

# 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

## 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
2026	+8.26%	+4.17%	-8.08%	+8.94%	+1.28%								+14.38%	+10.61%
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%	-9.2%	+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)	415.38%	228.04%
Annualized Compound Return	16.27%	11.50%
Last 12 Months Return	66.30%	36.06%
Sharpe Ratio	0.93	0.90
Avg. Monthly Gain	3.83%	2.89%
Avg. Monthly Loss	-3.79%	-2.80%
Max. Drawdown	31.03%	22.25%
Annualized Std. Deviation	17.58%	12.82%
% of Winning Months	67.94%	66.41%
Correlation	0.78	

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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	461.8855
- Class F	515.3780

<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

Stock markets continued to rise in May on continued hopes for an end to the Iran conflict, with rumors that "a deal is near", while in reality, the deal has been stalled for two months. However, on the positive side, there is sporadic movement of ships, and all-out war has not resumed.

Our main economic concern about this extended, slow-burn conflict is its effect on inflation and bond yields. Bond yields have crept up, and that means higher rates for consumer and business borrowers, while also pressuring stock valuations with higher discount rates.

The June 14 news of a real peace deal has already had positive economic effects. Oil prices have tumbled \$16 from a week ago, gold prices are up \$270, and, most importantly, bond yields are down 16 bps.

The U.S. Consumer Price Index in May was over 4.2%, the highest since 2023, although the core – for those who don't eat or use energy – was relatively well behaved at 2.9%, but still well above the Fed's 2% target.

Despite worries about the war, AI, inflation etc., the U.S. added 88K more jobs in May than expected. The U.S. has added over 172K jobs per month for the past 3 months, and with the unemployment rate steady at 4.3%, this means new workers coming off the sidelines are increasing the productive capacity for the economy. While the U.S. economy overall has seen job gains and growth, there were 107,000 job losses in the financial sector over the last year, suggesting automation and AI may be

having an impact on that sector.

Average hourly earnings have increased 3.4% over the last year, meaning workers are losing ground to 4.2% inflation, but keeping up with non-energy inflation.

The S&P 500 technology sector has grown to a record weighting of 40% of the S&P 500, far surpassing the 35% weight hit in March 2000, in the previous technology bubble. Can it move further? Surely, as AI advances, it will change the world. However, investors should know this Fund is not on board, maintaining only a 6% weighting in technology, so we have on occasion lagged the Nasdaq over the past 2 years. We have no Mag-7 exposure, but we do play the tech boom tangentially through copper, mining, and transformers. We feel trading is getting bubble-icious late in the game. The \$23 trillion market cap the Mag-7 hit last week, is equal to 10x the Canadian economy.

We sold down our oil producer weight further still last week, on news that ships were being "snuck" through the Strait, while increasing our travel exposure. We stubbornly held onto our mining, gold and silver stocks over the last month, on expectations gold and silver prices would rebound on the reopening of the Strait, and GCC energy cash flows. We continue to take selective profits and crystallize tax losses well ahead of the December deadline, while reinvesting proceeds in our best ideas.

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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.