

## SPROTT ENHANCED BALANCED FUND

Performance as of May 31, 2017

### INVESTMENT TEAM



John Wilson, MBA  
CEO, Co-CIO  
Senior Portfolio Manager



Scott Colbourne,  
CFA, MBA  
Co-CIO  
Senior Portfolio Manager

### FUND OVERVIEW

The Fund seeks to achieve long term capital growth and to generate current income. The Fund invests primarily in Canadian equities, fixed-income securities of Canadian issuers, and foreign equities and fixed-income securities. The Fund provides downside protection through tactical changes to asset allocation and the use of option strategies.

### FUND DETAILS

|                                           |                                                         |
|-------------------------------------------|---------------------------------------------------------|
| Fund Type                                 | Canadian Balanced Equity                                |
| Assets Under Management                   | \$80.9 Million                                          |
| <sup>1</sup> Inception Date               | April 16, 2012                                          |
| Unit Price                                | \$12.15                                                 |
| Registered Tax Plan Status                | Yes                                                     |
| Min. Initial Investment                   | \$1,000 CDN                                             |
| Min. Subsequent Investment                | \$25 CDN                                                |
| Valuations                                | Daily                                                   |
| Management Fee                            | 1.90% (Series A, T)<br>0.90% (Series F, FT)             |
| Performance Fee                           | 10% of excess over blended benchmark index <sup>1</sup> |
| Min. Investment Term                      | 20 days (1.5% penalty)                                  |
| Risk Tolerance                            | Low                                                     |
| Series T and FT Target Distribution Yield | 6% annually                                             |

### FUND CODES

| Code      | NL      | FE      | LL      |
|-----------|---------|---------|---------|
| Series A  |         | SPR 240 | SPR 241 |
| Series T  |         | SPR 243 | SPR 244 |
| Series F  | SPR 245 |         |         |
| Series FT | SPR 247 |         |         |

<sup>1</sup> 40% S&P/TSX Composite TRI; 30% S&P 500 TRI CAD; 30% FTSE TMX Canada Universe Bond Index™

\* Subject to regulatory requirements.

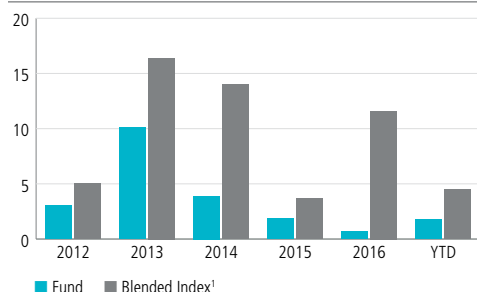
### WHY INVEST IN SPROTT ENHANCED BALANCED FUND?

- Focus on absolute returns with emphasis on capital preservation.
- Disciplined investment process to manage downside risk.
- Experienced portfolio managers with a proven track record.
- An ideal core balanced holding for investors seeking conservative growth and current income.

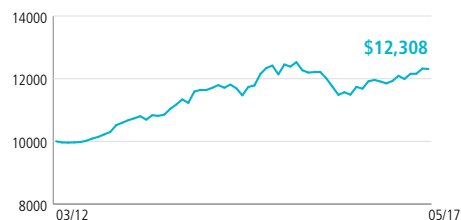
### COMPOUNDED RETURNS (%)<sup>1</sup>

|                               | 1 MTH | YTD | 3 MTH | 6 MTH | 1 YR | 3 YR | 5 YR | ANNUALIZED INCEPTION <sup>1</sup> |
|-------------------------------|-------|-----|-------|-------|------|------|------|-----------------------------------|
| SPROTT ENHANCED BALANCED FUND | -0.1  | 1.8 | 1.3   | 3.2   | 4.9  | 1.7  | 4.3  | 4.1                               |
| BLENDED INDEX <sup>1</sup>    | -0.2  | 4.5 | 2.3   | 5.7   | 12.1 | 8.8  | 11.3 | 10.7                              |

