M$M Fund

Annual Management Report of Fund Performance

December 31, 2018

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling collect 1-416-591-5923, writing to us at 2101 – 100 Wellington Street West, Toronto, ON M5K 1J3, by e-mailing us at admin@spartanfunds.ca or by visiting our website at www.spartanfunds.ca or SEDAR at www.sedar.com .

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

The management discussion of fund performance for the MM Fund (the "Fund") is an analysis and explanation of the Fund's position and financial results for the period from January 1, 2018 to December 31, 2018.

Spartan Fund Management Inc. (the "Manager") is the trustee, investment fund manager and portfolio manager of the Fund.

Investment Objective and Strategies

The Fund's investment objective is to outperform the broad Canadian equity market, as measured by the S&P/TSX Composite Total Return Index, over the long term of 5+ years, providing investors with long-term capital appreciation.

The Fund utilizes a "core and more" approach. The "core" portfolio consists primarily of 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" portfolio consists of securities that will likely have more volatility but a higher potential for capital gains. The Fund focuses on securities we consider to be 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 economic and global events.

The investment team thoroughly analyzes current economic conditions and trends in North American and global economies and positions the portfolio accordingly. As a result, sector allocations may vary significantly over time and may result in portfolio weightings that differ substantially from the weightings of the S&P/TSX Composite Total Return Index.

Risk

The overall risk of investing in the Fund remains as described in the most recent prospectus.

Accordingly, the Fund remains suitable for medium to long term investors that are seeking to outperform the Solactive North American Marijuana Index over the long term.

Results of Operations

2018 was a challenging year for the Fund, as Federal Reserve interest rate hikes caused an undiscriminating bear market in stocks, particularly amongst financials, and small and mid cap stocks that comprise the majority of the Fund's holdings. The good news is that most of the new positions that the Fund initiated in 2018 left the Fund well positioned for 2019. We increased our energy weight through the spring which initially worked out well as oil prices hit $75. However, they quickly reversed on a strong US dollar because of Fed tightening, and we didn't anticipate that pipeline issues would result in an unacceptable $30 discount for Canadian producers. We sold our pure play Canadian oil producer in the fall and are now avoiding Canadian energy producers.

US bond yields started 2018 at 2.41%, but quarterly Federal Reserve rate hikes pushed rates up to 3.25% by November. Equity markets really started showing weakness once rates pushed through 3% in September. Interest rate sensitive sectors like housing and autos, started showing weakness in the U.S., and some commentators predicted that continued rate hikes would push the economy into recession in 2019. It was only after the Fed moved to "patience" in January of this year that equities broke their downtrend and had a sustainable move to the upside.

When the Federal Reserve dropped rates to zero in 2008 in the midst of the financial crisis, "cash became trash", an asset class which did not even match the rate of inflation. However, in 2018 cash became one of the few asset classes that showed positive returns. Nine Fed rate hikes have made cash valuable again as the federal funds rate of 2.25% matches inflation, and cash is impervious to the wild swings occasionally experienced by equities and bonds. Most investors were underweight this overlooked asset class, and when investors sold stocks and bonds, they went to cash.

Major stock benchmarks in the U.S., Europe, China and South Korea all slid 10% or more from their highs in 2018. Crude oil prices crashed 40%, emerging-market currencies have broadly fallen against the U.S. dollar, and bitcoin—which had a meteoric rally in 2017—crashed 80% from its December 2017 highs. Even safe havens such as U.S. Treasury bonds and gold fell in 2018. All told, 90% of the 70 asset classes tracked by Deutsche Bank posted negative total returns in dollar terms in 2018: the highest percentage of losing assets since 1901. In short, aside from cash there were few places for investors to hide in 2018, and 2018 was the toughest year for money managers in over 110 years.

