SIMPLIFIED PROSPECTUS

May 30, 2016

Offering Series A, Series F and Series I Units (unless otherwise indicated)

SPROTT CANADIAN EQUITY FUND
SPROTT DIVERSIFIED BOND FUND ***(Series T, Series FT, Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT Units also available)***
SPROTT GOLD AND PRECIOUS MINERALS FUND
SPROTT ENERGY FUND
SPROTT SHORT-TERM BOND FUND
SPROTT SMALL CAP EQUITY FUND
SPROTT TACTICAL BALANCED FUND ***(Series T, Series FT and Series D Units also available)***

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The Funds and the securities of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registrations.

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INTRODUCTION

In this document, “we”, “us”, “our” or “the Manager” refers to Sprott Asset Management LP, the manager and portfolio manager to Sprott Canadian Equity Fund, Sprott Diversified Bond Fund, Sprott Gold and Precious Minerals Fund, Sprott Energy Fund, Sprott Short-Term Bond Fund, Sprott Small Cap Equity Fund and Sprott Tactical Balanced Fund (collectively, the “Funds” and each, a “Fund”).

All of our mutual funds, including classes of shares of Sprott Corporate Class Inc. (the “Corporation”) and individual mutual fund trusts, offered under separate simplified prospectuses, along with the Funds offered herein, are collectively referred to as the “Sprott mutual funds”. A reference in this document to “you” refers to an investor who invests in the Funds. When you invest in a Fund or another Sprott mutual fund established as a trust, you are buying trust units. When you invest in a Sprott mutual fund that is a separate class of shares of the Corporation (offered under separate simplified prospectuses), you are buying mutual fund shares in the Corporation. We refer to both units and shares as “securities” in this Simplified Prospectus.

Each of the Funds offers three series of units: Series A, Series F and Series I. Series A units are available to all investors. Series F units are designed for investors who participate in fee-based programs. Series I units are special purpose units generally available only to institutional investors or as determined by the Manager on a case-by-case basis. Generally, an investor in Series I units negotiates a separate fee that will be paid directly to the Manager by the investor. Each of Sprott Diversified Bond Fund and Sprott Tactical Balanced Fund also offers Series T and Series FT units. Series T units are intended for investors who seek monthly distributions at a target annual distribution rate consisting of net income, capital gains and/or return of capital. Series FT units are designed for investors who participate in fee based programs and who seek monthly distributions at a target annual distribution rate consisting of net income, capital gains and/or return of capital. In addition, Sprott Diversified Bond Fund offers (i) Series P, Series PT, Series PF and Series PFT units which are lower management versions of Series A, Series T, Series F and Series FT units, respectively, of the Fund and are available to an investor, discretionary accounts of an advisor or a “household group” holding in aggregate at least a $1 million investment in the Fund; and (ii) Series Q, Series QT, Series QF and Series QFT units which are lower management fee versions of Series A, Series T, Series F and Series FT units, respectively, of the Fund and are available to an investor, discretionary accounts of an advisor or a “household group” holding in aggregate at least a $5 million investment in the Fund. For the definition of “household group” please refer to page 10. In addition, Sprott Tactical Balanced Fund offers Series D units. Series D units are available exclusively to members of the member societies that make up the Federation of National Specialty Societies of Canada (“FNSSC”), and any other persons as determined in accordance with the referral agreement between us and FNSSC.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. This document is divided into two parts:

- pages 1 to 25 contain general information applicable to the Funds; and
- pages 26 to 54 contain specific information about the Funds described in this document.

Additional information about the Funds is available in the following documents: Annual Information Form, the most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial report of the Funds filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”) and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents upon request, and at no charge, by calling toll-free at 1-866-299-9906, or from your investment advisor directly, or via email at invest@sprott.com, or from our website at www.sprott.com.

These documents and other information about the Funds are also available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money of many individuals who have similar investment goals, and invests it in a variety of securities in an effort to achieve a specific investment objective over time. Individuals who contribute money become unitholders of the mutual fund. Where a mutual fund issues more than one series, unitholders share in the mutual fund's income, expenses and the gains and losses allocated to the unitholders' series generally in proportion to the units of that series they own. The value of an investment in a mutual fund is realized upon redeeming units held. Mutual funds are managed by professional money managers who invest on behalf of the whole group.

Mutual funds are available in many varieties that are designed to meet the differing needs of investors. A fund may own different types of investments such as stocks, bonds, cash, derivatives or any combination of these investments, depending upon its investment objectives.

Mutual funds can also invest in the securities of other mutual funds, which are then referred to as *underlying funds*. How much a mutual fund invests in underlying funds, and the types of underlying funds it invests in, may vary. Investing in underlying funds allows the Manager to pool assets in a manner that is often more efficient for investors. Some of the underlying funds, in turn, invest in debt securities, equity securities, both of them, cash and/or money market instruments.

What are the Risks of Investing in a Mutual Fund?

Every individual has a different tolerance for risk. Some investors are more conservative than others. It is important to evaluate your personal tolerance for risk, as well as the amount of risk suitable for your financial goals and time horizon when making investment decisions. The risks associated with investing in a mutual fund depend on the assets and securities in which the mutual fund invests, based upon the mutual fund's particular objectives.

Investors should take into account that the value of these investments will change from day to day, reflecting changes in interest rates, exchange rates, economic conditions, market, and company news. As a result, the value of a mutual fund's units may go up or down, and the value of your investment in a mutual fund may be worth more or less upon redemption than when the units were first purchased.

The full amount of your original investment in a Fund is not guaranteed. Unlike bank accounts or GICs, mutual funds are not insured under the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Redemptions for all Series of Units" on page 14 for more information.

General Investment Risks

Listed below are some risks that can affect the value of an investment in a mutual fund. Since Sprott Tactical Balanced Fund invests in underlying funds, the risks of investing in this Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds, which the Fund takes on in proportion to its investment in the underlying funds.

To find out which of these risks apply to an investment in each of the Funds, please refer to "What are the Risks of Investing in the Fund?" under each individual fund profile starting on page 29.

Capital depletion risk

Series T, Series FT, Series PT, Series PFT, Series QT and Series QFT units are designed to provide a cash flow to investors based on a target annual distribution rate. Where this cash flow exceeds the net income and net realized capital gains attributable to that series, it will include a return of capital. A return of capital means the cash flow given back to you is generally money that you originally invested in a Fund, as opposed to the returns generated by the investment. This distribution to you should not be confused with "yield" or "income". Returns of capital that are not reinvested will reduce the total net asset value of the particular series of a Fund. As well, returns of capital reduce the total assets of a Fund available for investment, which may reduce the ability of the Fund to generate future income. You should not draw any conclusions about a Fund's performance from the amount of this distribution.

Commodity risk
Mutual funds that invest in commodities such as gold, silver and other precious minerals will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time, including as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity and changes in interest rates and currency values. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Direct purchases of bullion may generate higher transaction and custody costs than other types of investments, which may impact the performance of a mutual fund. Bullion does not generate an income stream if held in an allocated, segregated account and not leased. Since mutual funds will not lease their bullion, they will not receive any income. They will only realize gains on their investment in bullion to the extent that they sell the bullion at a gain.

Concentration risk
Some mutual funds concentrate their investment holdings in specialized industries, market sectors, asset classes or in a limited number of issuers. Investments in these mutual funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, asset class or issuer could significantly and adversely affect the overall performance of the entire mutual fund.

Credit risk
Mutual funds that invest in fixed-income securities are subject to credit risk. Issuers of debt securities promise to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that such issuers will not pay that obligation. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed-income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk.

Currency risk
The net asset value of the Funds is calculated in Canadian dollars. Most foreign investments and investments in commodities are purchased in currencies other than the Canadian dollar. As a result, the value of those investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. The value of foreign denominated investments within a Fund may be worth more or less depending on changes in foreign exchange rates.

Derivatives risk
A derivative is a contract between two parties whose value is "derived" from the value of an underlying asset, such as a stock, bond or a market index. Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes –to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Some common examples of a derivative are an option contract, a futures contract, a forward contract and a swap.

Although derivatives may be used by mutual funds to seek to minimize risk, derivatives still have risks associated with their use and do not guarantee a gain or loss. Some examples of risks associated with the use of derivatives are as follows:

- hedging strategies may not be effective;
- a market may not exist when the fund wants to close out its position in a derivative;
- the fund may experience a loss if the other party to a derivative is unable to fulfil its obligations;
- the derivative may not perform the way the manager expects it to perform, causing the fund to lose value; and

- costs of the derivative contracts with counterparties could rise.

Exchange traded funds risk
The Funds may invest in exchange traded funds ("ETFs") that seek to provide returns similar to an underlying benchmark, such as particular market indices or industry sector indices. These ETFs may not achieve the same returns as their benchmark indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the operating and administrative expenses of the ETF. As well, the Funds have obtained relief from the Canadian securities regulators so that they may invest in certain ETFs that utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of that benchmark. Units of such ETFs are highly speculative, involve a high degree of risk and are subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark. The Funds have also obtained relief from the Canadian securities regulators so that they may invest in certain ETFs that seek to replicate the price of gold and silver (including by either a multiple or inverse multiple as described above). These ETFs will be subject to the risk described above under "Commodity risk".

Foreign investment risk
Mutual funds that invest in securities of foreign issuers will be affected by world economic factors. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, mutual fund prices may fluctuate to a greater degree by investing in foreign equities than if the funds limited their investments to Canadian securities.

Inflation risk
Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of an investor's money over time. Managing inflation risks involves a diversified mix of investments with emphasis on equity securities, which have historically out-performed all other types of investments over the long-term.

Interest rate risk
Interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. This value will generally rise if interest rates fall and fall if interest rates rise. Therefore, values of mutual funds which invest in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

Liquidity risk
Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which a mutual fund holds may be illiquid, as they may be difficult to sell. For example, securities of small companies may be less known and may not be traded regularly. In addition, in volatile markets, securities that are generally liquid (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

Market risk
The value of equity securities will change based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are made.

Regulatory risk
Regulatory risk is the potential revenue impact on a company due to laws, regulation and policies of regulatory agencies. Governmental or regulatory permits and approvals may be required to proceed with planned projects. Any delay or failure in achieving the required permits or approvals would reduce the company's growth prospects.

Securities lending, repurchase and reverse repurchase transactions risk
Mutual funds may enter into securities lending, repurchase or reverse repurchase transactions as permitted by securities legislation. Securities lending is an agreement whereby a mutual fund lends securities through an authorized agent for a fee in exchange for collateral, and can demand the return of the securities at any time. Under

a repurchase transaction, a mutual fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which a mutual fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- a mutual fund must hold collateral equal to no less than 102% of the value of the securities sold, loaned or cash paid (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);

- the collateral to be held may consist of cash, qualified securities or securities that can be immediately converted into securities sold or loaned; and

- repurchase transactions and securities lending agreements are limited to 50% of the net asset value of the fund. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

Series risk
The Funds are available in more than one series of units. Each series has its own fees and expenses which the Funds track separately. If a Fund cannot pay the expenses of one series using that series' proportionate share of the assets of a Fund, the Fund will have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of those other series.

A Fund may issue additional series without notice to or approval of unitholders. The creation of additional series could indirectly result in a mitigation of this risk by creating a larger pool of assets for the Fund to draw from.

Short selling risk
A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for a Fund. Securities sold short may instead appreciate in value creating a loss for a Fund. A Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a Fund has borrowed securities may go bankrupt and a Fund may lose the collateral it has deposited with the lender. The Funds will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by a Fund to 5% of the net asset value of the Fund and the total market value of all securities sold short by a Fund to 20% of the net asset value of the Fund. The Funds will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

Small capitalization natural resource company risk
A portion of a Fund's portfolio may be invested in securities of small capitalization natural resource companies. The business models for these companies involve significant risks including the entire loss of the investment in the company. These companies can also provide significant returns if their exploration properties hold reserves which can be brought into production. Small capitalization natural resource companies typically have limited production,

markets and financial resources. They are less able to sustain adverse competitive and market changes. Other risk factors include changes in resource prices, environmental regulations and possible claims on their resource properties.

Small company risk
Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market for their securities. They generally do not have as many shares trading in the market, so it could be difficult for a Fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

Substantial unitholder risk
A single investor (including a Sprott mutual fund) may buy or sell large amounts of units of a Fund. As a result, the Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets.

