stock market.

2025 has been another good year for stocks, as the S&P 500 gained 16.7% (as of Dec 3), pushing the price-to-earnings multiple to a lofty 26 based on 2025 estimates. Stock analysts are perennially optimistic; they expect earnings for the S&P 500 to grow a robust 16% in 2026 according to S&P Global, and these "optimistic" estimates have held up remarkably well to date. Earnings growth is being led by 34% growth in the information technology sector, followed by real estate, health care, and materials.

S&P 500 earnings per share of \$308 in 2026 would imply a more reasonable price-to-earnings multiple for the S&P 500 of 22. This makes the stock earnings yield 4.5%, which compares favorably to the 10-year U.S. bond yield of 4%. The major asset allocation decision for investors is between stocks and bonds: growing stock earnings means stock valuations are cheaper than bonds based on yields.

We wish our dear investors a wonderful holiday, and good fortune and health in 2026.

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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.