The MM Fund underperformed the TSX in 2018 because of the aforementioned energy trade, and because small and mid-capitalization stocks, that comprise 61.9% of the Fund, were particularly hard hit in the 2018 bear market. The S&P/TSX Composite Total Return Index was -8.9% in 2018, but the TSX Venture Index had a much worse year, with losses of 34.5%.

Recent Developments

2019 should be a more friendly year for investors, without the headwind of Fed rate hikes, or election worries. Also, China and the US are engaged in intensive negotiations and look to be moving toward a trade deal by March. However, an escalation in the trade skirmish would be negative for equities.

The Fed made a sudden dovish U-turn at its January 2019 meeting, moving from quarterly rate hikes to "patience" regarding the need for further rate hikes. This suggests the market headwind of continual rate hikes that we saw in 2018 has quickly dissipated. We believe the Fed would like to sneak in one rate hike later in 2019 once they are convinced the outlook for growth continues. So they are downshifting from a four hikes a year pace to one. With the Fed having backed off from regular rate hikes, US bond yields at 2.5% are well below the 3% level that were problematic for stocks in 2018.

Continued US economic growth and consumer spending suggest that recession fears, which negatively affected the MM portfolio in 2018, are overblown.

Earnings growth is decelerating rapidly from a Trump tax cut induced 15% year-over-year in Q4 to only 1% growth in Q1. However, this slowdown in growth is well discounted by the almost 20% correction in the S&P 500 from its highs.

The correction of 2018 certainly hurt, but through the first two months of 2019 most of our stocks that were falling in the fall are now bouncing up strongly. We actually increased beta in the portfolio by increasing the "More" component by 600 bps, mainly in health care, so that we could take advantage of heavily discounted stocks. By February 2019 the portfolio was 53% core, and 46% more. The correction allowed us to build up sizeable weights in some very prospective small capitalization stocks, so that we believe the portfolio is well positioned in emerging growth names for 2019.

We always emphasize to MM unitholders that the MM Fund is not a TSX index fund. For instance, the energy weight is only 9.6% versus 18% for the TSX. The Fund has no pure Canadian energy companies because the lack of new pipelines means that Canadian producers continue to receive an unacceptable discount from the world oil price.

In financials, the TSX has a 33% weight whereas the Fund only has a 19.4% weight, of which only 12% of this weight is in Canada and MM owns no Canadian banks. In Canada we own asset managers and brokers, plus we have a 3.5% financial weighting in US financials and 4% in Europe.

The MM Fund has a 4.7% materials weight in packaging and chemicals companies versus 12% for the TSX. The Fund also has an industrial/forestry company which is classified as an industrials stock.

MM benefits from lower bond yields as 54% of the portfolio yields more than 4%. We are "paid to wait" as the MM portfolio has an attractive 5.1% yield, over double the Canada ten-year bond yield of 2%.

The MM portfolio benefits from lower European bond yields and a higher Euro as 8.6% of the portfolio is in high yielding European REITs. The Fed has been raising rates in the US for four years, but the ECB is still a long way from raising rates so these REITs can still get mortgages for less than 2%.

MM also benefits from lower oil prices as 5.5% is invested in North American airlines.

79.3% of the portfolio benefits from a lower Canadian dollar as 10% is invested outside the TSX, 33.8% is invested in TSX exporters, and 35.5% is invested in TSX companies with sizeable US and international businesses, like the aforementioned European REITs.

However, as we saw last fall, stocks generally fall when the flight to safety trade of buying the US dollar pushes the loonie lower, even though the profitability of these companies benefits from the lower loonie. Despite the portfolio being tilted towards a lower loonie, the loonie tends to strengthen with a 'risk on' driven rally for the market, lifting oil prices, commodities, and benefitting most of the MM portfolio. For example, the loonie rallied almost 3% in January and MM was up double that with an 8% gain. The exporters rallied, and most TSX companies with US assets were up double digits as investors believe a more dovish Fed will mean an extended economic cycle.

