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# TeraZ fund



## August 2019 Performance Report

Fundserv code: 969

	<b>TeraZ Fund</b>	<b>S&amp;P/TSX Venture</b>	<b>S&amp;P/TSX Composite</b>	<b>Chief Analyst &amp; Strategist:</b>	Mark Zaret (416-690-5411)
<b>Monthly Return</b>	2.5%e	-0.4%	0.2%	<b>Email:</b>	<a href="mailto:mzaret@spartanfunds.ca">mzaret@spartanfunds.ca</a>
<b>Year to Date</b>	26.5%e	5.8%	14.8%	<b>Portfolio Manager:</b>	John Ackerl (416-601-5606)
<b>Since Inception</b>	74.6%e	-60.3%	37.5%	<b>Email:</b>	<a href="mailto:jackerl@spartanfunds.ca">jackerl@spartanfunds.ca</a>
				<b>Trustee:</b>	Spartan Fund Management

Markets struggled in August with mounting worries about a slowing global economy, political unrest in Hong Kong, and the growing trend towards zero interest rates. All this was positive for the price of gold, which rose ~7% in August.

Our exposure to gold was the primary driver of our positive performance for August. As a micro-cap fund it is not our mandate to own the producers that benefit directly from increased gold prices. Rather, we own shares in companies that are at various stages in the discovery process. But what we do believe is that growing interest in precious metals will ultimately lead to a “re-rating” of the sector. Said another way: the trend is our friend, and in this environment share prices should head higher, with or without favorable news.

Revival Gold (RVG) is a good example of that very thing. With very little news issued in August (one minor release mid-month regarding completion of an airborne survey), shares were up 10%. As suggested, we believe the stock rose simply because more market participants are looking for exposure to the sector, and are interested in finding a quality story like Revival trading at a very modest market cap of \$32M. They have a resource of 1.2M ounces

of gold with another 765,000 ounces inferred. Those are numbers that date back to a filing done in mid-2018, with an updated number to be released in the next few months.

Drilling down further into portfolio news (sorry, we couldn't resist) our best performer in August was Aurion Resources (AU). They closed an \$11.1M financing during the month, with the biggest subscriber Eric Sprott investing \$5M. Eric is generally regarded as a very astute investor in the space. Kinross Gold exercised their right to maintain their pro rata interest in Aurion at just under 10% of the company, and B2Gold exercised their option to acquire a 51% interest in 25,000 hectares of the Aurion Finland properties. It is encouraging to see what we consider to be “smart” money increasing their commitments in this company, which we have owned since the inception of this fund. Shares gained 20% in August.

We do expect some volatility ahead, as several of our companies with active drill programs will be releasing results over the coming weeks. Nonetheless, we are very encouraged by the fact that a new bull market has emerged in precious metals, and feel that we are well positioned to benefit from this trend.

**Disclaimer:** Small and micro-cap companies are risky. The material presented herein is for informational purposes only and should not be construed as providing investment advice. Please refer to the offering memorandum for further discussion of the risks of investing in the Fund.

### MONTHLY RETURNS HISTORY

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2019</b>	5.9%	6.7%	3.7%	0.5%	2.6%	5.9%	-3.4%	2.5%e					26.5%e
<b>2018</b>	-3.0%	-6.1%	-8.5%	-6.5%	5.0%	-1.9%	5.2%	-2.0%	5.0%	-10.1%	-12.1%	3.9%	-28.8%
<b>2017</b>	7.6%	21.3%	-0.2%	2.9%	-0.5%	-5.2%	1.6%	10.9%	2.7%	-5.9%	1.8%	1.6%	42.4%
<b>2016</b>	-2.5%	12.6%	11.1%	15.5%	0.2%	8.9%	11.6%	3.7%	4.5%	-0.8%	1.4%	-0.5%	85.9%
<b>2015</b>	1.1%	2.7%	2.5%	1.7%	-3.0%	-0.7%	-7.0%	-7.5%	5.0%	2.6%	-6.1%	-0.6%	-9.8%
<b>2014</b>	4.9%	12.4%	1.1%	2.9%	-4.5%	10.7%	-0.5%	-2.1%	-7.2%	-6.3%	-11.0%	-0.2%	-2.3%
<b>2013</b>	-1.2%	-6.6%	-1.2%	-3.4%	2.5%	-3.1%	3.6%	3.8%	-2.0%	-0.3%	-0.6%	0.8%	-8.0%
<b>2012</b>	3.7%	-0.8%	1.1%	-5.5%	-5.3%	-3.7%	3.4%	0.2%	5.1%	-2.9%	-3.7%	-0.9%	-9.7%



Spartan Fund Management Inc.

The above returns are net of management and performance fees for the 'F' series of units, but do not take into account early redemption fees if investments are held less than 1 year. 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 memorandum, 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 venture 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.

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.