

## SPROTT FOCUSED U.S. BALANCED CLASS

Performance as of April 28, 2017

### INVESTMENT TEAM



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Senior Portfolio Manager



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Senior Portfolio Manager

### FUND OVERVIEW

The Fund's investment objective is to provide consistent income and capital appreciation by investing primarily in a diversified portfolio of U.S. equities and fixed-income securities.

### FUND DETAILS

|                                   |                                    |
|-----------------------------------|------------------------------------|
| Fund Type                         | U.S. Balanced                      |
| Inception Date                    | November 25, 2015                  |
| Unit Price                        | \$10.59                            |
| Registered Tax Plan Status        | Yes                                |
| Min. Initial Investment           | \$500 (Series A, F only)           |
| Min. Subsequent Investment        | \$25                               |
| Valuations                        | Daily                              |
| Management Fee                    | Series A: 1.85%<br>Series F: 0.85% |
| Performance Fee                   | None                               |
| Min. Investment Term              | 20 Days (1.5% Penalty)             |
| Risk Tolerance                    | Low – Medium                       |
| Distributions                     | Target 3.5% per annum paid monthly |
| Number of Issuers                 | 29                                 |
| Average Market Cap <sup>4</sup>   | \$177.9 Billion                    |
| Market Cap Breakdown <sup>5</sup> |                                    |
| Large (>\$5B)                     | 63.0%                              |

### FUND CODES

| Code      | NL      | FE      | LL      |
|-----------|---------|---------|---------|
| Series A  |         | SPR 180 | SPR 178 |
| Series F  | SPR 182 |         |         |
| Series P  |         | SPR 184 |         |
| Series PF | SPR 185 |         |         |
| Series Q  |         | SPR 186 |         |
| Series QF | SPR 187 |         |         |

### WHY INVEST IN SPROTT FOCUSED U.S. BALANCED CLASS?

- Experienced portfolio managers.
- Equity portfolio: high-quality companies, concentrated, not limited by market cap or sector.
- Actively managed, repeatable and disciplined investment process.
- An ideal balanced holding for investors seeking growth and current income.
- Tax-efficient monthly distribution, targeted at 3.5% per annum.

### A FOCUSED APPROACH TO EQUITY INVESTING

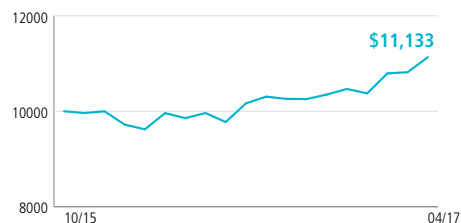
Sprott Focused Business Investing means investing in a focused manner, in high quality businesses.

**Sprott Focused Business Investing** is designed to build a concentrated portfolio of high-quality businesses that will generate superior risk-adjusted returns over the long term. The portfolio consists of companies with high returns on invested capital, run by management teams that behave like true stewards of investor capital, added to the portfolio only when they are priced to deliver sufficient return for the risk incurred.

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

|                                    | 1 MTH | YTD | 3 MTH | 6 MTH | 1 YR | ANNUALIZED INCEPTION <sup>1</sup> |
|------------------------------------|-------|-----|-------|-------|------|-----------------------------------|
| SPROTT FOCUSED U.S. BALANCED CLASS | 2.9   | 6.4 | 7.3   | 8.6   | 13.0 | 7.8                               |
| BLENDED INDEX <sup>1</sup>         | 3.0   | 7.2 | 8.0   | 11.5  | 22.0 | 12.6                              |

### GROWTH OF \$10,000 INVESTED (NOV. 25, 2015)<sup>1</sup>



### SECTOR ALLOCATION<sup>3</sup>

|                           |       |
|---------------------------|-------|
| Fixed Income Mutual Funds | 24.8% |
| Financial Services        | 15.9% |
| Information Technology    | 15.1% |
| Industrials               | 13.3% |
| Cash and Cash Equivalents | 12.1% |
| Health Care               | 8.7%  |
| Consumer Discretionary    | 7.1%  |
| Real Estate               | 3.0%  |
| Currency Forwards         | 0.1%  |

### GEOGRAPHIC ALLOCATION<sup>3</sup>

|                |       |
|----------------|-------|
| United States  | 48.5% |
| Canada         | 7.3%  |
| Ireland        | 5.1%  |
| United Kingdom | 2.0%  |

### TOP TEN HOLDINGS<sup>3</sup>

|                                  |
|----------------------------------|
| Sprott Diversified Bond Fund     |
| Alphabet Inc.                    |
| Macquarie Infrastructure Corp.   |
| Unitedhealth Group Inc.          |
| Mastercard Inc.                  |
| Allergan PLC                     |
| Visa Inc.                        |
| Brookfield Asset Management Inc. |
| Affiliated Managers Group        |
| Comcast Corp.                    |

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

| STATISTICS                          | FUND  | BLENDED INDEX <sup>1</sup> |
|-------------------------------------|-------|----------------------------|
| Cumulative Return (Since Inception) | 11.3% | 18.4%                      |
| Standard Deviation                  | 6.7%  | 7.4%                       |
| Sharpe Ratio                        | 1.09  | 1.61                       |
| Total Positive Months               | 10    | 13                         |
| Total Down Months                   | 8     | 5                          |
| Beta                                | 0.77  |                            |

### ASSET ALLOCATION<sup>3</sup>

|                           |       |
|---------------------------|-------|
| Equities                  | 63.0% |
| Fixed Income              | 24.8% |
| Cash and Cash Equivalents | 12.1% |
| Currency Forwards         | 0.1%  |

# SPROTT FOCUSED U.S. BALANCED CLASS



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- <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 April 28, 2017; e) 2012 annual returns are from 11/25/15 to 12/31/15. Blended Index is 70% of the S&P 500 Total Return Index (CAD), 15% of the FTSE/TMX Canada Universe Bond Index and 15% BofA Merrill Lynch US High Yield 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 March 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.
- <sup>4</sup> Based on long equity positions only.
- <sup>5</sup> Based on long equity positions only, and is also based on net asset value.

**The Fund is generally exposed to the following risks. See the prospectus of the Fund for a description of these risks: capital depletion risk, capital gains risk, class risk, credit risk, currency risk, derivatives risk, exchange traded funds risk, foreign investment risk, inflation risk, interest rate risk, liquidity risk, market risk, securities lending, repurchase and reverse repurchase transactions risk, series risk, short selling risk, specific issuer 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 shares of the Fund for the period ended April 28, 2017 is based on the historical annual compounded total return including changes in share 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.

The information provided is general in nature and is provided with the understanding that it may not be relied upon as, nor considered to be, the rendering or tax, legal, accounting or professional advice. Readers should consult with their own accountants and/or lawyers for advice on the specific circumstances before taking any action.

Sprott Asset Management LP: Toll Free: 1.866.299.9906. DEALER SERVICES: RBC Investor & Treasury Services: Tel: 416.955.5885; Toll Free: 1.877.874.0899.