Tax risk
There can be no assurance that the tax laws applicable to the Funds, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could adversely affect the Funds or the Funds' unitholders. Furthermore, there can be no assurance that the Canada Revenue Agency ("CRA") will agree with the Manager's characterization of the gains and losses of the Funds as capital gains and losses or ordinary income and losses in specific circumstances. If any transactions of the Funds are reported by it on capital account but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and in the taxable distributions made by the Fund to unitholders, with the result that unitholders could be reassessed by the CRA to increase their taxable income.

If a Fund experiences a "loss restriction event," it (i) will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's taxable income at such time to securityholders so that the Fund is not liable for income tax on such amounts), and (ii) will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Income Tax Act (Canada) (the "Tax Act"), with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally a person is deemed not to become a majority interest beneficiary, and a group of persons is deemed not to become a majority interest group of beneficiaries, of a Fund if the Fund meets certain investment requirement and qualifies as an "investment fund" under the rules.

Uninsured losses risk
The Sub-Custodians and the Sub-Subcustodians may hold physical custody of the bullion of the Funds. Each of the Sub-Custodians and the Sub-Subcustodians is obliged to maintain satisfactory insurance against all risks except those beyond their control, such as the risk of war, nuclear incident or government confiscation.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

Manager Sprott Asset Management LP Royal Bank Plaza, South Tower 200 Bay Street, Suite 2700, P.O. Box 27 Toronto, Ontario M5J 2J1 Tel: 416-943-6707 Fax: 416-943-6497 Email: invest@sprott.com Website: www.sprott.com Toll Free: 1-866-299-9906	Sprott Asset Management LP acts as the manager to the Funds and is responsible for the day-to-day operations of the Funds including accounting and administration for units of the Funds.
Portfolio Manager Sprott Asset Management LP Toronto, Ontario	The Portfolio Manager conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio securities of the Funds.
Trustee RBC Investor Services Trust Toronto, Ontario	The Funds are organized as trusts. The Trustee holds title to the securities owned by the Funds on behalf of unitholders. The Trustee and Manager have exclusive authority over the assets and affairs of the Funds and have a fiduciary responsibility to act in the best interest of unitholders.

Custodian RBC Investor Services Trust Toronto, Ontario	The Custodian holds the Funds' cash and assets on behalf of the Funds and is responsible for ensuring that they are safe and secure. The Custodian is only responsible for the Funds' assets that are directly held by it, its affiliates or appointed sub-custodians. The Custodian has entered into a sub-custodian agreement with the Bank of Nova Scotia ("BNS") for storage and handling of bullion for Sprott Canadian Equity Fund, Sprott Gold and Precious Minerals Fund, Sprott Small Cap Equity Fund and Sprott Tactical Balanced Fund. The sub-custodian agreement permits BNS to utilize Brinks Company or its subsidiaries or affiliates and/or Via Mat International Ltd. or its subsidiaries or affiliates as sub-subcustodians of the Funds (each a "Sub-Custodian to BNS") in order to hold some or all of the Funds' bullion. The Sub-Custodians to the Mint include Brink's Global Services International Inc., Dillion Cage Inc., Loomis AB and their affiliates. The Custodian expects to terminate its existing sub-custodial arrangements with BNS by mid-2016 and, as such, will enter into a sub-custodian agreement with the Royal Bank of Canada ("RBC" and together with BNS, the "Sub-Custodians") for storage and handling of bullion for Sprott Canadian Equity Fund, Sprott Gold and Precious Minerals Fund, Sprott Small Cap Equity Fund and Sprott Tactical Balanced Fund. RBC will also appoint the Royal Canadian Mint (the "Mint") as sub-custodian to RBC and, due to physical storage capacity constraints at the Mint, the Mint may appoint sub-subcustodians ("Sub-Custodians to the Mint", and together with the Mint and the Sub-Custodians to BNS, the "Sub-Subcustodians") to hold physical custody of the Funds' bullion. The Manager anticipates effective mid-2016, all physical bullion owned by the Funds will be stored in the vault facilities of either the Mint located in Canada or the applicable sub-custodian to the Mint located in Canada, the United States, the United Kingdom, Germany, Switzerland, China (including Hong Kong), India or Singapore, on a fully allocated and segregated basis.
Recordkeeper RBC Investor Services Trust Toronto, Ontario	The Recordkeeper keeps a register of the owners of units for the Funds, processes purchase, switch, reclassification and redemption orders, issues investor account statements and issues annual tax reporting information.
Auditors KPMG LLP Toronto, Ontario	The Auditors annually audit the financial statements of the Funds to determine whether they fairly present, in all material respects, the Funds' financial position, results of operations and changes in net assets in accordance with applicable generally accepted accounting principles. KPMG LLP is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario. If a decision is ever made to change auditors of a Fund,

	investors in the Fund will not be asked to approve this change; however, we will provide investors with at least 60 days written notice before the effective date of the change in auditors.
Independent Review Committee ("IRC")	The mandate of the IRC is to review conflict of interest matters referred to it by us in respect of the Sprott mutual funds. Each member of the IRC is independent of us and any party related to us. The IRC is currently composed of three members. The IRC will prepare, at least annually, a report of its activities for investors. This report will be available on our website at www.sprott.com or you may request a copy, at no cost to you, by contacting us at invest@sprott.com. Additional information about the IRC, including the names of the members, is available in the Annual Information Form.
Securities Lending Agent RBC Investor Services Trust Toronto, Ontario	The securities lending agent acts as agent for securities lending transactions for the Funds. The securities lending agent is independent of the Manager.

Fund of Funds
A Fund (the "Top Fund") may invest in other mutual funds, including mutual funds managed by us (the "underlying funds"). Where we are the manager of both a Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, we may arrange for such securities to be voted by the beneficial unitholders of the applicable Top Fund.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS

Each Fund is permitted to issue an unlimited number of series of units and may issue an unlimited number of units of each series. Each of the Funds has created Series A, Series F and Series I units. Sprott Diversified Bond Fund and Sprott Tactical Balanced Fund have also created Series T and Series FT units and Sprott Diversified Bond Fund has also created Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT units. In addition, Sprott Tactical Balanced Fund has created Series D units. Your dealer is responsible to recommend the series most suitable for you. We do not automatically switch your units into another series if you attain minimum investment amounts for a series.

Series A units: Available to all investors.

Series T units: Available to all investors. Series T units are designed to provide cash flow to investors by making monthly distributions of cash. Series T units will make monthly distributions of an amount comprised of a return of capital, net income and/or capital gains on the last business day of each month. The composition of the monthly distributions as among net income, return of capital and/or capital gains may vary from month to month. The fixed monthly distribution amount for Series T will be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Series T unit as at December 31 of the prior year. We reserve the right to adjust the distribution amount if deemed appropriate. There can be no assurance that the series will make any distributions in any particular month or months. **A return of capital means the cash flow given back to you is generally money that you originally invested in a Fund, as opposed to the returns generated by the investment.** Additional distributions of net income and net realized capital gains, if any are required, will be made annually in December. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 36 and "Sprott Tactical Balanced Fund – Distribution Policy" on page 53.

Series F units: Available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us. You may only buy Series F units if we and your broker, dealer or advisor approve the order first.

Series FT units: Other than the distribution policy, Series FT units of a Fund have the same features as Series F units of the same Fund. The distribution policy of Series FT units of a Fund is the same as that of Series T units of the same Fund. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 36 and "Sprott Tactical Balanced Fund – Distribution Policy" on page 53.

Series I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

Series P units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $1 million investment in the Sprott Diversified Bond Fund and whose dealer has signed a Series P Agreement with us.

Series PT units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $1 million investment in the Sprott Diversified Bond Fund and whose dealer has signed a Series P Agreement with us. The distribution policy of Series PT units is the same as that of Series T units of the same Fund. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 34.

Series PF units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $1 million investment in the Sprott Diversified Bond Fund and who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us and whose dealer has signed a Series P Agreement with us. You may only buy Series PF units if we and your broker, dealer or advisor approve the order first.

Series PFT units: Other than the distribution policy, Series PFT units of the Sprott Diversified Bond Fund have the same features as Series PF units of the same Fund. The distribution policy of Series PFT units is the same as that of Series PT units of the same Fund. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 34.

Series Q units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $5 million investment in the Sprott Diversified Bond Fund and whose dealer has signed a Series Q Agreement with us.

Series QT units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $5 million investment in the Sprott Diversified Bond Fund and whose dealer has signed a Series Q Agreement with us. The distribution policy of Series QT units is the same as that of Series T units of the same Fund. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 34.

Series QF units: Available to an investor, discretionary accounts of an advisor or a "household group", holding in aggregate at least a $5 million investment in the Sprott Diversified Bond Fund and who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us and whose dealer has signed a Series Q Agreement with us. You may only buy Series QF units if we and your broker, dealer or advisor approve the order first.

Series QFT units: Other than the distribution policy, Series QFT units of the Sprott Diversified Bond Fund have the same features as Series QF units of the same Fund. The distribution policy of Series QFT units is the same as that of Series QT units of the same Fund. For more details, see "Sprott Diversified Bond Fund – Distribution Policy" on page 34.

Series D units: Available to members of the member societies that make up the FNSSC, and any other persons as determined in accordance with the referral agreement between us and FNSSC ("Members"). We may redeem an investor's units if the investor is no longer a Member, or if we become aware that the investor is not a Member. Please see "Redemptions for all Series of Units" on page 14 for more details.

For the purposes of Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT units, a "household group" consists of members of the same family residing at the same residence plus corporate, partnership or trust entities over which those family members have voting control (over 50%). In order to form a "household group", we require instructions from your dealer and each account in the "household group" must be maintained with the same dealer.

Although the money which you and other investors pay to purchase units of any series of a Fund is tracked on a series-by-series basis in the applicable Fund's administrative records, the assets of all series of the Fund are combined in a single pool to create one portfolio for investment purposes.

The Funds are available in each of the provinces and territories of Canada. You may purchase, switch, reclassify or redeem units of a Fund by contacting your investment advisor.

The minimum initial investment in Series A, Series T, Series F, Series FT or Series D units of any of the Funds is \$1,000. The minimum initial investment in Series P, Series PT, Series PF and Series PFT units of the Sprott Diversified Bond Fund is \$1 million by an investor, discretionary accounts of an advisor or a "household group". The minimum initial investment in Series Q, Series QT, Series QF and Series QFT units of the Sprott Diversified Bond Fund is \$5 million by an investor, discretionary accounts of an advisor or a "household group". The minimum subsequent investment in each series of units of each Fund is \$25. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager.

You must include payment with your purchase order. Purchase orders which are deposited with a dealer will be forwarded by the dealer to the Recordkeeper on the same day on which the purchase order is received, or if received after 4:00 p.m. (Eastern time), on the next business day. The dealer must send an investor's purchase order by courier, priority post or telecommunications facility *without charge to the investor*.

We have the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order. The payment received with a rejected order will be refunded immediately.

No certificates are issued for units purchased, but an investor receives, following each purchase of units, a written statement indicating all relevant details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit applied to the purchase order and the number of units purchased.

The purchase, switch, reclassification or redemption price of a unit of a Fund is the net asset value per unit of a series prevailing at the time of purchase, switch, reclassification or redemption. The net asset value per unit (or unit price) for each series of units of a Fund is based on the market value of the series' proportionate share of the assets of the Fund, less the proportionate share of the common expenses allocated to that series and less any expenses attributable to that series, divided by the total number of units of that series outstanding. The unit price for a Fund is calculated at the end of each business day.

All requests for any purchases, switches, reclassifications or redemptions of the applicable series of units in a Fund must be received by the Recordkeeper prior to 4:00 p.m. (Eastern time) on a regular business day in Toronto in order to receive that business day's unit price for that series, which is calculated as of the close of business on that day. If your request is received after 4:00 p.m. (Eastern time) or on a day that is not a regular business day in Toronto, the unit price applied to your request will be determined as of the close of business on the following regular business day in Toronto. You and your advisor are responsible for the completeness and accuracy of your order. Orders will only be processed if complete.

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of either a purchase or redemption of the applicable series of units of a Fund where such dealer has the contractual right to do so.

The Funds are valued in Canadian dollars and can be purchased in Canadian dollars. Further information on the calculation of the net asset value of a Fund is described in the Fund's Annual Information Form. Please see page 1 to find out how to obtain a copy.

Please note that for units that are purchased, redeemed, switched or reclassified through registered dealers approved by us, investors may be required to pay different fees and expenses. Please see "Fees and Expenses" on page 16 and "Dealer Compensation" on page 20.