89% of the portfolio is invested in equities, and 10.3% is invested in debt securities: convertible bonds or preferred shares. Portfolio exposure is also tilted towards small and mid cap securities as 19.6% is invested in companies with less than $100m in market capitalization, and 38% is invested in mid cap stocks with less than $1 billion in capitalization.

Related Party Transactions

The Fund engages arms-length 3rd party service providers for services such as fund valuation, unitholder recordkeeping, independent review committee, audit, tax and legal advice. The Fund also trades with arms-length 3rd party brokers.

For the provision of management services, the Manager received management fees from the Fund, based on the Net Asset Values of the respective series. The management fees paid are disclosed in the financial statements.

Up until June 30, 2017 the Fund's operating expenses had been voluntarily capped at 0.50% pa of the Fund's Net Asset Value so that while the Fund was in its early, growth phase the expenses borne by the investor were reasonable. The Manager decided as of July 1, 2017 that operating expenses would no longer be capped as the Fund had grown to sufficient size that a cap was no longer necessary.

The decision to cap operating expenses is reviewed periodically and determined at the discretion of the Manager without notice to securityholders.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 3 years.

The Fund's Net Assets per Unit ($)[1]

Series A	12/31/2018	12/31/2017	12/31/2016
Net Assets, beginning of year - (adjusted)	141.82	121.21	97.04
Increase/(decrease) from operations:			
Total Revenue	5.46	4.79	3.84
Total Expenses (excl. distributions)	-3.72	-4.59	-3.42
Realized Gains/(Losses) for the period	-1.42	5.74	0.71
Unrealized Gains/(Losses) for the period	-32.94	17.89	22.97
Total increase/(decrease) from operations[2]	-32.62	23.82	24.10
Distributions:			
From net investment income (excl. dividends)	NA	NA	NA
From dividends	-0.63	-7.67	NA
From capital gains	NA	NA	NA
Return of capital	NA	NA	NA
Total Distributions[3]	-0.63	NA	NA
Net assets at Date shown	**110.39**	**141.82**	**121.21**

Series D	12/31/2018	12/31/2017	12/31/2016
Net Assets, beginning of year - (adjusted)	144.40	122.69	97.72
Increase/(decrease) from operations:			
Total Revenue	5.53	4.42	3.89
Total Expenses (excl. distributions)	-2.72	-5.21	-2.72
Realized Gains/(Losses) for the period	-0.73	12.65	0.40
Unrealized Gains/(Losses) for the period	-32.47	4.93	23.79
Total increase/(decrease) from operations[2]	-30.40	16.79	25.37
Distributions:			
From net investment income (excl. dividends)	NA	NA	NA
From dividends	-0.06	-13.01	-0.46
From capital gains	NA	NA	NA
Return of capital	NA	NA	NA
Total Distributions[3]	-0.06	NA	-0.46
Net assets at Date shown	**113.30**	**144.40**	**122.69**

Series F	12/31/2018	12/31/2017	12/31/2016
Net Assets, beginning of year - (adjusted)	146.31	123.17	97.42
Increase/(decrease) from operations:			
Total Revenue	5.63	4.36	3.88
Total Expenses (excl. distributions)	-2.38	-4.36	-2.45
Realized Gains/(Losses) for the period	-1.23	14.82	0.19
Unrealized Gains/(Losses) for the period	-33.95	7.22	26.66
Total increase/(decrease) from operations[2]	-31.93	22.04	28.28
Distributions:			
From net investment income (excl. dividends)	NA	NA	NA
From dividends	-1.25	-15.06	-0.99
From capital gains	NA	NA	NA
Return of capital	NA	NA	NA
Total Distributions[3]	-1.25	NA	-0.99
Net assets at Date shown	**115.12**	**146.31**	**123.17**

1 This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements do not differ from the net asset value calculated for fund pricing purposes.
2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. As such, this table is not a reconciliation of beginning to ending net assets per share.
3 Distributions, if any, were reinvested in additional units of the Fund.

