

Global Equities, Real Estate and Infrastructure: Sprott Focused Team Update

May 2017

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Senior Vice President &
Senior Portfolio Manager



SPROTT
ASSET MANAGEMENT

AGENDA

- **Sprott Focused Team**
- **2017 Market Risks**
- **2017 Market Outlook**
- **Focused Business Investing**
- **Portfolio Overviews**

SPROTT FOCUSED TEAM

SPROTT FOCUSED TEAM



Dennis Mitchell
Senior Vice President
Senior Portfolio Manager
Global Equities
17 Years Experience



Chris Couprie
Associate Portfolio Manager
Global Equities
(Real Estate, Financials, Consumer, Healthcare)
15 Years Experience



Jeff Sayer
Associate Portfolio Manager
Global Equities
(Technology, Telecom, Industrials)
16 Years Experience

2017 MARKET RISKS

US FISCAL STIMULUS

House GOP Tax Plan

Tax Cuts		Tax Hikes	
Business			
Allow Full Expensing	-\$2,236	Disallow Interest Deduction	\$1,194
Corporate Rate Cut	-\$1,807	Border Adjustability	\$1,069
Pass-Through Rate Cut	-\$515	Miscellaneous	\$701
Move To Territorial Tax System	-\$160	Repealed Repatriation	\$185
<i>Subtotal</i>	-\$4,723	<i>Subtotal</i>	\$3,149
Individual			
Personal Tax Rate Cuts	-\$1,754	Eliminate Most Deductions	\$2,435
Investment Income Changes	-\$609		
Eliminate AMT	-\$354		
Repeal Estate & Gift Taxes	-\$241		
Miscellaneous	-\$127		
<i>Subtotal</i>	-\$3,285	<i>Subtotal</i>	\$2,435
Total Tax Cuts	-\$8,003	Total Tax Hikes	\$5,584

Sources: Tax Foundation and Cornerstone Macro. These figures are over ten years on a static basis.

EUROPEAN ELECTIONS

oe Open Europe 2017 Political Calendar					
January	February	March	April	May	June
Supreme court Article 50 verdict	3 EU 27 meeting	9-10 European Council	23 French Presidential election first round	4 Mayoral and Local elections in Britain	11 & 18 French legislative elections
Council of EU Presidency Malta	12 German Presidential election	15 Netherlands election		7 French Presidential election second round	22-23 European Council
		31 UK Article 50 deadline		13 Eurovision final	
July	August	September	October	November	December
7-8 G20	Have a break from politics	German parliamentary election	19-20 European Council		11-14 WTO
Council of EU Presidency Estonia					14-15 European Council

Source: Open Europe

FUND FLOWS

Net fund flows to global equities, \$mn

	Wk % AUM	YTD
Total Equities	0.2%	121,615
long-only funds	0.0%	-45,274
ETFs	0.7%	166,879
Total EM	0.2%	17,651
Brazil	-0.9%	1,225
Russia	-0.6%	87
India	0.4%	1,878
China	-0.1%	-4,311
Total DM	0.2%	103,964
US	0.3%	28,219
Europe	0.2%	7,380
Japan	0.2%	22,689
International	0.1%	42,811