Purchases of Series A, Series T, Series P, Series PT, Series Q and Series QT Units

Series A units of the Funds, Series T units of Sprott Diversified Bond Fund and Sprott Tactical Balanced Fund and Series P, Series PT, Series Q and Series QT units of Sprott Diversified Bond Fund are available under the following purchase options as indicated:

Initial Sales Charge Option

Under the Initial Sales Charge Option, investors may pay a fee of:

- between 0% and 5.0% of the value of the units purchased to the dealer at the time of purchase for units of each of the Funds (except for Sprott Short-Term Bond Fund); and

- between 0% and 2.0% of the value of the units purchased to the dealer at the time of purchase for units of Sprott Short-Term Bond Fund.

Series A units of Sprott Short-Term Bond Fund are only available under the Initial Sales Charge Option.

Low Load Option

Under the Low Load Option, investors pay no fees at the time of purchase, but the Manager pays a fee of:

- 3% of the value of the units purchased to the dealer at the time of purchase for each of the Funds (except for Sprott Diversified Bond Fund); and

- 2.5% of the value of the units purchased to the dealer at the time of purchase of Sprott Diversified Bond Fund.

Under the Low Load Option investors may be subject to a deferred sales charge payable to the Manager. Please see "Fees and Expenses" on page 16 and "Dealer Compensation" on page 20.

For Series P and Series PT units, your dealer must have signed a Series P Agreement with us in respect of your account. For Series Q and Series QT units, your dealer must have signed a Series Q Agreement with us in respect of your account. If you cease to be eligible to hold Series P, Series PT, Series Q or Series QT units of a Fund we may switch your units into another series of units of the same Fund for which you are eligible under the same sales charge option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units.

Purchases of Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT Units

Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT units are available to (i) investors who participate in fee-based programs with dealers who have signed a Series F Agreement with us, (ii) investors for whom we do not incur any distribution costs, or (iii) individual investors approved by us. In fee-based programs, instead of paying sales charges or other charges on the purchase or redemption of Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT units, investors pay their dealer ongoing fees for investment management or financial planning advice. We don't pay any sales commissions or trailer fees to dealers who sell Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT units.

For Series PF and Series PFT units, your dealer must have signed a Series P Agreement with us in respect of your account. For Series QF and Series QFT units, your dealer must have signed a Series Q Agreement with us in respect of your account.

If you cease to be eligible to hold Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT units of a Fund, we may switch your units into another series of units of the same Fund for which you are eligible, including under the Initial Sales Charge Option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units.

Purchases of Series I Units

Series I units are available to institutional investors or to other investors on a case-by-case basis, all at our discretion. If you cease to be eligible to hold Series I units, we may reclassify your Series I units into another series of units of the same Fund for which you are eligible under the Initial Sales Charge Option after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units.

Purchases of Series D Units

Series D units of Sprott Tactical Balanced Fund are available to Members. No fees are paid to the dealer at the time of purchase for Series D units of Sprott Tactical Balanced Fund. We may reclassify an investor's Series D units to Series A units if the investor is no longer a Member, or if we become aware that the investor is not a Member upon 30 days' after notice to the investor.

Switches between Sprott mutual funds

You may, at any time, switch all or part of your investment in a series of units of a Fund to securities of another Sprott mutual fund of the same series and the same purchase option, provided that the series of securities you wish to switch to is offered by that other Sprott mutual fund.

If you wish to switch all or part of your investment in Series A units of a Fund, Series T units of Sprott Diversified Bond Fund or Sprott Tactical Balanced Fund or Series P, Series PT, Series Q or Series QT units of Sprott Diversified Bond Fund that were purchased under the Low Load Option to a series of another Sprott mutual fund that is not available under the Low Load Option, you will be charged the amount of the applicable deferred sales charge at the time of such switch. You may request a switch of your series of units by contacting your registered broker or dealer. A switch is a redemption of units of a Fund and a purchase of securities of another Sprott mutual fund, resulting in a taxable disposition of the units switched. Accordingly, you will realize a capital gain or loss on the switch transaction. Please see "Income Tax Considerations for Investors" on page 23.

If you switch Series A units of a Fund, Series T units of Sprott Diversified Bond Fund or Sprott Tactical Balanced Fund or Series P, Series PT, Series Q or Series QT units of Sprott Diversified Bond Fund purchased under the Low Load Option into the same series of securities of another Sprott mutual fund available under the Low Load Option, for purposes of the Low Load Option, the original purchase date and price of the original series of units will continue to apply.

When you switch securities of any series of a Sprott mutual fund (other than Sprott Short-Term Bond Fund), your registered dealer may charge you a switch fee of up to 2.0% of the net asset value of the securities switched. This fee is negotiated with and paid to your dealer. There is no switch fee charged when you switch units of any series of Sprott Short-Term Bond Fund.

Upon a switch of your series of units, the number of securities you hold will change since each series of securities of a Sprott mutual fund has a different unit price.

Reclassification between Series of a Fund

You may, at any time, reclassify all or part of your investment in one series of a Fund to another series of the same Fund, provided that you are eligible to invest in the series of units that you are reclassifying into. If you wish to reclassify all or part of your investment in Series A units of a Fund, Series T units of Sprott Diversified Bond Fund or Sprott Tactical Balanced Fund or Series P, Series PT, Series Q or Series QT units of Sprott Diversified Bond Fund that were purchased under the Low Load Option to a series of the Fund that is not available under the Low Load Option, you will be charged the amount of the applicable deferred sales charge at the time of such reclassification. If you wish to reclassify all or part of your investment in Series F, Series FT, Series PF, Series PFT, Series QF, Series QFT, Series I or Series D units of a Fund into Series A, Series T, Series P, Series PT, Series Q or Series QT units of the same Fund, you can choose the Initial Sales Charge Option or the Low Load Option. If you choose the Low Load Option, the new series of units issued to you will be subject to a deferred sales charge. A reclassification between series of units of a Fund will not be considered a disposition for tax purposes and, accordingly, provided there is no redemption of units in order to pay the deferred sales charges, you will not realize a capital gain or loss. Please see "Income Tax Considerations for Investors" on page 23. You may request a reclassification of your series of units by contacting your registered broker or dealer.

When you reclassify units of a series of a Fund (other than Sprott Short-Term Bond Fund), your registered dealer may charge you a fee of up to 2.0% of the net asset value of the units reclassified. This fee is negotiated with and paid to your dealer. There is no fee charged when you reclassify units of Sprott Short-Term Bond Fund.

Upon a reclassification of your series of units, the number of units you hold will change since each series of units of a Sprott mutual fund has a different unit price. If you cease to satisfy the criteria for holding Series F, Series FT, Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF, Series QFT or Series I units of a Fund (as applicable), we may reclassify such series of units held by you into the series of the same Fund with the closest features to that series for which you are eligible, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units. We have the right, upon 30 days' written notice to the investor, to reclassify Series D units to Series A units of Sprott Tactical Balanced Fund owned by an investor if the investor ceases to be a Member, or if we become aware that the investor is not a Member.

Redemptions for all Series of Units

You may redeem your units of a Fund by completing a redemption request and depositing it with your registered dealer approved by us. We may require that an investor's signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to our satisfaction. A redemption request received by the Recordkeeper before 4:00 p.m. (Eastern time) on a regular business day will receive the net asset value per unit for the applicable series of units established as of the close of business on that day. A redemption request received by the Recordkeeper after 4:00 p.m. (Eastern time) or on a day which is not a regular business day in Toronto, Ontario, will receive the net asset value per unit for the applicable series of units established as of the close of business on the next regular business day. A dealer which receives a redemption request is required to transmit the redemption request to the Recordkeeper *without charge to the investor* and where practicable, by courier, priority post or telecommunications facility.

Please note that in certain circumstances under the Low Load Option, you may be required to pay a deferred sales charge if you redeem units. Please refer to "Fees and expenses payable directly by you" on page 18 for details.

The Recordkeeper will pay redemption proceeds within three business days after the receipt of your order, provided the written request for redemption submitted to your registered dealer is complete and your registered dealer has provided correct settlement instructions to the Recordkeeper.

We have the right, upon 30 days' written notice to the investor, to redeem units of a Fund owned by an investor if the value of those units is less than $1,000. An investor may prevent the automatic redemption by purchasing additional units of the Fund to increase the value of the units to an amount equal to or greater than $1,000 before the end of the 30-day notice period. Applicable deferred sales charges are payable on such automatic redemptions.

Under extraordinary circumstances, the rights of investors to redeem units of a Fund may be suspended. This would most likely occur if normal trading is suspended in the market, within or outside Canada, which represents more than 50% by value, or underlying market exposure, of the total assets of the Fund (without any allowance for liabilities) and if the assets of the Fund cannot be traded in any other market that represents a reasonably practical alternative for the Fund. The Manager may also suspend the redemption of units of a Fund with the consent of any securities commission or regulatory body having jurisdiction.

Short-Term Trading

Short-term trading in units of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

We have adopted certain restrictions to deter short-term trading. For example, we may restrict your purchases if you engage in such short-term trading. Our restrictions also include charging a fee, as follows:

- of up to 1.5% of the net asset value of the units of the Funds (except for Sprott Short-Term Bond Fund) that are redeemed within 20 days of purchasing or switching them[1]; and

- no short-term trading fees are imposed for the redemption of units of Sprott Short-Term Bond Fund.

These fees are payable to the relevant Fund. They are in addition to any deferred sales charges that may apply and will reduce the amount otherwise payable to you on the redemption.

The short-term trading fee will not be charged:

(i) for a redemption of units acquired through automatic reinvestment of all distributions of net income or capital gains by a Fund;

(ii) for a redemption of units in connection with a failed settlement of a purchase of units;

(iii) as a result of switching between the Sprott mutual funds;

(iv) as a result of reclassifying units of a Fund from one series into another series of the same Fund;

(v) for a redemption of units by another investment fund or investment product approved by us;

(vi) for a redemption of units as a result of regular payments made from registered retirement income funds and locked-in retirement income funds; or

(vii) in the absolute discretion of the Manager.

For purposes of the short-term trading fee, units will be considered to be redeemed on a first-in first-out basis.

While these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Please see "Short-Term Trading Fee" under "Fees and Expenses Payable Directly by You" on page 19.

OPTIONAL SERVICES

Pre-authorized Chequing Plan

Each series of each Fund offers an automatic investment plan to allow investors to make regular bi-weekly, monthly, quarterly, semi-annual or annual purchases of units. The minimum initial investment in Series A, Series T, Series F, Series FT or Series D units of any of the Funds is $1,000. The minimum initial investment in Series P, Series PT, Series PF and Series PFT units of the Sprott Diversified Bond Fund is $1 million by an investor, discretionary accounts of an advisor or a "household group". The minimum initial investment in Series Q, Series QT, Series QF and Series QFT units of the Sprott Diversified Bond Fund is $5 million by an investor, discretionary accounts of an advisor or a "household group". The minimum amount of each subsequent bi-weekly, monthly, quarterly, semi-annual or annual purchase in each Fund is $25. An investor may change the dollar amount of his or her investment, the frequency of payment or discontinue the plan by giving prior written notice to his or her registered dealer.

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[1] Until May 31, 2016, a short-term trading fee of up to: 2.0% of the net asset value of the units of the Funds (except for Sprott Canadian Equity Fund, Sprott Tactical Balanced Fund, Sprott Diversified Bond Fund and Sprott Short-Term Bond Fund) that are redeemed within 90 days of purchasing or switching them; 2.0% of the net asset value of the units of Sprott Canadian Equity Fund that are redeemed within 30 days of purchasing or switching them; 2.0% of the net asset value of the units of Sprott Tactical Balanced Fund that are redeemed within 60 days of purchasing or switching them; and 1.5% of the net asset value of the units of Sprott Diversified Bond Fund that are redeemed within 60 days of purchasing or switching them, may be charged.

Averaging the Cost of Your Investments
Making regular investments through our pre-authorized chequing plan can reduce the cost of investing, through a technique called dollar cost averaging. Investing equal amounts of money at regular intervals on an ongoing basis ensures that an investor buys fewer units when prices are high and more units when prices are low. Over time, this can mean a lower average cost per unit than by making one lump sum purchase.

Registered Tax Plans
Units of the Funds are qualified investments under the Tax Act for registered tax plans (as defined below). We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds, locked-in retirement income funds (LRIFs), locked-in retirement accounts and tax-free savings accounts (TFSAs). Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult with their tax advisers as to whether units of the Funds would be prohibited investments under the Tax Act in their particular circumstances. Investors should consult their tax advisers for full particulars of the tax implications of establishing, amending and terminating registered tax plans.

FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, and as a result will reduce the value of your investment in a particular Fund. Your approval will be obtained if: (i) any change is made in the basis of calculation of a fee or expense charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, in a way that could result in an increase in charges to the Fund or the series of the Fund or you; or (ii) a fee or expense is introduced which is charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, that could result in an increase in charges to the Fund, a series or you. However, in each case, if the change is a result of a change made by a third party at arm's length to the Fund or if applicable securities laws do not require the approval of investors to be obtained, we will not obtain your approval before making the change. If required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

<table>
<tr><th colspan="2">Fees and Expenses Payable by the Funds</th></tr>
<tr><td>Management Fees</td><td>Each Fund pays the Manager an annual management fee. Management fees are unique to each series of each Fund and are subject to applicable taxes including HST. The management fee is calculated and accrued daily and is paid on the last day of each month based on the daily net asset value of each Fund. The management fee for Series I units of each Fund is negotiated by the investor and paid directly by the investor, and would not exceed the management fee payable on Series A units of the Fund.

In exchange for management fees, the Manager provides certain services to the Funds, including, but not limited to:

• the day-to-day management of the Funds' business and affairs
• directing, or arranging for, the investment of the Funds' property
• developing applicable investment policies, practices, fundamental investment objectives and investment strategies including any investment restrictions
• receiving, accepting and rejecting subscriptions of securities of the Funds and setting minimum initial and subsequent subscription amounts
• offering securities of the Funds for sale and determining the fees in connection with the distribution of securities including sales commissions, redemption fees, distribution fees and transfer fees
• authorizing all contractual arrangements relating to the Funds, including appointing the Funds' auditors, banker, recordkeeper, registrar, transfer agent and custodian
• establishing general matters of policy and establishing committees and advisory boards</td></tr>
</table>

	• preparing, or arranging for, the preparation and filing of a simplified prospectus, Fund Facts documents, continuous disclosure documents, financial statements, income tax returns and forms of financial and accounting information required by the Funds To encourage large purchases in a Fund and to achieve effective management and/or incentive fees that are competitive for these investments, we may reduce the management fee and/or incentive fee payable by a Fund (a "management fee reduction") with respect to a particular investor. These fees may be reduced based on a number of factors including the type of investor or value of units held by an investor (eg. generally $5,000,000) or purchased during a specified period. The amount of the reduction is negotiated with the investor. Investors who receive the benefit of a management fee reduction with the Manager will receive a proportionately larger distribution from a Fund (a "fee distribution") so that those investors will receive the benefit of the lower fee. Fee distributions are paid first out of net income and net realized capital gains, and thereafter out of capital. All fee distributions are reinvested in additional units unless otherwise requested.
Operating Expenses	Each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees, taxes, audit and legal fees, member fees of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisers engaged by the IRC), safekeeping, trustee and custodial fees, interest expenses, operating, administrative and systems costs (including overhead expenses of the Manager that are related to daily fund operating functions such as employee salaries, rent and utilities), investor servicing costs and costs of financial and other reports to investors, as well as prospectuses and fund facts. Operating expenses and other costs of a Fund are subject to applicable taxes including HST. Each Sprott investment fund pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chairman, is paid, as compensation for his services, $30,000 (plus HST) per annum. The Chairman is paid $35,000 (plus HST) per annum.
Incentive Fee[1]	Each Fund, except Sprott Short-Term Bond Fund, Sprott Tactical Balanced Fund and Sprott Diversified Bond Fund, pays us annually an incentive fee, subject to applicable taxes including HST, equal to a percentage of the daily net asset value of the applicable series of the Fund. Such percentage will be equal to 10% of the difference by which the return in the net asset value per unit of the applicable series of the Funds from January 1 to December 31 exceeds the percentage return of the applicable index (or any successor index to such index) as indicated below, for the same period. Sprott Canadian Equity Fund — S&P/TSX Composite Total Return Index Sprott Gold and Precious Minerals Fund — S&P/TSX Global Gold Total Return Index Sprott Energy Fund — S&P/TSX Capped Energy Total Return Index Sprott Small Cap Equity Fund — S&P/TSX SmallCap Total Return Index The S&P/TSX Composite Total Return Index is based on stocks that make up the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested

	in the stocks in proportion to their index weights. The S&P/TSX Global Gold Total Return Index is based on the performance of selected gold and precious minerals stocks, including stocks of companies that are not incorporated in Canada and do not trade on the Toronto Stock Exchange, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights. The S&P/TSX Capped Energy Total Return Index is based on a subset of the stocks that make up the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights. The S&P/TSX SmallCap Total Return Index represents the small cap universe for Canada. It includes constituents of the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights, excluding members of the S&P/TSX 60 or the S&P/TSX MidCap. If the performance of a series of a Fund in any year is less than the performance of the applicable index (or any successor indices to such indices) described above (the "Return Deficiency"), then no incentive fee will be payable in any subsequent year until the performance of the applicable series on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Return Deficiency. We may reduce the incentive fee payable by a Fund with respect to a particular investor. Investors who receive the benefit of an incentive fee reduction with the Manager may receive a fee distribution from a Fund so that those investors receive the benefit of the lower incentive fee (see earlier discussion under "Management Fees"). Investors in Series I units may negotiate a different incentive fee than the one described above or no incentive fee at all. Although the Sprott Tactical Balanced Fund does not pay us an incentive fee directly, some of the underlying funds in which it invests are subject to an incentive fee, subject to applicable taxes including HST, as disclosed herein or in the simplified prospectus of such underlying fund.
Fund-of-funds Fees and Expenses	When a Top Fund, such as Sprott Tactical Balanced Fund, invests in an underlying fund, the underlying fund may pay a management and incentive fee and other expenses in addition to the fees and expenses payable by the Top Fund. However, the Top Fund will not pay a management or incentive fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Top Fund will not pay any sales charges or redemption fees for its purchase or redemption of units of any underlying fund that is a Sprott mutual fund, or that, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund. In addition, in calculating the management expense ratio ("MER") of each series of such a Fund, the proportional MER for the underlying funds in which the Fund invests, is included in the MER calculation.
Fees and Expenses Payable Directly by You	
Sales Charges	Under the Initial Sales Charge Option, a sales charge of 0-5.0% of the amount you invest may be charged if you purchase Series A, Series T, Series P, Series PT, Series Q or Series QT units of the Funds (except Sprott Short-Term Bond Fund). A sales charge of 0-2.0% of the amount you invest may be charged if you purchase Series A units of Sprott Short-Term Bond Fund under the Initial Sales Charge Option. You can negotiate these amounts with your dealer.
Switch/Reclassification Fees	A switch fee of 0-2.0% of the value of the units of the Funds you wish to switch or reclassify, as applicable, may be charged as negotiated with your dealer. There are no fees to switch or reclassify your units of Sprott Short-Term Bond Fund. If you reclassify Series A, Series T, Series P, Series PT, Series Q or Series QT units of

	a Fund that are subject to a deferred sales charge into a series of units of the Fund that is not subject to a deferred sales charge, you will be charged the amount of the applicable deferred sales charge at the time of such reclassification. See "Redemption Fees" below.
Redemption Fees	Under the Low Load Option, you pay a deferred sales charge at the following rates if you redeem your Series A, Series T, Series P, Series PT, Series Q or Series QT units of the Fund, purchased under the Low Load Option or switch or reclassify your units into another series of units of the Fund or securities of another Sprott mutual fund that is not subject to a deferred sales charge, during the time periods specified: First year: 3.00% Second Year: 2.75% Third Year: 2.50% Thereafter: Nil The deferred sales charge fee is based on the original purchase price of the Series A, Series T, Series P, Series PT, Series Q or Series QT units you are redeeming, switching or reclassifying. For purposes of this deferred sales charge, units will be considered to be redeemed on a first-in first-out basis. Otherwise there are no redemption fees payable upon the redemption of units of a Fund (subject to a short-term trading fee, when applicable).
Short-Term Trading Fee	We may impose a short-term trading fee payable by the unitholder to the relevant Fund of up to 1.5% of the aggregate net asset value of the units redeemed if such units are redeemed within 20 days of their date of purchase or switch for each of the Funds (except Sprott Short-Term Bond Fund).[2] We will not impose any short-term trading fees for the redemption of units of Sprott Short-Term Bond Fund. A short-term trading fee will not be charged (i) for a redemption of units acquired through automatic reinvestment of all distributions of net income or capital gains by a Fund; (ii) for a redemption of units in connection with a failed settlement of a purchase of units; (iii) as a result of switching between the Sprott mutual funds; (iv) as a result of reclassifying units of a Fund from one series into another series of the same Fund; (v) for a redemption of units by another investment fund or investment product approved by us; or (vi) for a redemption of units as a result of a regular payments made from RRIFs and LRIFs; or (vii) in the absolute discretion of the Manager. For purposes of this short-term trading fee, units will be considered to be redeemed on a first-in first-out basis. Short-term trading fees are payable in addition to any applicable deferred sales charges.
Pre-Authorized Chequing Plan	No fee is charged to open, close or administer an account.
Registered Tax Plan Fees	No fee is charged to open, close or administer a Sprott registered tax plan. However, for other registered tax plans holding other investments in addition to units of a Sprott mutual fund, an annual trustee fee may apply. Please consult your advisor regarding this fee.
Other Expenses	No other charges apply. If applicable, you may be subject to fees and expenses by your dealer.

1. The net asset value per unit includes all expenses and is calculated before income and capital gains are distributed. The incentive fee is calculated and accrued daily and paid annually on a calendar year basis.

2. Until May 31, 2016, we may impose a short-term trading fee of up to: 2.0% of the aggregate net asset value of the units redeemed if such units are redeemed within 90 days of their date of purchase or switch for each of the Funds (except Sprott Canadian Equity Fund, Sprott Tactical Balanced Fund, Sprott Diversified Bond Fund and Sprott Short-Term Bond Fund); 2.0% of the aggregate net asset value of the units redeemed if such units are redeemed within 30 days of their date of purchase or switch for Sprott Canadian Equity Fund; 2.0% of the aggregate net asset value of the units redeemed if such units are redeemed within 60 days of their date of purchase or switch for Sprott Tactical Balanced Fund; and 1.5% of the aggregate net asset value of the units redeemed if such units are redeemed within 60 days of their date of purchase or switch for Sprott Diversified Bond Fund.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of $1,000 in Series A, Series T, Series P, Series PT, Series Q or Series QT units of a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period. Sales charges may apply when you purchase or redeem Series A, Series T, Series P, Series PT, Series Q or Series QT units of a Fund (as applicable). These fees can be negotiated between you and the dealer. There are no sales charges payable on Series F, Series FT, Series PF, Series PFT, Series QF, Series QFT, Series I or Series D units of the Funds.

		At Time of Purchase	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Initial Sales Charge Option[1]	All Funds (except Sprott Short-Term Bond Fund) (Series A, Series T, Series P, Series PT, Series Q and Series QT)	$50[3]	Nil	Nil	Nil	Nil
	Sprott Short-Term Bond Fund (Series A)	$20[4]	Nil	Nil	Nil	Nil
Low Load Option[1, 2] (Series A, Series T, Series P, Series PT, Series Q and Series QT)		Nil	$30	$25	Nil	Nil

1 A short-term trading fee may be applicable if units of the Funds (except for Sprott Short-Term Bond Fund) are redeemed within a certain number of days of their date of purchase or switch. We will not impose any short-term trading fees for the redemption of units of Sprott Short-Term Bond Fund. See “Short-Term Trading Fee” in the chart on page 19.

2 Deferred sales charges under the Low Load Option may apply only if you redeem or reclassify your Series A, Series T, Series P, Series PT, Series Q or Series QT units of the Funds within three years of purchase. Deferred sales charges are shown under “Fees and Expenses”.

3 Assumes the maximum initial sales charge of 5.0% for Series A, Series T, Series P, Series PT, Series Q or Series QT units of a Fund for each $1,000 of investment in the Fund. The actual amount of the initial sales charge will be negotiated by you and your dealer.

4 Assumes the maximum initial sales charge of 2.0% of the investment in Series A units of Sprott Short-Term Bond Fund. The actual amount of the initial sales charge will be negotiated between you and your dealer.

DEALER COMPENSATION

Your dealer may receive two types of compensation – sales commissions and trailing commissions.