Ratios and Supplemental Data

Series A	12/31/2018	12/31/2017	12/31/2016
Total net asset value ($000's)	3,529.55	2,611.17	27.23
Number of units outstanding (rounded)	31,974	18,412	225
Management expense ratio before incentive fees[1, 4]	2.83%	3.04%	3.15%
Incentive Fee Ratio[2]	0	0.24%	NA
Management expense ratio after incentive fees[3, 4]	2.83%	3.28%	3.15%
Management expense ratio before waivers or absorptions[4]	2.83%	3.30%	5.15%
Trading expense ratio[5]	0.05%	0.11%	0.68%
Portfolio turnover rate[6]	13.53%	20.79%	7.10%
Net asset value per unit	**110.39**	**141.82**	**121.21**

Series D	12/31/2018	12/31/2017	12/31/2016
Total net asset value ($000's)	2,472.84	3,145.76	627.95
Number of units outstanding (rounded)	21,826	21,785	5,118
Management expense ratio before incentive fees[1, 4]	2.02%	2.08%	2.52%
Incentive Fee Ratio[2]	0	1.73%	NA
Management expense ratio after incentive fees[3, 4]	2.02%	3.81%	2.52%
Management expense ratio before waivers or absorptions[4]	2.02%	3.94%	4.55%
Trading expense ratio[5]	0.04%	0.08%	0.60%
Portfolio turnover rate[6]	13.53%	20.79%	7.10%
Net asset value per unit	**113.30**	**144.40**	**122.69**

Series F	12/31/2018	12/31/2017	12/31/2016
Total net asset value ($000's)	22,400.26	23,371.09	7,531.25
Number of units outstanding (rounded)	194,583	159,738	61,146
Management expense ratio before incentive fees[1, 4]	1.75%	1.79%	2.23%
Incentive Fee Ratio[2]	NA	1.39%	NA
Management expense ratio after incentive fees[3, 4]	1.75%	3.19%	2.23%
Management expense ratio before waivers or absorptions[4]	1.75%	3.40%	4.14%
Trading expense ratio[5]	0.03%	0.07%	0.54%
Portfolio turnover rate[6]	13.53%	20.79%	7.10%
Net asset value per unit	**115.12**	**146.31**	**123.17**

1 Management expense ratio before incentive fees is based on total expenses (excluding incentive fees, distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

2 Incentive fee ratio is the total incentive fees paid for the stated period expressed as an annualized percentage of average weekly net asset value during the period.

3 Management expense ratio after incentive fees is based on total expenses (excluding distributions, commissions and other portfolio transaction costs), including incentive fees, for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

4 Up until June 30, 2017 the Fund's operating expenses had been voluntarily capped at 0.50% pa of the Fund's Net Asset Value so that while the Fund was in its early, growth phase the expenses borne by the investor were reasonable. The Manager decided that as of July 1, 2017, operating expenses would no longer be capped as the Fund had grown to sufficient size that a cap was no longer necessary.

5 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

6 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees
The Manager provides investment and administrative services to the Fund. In consideration of these services, the Fund pays the Manager a fee equal to 1.00% per annum of the Net Asset Value of Series A, Series D and Series F, calculated weekly and paid monthly in arrears. The Fund also pays to the Manager a service fee of 1.00% per annum for Series A and 0.25% per annum for Series D which the Manager remits to dealers as consideration for administering its assets held by those dealers. The service fees are calculated weekly and paid to dealers quarterly in arrears based on the assets that each dealer has invested in Series A or Series D, as the case may be, as at the close of each date that the Fund is valued. There is no service fee paid in respect of Series F.