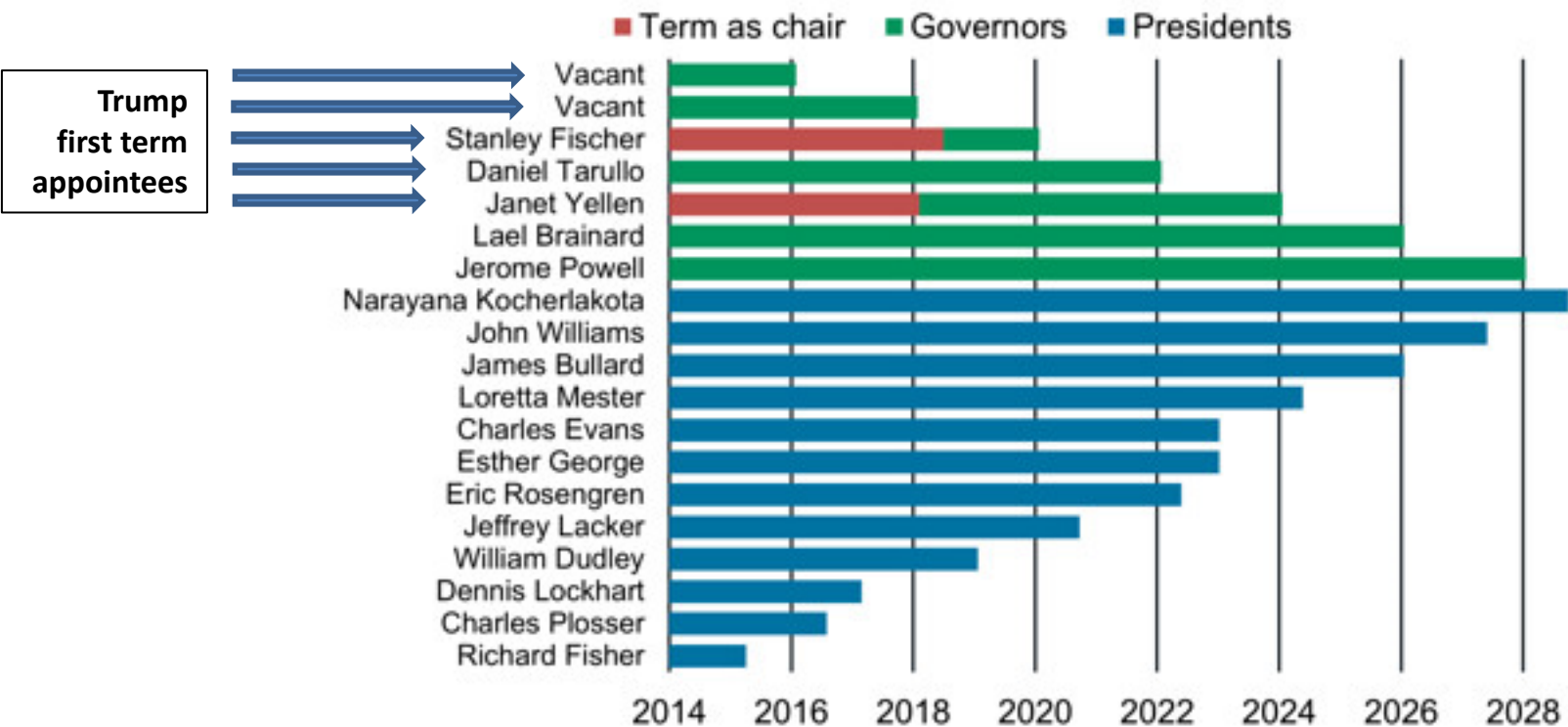
Total Equities = Total EM + Total DM

Source: BofA Merrill Lynch Global Investment Strategy, EPFR Global

FEDERAL RESERVE

FOMC: A Committee With Long Tenures

Years until term expires for governors or mandatory retirement is reached for presidents



