

## SPROTT DIVERSIFIED BOND CLASS<sup>††</sup>

Performance as of May 31, 2017

### INVESTMENT TEAM



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Co-CIO  
Senior Portfolio Manager

### FUND OBJECTIVE

The Fund aims to provide income. It seeks a similar return to its underlying fund, Sprott Diversified Bond Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in debt and debt-like securities of corporate and government issuers from around the world.

### FUND DETAILS<sup>1</sup>

|   |   |
|---|---|
| Fund Type   | Diversified High-Yield Fixed Income Fund                                      |
| Assets Under Management                             | \$79.6 Million  |
| **Inception Date                                    | October 17, 2011  |
| Unit Price  | \$13.14   |
| Min. Initial Investment                             | \$1,000   |
| Min. Subsequent Investment                          | \$25  |
| Min. Investment Term/<br>Early Redemption Fee (ERF) | 20 Days/1.5% ERF  |
| Contributions/Valuations                            | Daily   |
| Management Fee                                      | 1.65% (Series A)<br>0.75% (Series F)<br>1.65% (Series T)<br>0.75% (Series FT) |
| Performance Fee                                     | None  |
| Eligible for Registered Plans                       | Yes   |
| Risk Tolerance                                      | Low   |

### FUND CODES

| Code       | NL      | FE      | LL      |
|------------|---------|---------|---------|
| Series A   |         | SPR 200 | SPR 237 |
| Series T   |         | SPR 224 | SPR 239 |
| Series F   | SPR 221 |         |         |
| Series FT  | SPR 227 |         |         |
| Series P   |         | SPR 263 |         |
| Series PT  |         | SPR 264 |         |
| Series PF  | SPR 265 |         |         |
| Series PFT | SPR 266 |         |         |
| Series Q   |         | SPR 267 |         |
| Series QT  |         | SPR 268 |         |
| Series QF  | SPR 269 |         |         |
| Series QFT | SPR 270 |         |         |

<sup>††</sup>Effective May 28, 2015, Sprott Diversified Yield Class was renamed Sprott Diversified Bond Class.

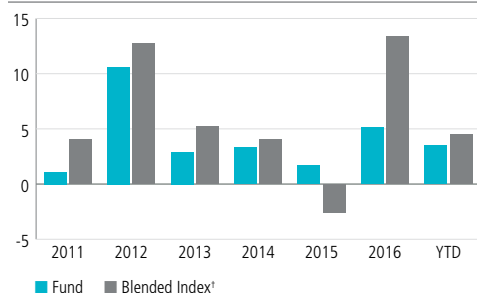
### WHY INVEST IN THIS FUND?

- Absolute return focus with the ability to short for hedging purposes.
- Flexibility to invest in all fixed income asset classes.
- Active currency management.
- Experienced management team with a proven track record.
- An ideal complement to traditional bond funds, GICs and bond ladders.

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

|                               | 1 MTH | YTD | 3 MTH | 6 MTH | 1 YR | 3 YR | 5 YR | ANNUALIZED INCEPTION <sup>**</sup> |
|-------------------------------|-------|-----|-------|-------|------|------|------|------------------------------------|
| SPROTT DIVERSIFIED BOND CLASS | 0.3   | 3.5 | 2.2   | 4.4   | 6.8  | 3.3  | 4.4  | 5.0                                |
| BLENDED INDEX <sup>1</sup>    | 0.9   | 4.5 | 2.1   | 5.9   | 11.1 | 4.7  | 6.4  | 7.2                                |

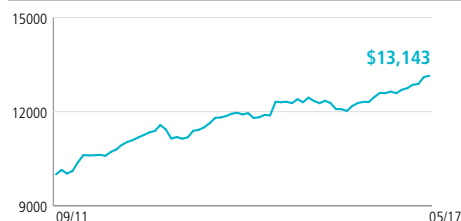
### CALENDAR YEAR RETURNS (%)<sup>1</sup>



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

| STATISTICS                          | FUND  | BLENDED INDEX <sup>1</sup> |
|-------------------------------------|-------|----------------------------|
| Cumulative Return (Since Inception) | 31.4% | 47.8%                      |
| Standard Deviation                  | 3.4%  | 4.5%                       |
| Sharpe Ratio                        | 1.30  | 1.47                       |
| Total Positive Months               | 47    | 48                         |
| Total Down Months                   | 21    | 20                         |
| Beta                                | 0.56  |                            |

### GROWTH OF \$10,000 INVESTED (OCT. 17, 2011)<sup>1</sup>



### CORRELATION

| DESCRIPTION                                       | FUND |
|---|------|
| FTSE TMX Canada Universe Bond Index <sup>TM</sup> | 0.53 |
| BofA Merrill Lynch U.S. High Yield Index          | 0.66 |
| S&P/TSX Composite Total Return Index              | 0.47 |

### TOP TEN HOLDINGS (UNDERLYING FUND)<sup>3</sup>

|   |
|---|
| Government of the United States of America, 2.38%, 05/15/27 |
| Province of Buenos Aires (Argentina), 5.75%, 06/15/19       |
| Petrobras Global Finance BV, 6.12%, 01/17/22                |
| Tembec Industries, Inc., 9.00%, 12/15/19                    |
| Petrobras International Finance Co., 5.38%, 01/27/21        |
| Nationstar Capital Corp., 6.50%, 08/01/18                   |
| Interface Security Systems Holdings, Inc., 9.25%, 01/15/18  |
| Scientific Games International, Inc., 7.00%, 01/01/22       |
| Frontier Communications Corporation, 8.88%, 09/15/20        |
| Aleris International, Inc., 9.50%, 04/01/21                 |

### SECTOR ALLOCATION (UNDERLYING FUND)<sup>3</sup>

|                             |       |
|-----------------------------|-------|
| High Yield Bonds            | 57.9% |
| Government Bonds            | 24.8% |
| Corporate Bonds             | 4.6%  |
| Emerging Market Governments | 4.4%  |
| Preferred Equities          | 3.8%  |
| Cash and Cash Equivalents   | 2.4%  |
| Sectors Less than 1%        | 0.9%  |

### GEOGRAPHIC ALLOCATION (UNDERLYING FUND)<sup>3</sup>

|                |       |
|----------------|-------|
| United States  | 47.3% |
| Canada         | 20.5% |
| United Kingdom | 8.0%  |
| Netherlands    | 5.6%  |
| Argentina      | 4.6%  |
| Other          | 3.2%  |
| France         | 1.5%  |
| Switzerland    | 1.4%  |
| Ireland        | 0.8%  |

# SPROTT DIVERSIFIED BOND CLASS



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<sup>†</sup> Blended Index is 75% of the BofA Merrill Lynch US High Yield Index and 25% FTSE TMX Canada Universe Bond Index™ and is computed by Sprott Asset Management LP based on available index information.

<sup>1</sup> All returns and fund details are a) based on Series A shares; b) net of fees; c) annualized if period is greater than one year; d) as at May 31, 2017; e) 2011 annual returns are from 10/17/11 to 12/31/11.

<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 and geographic allocation as at May 31, 2017. Top ten holdings based on % of net asset value. Sector allocation based on % of net asset value. Geographic allocation based on % of net asset value 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, Series FT, Series PT, Series PFT, Series QT, and Series QFT shares only); capital gains risk; class risk; concentration risk; credit risk; currency risk; derivatives risk; exchange traded funds risk; foreign investment risk; inflation risk; interest rate risk; regulatory risk; securities lending, repurchase and reverse repurchase transactions risk; series risk; short selling risk; tax risk; tracking risk.**

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