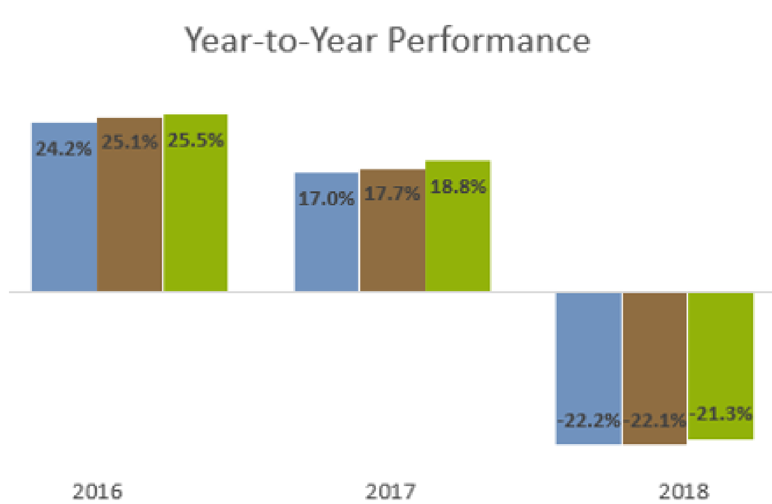
The following is a breakdown of major services received by the Fund in consideration of the management fees for the period, as a percentage of the management fee:

Series	Service Fees	Other
A	50%	50%
D	20%	80%
F	0%	100%

Past Performance:

Year-by-Year Returns
The bar chart below shows in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year for each of the years shown below and illustrates how the Fund’s performance has changed from year to year.

The performance information shown below does not take into account sales, redemption, distribution or other option charges that would have reduced returns or performance. How the investment fund has performed in the past does not necessarily indicate how it will perform in the future.



Annual Compound Returns

	1 Year	3 Year	5 Year	10 Year	Since Inception
Series A	-22.16%	4.20%			2.90%
Series D	-22.14%	4.94%			3.68%
Series F	-21.32%	5.47%			4.16%
S&P/TSX TRI	-8.89%	6.37%			2.36%

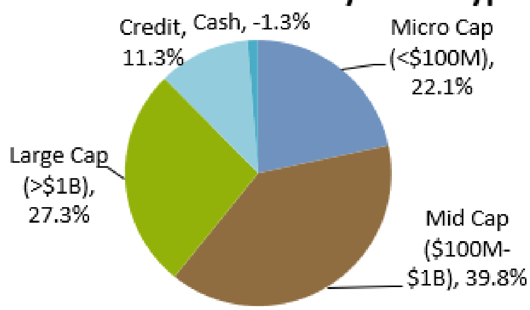
For a discussion on the performance of the Fund vs. the S&P/TSX TRI please refer to the Results of Operations section above.

[1] **S&P/TSX TRI** is the Toronto Stock Exchange Composite Total Return Index as calculated and administered by Standard & Poors. It is based on stocks that make up the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights. The S&P/TSX Composite Index contains stocks of the largest companies on the Toronto Stock Exchange (TSX). The index contains both common stock and income trust units. Additions to the index are generally based on quarterly reviews.

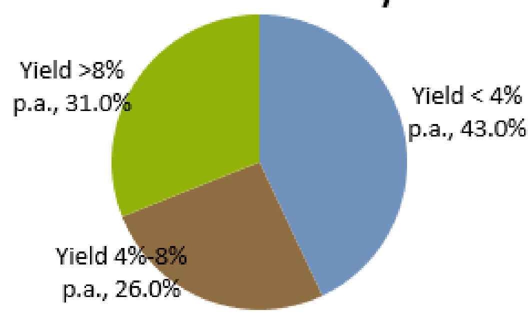
Summary of Investment Portfolio (as at Dec 31, 2018)