Sales Commission

Initial Sales Charge Option

For Series A, Series T, Series P, Series PT, Series Q and Series QT units of a Fund purchased under the Initial Sales Charge Option, the dealer which distributes such units may charge you a sales commission of:

- up to 5.0% ($50 for each $1,000 investment) of the value of the Series A, Series T, Series P, Series PT, Series Q and Series QT units of the Funds you purchased (except Sprott Short-Term Bond Fund); and

- up to 2.0% ($20 for each $1,000 investment) of the value of the Series A units of Sprott Short-Term Bond Fund you purchased.

Low Load Option

For Series A, Series T, Series P, Series PT, Series Q and Series QT units of a Fund purchased under the Low Load Option, we will pay your dealer a sales commission of:

- 3% ($30 for each $1,000 investment) of the value of the Series A or Series T units of the Funds you purchased (except Sprott Diversified Bond Fund); and

- 2.5% ($25 for each $1,000 investment) of the value of the Series A, Series T, Series P, Series PT, Series Q and Series QT units of Sprott Diversified Bond Fund you purchased, as applicable.

There are no sales commissions payable to your dealer for Series F, Series FT, Series PF, Series PFT, Series QF, Series QFT, Series D or Series I units of the Funds.

Trailing Commissions

Trailing commissions are paid by the Manager to dealers (including discount brokers) from management fees and are not paid by a Fund directly. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers.

Series A, T, P, PT, Q and QT Units – Initial Sales Charge Option

For Series A, Series T, Series P, Series PT, Series Q, and Series QT units of a Fund distributed under the Initial Sales Charge Option, a dealer that distributes such units may receive an annual trailing commission of:

- up to 1.00% ($10 for each $1,000 investment) of the value of Series A or Series T units of the Funds (except for Sprott Diversified Bond Fund and Sprott Short-Term Bond Fund) held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 1.00% of the value of Series A or Series T units of the Funds held by the dealer's clients (except for Sprott Diversified Bond Fund and Sprott Short-Term Bond Fund);

- up to 0.90% ($9.00 for each $1,000 investment) of the value of Series A, Series T, Series P, Series PT, Series Q, and Series QT units of Sprott Diversified Bond Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.90% of the value of Series A, Series T, Series P, Series PT, Series Q, and Series QT units of Sprott Diversified Bond Fund held by the dealer's clients; and

- up to 0.25% ($2.50 for each $1,000 investment) of the value of Series A units of Sprott Short-Term Bond Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.25% of the value of Series A units of Sprott Short-Term Bond Fund held by the dealer's clients.

Series A, T, P, PT, Q and QT Units – Low Load Option

For Series A, Series T, Series P, Series PT, Series Q and Series QT units of a Fund distributed under the Low Load Option, a dealer that distributes such units may receive an annual trailing commission of:

- up to 1.00% ($10 for each $1,000 investment) of the value of Series A or Series T units of the Funds (except for Sprott Diversified Bond Fund) held by the dealer's clients for more than one year. Payments are calculated and paid monthly at the rate of up to 1/12 of 1.00% of the value of Series A or Series T units of the Fund held for more than one year by the dealer's clients; and

- up to 0.35% ($3.50 for each $1,000 investment) of the value of Series A, Series T, Series P, Series PT, Series Q or Series QT units of Sprott Diversified Bond Fund held by the dealer's clients for three years or less and up to 0.90% ($9.00 for each $1,000 investment) of the value of the Series A, Series T, Series P, Series PT, Series Q or Series QT units held by the dealer's clients for more than three years. Payments are calculated and paid monthly at the rate of up to: (i) 1/12 of 0.35% of the value of Series A, Series T, Series P, Series PT, Series Q and Series QT units of Sprott Diversified Bond Fund held by the dealer's clients for three years or less; and (ii) 1/12 of 0.90% of the value of Series A, Series T, Series P, Series PT, Series Q and Series QT units of Sprott Diversified Bond Fund held by the dealer's clients for more than three years.

For Series D units of Sprott Tactical Balanced Fund, a dealer that distributes such units may receive an annual trailing commission of up to 0.85% ($8.50 for each $1,000 investment) of the value of the Series D units of Sprott Tactical Balanced Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.85% of the value of Series D units of Sprott Tactical Balanced Fund held by the dealer's clients.

Series I Units

For Series I units of the Funds, a dealer (including a discount broker) that distributes such units may receive an annual trailing commission based on a rate that is negotiated by the Manager and the dealer, which is:

- up to 1.00% ($10.00 for each $1,000 investment) of the value of Series I units of the Funds (except for Sprott Diversified Bond Fund and Sprott Short-Term Bond Fund) held by the dealer's clients;

- up to 0.90% ($9.00 for each $1,000 investment) of the value of Series I units of Sprott Diversified Bond Fund held by the dealer's clients; and

- up to 0.25% ($2.50 for each $1,000 investment) of the value of Series I units of Sprott Short-Term Bond Fund held by the dealer's clients.

Series F, FT, PF, PFT, QF or QFT Units

There is no trailing commission payable to your dealer (including a discount broker) by us in respect of Series F, Series FT, Series PF, Series PFT, Series QF or Series QFT units of the Funds. For Series F, Series FT, Series PF, Series PFT, Series QF and Series QFT units of the Funds, you pay a fee to your dealer for investment advice and other services.

Marketing Support Payments

We may from time to time pay permitted marketing and educational expenses of dealers. These include paying up to 50% of the costs of sales communications and investor seminars, up to 100% of the registration costs for financial advisors to attend third party educational conferences or seminars and up to 10% of the costs for dealers to hold educational seminars and conferences for their financial advisors.

We also pay for materials we give to dealers to help support their sales efforts. These materials include reports and commentaries on securities, the markets and the Funds. All of these payments will be made in compliance with applicable securities laws and regulations and will be paid by us and not the Funds.

Equity Interests

The general partner of Sprott Asset Management LP, the manager and portfolio manager of the Funds, is Sprott Asset Management GP Inc. Sprott Asset Management GP Inc. is a wholly-owned subsidiary of Sprott Inc. Sprott Inc. is the sole limited partner, and owns 99.99% of the issued and outstanding voting securities of Sprott Asset Management LP. Sprott Inc. also owns, directly or indirectly, 100% of the issued and outstanding securities of the general partner of Sprott Private Wealth LP, a dealer which may hold, sell and recommend securities of the Funds.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended December 31, 2015, the total cash compensation paid (sales commissions, trailing commissions and other kinds of dealer compensation such as marketing support payments) by us to dealers who distributed securities of the Sprott mutual funds represented approximately 31.4% in the aggregate of the total management fees of those Sprott mutual funds.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This summary assumes that you are an individual (other than a trust) and that you are resident in Canada and hold units of a Fund as capital property for the purposes of the Tax Act. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) ("Minister") prior to the date hereof and the published administrative practices and policies of the CRA. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in units, based on your own particular circumstances. This summary assumes that each Fund will qualify as a mutual fund trust under the Act effective at all material times.

For Units Held in a Registered Tax Plan

If units of a Fund are held in an RRSP, RRIF, deferred profit sharing plan, registered education savings plan (RESP), registered disability savings plan (RDSP) or TFSA (collectively, "registered tax plans"), distributions from the Fund and capital gains from a disposition of the units of the Fund are generally not subject to tax under the Tax Act until withdrawals are made from the registered tax plan (withdrawals from a TFSA are not subject to tax, and RESPs and RDSPs are subject to special rules).

Contributions

You should be careful not to contribute more to your registered tax plan than allowed under the Act or you may have to pay a penalty tax.

For Units Not Held in a Registered Tax Plan

If you hold units of a Fund outside of a registered tax plan, you must include in computing your income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or payable to you by the Fund in the year (including by way of a fee distribution), computed in Canadian dollars, whether you receive these distributions in cash or the amounts are reinvested in additional units. Gains and losses of a Fund from derivatives, short sales, and gold, precious metals and minerals will be treated on income account or capital account depending on the particular circumstances, including whether they are used for hedging or non-hedging purposes. A Fund may treat gains as a result of dispositions in gold and silver bullion as capital gains, depending on the circumstances. The CRA has expressed its opinion that gains (or losses) from transactions in commodities should generally be treated for tax purposes as ordinary income (or losses) rather than as capital gains (or losses), although treatment in each particular case remains to be determined having regard to all relevant circumstances. The Funds will generally treat gains and losses from trading in derivatives for hedging purposes in the same manner as the investments that such derivatives are used to hedge. For example, if derivatives are used to hedge investments treated on capital account, gains and losses from trading in such derivatives, generally, will also be treated as capital gains and losses. The CRA may not agree with the Funds position in this regard. If any transactions of the Funds are reported by it on capital account but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and in the taxable distributions made by the Fund to unitholders, with the result that unitholders could be reassessed by the CRA to increase their taxable income.

To the extent that a Fund so designates under the Act, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of the Fund paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character. An enhanced dividend tax credit is available for certain eligible dividends from Canadian corporations. To the extent that the distributions (including fee distributions) paid or payable to you by a Fund in a year exceed your share of the net income and net capital gains of the Fund allocated to you for the year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not generally be taxable to you in the year of receipt but will reduce the adjusted cost base of your units in the Fund. If the adjusted cost base of your units is reduced to less than zero you will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of your units will be increased to nil.

You will be taxed on distributions of income and capital gains by a Fund, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. This may be of particular relevance to you if you purchase units late in a calendar year or before a distribution date.

Each Fund's portfolio turnover rate indicates how actively the Fund's investment adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the chance that you will receive a distribution from the Fund that must be included in computing your income for tax purposes for the year.

Management fees paid directly to the Manager by holders of Series I units will not be deductible by those unitholders.

If you dispose of your units, whether by switching to units of another mutual fund managed by us, redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. The adjusted cost base of your units of a series is generally calculated by adding all your investments in that series (along with sales charges) and any reinvested distributions, and then subtracting any returns of capital and the adjusted cost base attributed to any previous redemptions. Generally, one-half of a capital gain must be included in your income as a taxable capital gain and one-half of a capital loss may be used to offset taxable capital gains in accordance with the provisions of the Act. A reclassification of one series of units of a Fund into another series of units of the same Fund will not, by itself, result in a disposition of the units being reclassified.

Capital gains and Canadian dividends may result in a liability for alternative minimum tax.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and receive your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about a Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

ADDITIONAL INFORMATION

Unitholder Tax Information

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”), and related Canadian legislation, the Manager is required to report certain information with respect to unitholders who are U.S residents, U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other “U.S. Persons” as defined under the IGA (excluding certain registered plans, such as RRSPs), to the CRA. It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. The Manager may be required to report similar information in connection with other jurisdictions.

Referral Arrangement

Series D units of Sprott Tactical Balanced Fund are offered to Members of FNSSC who purchase units of the Fund through their brokers and dealers in Canada. FNSSC promotes the existence and availability of the Fund to Members who may be interested in purchasing Series D units of the Fund through their brokers and dealers (a “Referral”). We have entered into a written agreement governing such Referrals with FNSSC.

We are registered as an adviser in the category of portfolio manager in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador, and as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer in Ontario. We will at all times during the period of the referral arrangement maintain our registration in such categories of registration or such other categories of registration required or permitted from time to time to provide such services, including the category of investment fund manager.

All activities requiring registration under applicable securities legislation in connection with a Referral will be provided by us.

Referral Fees

The current referral fee is determined and payable as follows:

1. We pay a referral fee to FNSSC, which is based on an annual rate of 0.20% of the net asset value of all Series D units of Sprott Tactical Balanced Fund held by Members who were resident in a province or territory of Canada at the time of purchase.

2. The referral fee in respect of Series D units of Sprott Tactical Balanced Fund held by a Member at any given time is calculated monthly on the last business day of each month as the net asset value per Series D unit of the Fund as at the close of business on such day, multiplied by the number of Series D units of the Fund held by the Member at the close of business on such day.

3. Referral fees are paid to FNSSC by us in arrears within five business days of the end of each quarter.

Conflicts of Interest

As of the date of this Simplified Prospectus, we are not aware of any conflict of interest between FNSSC and us or Sprott Tactical Balanced Fund.

SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

FUND DETAILS

This tells you:

- **Type of Fund**: the type of mutual fund
- **Date Fund Started**: the date each series of units was first bought by the public
- **Nature of Securities Offered**: the type of units that the Fund offers
- **Registered Tax Plan Status**: whether the Fund is a qualified investment for a registered tax plan
- **Management Fees**: the annual rate of management fees payable by each series of the Fund

WHAT DOES THE FUND INVEST IN?

