

## LEAD MANAGER

Sprott Asset Management LP

## FUND DETAILS

Issuer	Sprott Asset Management LP
Fund Type	Open-ended unincorp. investment trust
Fund Status	OM, Exempt Market, Continuous Offering
†Launch Date	August 31, 2016
Registered Tax Plan Status	Eligible
Min. Initial Investment	\$5,000 accredited \$150,000 non-accredited
Min. Subsequent Investment	\$5,000
Valuations	Monthly
Redemptions	Monthly (30 Days Notice)
Management Fee	Class A Units: 2.0% Class F Units: 1.0% Class I Units: Fee determined by agreement between the Manager and Subscriber
Performance Fee	See Offering Memorandum
Min. Investment Term	90 days minimum hold (2% penalty)
Risk Tolerance	Medium – High
Distributions	Monthly, net income of the Fund

## FUND CODES

Class A	SPR 630
Class F	SPR 631
Class I	SPR 632

## WHY INVEST

In a persistent low-yield environment, fund offers an innovative way to generate income:

- Access private credit strategies through fund-of-funds structure that offers monthly liquidity and RSP eligibility.
- Access high yield corporate credit featuring alternative strategies to make market downturns potentially less damaging.
- Low volatility and excellent non-correlated portfolio diversification strategy.
- Underlying funds have long track records and experienced managers.
- Multi-layer risk oversight (fund level/manager level).
- Unique in the marketplace.

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek to provide investors with exposure to alternative strategies that generate superior income and long term capital growth. The Fund's investment strategy will be to mirror the performance of the credit-based products (the "Portfolio") underlying the **Sprott Bridging Income Fund LP**, **Sprott Private Credit Trust II**, **Sprott Credit Income Opportunities Fund** and the **Sprott Diversified Bond Fund** (each, a "Portfolio Fund" and collectively, the "Portfolio Funds").

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

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2017</b>	0.5	0.4	0.4	0.5									1.8
<b>2016</b>										0.4	0.4	0.6	1.5

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

FUND	1 MTH	YTD	3 MTH	6 MTH	ANNUALIZED INCEPTION <sup>1</sup>
FUND	0.5	1.8	1.3	2.9	3.3

## Sprott Bridging Income Fund LP

The investment objective of the Sprott Bridging Income Fund LP is to achieve superior risk-adjusted returns for Limited Partners with minimal volatility and low correlation to most traditional asset classes. In general, the investment strategy seeks to invest in an actively managed portfolio comprised of (i) asset-based loans primarily to Canadian and U.S. based companies that have good quality collateral and (ii) factored accounts receivable and inventory financing primarily to Canadian and U.S. based companies and Canadian federal and provincial tax credit financing.

## Sprott Private Credit Trust II

The investment objective of the Sprott Private Credit Trust II is to achieve superior risk-adjusted returns with minimal volatility and low correlation to most traditional asset classes. To achieve its investment objective this Portfolio Fund intends to allocate capital to invest in securities of funds managed by certain third-party managers selected by the Manager from time to time who will employ various credit strategies across the credit quality spectrum with portfolios comprised of asset-based loans of companies based primarily in Canada and/or the United States.

## Sprott Credit Income Opportunities Fund

The investment objective of the Sprott Credit Income Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund seeks to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain. The securities comprising the portfolio will be selected by the investment manager based on its assessment of the markets and potential investment opportunities. The Fund may employ the use of derivative instruments and currency hedging from time to time to hedge against losses from movements in fixed income and equity markets or to realize additional gains. In addition, government bonds may be sold short to reduce interest rate risk.

# SPROTT ALTERNATIVE INCOME FUND

## Sprott Diversified Bond Fund

The Sprott Diversified Bond Fund's investment objectives are to maximize total return and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world. To achieve its investment objectives, this Portfolio Fund takes a flexible approach in investing in debt instruments and debt-like securities (such as convertible bonds) and the allocation depends on the investment manager's view of economic and market conditions. In addition, the investment manager selects investments in an effort to take advantage of the credit cycle and the differences in currencies, interest rates and credits between countries based on global macroeconomic and political analysis.

[www.sprott.com](http://www.sprott.com)



<sup>1</sup> All returns and fund details are a) based on Class A units; b) net of fees; c) annualized if period is greater than one year; d) as at April 28, 2017.

**The Sprott Alternative Income Fund is generally exposed to the following risks. See the offering memorandum of the Fund for a description of these risks: speculative investment; fund of funds risk; not a public mutual fund; limited operating history for the fund; class risk; charges to the fund; changes in investment objective, strategies and restrictions; unitholders not entitled to participate in management; dependence of the manager on key personnel; reliance on the manager; resale restrictions; illiquidity; possible effect of redemptions; redemptions in kind; distributions; liability of unitholders; potential indemnification obligations; lack of independent experts representing unitholders; no involvement of unaffiliated selling agent; public mutual fund regulatory restrictions; limited operating history for the portfolio funds; charges to the portfolio fund; not entitled to participate in management; dependence of sub-advisor on key personnel; reliance on sub-advisor; distributions and allocations; repayment of certain distributions; possible loss of limited liability; valuation of the partnership's investments; tax liability; general economic and market conditions; assessment of the market; concentration; foreign investment risk; illiquidity of underlying investments; credit risk; impaired loans; no insurance; joint ventures and co-investments; litigation; fixed income securities; equity securities; possible correlation with traditional investments; idle cash; currency risk; suspension of trading; leverage.**

The Sprott Alternative Income Fund is offered on a private placement basis pursuant to an offering memorandum and is only available to investors who meet certain eligibility or minimum purchase amount requirements under applicable securities legislation. The offering memorandum contains important information about the Fund including its investment objective and strategies, purchase options, applicable management fees, performance fees, other charges and expenses, and should be read carefully before investing. Performance data represents past performance of the Fund and is not indicative of future performance. Data based on performance history of less than five years may not give prospective investors enough information to base investment decisions on. Please contact your own personal advisor on your particular circumstance. This communication does not constitute an offer to sell or solicitation to purchase securities of the Fund. 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.