Source: Federal Reserve, WSJ.com

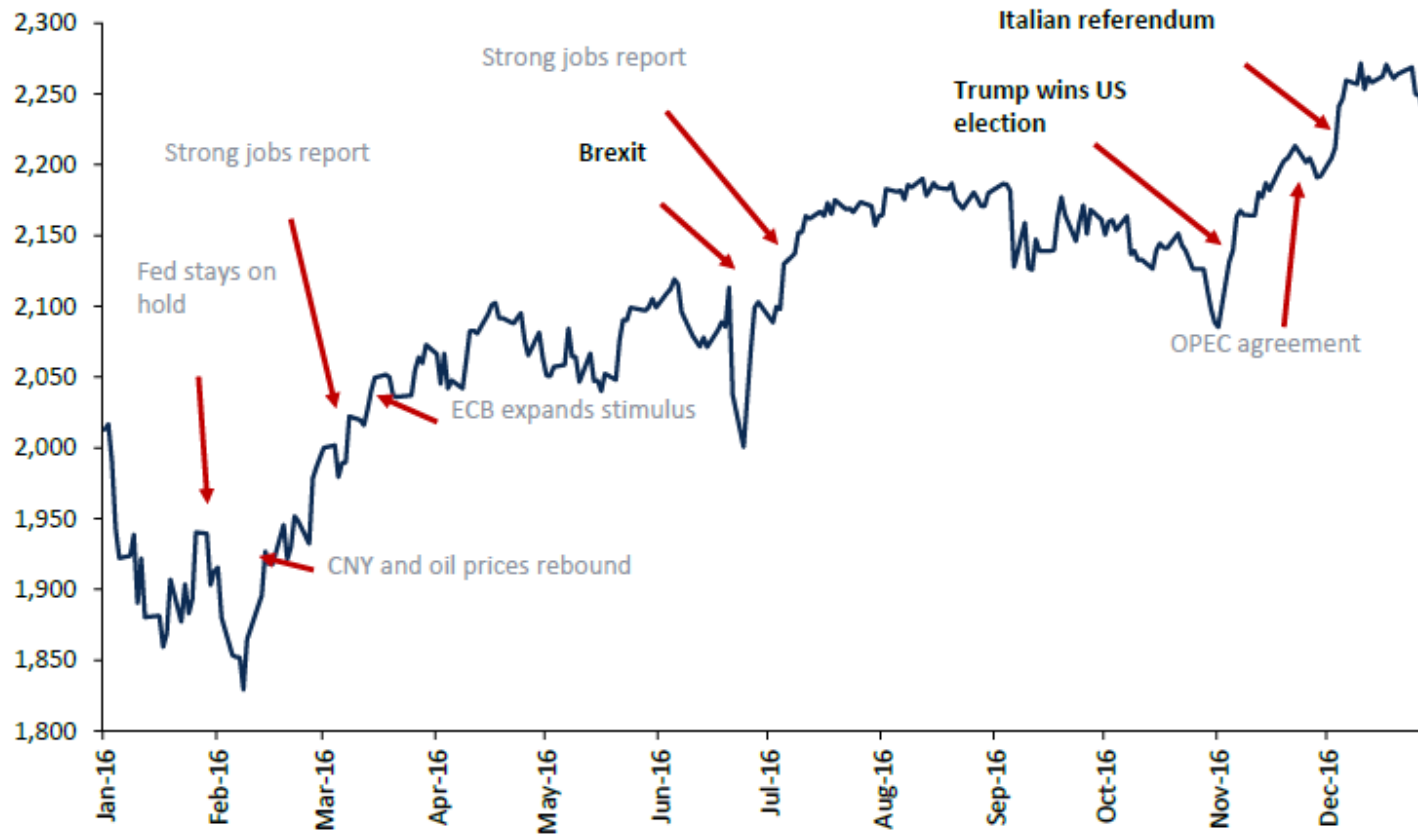
SOMETHING ELSE

- **Major terrorist attack**
- **North Korea and/or Iran**
- **Russia**
- **Trade wars**
- **Populism**

