SPROTT
ASSET MANAGEMENT

SPROTT ENHANCED BALANCED FUND

Performance as of December 30, 2016

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	$94.5 Million
†Inception Date	April 16, 2012
Unit Price	$11.93
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) 0.90% (Series F, FT)
Performance Fee	10% of excess over blended benchmark index1
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		

[1] 40% S&P/TSX Composite TRI; 30% S&P 500 TRI CAD; 30% FTSE TMX Canada Universe Bond Index™
* Subject to regulatory requirements.

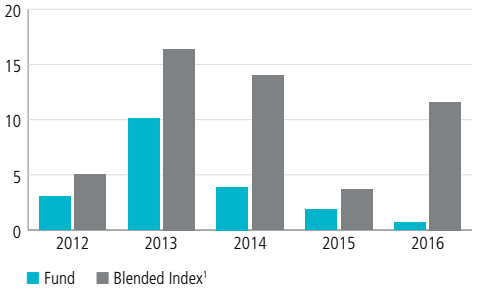
WHY INVEST IN SPROTT ENHANCED BALANCED FUND?

- 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.

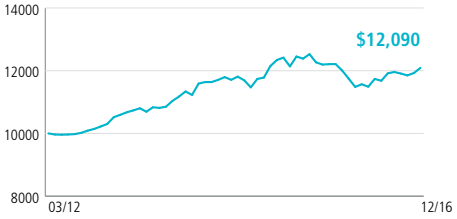
COMPOUNDED RETURNS (%)[1]

	1 MTH	YTD	3 MTH	6 MTH	1 YR	3 YR	ANNUALIZED INCEPTION†
SPROTT ENHANCED BALANCED FUND	1.4	0.7	1.5	3.5	0.7	2.2	4.1
BLENDED INDEX[1]	1.1	11.6	2.6	6.9	11.6	9.7	10.7

CALENDAR YEAR RETURNS (%)[1]



GROWTH OF $10,000 INVESTED (APR. 16, 2012)[1]



SECTOR ALLOCATION (MARKET VALUE)[3]

Fixed Income Mutual Funds	38.8%
Cash and Cash Equivalents	17.4%
Financial Services	9.8%
Energy	8.6%
Information Technology	5.7%
Consumer Staples	4.5%
Industrials	4.3%
Health Care	3.9%
Consumer Discretionary	3.4%
Utilities	2.5%
Real Estate	1.2%
Currency Forwards	-0.1%

GEOGRAPHIC ALLOCATION (DELTA ADJUSTED)[3]

Canada	61.9%
United States	21.3%

TOP TEN HOLDINGS (DELTA ADJUSTED)[3]

Sprott Diversified Bond Fund
Fiserv Inc.
Discover Financial Services
Transcanada Corporation
Manulife Financial Corp.
General Electric Co.
Brookfield Infrastructure Partner LP
Enbridge Inc.
Alimentation Couche-Tard Inc.
CGI Group Inc.

STATISTICAL ANALYSIS[2]

STATISTICS	FUND	BLENDED INDEX[1]
Cumulative Return[4] (Since Inception)	20.9%	61.1%
Standard Deviation	4.4%	5.3%
Sharpe Ratio	0.79	1.87
Total Positive Months	38	44
Total Down Months	19	13
Beta	0.59	

SECTOR ALLOCATION (DELTA ADJUSTED)[3]

Fixed Income Mutual Funds	38.8%
Cash and Cash Equivalents	16.7%
Financial Services	10.5%
Energy	8.6%
Information Technology	5.7%
Consumer Staples	4.5%
Industrials	4.3%
Health Care	3.9%
Consumer Discretionary	3.4%
Utilities	2.5%
Real Estate	1.2%
Currency Forwards	-0.1%

ASSET ALLOCATION (DELTA ADJUSTED)[3]

Equities	43.9%
Fixed Income	38.8%
Cash and Cash Equivalents	16.7%
Equity Options	0.7%
Currency Forwards	-0.1%

SPROTT ENHANCED BALANCED FUND

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[1] 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 December 30, 2016; 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.

[2] 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.

[3] Top ten holdings, sector allocation, geographic allocation and asset allocation as at December 30, 2016. 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 December 30, 2016 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.

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.

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