Stock Name	Percent of Portfolio
Dream Global REIT	5.24%
Pure Multi-Family REIT LP	4.34%
CanWel Building Materials Group Ltd	4.10%
Chorus Aviation Inc	3.90%
Inovalis Real Estate Investment Trust	3.45%
Decisive Dividend Corp	3.35%
Richards Packaging Income Fund	3.28%
Pembina Pipeline Corp	2.97%
Stars Group Inc	2.59%
Unisync Sub Recpts	2.56%
Viemed Healthcare Inc	2.56%
Photon Control Inc	2.52%
A and W Revenue Royalties Income Fund	2.49%
Tricon Capital Group Inc	2.41%
IBI Group Inc	2.36%
Firan Technology Group Corp	2.33%
Parkland Fuel Corp	2.31%
Pivot Technology Solutions Inc	2.02%
FLOW CAPITAL 7 UNSEC CNV DEBENT	2.02%
Data Communications Management Corp/	2.00%
Bombardier Inc. PFD 2.85%	1.97%
Pizza Pizza Royalty Corp	1.95%
Credit Agricole SA	1.93%
American Hotel Income Properties REIT LP	1.83%
HYDRO ONE INSTLMNT RCPT	1.77%
TOTAL: Top 25 Holdings	**68.25%**

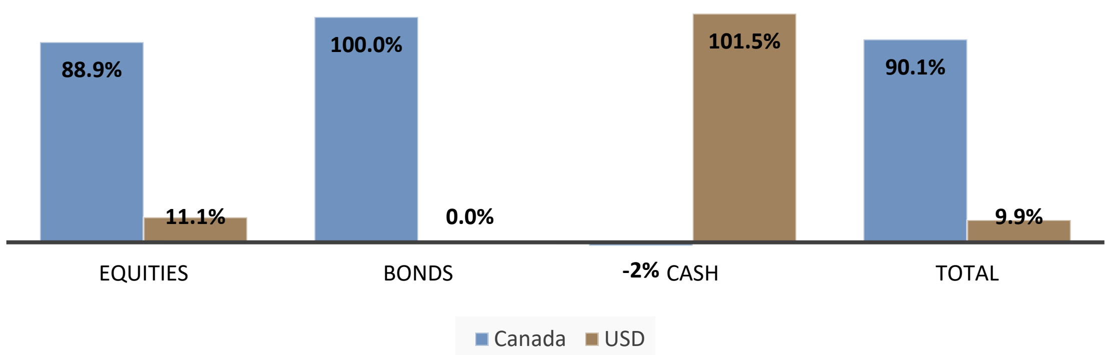
Portfolio Breakdown By Asset Type



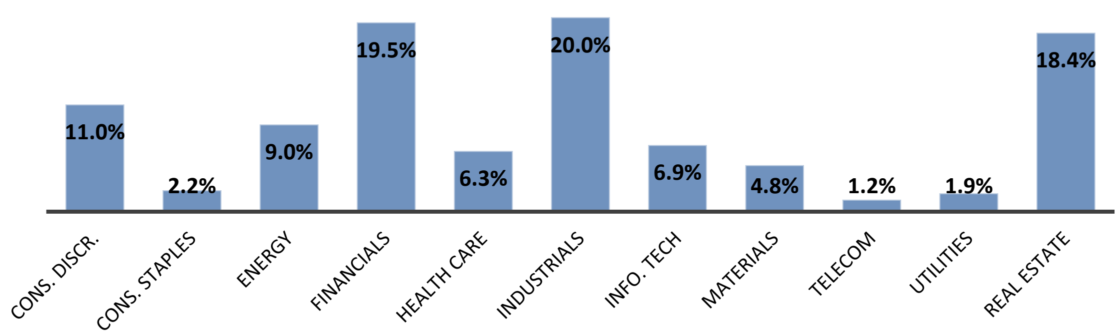
Portfolio Breakdown By Yield



Geographic/Asset Allocation



Sector Allocation



The investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the investment portfolio are available on request.

MM Fund

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Forward-Looking Statements

This management report of fund performance may contain forward-looking statements which reflect the current expectations of the Manager (or, where indicated, the Portfolio Manager) regarding the Fund's future growth, results of operations, performance and business prospects and opportunities. These statements reflect the current beliefs of the person to which the statements are attributed with respect to future events and are based on information currently available to that person. Forward looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, changes in government regulations or in tax laws. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.