2017 MARKET OUTLOOK

2017 MARKET OUTLOOK

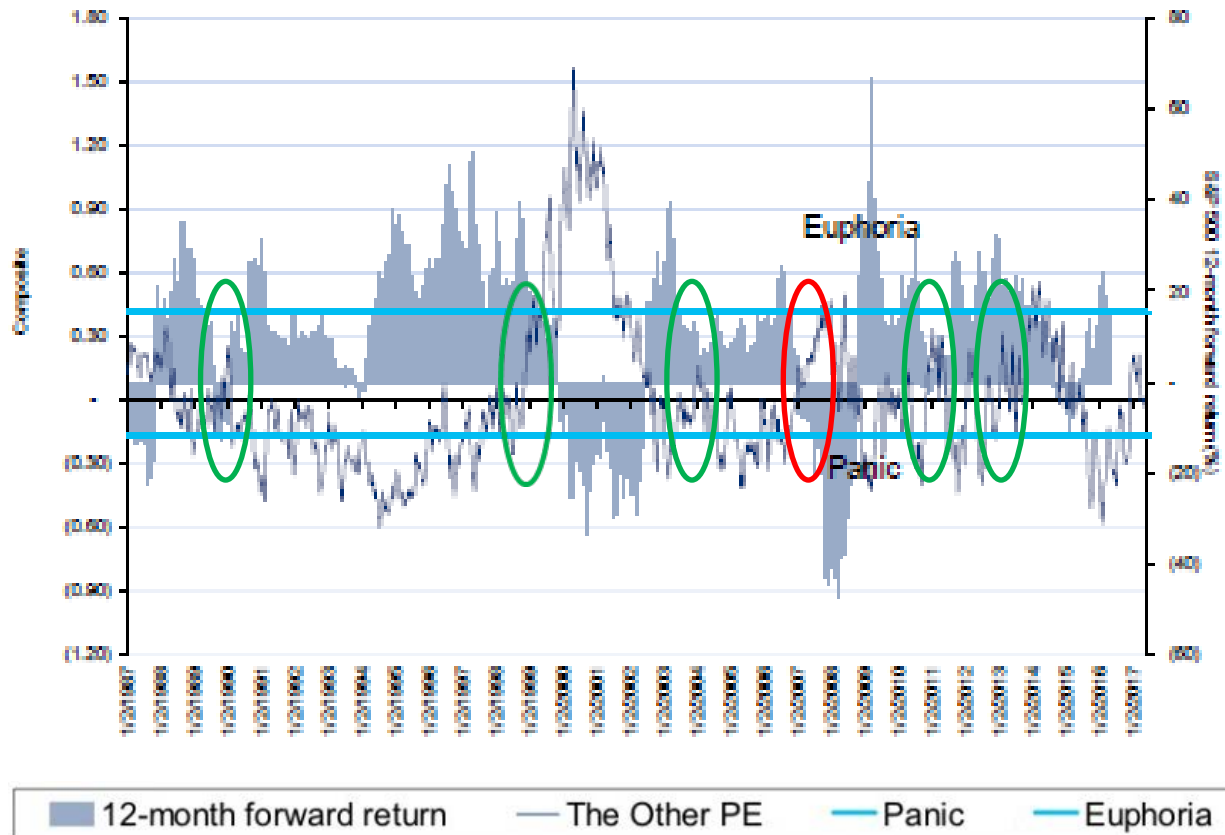
Annotated Chart of the S&P 500 Index in 2016



Source: Bloomberg, BofA Merrill Lynch US Equity & US Quant Strategy

2017 MARKET OUTLOOK

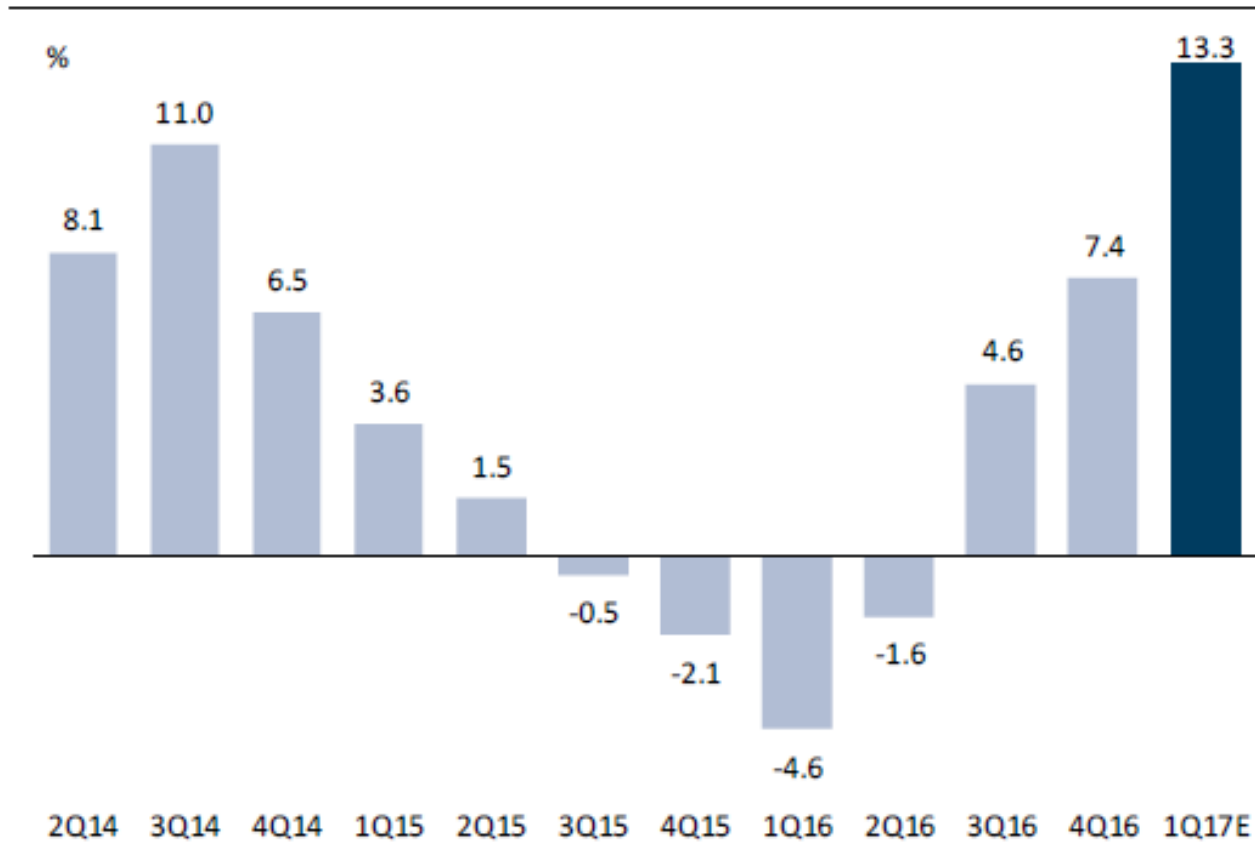
The Panic/Eurphoria Model (Other PE)