This tells you the Fund's:

- **Investment objectives**: the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in
- **Investment strategies**: how the Portfolio Manager tries to meet the Fund's objectives

Each of the Funds may invest in securities of other mutual funds, including Sprott mutual funds, if the Portfolio Manager believes such investment will provide enhanced portfolio diversification, a lower administrative burden to manage the Fund and/or lower costs.

Exemptive Relief to Invest in Leveraged and Commodity ETFs

The Manager and the Funds have obtained relief from the Canadian securities regulatory authorities to permit each Fund, subject to the limits described in each specific Fund's investment strategy section, to: (i) invest indirectly in physical commodities through investments in Commodity ETFs (as defined below) and (ii) invest in the following categories of ETFs (the "Underlying ETFs") traded on a stock exchange in Canada or the United States that do not qualify as "index participation units" (as defined in NI 81-102): (a) ETFs that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the "Underlying Index") by a multiple of up to 200% or an inverse multiple of up to 200%, (b) ETFs that seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of up to 100%, (c) ETFs that seek to replicate the performance of gold or silver or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis (collectively, "Unlevered Gold/Silver Interest"), by a multiple of up to 200% ("Leveraged Gold ETFs" and "Leveraged Silver ETFs", respectively) and (d) ETFs that have exposure to one or more physical commodities other than gold or silver, on an unlevered basis (together with Leveraged Gold ETFs and Leveraged Silver ETFs, "Commodity ETFs").

Related Dealer Relief

Each Fund has obtained an exemption from the Canadian securities regulatory authorities allowing it to engage in certain transactions in equity and debt securities which, without the exemption, would be prohibited. Pursuant to such exemption, each Fund, with the approval of the IRC in accordance with National Instrument 81-107 and subject to compliance with certain other provisions of National Instrument 81-107 and National Instrument 81-102, may (i) purchase equity securities of a reporting issuer during the period of distribution of the issuer's securities pursuant to a "private placement" offering (an offering under exemptions from the prospectus requirements) and for the 60-day period following the completion of the offering; and (ii) purchase debt securities (other than asset-backed commercial paper) which do not have an approved rating by an approved credit rating organization during the period of distribution of the debt securities and for the 60-day period following the period of distribution, each notwithstanding that a related dealer is acting or acted as underwriter in connection with the relevant offering of the same class of such securities. The purchase must also comply with the investment objectives of the Fund.

Cleared Swap Relief

The Manager has obtained relief from the counterparty credit rating requirement, the counterparty exposure threshold and certain custodial requirements that apply to the Funds to permit the Funds to clear swaps through certain futures commission merchants in Canada, the U.S. and Europe. For more information on this relief see the Fund's Annual Information Form.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means under "What are the Risks of Investing in a Mutual Fund?" beginning on page 2.

FUND RISK CLASSIFICATION

We identify the investment risk level of each Fund as an additional guide to help you decide whether the Fund is right for you. Our determination of the volatility risk rating for each Fund is guided by the methodology recommended by The Investment Funds Institute of Canada ("IFIC"). IFIC recommends that the most easily understood form of risk in this context is the historical volatility risk of a fund as measured by the standard deviation of fund performance. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. A fund's risk is measured using rolling 1, 3 and 5 year standard deviation and comparing these values against other mutual funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a mutual fund has historically experienced over the set measurement periods. For Funds that have historical performance of less than 3 to 5 years, the Manager used an appropriate benchmark index to estimate the expected volatility and therefore risk level of the Funds. Where appropriate in the opinion of the Manager, the Manager may apply qualitative factors to classify a Fund in either a higher or lower risk rating than the volatility category indicated by the recommendations of IFIC. You should also be aware that other types of risk, both measurable and non-measurable may exist. Additionally, a Fund's historical volatility may not be indicative of its future volatility.

Each Fund is assigned an investment risk rating in one of the following categories:

Low – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

Low-to-Medium – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

Medium – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;

Medium-to-High – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

High – for funds with a level of risk that is typically associated with investments in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets).

Although monitored on a monthly basis, we review the investment risk level of each Fund on an annual basis.

The method that we use to identify the investment risk level of each Fund is available on request, at no cost, by calling us at 1-866-299-9906 or by sending an email to *invest@sprott.com*.

WHO SHOULD INVEST IN THIS FUND?

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

DISTRIBUTION POLICY

This tells you how often you will receive distributions and how they are paid.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

In addition to paying management fees and incentive fees, each series of units of a Fund pays for its own operating expenses and its proportionate share of common operating expenses. These amounts are paid for out of the assets of the Fund, which means that you indirectly pay for these amounts through lower returns.

The chart in this section lets you compare the cost of investing in each series of units of the Fund with the cost of investing in other mutual funds. The chart shows the cumulative fees and expenses you would have paid if:

- you invested $1,000 for the period shown (without any sales charges);
- the Fund paid the same MER[1] in each period shown as it did in its last completed financial year;
- if a Fund pays an incentive fee, the Fund paid an incentive fee based on an annual return of 5.0% in its last financial year; and

[1] The MER of each of the Sprott Tactical Balanced Fund and the Sprott Diversified Bond Fund also includes the MERs that are paid by the ETFs in which the Funds invest.

See "Fees and Expenses" on page 16 for more information about the cost of investing in the Funds.

SPROTT CANADIAN EQUITY FUND

FUND DETAILS

Type of Fund:	Canadian Focused Equity, Growth and Value
Date Started:	Series A: September 26, 1997 Series F: October 12, 2004 Series I: November 2, 2009
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.50% Series F: Up to 1.50% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives
The investment objectives of the Fund are to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Total Return Index (or its successor index), over the long term of 5+ years, providing long-term capital appreciation and value by investing primarily in small-to-mid capitalization stocks of Canadian issuers. To assist in achieving this objective, the Fund may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies
The key aspect of the Fund's strategy is seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The Portfolio Manager looks for exciting ideas and opportunities whose full value has yet to be realized. In determining the portfolio's sector weighting, the Portfolio Manager thoroughly analyzes the current economic conditions and trends in North American and global economies and seeks to respond quickly to such changes. The portfolio is positioned in accordance with the Portfolio Manager's market view from time to time. Sector allocations may vary significantly over time.

The Fund's investment focus is small-to-mid capitalization Canadian equities with the potential for high appreciation in sectors that the Portfolio Manager believes to be economically favourable. The Fund may from time to time over weight certain industry sectors such as gold, silver, oil and gas and certain asset classes, such as cash, gold and silver when deemed appropriate by the Portfolio Manager. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The Fund has obtained relief from the Canadian securities regulators to permit the Fund to invest up to 20% of its net assets in gold or a permitted gold certificate and silver (or specified derivatives of which the underlying interest is gold or silver) at the time of investment. The Fund may also invest in other ETFs as permitted by securities regulations and as described below.

The Fund may also choose to:

- invest in Canadian debt securities and foreign securities, provided such investments comply with the investment restrictions and practices adopted by the Fund. The Fund's aggregate exposure to foreign securities will not exceed approximately 35% (at the time of investment and on a cost basis) of its assets. The Fund may invest in debt securities primarily for defensive purposes. The Fund may also choose other permitted investments when considered appropriate;

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see “Securities lending, repurchase and reverse repurchase transactions risk” on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see “Short selling risk” on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities);

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

  - hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies; and

  - gain exposure to individual securities and markets instead of buying the securities directly

  (please see “Derivatives risk” on page 3 for more information on the risks associated with the use of such derivatives).; and

- pursuant to the regulatory relief to invest in leveraged and commodity ETFs described on page 26, invest:

  (i) in Commodity ETFs provided that (i) the Fund’s market value exposure (whether direct or indirect) to all physical commodities (including gold and silver), does not exceed 20% of the net asset value of the Fund, at the time of the transaction and (ii) the Fund’s market value exposure to physical commodity other than gold or silver is not more than 10% of the net asset value of the Fund at the time of the transaction,

  (ii) in aggregate, up to 10% of its net assets in Underlying ETFs as measures at the time of the investment,

  (iii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

  You will find details of the risks of these ETF investments under “Exchange traded funds risk” on page 4.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor’s income for tax purposes. There isn’t necessarily a relationship between the turnover rate and the Fund’s performance.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Commodity risk
- Concentration 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
- Small capitalization natural resource company risk
- Small company risk
- Tax risk
- Uninsured losses risk

You may refer to pages 2 to 6 for descriptions of these risks.

Over the 12 month period preceding April 30, 2016, from time to time the Fund invested more than 10% of its net assets in securities of four different issuers. It invested as much as 11.8% in securities issued by Intertain Group Ltd., as much as 10.8% in securities issued by Amaya Inc., as much as 10.6% in securities issued by Nobilis Health Corp. and as much as 10.3% in securities issued by Concordia Healthcare Corp. Please see page 3 for a description of Concentration risk.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is High risk and it is appropriate if you have the expectation of long-term returns, which requires the ability to assume short-term volatility over a long-term investment horizon. Please see "Fund Risk Classification" on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for those investors who are less conservative and those who want to share in the opportunities offered by the Canadian economy.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net realized capital gains so that the Fund will not pay any income tax. The net investment income and the net realized capital gains of the Fund will be distributed annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	**Three Years**	**Five Years**	**Ten Years**
Series A ($)	34.34	104.63	177.15	368.62
Series F ($)	23.27	71.69	122.73	262.76
Series I ($)	6.15	19.27	33.57	75.17

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

SPROTT DIVERSIFIED BOND FUND

FUND DETAILS

Type of Fund:	Diversified High-Yield Fixed Income
Date Fund Started:	Series A: August 5, 2010 Series T: August 5, 2010 Series F: August 5, 2010 Series FT: September 21, 2011 Series P: May 28, 2015 Series PT: May 28, 2015 Series PF: May 28, 2015 Series PFT: May 28, 2015 Series Q: May 28, 2015 Series QT: May 28, 2015 Series QF: May 28, 2015 Series QFT: May 28, 2015 Series I: December 1, 2010
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 1.65% Series T: Up to 1.65% Series F: Up to 0.75% Series FT: Up to 0.75% Series P: Up to 1.55% Series PT: Up to 1.55% Series PF: Up to 0.65% Series PFT: Up to 0.65% Series Q: Up to 1.45% Series QT: Up to 1.45% Series QF: Up to 0.55% Series QFT: Up to 0.55% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund's investment objectives are to maximize the total return of the Fund and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies

To achieve the Fund's investment objectives, the Portfolio Manager takes a flexible approach in investing in debt instruments and debt-like securities (such as convertible bonds) and the allocation depends on the Portfolio Manager's view of economic and market conditions. In addition, the Portfolio Manager selects the Fund's 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. There are no restrictions on the credit rating of the securities of the Fund and the Portfolio Manager may invest a significant portion of the Fund's assets in non-investment grade and high yield debt securities. The Portfolio Manager may also invest a portion of the Fund's assets in exchange-traded funds to gain exposure to the securities described herein. The Fund's holdings denominated in foreign currencies and the currency exposures will be actively managed and will be generally hedged back to the Canadian dollar as the Portfolio Manager deems appropriate.

A disciplined portfolio construction and risk management process will be utilized. Capital is allocated based on the Portfolio Manager's assessment of anticipated market opportunities and expected risk reward profile. The Fund's portfolio is monitored and rebalanced intra-day as appropriate using both qualitative and quantitative measures. In particular, the Fund's portfolio is reviewed under different stress testing scenarios. Liquidity, credit risk, currency exposure and various risk measures of the Fund's portfolio are calculated.

The Fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see "Short selling risk" on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities);

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

    - gain exposure to individual securities and markets instead of buying the securities directly

    (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).; and

- pursuant to the regulatory relief to invest in leveraged and commodity ETFs described on page 26, invest:

  (i) in Commodity ETFs, and

  (ii) in aggregate, up to 10% of its net assets in Underlying ETFs as measured at the time of the investment,

  provided that (i) the Fund's market value exposure (whether direct or indirect) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund at the time of the investment and (ii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

  You will find details of the risks of these ETF investments under "Exchange traded funds risk" on page 4.

