MM Fund

Spartan Fund Management

August 2026

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[1]

	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%	-3.20%	-4.43%	+5.95%					+12.11%	+16.00%
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%

Statistics[1]

	MM Fund	TSX
Cumulative Return (since inception)	405.16%	244.03%
Annualized Compound Return	15.67%	11.70%
Last 12 Months Return	38.57%	29.91%
Sharpe Ratio	0.89	0.92
Avg. Monthly Gain	3.86%	2.85%
Avg. Monthly Loss	-3.79%	-2.80%
Max. Drawdown	31.03%	22.25%
Annualized Std. Deviation	17.57%	12.70%
% of Winning Months	67.16%	67.16%
Correlation	0.78	

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	450.1721
- Class F	505.1622

*[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

As expected, the U.S. Federal Reserve (Fed) raised rates for the first time in three years, further piling on the negative news in the seasonally vulnerable September period.

We have been worried about rising fiscal deficits and government bond yields all year, and the Iran war has compounded those concerns as inflation spiked. The Consumer Price Index rose 3.4% in August and has been above the Fed's 2% target for 66 consecutive months – more than five years. Inflation is poised to move higher with record diesel prices, while oil prices have risen $30 per barrel (40%) from the beginning of August through mid-September.

While the economic data is still strong, rising rates and energy prices are headwinds for consumers and companies. The U.S. 10-year yield has soared 64 basis points over the last 2 ½ months to over 5%, the highest level in three years.

On the trade front, Canada is now pursuing more trade with Europe weeks after we went to "war" with the U.S. by walking away from an unfavorable agreement that still gave us the most preferential access to the most attractive and largest market in the world. Manufacturing plants are already closing, and estimates are that 100,000 jobs are at risk in the near term. 70% of our exports go to the U.S., including most of our manufacturing exports.

We already run a large deficit with the E.U. and entering the E.U. as an associate member will only widen it. Our imports from Europe are over twice our exports to Europe. Moreover, our exports are 35% undifferentiated commodities, while their exports are 99% manufactured goods, so there is little opportunity for manufacturing exports to Europe. Canada already has a free trade agreement with the E.U., the Comprehensive Economic and Trade Agreement (CETA), which is clearly not working in Canada's favor. As an associate member, we would integrate defense industrial bases, further alienating the U.S., while likely being on the hook for Europe's defense spending through NATO.

By contrast, Canada had an $81.6 billion (15%) surplus with the U.S. in 2025, giving us latitude to consider removing some non-tariff barriers, like dairy, butter, cheese, etc. Moreover, only 37% of those exports are commodities, with the rest manufactured or differentiated goods. When the rest of the world wants to trade with Canada, they want to sell us manufactured goods and buy our undifferentiated commodities, putting us further in the "hewers of wood and drawers of water" silo, and leaving our economy very vulnerable to the next inevitable downturn in commodity prices. Commodities by definition can only be sold at the market price, so there is always a market for commodities, while this is not the case for differentiated goods, where a multitude of factors like consumer preference, marketing, support, etc., affect sales.

Rate hikes and rising yields have pressured our gold, metals, and small- and mid-cap holdings in September, offset somewhat by our 15% energy weight, which is benefiting from oil prices above $100. We initiated on three new non-resource names in September, including one "core" name that just raised its dividend.

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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) 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.