Source: Haver Analytics, FactSet and Citit Research – US Equity Strategy

2017 MARKET OUTLOOK

S&P 500 EPS Growth

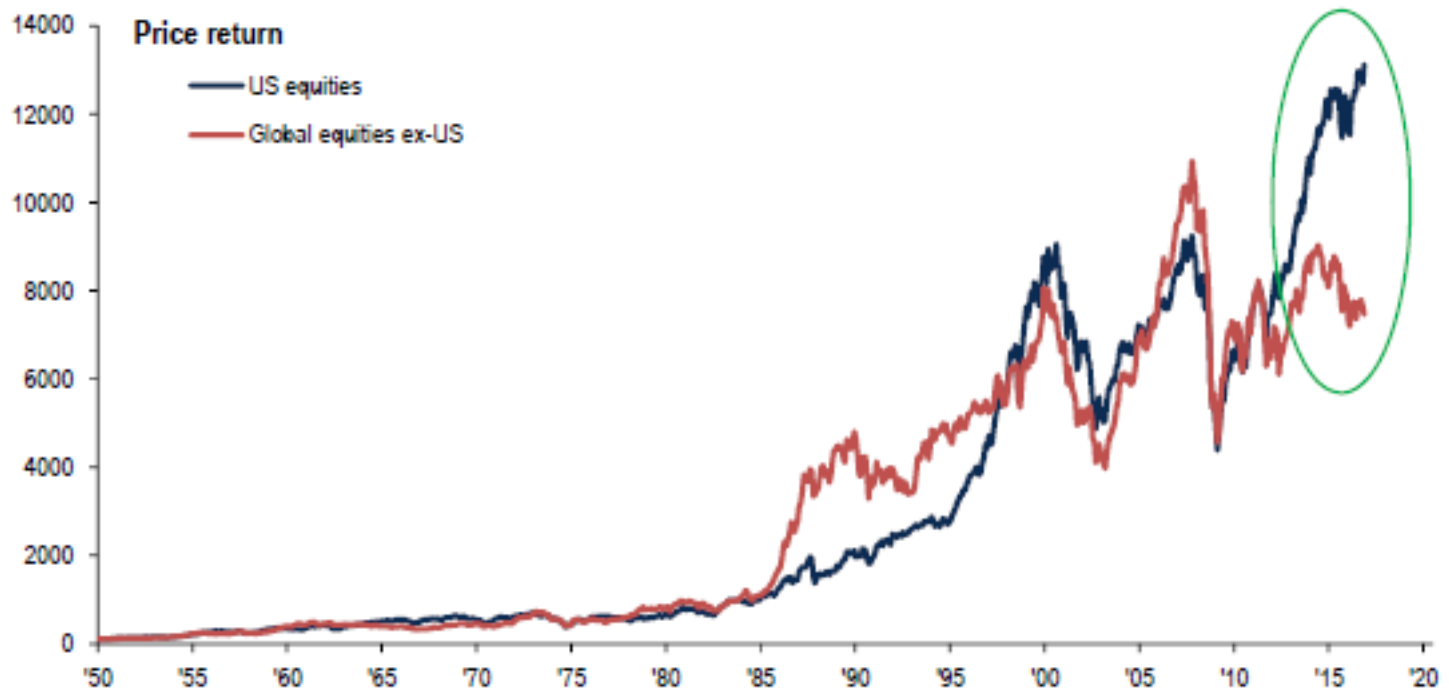


Note: Actual reports and consensus expectations for unreported companies; YoY growth of current constituents