The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund does not have any geographical restrictions on its investments.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

The Fund has obtained relief from the Canadian securities regulators to invest up to: (i) 35% of the proportion of its net asset value then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated “AAA” by Standard & Poor’s, or have an equivalent rating by one or more other approved credit rating organizations; and (ii) 20% of the proportion of its net asset value then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any other issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated “AA” by Standard & Poor’s, or have an equivalent rating by one or more other approved credit rating organizations (such evidences of indebtedness are collectively referred to as Foreign Government Securities). The Fund will only invest in Foreign Government Securities that are traded on a mature and liquid market and where the acquisition of which is consistent with the fundamental investment objectives of the Fund. The risks associated with investing in Foreign Government Securities include concentration risk and foreign investment risk (see “Concentration risk” and “Foreign investment risk” on pages 3 and 4 for a description of these risks and the strategies used by the Fund to minimize these risks).

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Capital depletion risk (Series T, Series FT, Series PT, Series PFT, Series QT, and Series QFT units only)
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Substantial unitholder risk
- Tax risk

You may refer to pages 2 to 6 for descriptions of these risks.

As at April 30, 2016, Sprott Enhanced Balanced Fund held approximately 21% of the units of the Fund and Sprott Diversified Bond Class held approximately 31% of the units of the Fund. Please see “Substantial unitholder risk” on page 6 for a description of the risks associated with possible redemption requests by these investors.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is Low risk and it is appropriate if you have a medium to long-term investment horizon. Please see “Fund Risk Classification” on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors who seek regular income and the potential for capital growth and who want to share in the opportunities offered by debt securities issued by companies and countries from around the world. Seies T, Series FT, Series PT, Series PFT, Series QT and Series QFT units of the Fund are suitable for investors seeking a regular target cash distribution. Series P, Series PT, Series PF and Series PFT units of the Fund are suitable for an investor, discretionary accounts of an advisor and a "household group" with an investment of at least $1 million in the Fund. Series Q, Series QT, Series QF and Series QFT units of the Fund are suitable for an investor, discretionary accounts of an advisor and a "household group" with an investment of at least $5 million of the Fund. For information on what constitutes a "household group", see page 10.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net capital gains so that the Fund will not pay any income tax. For Series A, Series F, Series P, Series PF, Series Q, Series QF and Series I units, distributions of net realized income, if any, are made monthly and distributions of net realized capital gains, if any, are made annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

For Series T, Series FT, Series PT, Series PFT, Series QT, and Series QFT units, unitholders will receive a target monthly distribution of 6% per annum. The target monthly distribution amount will be reset at the beginning of each calendar year to provide an approximate 6% yield based on the net asset value per Series T, Series FT, Series PT, Series PFT, Series QT, and Series QFT units as at December 31 of the prior year. Throughout the year, such monthly distributions to unitholders will be a combination of returns of capital, net income and/or capital gains. The composition of the monthly distributions as among returns of capital, net income and capital gains will vary from month to month. Series T, Series FT, Series PT, Series PFT, Series QT, and Series QFT unit distributions, if any, are determined at the end of each month. Currently, the monthly distribution is expected to be approximately $0.0436 per unit for Series T, $0.0468 per unit for Series FT and $0.05 per unit for Series PT, Series PFT, Series QT, and Series QFT. Unless instructed otherwise, all distributions paid on Series T, Series FT, Series PT, Series PFT, Series QT or Series QFT units will be paid in cash. The Manager reserves the right to adjust the distribution amount if deemed appropriate. There can be no assurance that Series T, Series FT, Series PT, Series PFT, Series QT or Series QFT units will make any distributions in any particular month or months. Additional distributions of net income and distributions of net realized capital gains, if any are required, will be made annually in December.

Returns of capital do not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income". You should not draw any conclusions about the Fund's investment performance from the amount of this distribution.

Returns of capital will result in an encroachment upon your original capital and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable, but will reduce the adjusted cost base (the "ACB") of your units. Where net reductions to the ACB of your units would result in the ACB becoming a negative amount, such amount would be treated as a capital gain realized by you and the ACB of your units will then be nil.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	Three Years	Five Years	Ten Years
Series A ($)	21.73	67.05	114.97	247.13
Series T ($)	21.83	67.36	115.49	248.18
Series F ($)	12.81	39.88	69.01	151.84
Series FT ($)	12.81	39.88	69.01	151.84
Series I ($)	3.18	9.99	17.45	39.38

This information is not available for Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT units of the Fund since these series are new.

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

SPROTT GOLD AND PRECIOUS MINERALS FUND

FUND DETAILS

Type of Fund:	Precious Metals Equity
Date Started:	Series A: November 15, 2001 Series F: October 12, 2004 Series I: October 18, 2001
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.50% Series F: Up to 1.50% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives
The investment objectives of the Fund are to provide long-term capital growth. In order to achieve its investment objectives, the Fund invests primarily in gold, gold certificates, precious metals and minerals, the certificates relating to such metals and minerals and/or in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of gold and precious metals and minerals.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies
The principal investment strategy that this Fund uses in achieving its investment objectives involves fundamental analysis to seek to identify securities with superior investment opportunities that have the potential for capital appreciation over the long-term. This involves seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The Fund may also invest in gold, silver, platinum and palladium in the form of bullion, coins and storage receipts and certificates relating to such minerals and metals.

At times, the Fund may choose to temporarily invest in cash or cash equivalent securities as a defensive strategy or for other reasons.

The Fund deviates from the standard investment restrictions and practices of the Canadian securities regulators. It has obtained approval to invest: (i) directly and indirectly in certain commodities such as precious metals and minerals, and (ii) in excess of 10% of its net assets in gold or permitted gold certificates.

Pursuant to the regulatory relief to invest in leveraged and commodity ETFs, described on page 26, invest in Commodity ETFs that provide exposure to gold, silver and other precious metals and minerals provided that:

(i) the Fund's market value exposure (whether direct or indirect) to gold, silver and other precious metals and minerals does not exceed 100% of the net asset value of the Fund, at the time of the transaction, and

(ii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

You will find details of the risks of these ETF investments under "Exchange traded funds risk" on page 4.

The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see "Short selling risk" on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities); and

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

    - gain exposure to individual securities and markets instead of buying the securities directly

  (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).

The Fund does not have any geographical restrictions on its investments.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Commodity risk
- Concentration risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Liquidity risk
- Market risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Substantial unitholder risk
- Tax risk
- Uninsured losses risk

You may refer to pages 2 to 6 for descriptions of these risks.

As at April 30, 2016, Sprott Gold and Precious Minerals Class held approximately 14% of the units of the Fund. Please see “Substantial unitholder risk” on page 6 for a description of the risks associated with possible redemption requests by this investor.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is High risk and it is appropriate if you have a long-term investment horizon. Please see “Fund Risk Classification” on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for those investors who want exposure to the capital appreciation potential of gold and precious metals and minerals and equity securities of companies that are involved in the exploration, mining, production or distribution of gold and precious metals and minerals.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund’s net investment income and net realized capital gains so that the Fund will not pay any income tax. The net investment income and the net realized capital gains of the Fund will be distributed annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund’s returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	**Three Years**	**Five Years**	**Ten Years**
Series A ($)	32.70	99.80	169.24	353.64
Series F ($)	21.83	67.36	115.49	248.18
Series I ($)	11.99	37.36	64.70	142.66

See “Fees and Expenses” on page 16 for more information about the costs of investing in the Fund.

SPROTT ENERGY FUND

FUND DETAILS

Type of Fund:	Energy Equity
Date Started:	Series A: April 15, 2004 Series F: April 15, 2004 Series I: April 15, 2004
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.50% Series F: Up to 1.50% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives
The Fund seeks to achieve long-term capital growth. The Fund invests primarily in equity and equity-related securities of companies that are involved directly or indirectly in the exploration, development, production and distribution of oil, gas, coal, or uranium and other related activities in the energy and resource sector.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies
To achieve the Fund's investment objectives, the Portfolio Manager employs fundamental analysis to seek to identify superior investment opportunities with the potential for capital appreciation over the long-term. This is accomplished by seeking out undervalued companies backed by strong management teams and solid business models that can benefit from both industry and macro-economic trends.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain sub-sectors within the energy and resource sector, when deemed appropriate by the Portfolio Manager. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Capped Energy Total Return Index (or its successor index). The Fund may be subject to pronounced cycles and widely varying conditions in the equity markets.

The Fund may also choose to:

- invest in and overweight cash and fixed income securities based on the market outlook for the energy sector;

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see "Short selling risk" on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities);

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

- hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

- gain exposure to individual securities and markets instead of buying the securities directly

(please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).; and

- pursuant to the regulatory relief to invest in leveraged and commodity relief as described on page 26, invest:

(i) in Commodity ETFs and

(ii) in aggregate, up to 10% of its net assets in Underlying ETFs as measured at the time of the investment,

provided that (i) the Fund's market value exposure (whether direct or indirect) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund at the time of the investment and (ii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

You will find details of the risks of these ETF investments under "Exchange traded funds risk" on page 4.

The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund does not have any geographical restrictions on its investments.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The unit value of the Fund will be affected by changes in the price of energy and energy-related natural resource commodities. These prices can change significantly as a result of supply and demand, speculation, and government and regulatory activities.

The Fund is also generally exposed to the following risks:

- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Tax risk

You may refer to pages 2 to 6 for descriptions of these risks.

Over the 12 month period preceding April 30, 2016, from time to time the Fund invested more than 10% of its net assets in securities of eleven different issuers. It invested as much as 13.3% in securities issued by Whiting Petroleum Corporation, as much as 11.8% in securities issued by Baytex Energy Corp., as much as 11.7% in securities issued by Crescent Point Energy Corp., as much as 11.0% in securities issued by Boulder Energy Ltd., as much as 10.7% in securities issued by Cardinal Energy Ltd., as much as 10.6% in securities issued by Secure Energy Services Inc., as much as 10.6% in securities issued by Torc Oil & Gas Ltd., as much as 10.5% in securities issued by Devon Energy Corp., as much as 10.5% in securities issued by Bonterra Energy Corp., as much as 10.4% in securities issued by Northern Blizzard Resources Inc. and as much as 10.2% in securities issued by Continental Resources Inc. Please see page 3 for a description of Concentration risk.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is High risk and it is appropriate if you have a long-term investment horizon. Please see "Fund Risk Classification" on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors seeking the long-term capital growth potential of the energy and resource sectors.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net realized capital gains so that the Fund will not pay any income tax. The net investment income and the net realized capital gains of the Fund will be distributed annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	Three Years	Five Years	Ten Years
Series A ($)	34.13	104.03	176.17	366.76
Series F ($)	23.06	71.07	121.69	260.69
Series I ($)	-	-	-	-

This information is not available for Series I units of the Fund since no Series I units are outstanding as of the date of this Simplified Prospectus.

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

SPROTT SHORT-TERM BOND FUND

FUND DETAILS

Type of Fund:	Canadian Short-Term Fixed Income
Date Started:	Series A: August 5, 2010 Series F: August 5, 2010 Series I: December 6, 2010
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 0.75% Series F: Up to 0.50% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives
The Fund's objectives are to provide a regular income while preserving capital and maintaining liquidity. The Fund invests primarily in short-term debt securities issued by Canadian federal, provincial and municipal governments as well as corporate issuers.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies

To achieve the Fund's investment objectives, the Portfolio Manager will employ investment strategies based upon:

- economic research,
- quantitative and technical analysis,
- the analysis of credit quality pertaining to prospective investments, and
- establishing an evolving asset allocation containing government and corporate bonds.

The Fund may invest a portion of its assets in short-term debt securities of foreign issuers. The Fund's aggregate exposure to foreign securities will not exceed approximately 10% (at the time of investment and on a cost basis) of its assets. The Fund may also invest a portion of its assets in exchange-traded funds to gain exposure to the securities described herein.

The Fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

- hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

- gain exposure to individual securities and markets instead of buying the securities directly

(please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- 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
- Substantial unitholder risk
- Tax risk

You may refer to pages 2 to 6 for descriptions of these risks.

As at April 30, 2016, Sprott Short-Term Bond Class held approximately 35% of the units of the Fund and one investor held approximately 13% of the units of the Fund. Please see "Substantial unitholder risk" on page 6 for a description of the risks associated with possible redemption requests by these investors.

