

MM Fund



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
2026	+8.26%	+4.17%	-8.08%	+7.29%									+11.22%	+7.66%
2025	+0.10%	-3.72%	-0.98%	-1.01%	+5.58%	+5.79%	+3.44%	+7.49%	+8.27%	+7.85%	0.00%	+5.85%	+45.03%	+31.68%
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%	+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)	401.16%	219.31%
Annualized Compound Return	16.11%	11.31%
Last 12 Months Return	70.73%	39.81%
Sharpe Ratio	0.92	0.88
Avg. Monthly Gain	3.84%	2.89%
Avg. Monthly Loss	-3.79%	-2.80%
Max. Drawdown	31.03%	22.25%
Annualized Std. Deviation	17.59%	12.86%
% of Winning Months	67.69%	66.15%
Correlation	0.78	

MM Fund TSX

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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	449.5377
- Class F	501.1574

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

April was an example of being successful for the wrong reasons. In our last monthly, we stated:

"We speculate that Trump's over the top "end of civilization" threats (April 6) were designed to either bring a negotiated settlement or a bombing "we won" off-ramp. Either way, the endgame was in sight, versus a "boots on the ground" forever war."

A month later, this seems more "forever" than limited. Clearly, our thesis was wrong, as the standoff between the U.S. and Iran around the Strait of Hormuz continues, disrupting shipments of energy and fertilizer products. U.S. gasoline prices are at the highest level since the Russian invasion of Ukraine in 2022.

Even though we were wrong on our geopolitical outlook, the market, for now, thinks the Iran war will be resolved soon. The S&P 500 hit record highs, surging +10.5% in April, its best month since

November 2020, and second-best April since 1950.

We were early reducing our energy positions, as oil rocketed up to \$110. Thankfully, energy remains our second-largest sector, as our optimism about the end of the conflict is proving premature at best. Energy at 17.3% is only 100 bps less than the TSX weight. We sold down an oil producer but increased our energy services position.

Moreover, U.S. microcaps (IWC) hit all-time highs, suggesting a secular tailwind for MM. Currently, 8.4% of the MM portfolio is in small-cap companies (less than a \$100M market-cap), while the biggest sector is mid-cap (44% is \$100M to \$1 billion). The 8.4% small-cap weight has declined from 11.4% over the last 16 months, as many of our small-cap companies have graduated to mid-cap status – a direct benefit to MM investors as these positions rise in price.

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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.