Source: S&P, Compustat, Thomson Financial, FactSet, and RBC Capital Markets

2017 MARKET OUTLOOK

US vs Global ex-US Equities



Source: Bank of America Merrill Lynch Global Research

2017 MARKET OUTLOOK

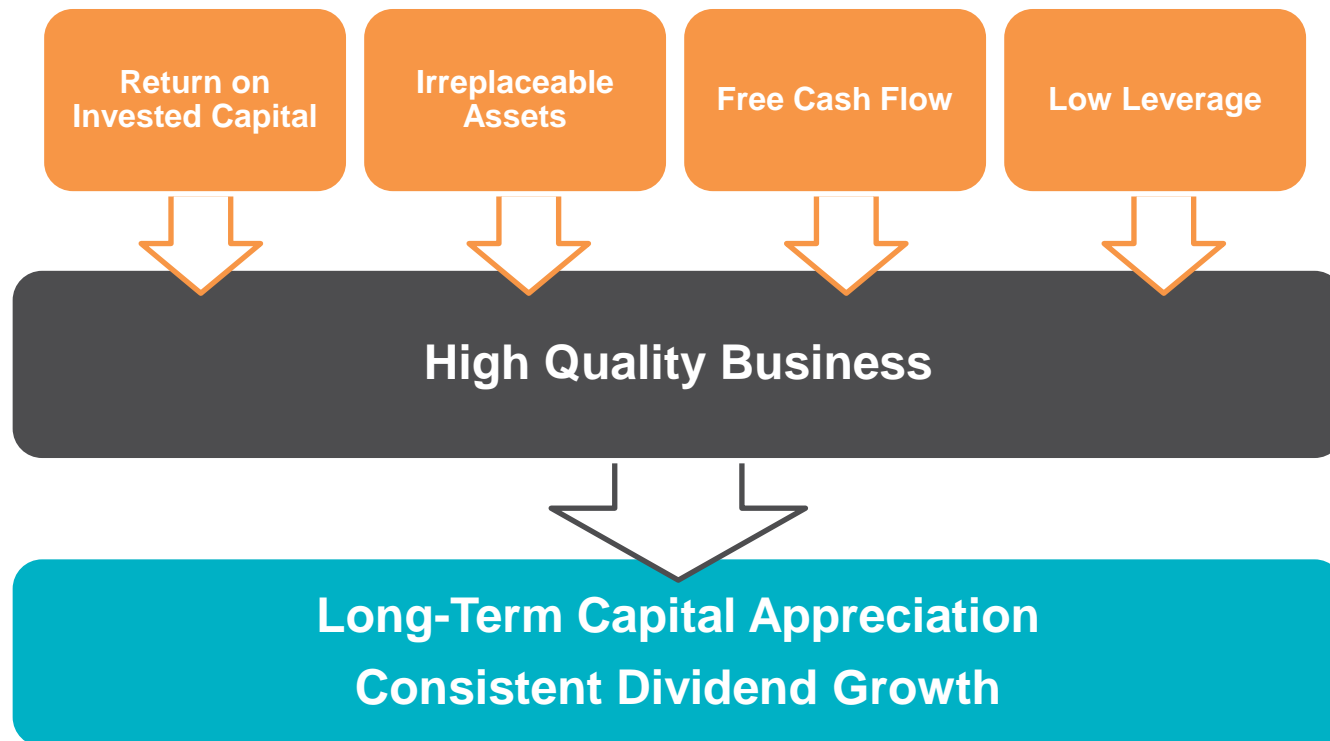
Global “value” plays vs US “growth” plays



Source: Bank of America Merrill Lynch Global Research

FOCUSED BUSINESS INVESTING

FOCUSED BUSINESS INVESTING



Investing in a **focused** manner in high quality businesses.