Over the 12 month period preceding April 30, 2016, from time to time the Fund invested more than 10% of its net assets in securities of four different issuers. It invested as much as 13.6% in securities issued by Canada Housing Trust No. 1, 1.2%, 06/15/20, as much as 11.7% in securities issued by Canada Housing Trust No. 1, 1.25%, 12/15/20, as much as 10.6% in American Express Canada Credit Corp., 2.31%, 03/29/18 and as much as 10.6% in BP Capital Markets PLC, 2.74%, 02/24/17. Please see page 3 for a description of Concentration risk.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is Low risk and it is appropriate if you have a short-term investment horizon. Please see "Fund Risk Classification" on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors who seek exposure to short-term high quality fixed income securities issued primarily by Canadian governments and companies.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net capital gains so that the Fund will not pay any income tax. Distributions of net income, if any, are made monthly and distributions of net realized capital gains, if any, are made annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	Three Years	Five Years	Ten Years
Series A ($)	10.05	31.36	54.40	120.58
Series F ($)	7.07	22.14	38.53	86.07
Series I ($)	1.95	6.13	10.72	24.27

Notes:

During the Fund's financial year ended December 31, 2015, the Manager absorbed a portion of the expenses of the Fund. Had the Manager not absorbed certain expenses, (i) the expenses reflected in the above table in respect of Series A units would have been $18.45 for one year, $57.11 for three years, $98.26 for five years and $213.02 for ten years; (ii) the expenses reflected in the above table in respect of Series F units would have been $15.58 for one year, $48.37 for three years, $83.45 for five years and $182.29 for ten years; and (iii) the expenses reflected in the above table in respect of Series I units would have been $10.05 for one year, $31.36 for three years, $54.40 for five years and $120.58 for ten years

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

SPROTT SMALL CAP EQUITY FUND

FUND DETAILS

Type of Fund:	Canadian Small/ Mid Cap Equity
Date Started:	Series A: August 23, 2007 Series F: August 23, 2007 Series I: November 2, 2009
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.50% Series F: Up to 1.50% Series I: negotiated by the unitholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives
The objectives of the Fund are to achieve long-term capital growth by investing primarily in small capitalization equity and equity-related securities listed in Canada, with some exposure to global small capitalization equities.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies
To achieve the Fund's investment objectives, the Portfolio Manager employs an investment style which is a combination of value and growth. The Portfolio Manager selects a broadly diversified portfolio of securities that it believes offer a good balance between reasonable valuations and attractive growth prospects relative to their peers. This Fund focuses on seeking out undervalued companies with strong management teams and financial strength.

The Fund's portfolio weighting may differ substantially from the weightings of the S&P/TSX SmallCap Total Return Index or its successor index.

The Fund's investments will include Canadian small capitalization equity and equity-related securities listed in Canada, with some exposure to global small capitalization equities. The Fund's aggregate exposure to foreign securities will not exceed approximately 35% (at the time of investment and on a cost basis) of its assets. The Fund may also choose other permitted investments such as cash when considered appropriate.

The Fund may also choose to:

- invest in Canadian debt securities primarily for defensive purposes;

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see "Short selling risk" on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities);

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

  - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

  - gain exposure to individual securities and markets instead of buying the securities directly

  (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).; and

- pursuant to the regulatory relief to invest in leveraged and commodity relief as described on page 26, invest:

  (i) in Commodity ETFs and

  (ii) in aggregate, up to 10% of its net assets in Underlying ETFs as measured at the time of the investment,

  provided that (i) the Fund's market value exposure (whether direct or indirect) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund at the time of the investment and (ii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

  You will find details of the risks of these ETF investments under "Exchange traded funds risk" on page 4.

The Fund may also invest in other ETFs as permitted by securities regulations.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small company risk
- Substantial unitholder risk
- Tax risk

You may refer to pages 2 to 6 for descriptions of these risks.

As at April 30, 2016, one investor held approximately 10% of the units of the Fund. Please see "Substantial unitholder risk" on page 6 for a description of the risks associated with possible redemption requests by this investor.

Over the 12 month period preceding April 30, 2016, from time to time the Fund invested more than 10% of its net assets in securities of two different issuers. It invested as much as 10.7% in securities issued by NYX Gaming Group Ltd. and as much as 10.1% in securities issued by Cardinal Energy Ltd. Please see page 3 for a description of Concentration risk.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is Medium-to-High risk and it is appropriate if you have a long-term investment horizon. Please see "Fund Risk Classification" on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors seeking long-term capital growth wanting to share in the opportunities offered by the growth potential of equity securities of primarily small capitalization Canadian companies.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net realized capital gains so that the Fund will not pay any income tax. The net investment income and the net realized capital gains of the Fund will be distributed annually in December to the Fund's investors. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	Three Years	Five Years	Ten Years
Series A ($)	41.10	124.41	209.20	427.88
Series F ($)	36.59	111.26	187.93	388.81
Series I ($)	-	-	-	-

This information is not available for Series I units of the Fund since no Series I units are outstanding as of the date of this Simplified Prospectus.

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

SPROTT TACTICAL BALANCED FUND

FUND DETAILS

Type of Fund:	Tactical Balanced
Date Started:	Series A: November 2, 2009 Series T: January 3, 2011 Series F: November 2, 2009 Series FT August 24, 2011 Series I: October 15, 2009 Series D[1]: April 2, 2009
Nature of Securities Offered:	Units of a mutual fund trust
Registered Tax Plan Status:	Qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.25% Series T: Up to 2.25% Series F: Up to 1.25% Series FT: Up to 1.25% Series I: negotiated by the unitholder Series D: Up to 2.25%

1. Series A units prior to November 2, 2009.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objectives of the Fund are to seek to provide a total return over the long term by investing primarily in a portfolio of mutual funds that are managed by the Manager, its associates or its affiliates. The Fund may also invest in gold bullion, exchange traded funds and equity and/or fixed income securities.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies

To achieve these objectives, the Fund employs a flexible and opportunistic investment approach that has the potential to perform well in a variety of market environments. The Fund seeks total return over the long-term. Total return includes capital gains, interest and dividends.

The Portfolio Manager expects to allocate the Fund's assets among the following asset classes according to the approximate ranges set out below. Such ranges are designed to allow the Portfolio Manager to vary the weighting of the Fund's portfolio within the asset classes to provide the Portfolio Manager with the flexibility to meet the investment objectives as it considers appropriate in a variety of market environments.

Asset Class	Range
Equity funds	40% - 60%
Fixed-income funds	25% - 45%
Gold bullion funds	0% - 10%
Tactical investments (exchange traded funds, direct investments in gold bullion, equity and/or fixed-income securities and use of derivatives)	0% - 20%

The percentages listed above are approximate due to continuous market fluctuations and administrative efficiencies. As a result, the actual percentages invested in the asset classes on any given day may not exactly conform to the percentages set forth above. Rebalancing will be done at the discretion of the Portfolio Manager.

The Portfolio Manager may, in its sole discretion, change the permitted ranges and/or add or remove one or more underlying asset classes in order to meet the Fund's investment objectives.

The Fund may also choose to:

- invest in short-term debt securities or cash for operational purposes, such as maintaining liquidity to accommodate redemption requests and to rebalance its holdings in underlying funds;

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulators (please see "Short selling risk" on page 5 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities);

- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

  - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies; and

  - gain exposure to individual securities and markets instead of buying the securities directly

  (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of such derivatives).; and

- pursuant to the regulatory relief to invest in leveraged and commodity relief as described on page 26, invest:

  (i) in Commodity ETFs and

  (ii) in aggregate, up to 10% of its net assets in Underlying ETFs as measured at the time of the investment,

  provided that (i) the Fund's market value exposure (whether direct or indirect) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund at the time of the investment and (ii) no more than 20% of the net assets of the Fund, taken at market value at the time of a transaction, would consist of, in aggregate, securities of Inverse ETFs or Leveraged Bear ETFs and all securities sold short by the Fund.

  You will find details of the risks of these ETF investments under "Exchange traded funds risk" on page 3.

The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund does not have any geographical restrictions on its investments. For the geographical restrictions on the investments of any of the underlying funds, please see the simplified prospectus of the applicable underlying fund.

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor will receive a distribution that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of other mutual funds, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds, which the Fund takes on in proportion to its investment in the underlying funds. The Fund is generally exposed to the following risks:

- Capital depletion risk (Series T and Series FT units only)
- Commodity risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Small company risk
- Tax risk
- Uninsured losses risk

You may refer to pages 2 to 6 for descriptions of these risks.

Over the 12 month period preceding April 30, 2016, from time to time the Fund invested more than 10% of its net assets in securities of five different issuers. It invested as much as 40.7% in securities issued by Sprott Diversified Bond Fund, as much as 40.4% in securities issued by SPDR S&P 500 ETF Trust, as much as 11.0% in securities issued by iShares S&P/TSX 60 Index ETF, as much as 10.7% in securities issued by iShares S&P/TSX Canadian Dividend Aristocrats Index ETF and as much as 10.3% in iShares MSCI Emerging Markets ETF. Please see page 3 for a description of Concentration risk.

FUND RISK CLASSIFICATION

In accordance with the methodology recommended by IFIC, the risk rating assigned to this Fund by the Manager is Medium risk and it is appropriate if you have a medium to long-term investment horizon. Please see "Fund Risk Classification" on page 27 for a description of how we determine the level of investor risk tolerance that would be appropriate for investment in the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors seeking long-term capital growth through investment in a range of asset classes which are selected on a tactical basis. Series T and Series FT units of the Fund are suitable for investors seeking a regular target cash distribution.

DISTRIBUTION POLICY

In each calendar year, the Fund will distribute to its investors a sufficient amount of the Fund's net investment income and net realized capital gains so that the Fund will not pay any income tax. For Series A, Series F, Series I and Series D units, the net investment income and the net realized capital gains of the Fund will be distributed annually in December to investors of such units. All distributions paid to an investor in such units of the Fund will be reinvested automatically in additional units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

For Series T and Series FT units, unitholders will receive a target monthly distribution of 6% per annum. The target monthly distribution amount will be reset at the beginning of each calendar year to provide an approximate 6% yield based on the net asset value per Series T unit and Series FT units as at December 31 of the prior year. Throughout the year, such monthly distributions to unitholders will be a combination of returns of capital, net income and/or capital gains. The composition of the monthly distributions as among returns of capital, net income and capital gains will vary from month to month. Series T and Series FT unit distributions, if any, are determined at the end of each month. Currently, the monthly distribution is expected to be approximately $0.0350 per unit for Series T and Series FT. Unless instructed otherwise, all distributions paid on Series T or Series FT units will be paid in cash. The Manager reserves the right to adjust the distribution amount if deemed appropriate. There can be no assurance that Series T or Series FT units will make any distributions in any particular month or months. Additional distributions of net income and distributions of net realized capital gains, if any are required, will be made annually in December.

Returns of capital do not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income". You should not draw any conclusions about the Fund's investment performance from the amount of this distribution.

Returns of capital will result in an encroachment upon your original capital and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable, but will reduce the adjusted cost base (the "ACB") of your units. Where net reductions to the ACB of your units would result in the ACB becoming a negative amount, such amount would be treated as a capital gain realized by you and the ACB of your units will then be nil.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

For a description of, and the assumptions used to prepare, this chart, see page 28.

	One Year	**Three Years**	**Five Years**	**Ten Years**
Series A ($)	29.62	90.69	154.27	324.92
Series T ($)	30.03	91.91	156.28	328.80
Series F ($)	18.14	56.18	96.68	209.77
Series FT ($)	-	-	-	-
Series D ($)	30.75	94.04	159.78	335.55
Series I ($)	-	-	-	-

Notes:

During the Fund's financial year ended December 31, 2015, the Manager absorbed a portion of the expenses of the Fund. Had the Manager not done so, (i) the expenses reflected in the above table in respect of Series A units would have been $39.98 for one year, $121.13 for three years, $203.92 for five years and $418.27 for ten years; (ii) the expenses reflected in the above table in respect of Series D units would have been $40.80 for one year, $123.52 for three years, $207.76 for five years and $425.27 for ten years; (iii) the expenses reflected in the above table in respect of Series F units would have been $28.60 for one year, $87.64 for three years, $149.24 for five years and $315.15 for ten years; and (iv) the expenses reflected in the above table in respect of Series T units would have been $40.28 for one year, $122.03 for three years, $205.37 for five years and $420.90 for ten years.

This information is not available for Series I or Series FT units of the Fund since no Series I or Series FT units are outstanding as of the date of this Simplified Prospectus.

See “Fees and Expenses” on page 16 for more information about the costs of investing in the Fund.

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll free 1-866-299-9906, or from your dealer, or via email at invest@sprott.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Sprott Canadian Equity Fund

Sprott Diversified Bond Fund

Sprott Gold and Precious Minerals Fund

Sprott Energy Fund

Sprott Short-Term Bond Fund

Sprott Small Cap Equity Fund

Sprott Tactical Balanced Fund

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