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Sprott Energy Fund

Performance as of April 30, 2012

Sprott Asset Management LP

MUTUAL FUNDS

Investment Team

Eric Nuttall, CIM
Portfolio Manager

Eric Sprott, FCA
CEO; CIO
Senior Portfolio Manager, Advisor to the Fund

Fund Objective

The objective of the Sprott Energy Fund is 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, uranium and other related activities in the energy and resource sector.

Fund Details[1]

Lead Portfolio Manager	Eric Nuttall
Portfolio Manager	Eric Sprott
Assets Under Management	$120.0 Million
Fund Type	Energy Sector Fund
Inception Date	April 15, 2004
Unit Price[4]	$16.54
Registered Tax Plan Status	100% Eligible
Min. Initial Investment	$1,000
Min. Subsequent Investment	$100
Valuations	Daily
Management Fee	2.50%
Performance Fee	10% of Excess Over the S&P/TSX Capped Energy TRI
Min. Investment Term*	90 Days (2% Penalty)
Risk Tolerance	High

Fund Codes

Code	NL	FE	LL
Series A		SPR 006	SPR 016
Series F	SPR 008		

*Effective May 1, 2012.

Why Invest in this Fund?

- Provides access to a concentrated portfolio of mid-cap energy companies.
- Benefit from Sprott's exceptional deal flow and numerous company relationships in the energy sector.
- Lead Manager is supported by a team of internal and external energy experts.

Compounded Returns (%)[1]

COMPOUND	1 MTH	3 MTH	6 MTH	1 YR	3 YR	5 YR	INCEPTION
FUND	-4.8	-9.1	-5.1	-18.2	20.6	-6.0	**7.7**
S&P/TSX CAPPED ENERGY TRI	0.2	-5.8	-2.2	-22.1	6.7	-1.7	**8.2**

Annual Returns (%)[1]

CALENDAR	2004	2005	2006	2007	2008	2009	2010	2011	YTD
FUND	47.3	42.4	6.1	17.9	-64.5	76.1	32.6	-11.0	-6.0
S&P/TSX CAPPED ENERGY TRI	-1.2	61.7	4.2	11.2	-35.8	41.5	11.7	-14.8	-1.1

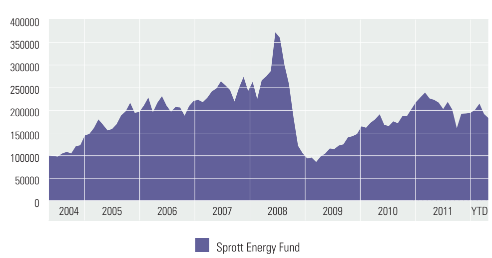
Statistical Analysis[2]

STATISTICS	FUND	S&P/TSX CAPPED ENERGY TRI
Cumulative Return (Since Inception)	**82.1%**	**88.0%**
Standard Deviation	34.8%	24.7%
Sharpe Ratio	0.38	0.44
Total Positive Months	59	56
Total Down Months	38	41
Beta	1.19	

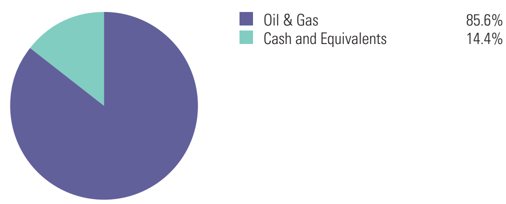
Top Ten Holdings[3]

1. Cash & Cash Equivalents
2. Renegade Petroleum Ltd.
3. Legacy Oil + Gas Inc.
4. Athabasca Oil Sands Corp.
5. Painted Pony Petroleum Ltd. Class A
6. TriOil Resources Ltd.
7. Trilogy Energy Corp.
8. Suncor Energy Inc.
9. Crew Energy Inc.
10. Southern Pacific Resource Co.

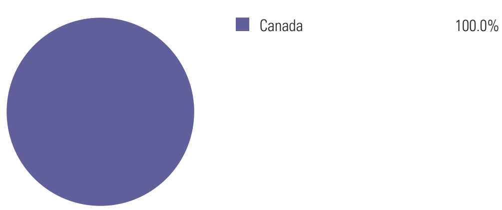
Growth of $100,000 Invested April 15, 2004[1]



Sector Allocation[3]



Country Mix[3]



Sprott Energy Fund

Q1 MARKET COMMENTARY

The first quarter of 2012 has been challenging for energy investors and resource investors alike. Despite a strong January and February, gains evaporated in March due to a sudden shift in risk aversion.

World oil prices continued their ascent from 2011 due to strong underlying demand and supply constraints. Despite ongoing concerns about demand destruction due to high oil prices, indications so far is that demand in the first quarter was up over 1MM Bbl/d year-over-year. We have been of the view that barring a global recession that oil demand should increase by a minimum of 1MM Bbl/d due to emerging economic oil demand driven by changing demographics. Supply remained constrained in many parts of the world. Iranian sanctions due to their nuclear armament program removed approximately 800,000 Bbl/d from the market, and that combined with lost barrels from Sudan resulted in a tight physical market for oil. With Saudi Arabia producing over 10MM Bbl/d we believe that usable OPEC spare capacity sits at around 1MM Bbl/d. The biggest short-term risk that we see to the oil market is a politically motivated release from global strategic petroleum reserves. This has only ever resulted in a temporary suppression in the price of oil, and we believe that this time will be no different.

We have been bearish on natural gas for some time, and fundamentals (and price) continued to deteriorate this quarter. The warmest Winter in 60 years combined with continued production growth resulted in extremely bloated storage levels. Alberta gas storage exited the withdrawal season 83% full, and the US had nearly a 900Bcf year-over-year surplus exiting the Winter. Because storage levels are so high, it is likely that physical storage limitations will be tested at some time this Summer resulting in even weaker natural gas prices. The Fund remains very underweight natural gas.

If one were to remove oneself from the stock market, you would think it was a great time to be an oil company in Canada. Despite a temporary increase in product differentials, margins remain very healthy (over 50% in some cases) allowing for the ability to meaningfully grow production while maintaining low levels of debt. This is reality. Perception has been quite the opposite resulting in very weak equity performances. In many cases stocks have now started to trade below their reserve value which means that investors get all of their unbooked inventory for free (often the inventory is many times larger than their booked reserves). These opportunities do not arise very often.

We remain confident in the fundamentals of our holdings, believing that they offer very good long-term value. Patience will be rewarded in time.

At the manager's request, we encourage investors to visit www.sprott.com/products/sprott-energy-fund/ for a more robust commentary on both the Fund's performance and his market outlook.

[1] All returns and fund details are a) based on Series A units; b) net of fees; c) annualized if period is greater than one year; d) as at April 30, 2012; e) 2004 annual returns are from 04/15/04 to 12/31/04.

[2] Where applicable, all figures are annualized and based on monthly returns since inception. Risk-free rate and minimum acceptable rate calculated using rolling 90-day CDN T-bill rate. The rate of return or mathematical table shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund.

[3] Top ten holdings, sector allocation, and country mix as at March 30, 2012. Market commentary as at March 30, 2012. Sector weightings calculated as % of long portfolio, net of cash and bullion.

[4] Post-distributions of $2.05 at 12/31/2006.

Sprott Asset Management LP: Toll Free: 1.866.299.9906

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