SELL DISCIPLINE

- **We are wrong (it happens)**
- **The world changes**
- **Management lies to us**
- **Investment is fully valued**
- **Find something better**

PORTFOLIO OVERVIEWS

FUND DETAILS As at April 28, 2017

Sprott Focused Global Dividend Class

Sector Allocations as % of net asset value

Sector	Fund	Benchmark*	Difference
Consumer Discretionary	15.9	12.5	3.3
Consumer Staples	1.3	9.7	-8.4
Energy	--	5.9	-5.9
Financials	17.0	17.8	-0.9
Health Care	12.5	12.3	0.2
Indices	-0.2	--	-0.2
Industrials	21.9	12.0	9.9
Information Technology	17.7	15.7	2.1
Materials	--	5.0	-5.0
Real Estate	2.5	2.8	-0.3
Telecommunication Services	4.5	3.0	1.4
Utilities	--	3.2	-3.2
Cash	7.6	0.1	7.5

Geographic Allocations as % of net asset value

	Fund
United States	59.1
United Kingdom	9.5
Switzerland	7.7
Canada	7.6
France	7.2
Germany	2.0

Top Ten Equity Positions

Affiliated Managers Group
Allergan Plc
Alphabet Inc.
Cineworld Group Plc
Comcast Corp.
Macquarie Infrastructure Corp.
Mastercard Inc.
Unitedhealth Group Inc.
Valeo SA
Visa Inc.

TOTAL: 38.3% of portfolio weight

Total Names in Portfolio	35
# Dividend Increase	27
Average Dividend Increase	26.3%
Median Dividend Increase	15.8%

Source: Factset

*Benchmark is MSCI World Index. Indices are computed by Sprott Asset Management based on publically available index information.

FUND DETAILS As at April 28, 2017

Sprott Focused US Dividend Class

Sector Allocations as % of net asset value

Sector	Fund	Benchmark*	Difference
Consumer Discretionary	8.7	12.4	-3.7
Consumer Staples	--	9.3	-9.3
Energy	--	5.7	-5.7
Financials	16.3	14.6	1.7
Health Care	11.3	14.0	-2.7
Industrials	22.2	11.0	11.2
Information Technology	19.5	22.5	-3.0
Materials	--	2.8	-2.8
Real Estate	5.4	2.2	3.1
Telecommunication Services	--	2.3	-2.3
Utilities	--	3.2	-3.2
Cash	17.0	0.0	17.0

Geographic Allocations as % of net asset value

	Fund
United States	71.7
Canada	8.7
United Kingdom	3.0

Top Ten Equity Positions

Allergan Plc
Alphabet Inc.
Brookfield Asset Management Inc.
Comcast Corp.
Fedex Corporation
Macquarie Infrastructure Corp
Mastercard Inc
Unitedhealth Group Inc.
Visa Inc.
Western Digital Corp.

TOTAL: 40.3% of portfolio weight

Total Names in Portfolio	25
# Dividend Increase	21
Average Dividend Increase	29.5%
Median Dividend Increase	16.2%

Source: Factset

*Benchmark is S&P 500. Indices are computed by Sprott Asset Management based on publically available index information.

FUND DETAILS As at April 28, 2017

Sprott Global Real Estate Fund

Sector Allocations as % of net asset value

Sector	Fund	Benchmark*	Difference
Asset Management & Custody Banks	3.8	--	3.8
Diversified Real Estate Activities	--	9.5	-9.5
Diversified Reits	6.9	10.9	-4.0
Health Care Facilities	--	0.2	-0.2
Health Care Reits	--	7.6	-7.6
Hotel & Resort Reits	--	3.7	-3.7
Hotels Resorts & Cruise Lines	--	0.1	-0.1
Industrial Reits	2.9	6.9	-4.0
Office Reits	15.8	12.1	3.7
Real Estate Development	--	2.0	-2.0
Real Estate Operating Companies	18.0	7.7	10.3
Residential Reits	9.1	10.8	-1.7
Retail Reits	23.1	22.1	1.0
Specialized Reits	11.4	6.4	5.1
Cash	9.4	0.0	9.3

Geographic Allocations as % of net asset value

	Fund
United States	35.2
Canada	25.4
France	10.9
Italy	4.3
Ireland	4.1
Luxembourg	3.4
Spain	3.4
Finland	2.8
Singapore	1.5

Source: Factset

*Benchmark is FTSE EPRA/NAREIT Developed Index. Indices are computed by Sprott Asset Management based on publically available index information.