### CALENDAR YEAR RETURNS (%)<sup>1</sup>



### GROWTH OF \$10,000 INVESTED (APR. 16, 2012)<sup>1</sup>



### SECTOR ALLOCATION (MARKET VALUE)<sup>3</sup>

|                           |       |
|---------------------------|-------|
| Fixed Income Mutual Funds | 45.8% |
| Energy                    | 12.5% |
| Information Technology    | 9.5%  |
| Cash and Cash Equivalents | 7.7%  |
| Industrials               | 5.1%  |
| Consumer Discretionary    | 4.2%  |
| Financial Services        | 3.6%  |
| Consumer Staples          | 3.5%  |
| Health Care               | 3.2%  |
| Utilities                 | 3.0%  |
| Real Estate               | 2.0%  |
| Currency Forwards         | -0.1% |

### GEOGRAPHIC ALLOCATION (DELTA ADJUSTED)<sup>3</sup>

|               |       |
|---------------|-------|
| Canada        | 74.2% |
| United States | 26.1% |

### TOP TEN HOLDINGS (DELTA ADJUSTED)<sup>3</sup>

|                                      |
|--------------------------------------|
| SPROTT Diversified Bond Fund         |
| Financial Select Sector SPDR         |
| Fiserv Inc.                          |
| Transcanada Corporation              |
| SPDR Euro Stoxx 50 ETF               |
| CGI Group Inc.                       |
| Brookfield Infrastructure Partner LP |
| Enbridge Inc.                        |
| Altgas Income Ltd.                   |
| General Electric Co.                 |

### STATISTICAL ANALYSIS<sup>2</sup>

| STATISTICS                                       | FUND  | BLENDED INDEX <sup>1</sup> |
|--------------------------------------------------|-------|----------------------------|
| Cumulative Return <sup>4</sup> (Since Inception) | 23.1% | 68.4%                      |
| Standard Deviation                               | 4.3%  | 5.2%                       |
| Sharpe Ratio                                     | 0.83  | 1.94                       |
| Total Positive Months                            | 41    | 47                         |
| Total Down Months                                | 21    | 15                         |
| Beta                                             | 0.59  |                            |

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| Industrials               | 5.1%  |
| Consumer Staples          | 4.5%  |
| Consumer Discretionary    | 4.2%  |
| Health Care               | 3.2%  |
| Utilities                 | 3.2%  |
| Real Estate               | 3.2%  |
| Indices                   | 1.1%  |
| Currency Forwards         | -0.1% |
| Cash and Cash Equivalents | -0.3% |

### ASSET ALLOCATION (DELTA ADJUSTED)<sup>3</sup>

|                           |       |
|---------------------------|-------|
| Equities                  | 46.8% |
| Fixed Income              | 45.8% |
| Index Options             | 7.8%  |
| Currency Forwards         | -0.1% |
| Cash and Cash Equivalents | -0.3% |

# SPROTT ENHANCED BALANCED FUND



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<sup>1</sup> All returns and fund details are a) based on Series A units; b) net of fees; c) annualized if period is greater than one year; d) as at May 31, 2017; e) 2012 annual returns are from 04/16/12 to 12/31/12. Blended Index is 40% of the S&P/TSX Composite TRI, 30% S&P 500 TRI CAD and 30% FTSE TMX Canada Universe Bond Index™ and is computed by Sprott Asset Management LP based on available index information.

<sup>2</sup> Where applicable, all figures are annualized and based on monthly returns since inception. Risk-free rate and minimum acceptable rate calculated using rolling 90-day CDN T-bill rate. The rate of return or mathematical table shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund.

<sup>3</sup> Top ten holdings, sector allocation, geographic allocation and asset allocation as at May 31, 2017. Top ten holdings based on % of net asset value and is delta adjusted. Sector allocation based on % of net asset value and is delta adjusted. Geographic allocation based on % of net asset value, is delta adjusted and excludes cash. Numbers may not add up due to rounding. Cash and cash equivalents include non-portfolio assets and/or liabilities.

**The Fund is generally exposed to the following risks. See the prospectus of the Fund for a description of these risks: capital depletion risk (Series T and Series FT securities only); commodity risk; concentration risk; credit risk; currency risk; derivatives risk; exchange traded funds risk; foreign investment risk; inflation risk; interest rate risk; market risk; regulatory risk; securities lending, repurchase and reverse repurchase transactions risk; series risk; short selling risk; tax risk.**

Sprott Asset Management LP is the investment manager to the Sprott Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), and other expenses all may be associated with investing in the Funds. Please read the prospectus carefully before investing. The indicated rate of return for series A units of the Fund for the period ended May 31, 2017 is based on the historical annual compounded total return including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.

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