Top Ten Equity Positions

Aroundtown Property Holdings Plc
Brookfield Asset Management Inc.
City Office REIT, Inc.
First Capital Realty Inc.
GGP, Inc.
Green REIT Plc
H&R Real Estate Investment Trust
Immobiliare Grande Distribuzione SIIQ S.p.A.
Klepierre SA
QTS Realty Trust, Inc.

TOTAL: 38.7% of portfolio weight

Total Names in Portfolio	29
# Dividend Increase	23
Average Dividend Increase	21.4%
Median Dividend Increase	8.0%

FUND DETAILS As at April 28, 2017

Sprott Global Infrastructure Fund

Sector Allocations as % of net asset value

Sector	Fund	Benchmark*	Difference
Consumer Discretionary	3.6	--	3.6
Energy	12.0	16.9	-4.9
Financials	3.0	--	3.0
Industrials	35.0	42.7	-7.7
Information Technology	12.4	--	12.4
Real Estate	8.0	--	8.0
Telecommunication Services	4.7	--	4.7
Utilities	14.9	39.9	-25.0
Cash	6.8	0.1	6.6

Geographic Allocations as % of net asset value

	Fund
United States	41.8
Canada	26.2
France	8.7
Spain	4.1
Italy	3.7
Switzerland	2.7
United Kingdom	2.5
Germany	2.0
Australia	2.0

Source: Factset

*Benchmark is S&P Global Infrastructure Index. Indices are computed by Sprott Asset Management based on publically available index information.

Top Ten Equity Positions

Alphabet Inc.
Atlantia S.p.A
Comcast Corporation
Emera Inc
Enbridge Inc.
Ferrovial, S.A.
Fortis Inc.
Macquarie Infrastructure Corporation
QTS Realty Trust, Inc.
SUEZ SA

TOTAL: 36.2% of portfolio weight

Total Names in Portfolio	32
# Dividend Increase	29
Average Dividend Increase	16.1%
Median Dividend Increase	11.0%

SPROTT FOCUSED FUNDS FAMILY

	Sprott Focused US Dividend Class	Sprott Focused US Balanced Class	Sprott Focused Global Dividend Class	Sprott Focused Global Balanced Class	Sprott Global Real Estate Fund	Sprott Global Infrastructure Fund
CIFSC Category	US Equity	Global Neutral Balanced	Global Equity	Global Neutral Balanced	Real Estate Equity	Global Infrastructure Equity
US weighting	90% - 100%	90% - 100%	20% - 80%	20% - 80%	0% to 100%	0% to 100%
Bond weighting	0%	20% - 50%	0%	20% - 50%	0%	0%
Distribution Yield	3.5%	3.5%	3.5%	3.5%	4.5% T6 Series available	4.5%
# of Positions	25 - 45 equities	25 - 45 equities + Sprott Diversified Bond Fund	25 - 45 equities	25 - 45 equities + Sprott Diversified Bond Fund	20 - 35 positions	20 - 35 positions

Differentiated investment management in an attractive suite of funds.

STAY

FOCUSED

FOCUSED BUSINESS INVESTING

	Series A		Series F	Series P	Series PF	Series Q	Series QF	Series T	Series FT
	FE	LL	NL	FE	NL	FE	NL		
Sprott Focused US Dividend Class	SPR 170	SPR 169	SPR 172	SPR 174	SPR 175	SPR 176	SPR 177		
Sprott Focused US Balanced Class	SPR 180	SPR 178	SPR 182	SPR 184	SPR 185	SPR 186	SPR 187		
Sprott Focused Global Dividend Class	SPR 135	SPR 129	SPR 137	SPR 139	SPR 141	SPR 140	SPR 142		
Sprott Focused Global Balanced Class	SPR 143	SPR 128	SPR 145	SPR 147	SPR 148	SPR 149	SPR 150		
Sprott Global Real Estate Fund	SPR 131	SPR 134	SPR 132					SPR 120	SPR 116
Sprott Global Infrastructure Fund	SPR 355	SPR 358	SPR 356						

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